

**MINUTES No: 1 OF THE BOARD OF DIRECTORS MEETING  
OF THE NATIONAL ROADS AUTHORITY  
FRIDAY, AUGUST 20, 2004**

**Present were:** Mr. J. L. Hurlston - Chairman  
Mr. Troy Whittaker - Deputy Chairman  
Mr. Justin Woods  
Ms. Marilyn Conolly  
Ms. Debra Welcome  
Mr. Dan Tibbetts

**Apologies for absence:**

**Specially Invited Guests:** Hon. Gilbert McLean - Minister  
Ms. Andrea Bryan - Permanent Secretary  
Mr. Daniell Rattan - Chief Financial Officer  
Mr. Colford Scott - Chief Engineer  
Mr. Edward Howard - Actng Deputy Chief Engineer

(Roads)

**1.0 Call to Order**

The Chairman called the meeting to order at 3:10 p.m. and thanked everyone for attending the first meeting of the National Roads Authority (NRA) Board. He then asked the Minister to give his opening remarks.

**2.0 Opening Remarks By Minister**

The Minister thanked those persons present for accepting the positions as directors to the Board and noted that this day was making history in the Cayman Islands because sometime ago he and his colleague had moved a motion to bring into effect a Roads Authority and provide a source of revenue for the country. At the time this was not brought into effect and he was pleased to see that now it has come into effect. He said that he was happy to be a part of the Government when this was happening. He also went on to say that he saw the NRA as being an essential part of the growth to the Cayman Islands, especially looking now at the rate that the traffic has grown and the physical development that had been done to accommodate this increase in traffic. There is no question as to its importance. It is something brand new and it was always with the PWD. He noted that the Roads Section of the PWD will no longer exist and now becomes an entity unto itself. The financing of the Authority will be done via revenue statements from the NRA with certain percentages being charged. This financing will not meet the full needs of the NRA and the Authority will have to seek their own financing by borrowing. The Minister noted that a comprehensive report had been prepared by Ms. Conolly in relation to the NRA and thanked her for doing so. He asked the directors to make sure to familiarise themselves with the contents. He also noted that this first meeting was being held to deal with items that needed immediate attention in terms of financing and administration. The Minister stressed the point that all directors were appointed based on fair representation and not because of affiliation to any political party. He emphasised that the persons on the Board were there because of their knowledge and experience in certain areas that will enable the Authority to carry out its mandate and that politics did not come into play. He noted that the formation of the NRA was for the good of all persons in the Cayman Islands. He requested that they work well together to put in place policies of Government and these policies will be set out to the Board in writing and the Board will then act accordingly.

In relation to the PWD and its Building Section, the Minister advised that it would remain on its present site and the NRA for the time being would be sharing the same premises. He, however, would like to recommend that at some future time another building/office could be found to accommodate the NRA.

The Law, the Minister pointed out also provides for the services of an Executive Secretary who has a number of important functions to perform in relation to the Authority. It should be the post of Higher Executive Officer or

above to get things going. He advised that all directors should undertake to attend meetings at the required dates and times as set by the Board and if someone does not attend meetings for a certain number of times, that persons should be changed and the Ministry informed so that they can act accordingly. The Minister pointed out too that if the Board felt that an amendment to the Law was needed in order to keep it up to date, then the Ministry should be informed in writing so that this could be done.

He noted that the Authority was established to serve all three Islands and indicated that a query with respect to this had been raised in the Legislative Assembly about this and that funding comes from the NRA for road development in Cayman Brac and Little Cayman. The Board needed to be aware of this situation and the Attorney General has been written to for an opinion on the matter. The Minister advised that an amendment will be done to the Law to allow for representation for someone from Cayman Brac and Little Cayman to be a member of the Board and with this in mind, Mr. Tibbetts had been selected to serve on the Board. At this point Mr. Tibbetts thanked the Government for what had been done with respect to roads improvement in Cayman Brac and Little Cayman. The Minister also emphasised that whatever is going to be carried out in terms of road improvements/developments has to be gazetted. The Minister noted that the construction of roads was very technical, but the Board had the necessary expertise in its membership to handle this. He advised that he had been approached by some investors who wanted to participate in road projects and mentioned the Private Finance Initiative (PFI), but noted that possession of roads and lands should remain with Government, but the Board should look at any proposals presented and then make their recommendations to Government. He also pointed out that there were written guidelines for the Authority to report to Government/Ministry. In closing the Minister thanked everyone once again for agreeing to serve and to see history being made.

## **2.2 Chairman's Opening Remarks**

The Chairman then expressed his appreciation for the appointments and recognised the responsibility that the Authority had and he would ensure that the Authority performed its duties with success. He noted that the relationship between the Ministry and the Board was important and that the duties are clearly outlined and accountability is essential. He advised that some decisions need to be made in respect of management and departmental issues, for example, the transfer of senior staff of the PWD to the NRA as well as matters related to funding. On this note, the Chairman advised that a presentation on the matter of funding would be done next Friday, August 27, 2004 to the Board. The Chairman also pointed out that under the Law documents for directors should be circulated at least seven days before the date of the meeting and indicated that due to circumstances this was unavoidable. He would endeavour to have this rectified in the future.

