



12-13-24 | Committee on Budget, Appropriations, and Finance

Legislature USVI

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0:00:01 Hoping to see him in his sleigh I hope he don't forget To bring that cast an end And put it in his reindeer's sleigh Of garment, of cupid, of brutal Of fixing, away, away, away My Macedon Where is Santa Claus? I look for him because It's Christmas Day It's Christmas Day, it's Christmas Day, it's Christmas Day, it's Christmas Day, it's Christmas Day. Let's go, let's go Thank you. Thank you. Thank you. We'll be right back. Thank you. Thank you. We'll be right back.

0:04:59 We'll be right back. Thank you. Thank you. .

0:06:59 Thank you. Thank you. I love you Thank you.

0:08:59 I just buy you diamonds Sing a good for that card For that card And we are a dead in a car So bad I love you Let's go Thank you. I'll be right back. We'll be right back. Let's get started. We'll be right back. Thank you. Let's get started. Let's get started. Thank you. We'll be right back. I love you I love you I love you Thank you.

0:18:11 Screen is not up. THE COMMITTEE ON BUDGET APPROPRIATIONS AND FINANCE MEETING OF DECEMBER 13, 2024, IS HEREBY CALL TO ORDER. I THINK WE'RE HAVING SOME CHALLENGES WITH ONE OF OUR SCREENS. SO ARE WE GOOD ON THE MEDIA SIDE, EXTERNAL?

0:19:04 Yes. Continue? Thank you. All right. Well, good morning, everyone. And of course, today marks my last hearing as the chair of the Budget Appropriations and Finance Committee. And I am deeply grateful to the people of the Virgin Islands for their trust and support. Together we have passed laws that have made a real difference in this committee in the lives of every, every single Virgin Islander. I wish to share just some, a quick highlight of some of the accomplishments that we've made here in this committee together. So I am proudest of passing over \$2 billion in funding for government operations and community services. And for the first time in decades, this committee passed a budget that included revenue generating bills to support our budget projections. So I want to congratulate my colleagues of this committee for that. We've reformed the budget process to prioritize funding for essential government and non-governmental services.

As we know that government can't do everything, so we have to ensure that we are able to support our nonprofits. We've also appropriated significant funding for Medicare, healthcare centers, hospitals, road repairs, education facilities, and funding of course for early childhood initiatives. Together in this committee, we secured funding for our utility system while demanding oversight from our public utility. We also passed landmark legislation that funded or adopted territorial agricultural plan that supports our farmers and fishermen.

0:20:52 And we have funded the rehabilitation of the King's Alley, the development of the Estate Nazareth Sports Complex, and the St. John Cultural Center. And colleagues, we have also secured funding for government employees and retirees to receive their retroactive pay. And it is my fervent hope that we will see that the funding that we've set aside, that the retirees and government employees will receive their retroactive in short order. We've done so much more and if I was to sit here today and talk about all that we've done in this committee we'll be here till late evening so colleagues I am proud of what we've achieved together and I want to say thank you thank you to all of you for supporting the work it is clear we work together with a shared vision for the Virgin Islands we make great progress we've made great progress progress. Of course, we don't always agree, but our hearts are in the same place and we want the same things for the people of the Virgin Islands. And as long as we remain focused on doing what's right for the people, we can never, ever go wrong. I want to give a special thank you to my dedicated staff and the legislature's central staff for their professionalism and hard work. With pride and gratitude, I say for the last time, the Committee on Budget Appropriations and Finance is hereby called to order.

0:22:24 All right. So yes, good morning again, and today we have good business. So I'm going to ask the Madam Clerk to please call the roll. Senator Marvin A. Blyden. Senator Blyden. Present. Senator Samuel Carrion. Senator Carrion. Absent. Senator Duane M. DeGraf. Senator DeGraf. Absent. Senator Ray Fonseca. Here. Senator Fonseca. Present. Senator Novel E. Francis Jr. Here. Senator Francis Jr. Present. Senator Donna A. Fred Gregory. Present. Senator Fred Gregory. Present. Senator Javon E. James, Sr. Senator James, Sr. Absent. Madam Chair, four present, three absent.

0:23:22 Thank you, Madam Clerk. Do we have any correspondence to be read into the record? Yes, Madam Chair. You may proceed. Letter dated December 13, 2024. Dear Madam Chairperson Fred Gregory, please accept this letter as a formal notice that I will be late attending a committee on Budget, Appropriation, and Finance scheduled for today, Friday, December 13, 2024, on St. Thomas. I will attend the Fire Emergency Service Ceremony on St. Croix and will join the Finance Committee meeting immediately thereafter. Respectfully, Javon E. James Sr., Senator, 35th Legislature of the Virgin Islands. Letter dated December 13, 2024.