He pointed out that the public is aware of the existence of the NRA and he has received a telephone call in his capacity as Chairman to make a comment. He noted that he had promised that he would do so in the near future and pointed out that some public relations needs to be generated. He indicated that since there is some public awareness, they would be more understanding if they are kept informed and will know that it takes time for things to come on stream.

With respect to the physical location of the offices, he noted that there was no reason, for the time being, why the present arrangement could not continue. He noted that relocation would bring additional costs so the NRA would continue to occupy space on the PWD compound. The Chairman commented that in looking at the Law, it states clearly the role of the Board and where necessary clarification would be sought from the Ministry.

The Chairman noted that time is money and therefore not to be wasted and with that in mind he indicated that he would like to conclude the meeting at 4:30 p.m. or 4:45 p.m. the latest. He indicated that he had amended the order of the agenda slightly to allow the meeting to end at the appointed time.

The Chairman asked that the report which had been prepared by the Ministry be taken as read and then went through it on a page by page basis noting the contents after which the report was adopted.

The Chairman advised that he would now take the other three reports on the agenda and after that is done he would ask the professional staff of the PWD to leave in order that the issues regarding administration and staffing could be discussed.

### **3.0 Report from Chief Engineer**

The Chief Engineer distributed copies of his report to the members and highlighted a number of points in his overview of the Roads Section of the Department. He noted that the staff was comprised of both group (biweekly) and monthly paid employees with two persons needing to be appointed to their posts – a matter which will be brought before the Board. He also advised that 10% of the staff were over the age of 60 and the department had taken on three summer students.

Presently funds for the Roads Division were allocated under the outputs known as NRA 1 and NRA 2 with \$5 Million being allocated for roads maintenance. With respect to vehicles he pointed out that approximately \$672,000 had been allocated for vehicle replacement for the 80 units were presently in operation. He noted that 50% of the units were overage and this represents 1/3 of the costs of upkeep of these units. He also advised that over the next three years it is hoped that the department remove all over age vehicles because they contribute to high maintenance and downtime, which invariably impacts productivity of the workers.

In Grand Cayman the Chief Engineer noted that there is 80 miles of paved road surfaces and the others were mainly chip and spray. He noted that eight major traffic signals had been installed and the department had also moved to constructing roundabouts which was a more cost efficient method than installing a traffic signal. He noted that once motorists understand how to use roundabouts, the accident rates went down. He explained that legislation needed to be updated with respect to the yellow line markings in the road and advised the location of these markings.

The Chief Engineer advised that there was a drainage problem in the George Town area which has become worse as developers are building on higher ground and this forces water down to the lower levels. He noted that some difficulties were being experienced with the drainage system due to the fact that now the wetlands are being developed. He pointed out that the storm water management report had been completed and an additional study needs to be conducted.

The department also manages and monitors the importation of explosives and there are three main importers: one in Cayman Brac and two in Grand Cayman.

With respect to the Transportation Planning Unit – the focus is on long range planning and development taking place in land left for road corridors and was omitted in the plan and was not included in the 1997 amendment. He noted that the department needed to plan ahead so that space will need to be made available and this is for all districts and will alleviate the purchase of expensive real estate to build. He noted that the need for roads is generated by the flow of traffic and explained the method used to measure the flow of traffic in certain areas. The matters related to widening of the roads will be brought to the attention of the Board especially where capacity needs to be increased.

The Chairman indicated that one area of criticism he had heard was in relation to the fact that the utility companies do not work together in terms of road repairs/works. The Chief Engineer pointed out that there was a Utilities Coordination Committee which was chaired by a member of the Public Works Department and all the companies, Water Authority, Cable & Wireless and CUC have a representative on this committee and the purpose of their meetings, held once per month, is to discuss work programmes. The Chief Engineer pointed out that laying of utility lines for the newer roads has greater success due to the fact that these lines are underground. He noted that all the companies involved were working towards getting better in coordinating the laying of utility lines. The Chairman noted that he needed reports from these meetings so that the NRA could monitor what is happening. The Permanent Secretary advised that this concern was addressed in the Law and provision had been laid out so that the NRA Board can act. The Chairman pointed out that this has always been the case but was never complied with and said that the NRA should now become more accountable to the public.

### **3.1 Report from Chief Financial Officer (CFO)**

The CFO from the Ministry advised that the NRA is to get its funding by invoicing the Ministry under three different outputs and at this point circulated a chart to the members of the Board. In outlining the areas he indicated that there were four sources of funding and these were comprised as follows: 20% of duty on gasoline, 16 2/3% of duty on diesel fuel, 100% of Infrastructure Development Fund and 80% from registration fees on motor vehicles. He indicated that the amounts under the three outputs were as follows: NRA 1 - \$1 Million; NRA 2 - \$5.3 Million and NRA 3 - \$35,000. He emphasised that the Ministry manages these funds on behalf of Cabinet and these have been included in the Purchase Agreement. The Purchase Agreement has to be signed by both the Chairman and the Minister. He noted that presently the financing for the months of July and August for the NRA have been funded by the Ministry. He indicated that in billing the Ministry proof that work was performed should be given such as roads paved, wells installed, lights installed, etc. The Chairman noted that after the Presentation on August 27 by Mr. Dale, he would be in a better position to sign off the Purchase Agreement and send it to the Ministry.

In terms of the Ownership Agreement, the CFO mentioned that the Ministry purchases outputs from the NRA who is the owner. He then went on to explain what was contained in the Ownership Agreement and pointed out that regular monthly reports would be required by the Ministry. Mr. Rattan indicated that he would provide any assistance he can to the Financial Controller who is to be appointed in due course.

### **3.2 Report from Treasury Department**

Ms. Welcome advised that the Treasury Department would notify the NRA when amounts are credited to the accounts. She further pointed out that in order for the NRA to produce invoices on a regular basis, systems need to be implemented to monitor quantities, quality and timeliness. With respect to the Road Fund, the NRA invoices will be paid once outputs have been delivered. Funding should be received from the Executive Funding and pointed out that if there is no money then the NRA personnel will not be paid and calculations will be done by the Treasury Department to ensure that funds are available.

At this point, the Chairman asked both the Chief Engineer and the Deputy Chief Engineer to leave the room to discuss some administrative matters. The CFO from the Ministry also left the meeting at this point.

### **4.0 Appointment of Senior Staff**

The Chairman indicated that he would appoint a sub-committee comprised of himself, the deputy chairman, the representative from the Ministry and the representative from the Treasury to have responsibility for overseeing the matter of personnel issues in relation to administrative staff for the NRA. This Committee would also take on the task in relation to the opening of bank accounts and a report made to the Board on what is happening. He indicated that the recruitment and appointment process of staff must be transparent. To this end he indicated that advertisements are to be placed in the newspapers giving deadlines for submissions of applications and then the candidates will be selected for interviews.

Mr. Tibbetts queried whether or not the positions mentioned were full time positions and if the focus would be changed on the implementation of road projects with the same management in place. He pointed out that with new, younger, smarter management could come some fresh ideas. The Chairman agreed with this point and advised that applications would be placed in the newspapers at the earliest possible time and then a selection of candidates would be done. With respect to the Executive Secretary post, he noted that possibly someone from within the Civil Service could be found to fill this position. The Sub-Committee appointed would review the applications and make the necessary selections. In responding to a question from the Permanent Secretary with respect to continuing the present arrangements in place to run the NRA, the Chairman endorsed the present arrangements and indicated that the Board needs to move quickly in order to appoint the Managing Director and Deputy Managing Director.

He indicated that the committee would look at positions below the Deputy Managing Director and the position for the Managing Director would be looked at by the Board. He indicated that the person to be hired would have to fulfil the goals of the Board and pointed out that Section 11 of the Law clearly outlined the duties of the

Managing Director. Mr. Tibbetts noted that the person that is chosen needs to be someone who can take the organisation forward in the next five years. The candidate would need to show initiative and some guidance would be given to the individual selected.

#### 4.1 Opening of Bank Accounts

The Chairman noted that the Board needed to work towards the timelines indicated in the document circulated by Mr. Rattan and need to show the outputs produced and since this aspect is totally new to all concerned, he asked that Ms. Welcome guide the Committee through this process. Authority needs to be given to someone to sign on behalf of the NRA.

Ms. Welcome mentioned that the bank accounts are presently at Royal Bank of Canada and will remain there unless the Board decides that they need to move them. The Chairman noted that new mandate forms need to be completed, but in the meantime the existing arrangements would continue until the forms are signed. Ms. Welcome advised that the IRIS System is being used to monitor the accounting aspects. Ms. Bryan noted that in her discussions with the CFO he had recommended that the NRA establish their own financial system, because if they are not familiar with the IRIS system then they would run into problems.

#### 4.2 Presentation to Board

The Chairman again mentioned that on Friday, August 27, 2004 at 3:30 p.m. Mr. Tony Dale of BMU will do a presentation to the Board on the Government's financial regulations. Mr. Woods then gave his apology for not being able to attend this meeting because he would be off the Island.

#### 4.3 Restructuring of PWD

The Chairman noted that he had no objections with the Chief Engineer applying for a position within the NRA. He noted that the PWD will need to be reorganised and restructured in any event with the separation from the NRA and he understood that the Ministry already planned for an organisational restructuring of the PWD.

#### 4.4 Meetings of the Board

The Chairman asked for recommendations on the dates and times for meetings of the Board and stated that for the next couple of months, they would need to meet on a regular basis. He noted that proper notice would be given before the date of the next meeting.

#### 5.0 Adjournment

There being no further business, the meeting adjourned at 4:45 p.m.

Confirmed: .....

Chairman .....