0:24:09 Dear Chairwoman Fred Gregory, I am writing to extend my sincere apologies for my absence at the start of today's December 13, 2024 Committee on Budget, Appropriation and Finance meeting scheduled for 10 a.m. at the Earl B. Atlee Legislative Chambers. Unfortunately, a prayer scheduled meeting has extended beyond the allotted time. I apologize for any convenience my tardiness may cause, and look forward to participating upon my arrival. Thank you for your understanding and consideration in this matter. Sincerely, Samuel Carrion, Senator of the 35th Legislature of the Virgin Islands. This concludes today's correspondence, Madam Chair. Thank you, Madam Clerk. We have established a quorum.

0:25:02 I'M GOING TO ASK THAT YOU READ TODAY'S AGENDA INTO THE RECORD. THE 35TH LEGISLATURE'S COMMITTEE ON BUDGET APPROPRIATIONS AND FINANCE WILL MEET FRIDAY, DECEMBER 13, 2024 AT 10 A.M. IN THE LEGISLATIVE HALL ON ST THOMAS, VIRGIN ISLANDS. Block 1, Financial Update from the West Indian Company Limited for Fiscal Year 2024 and Financial Overview of Fiscal Year 2025.

0:25:42 Invited Testifier, Mr. Anthony Utley, President and CEO, West Indian Company Limited. Block 2, Bill No. 350108, an Act of Appropriation 20 Million from the Settlement Agreement between the government of the virgin islands and the estate of jeffrey e epstein darren k indyke in his individual capacity and in his capacity as the co-executor for the estate of jeffrey e epstein and administrator of the 1953 trust richard deacon in his individual capacity and in his capacity as co-executor of the estate of jeffrey e epstein and administrator of the 1953 trust the 1953 trust plan d llc great saint james llc nautilus inc hyperion air llc poplar inc southern trust company inc maple inc and laurel inc collectively defendants to the department of public works for the design and construction of a nursing home on st croix and a nursing home on st thomas proposed by senator duane m de graf invited testifiers are honorable kevin mcurdy commissioner department of finance honorable avril george commissioner department of human services mr duane alexander executive director vi housing authority mr angel dawson jr chief executive officer government employees retirement system block three bill number 350423 an act approving the fifth amendment to lease agreement between the government of the virgin islands and coral world of vi inc to extend the lease term provide for additional rent and incorporate two surveys reflecting the meat meets and bounds description of the leased premises proposed by senate president novelly francis jr on behalf of the governor invited testifiers are honorable lisa aliandra commissioner department of property and procurement honorable gene pair oriel commissioner department of planning and natural resources

- 0:28:21 and Ms. Gertrude Pryor, President, Coral World, VI, Inc. Bill number 350414, an act approving the lease agreement between the government of the Virgin Islands, acting through the Commissioner of the Department of Property and Procurement and Submarine Base Warehouse, LLC, for Parcels No. 12, 12A, and 145, Consolidated Submarine Base No. 6, Southside Quarter, St. Thomas, Virgin Islands, for the purpose of bulk storage, establishing a slate of subtenants on the premises, parking, and other permitted purposes. Proposed by Senate President Noveli Francis Jr. on behalf of the Governor. Invited testifiers are Honorable Lisa Aleandro, Commissioner, Department of Property and Procurement, and Enrique Rodriguez, Managing Member, Submarine Base Warehouse, LLC. Madam Chair, this ends the reading of the agenda.
- 0:29:31 Thank you, Madam Clerk. So, this morning, we're going to hear from the West Indian Company Limited, and we also have three other measures that's before us. We have two lease agreements and one bill that's before this committee today. We do have the testifiers here from the leadership here from the West Indian Company, and I'm certain that they are ready to proceed.
- 0:30:02 I'm gonna ask the West Indian Company to please put your names and titles on the record. And we're gonna start with Mr. Anthony Otley. Good morning, Senator, thanks. Anthony A. Otley, Interim President and CEO of the West Indian Company Limited. Charlene Turnbull, Chief Financial Officer. One second, please recognize the mic of the testifiers. The mics. proceed charlene turnbull chief financial officer west indian company limited you have to speak up we can't charlene turnbull chief financial officer the west indian company limited mr sabina mark sabino director marine and cruise services west indian company all right thank you for being here and um of course for the entire year of 2024 or did not hear from the West Indian Company. We went through our budget process and usually we would call all entities inclusive of government instrumentality. So that's why you're here today. So we're gonna hear your testimony. You may proceed with your testimony.
- 0:31:16 Thank you, Senator. Senator Donna Fred Gregory, Chairwoman, 35th Legislature of the US Virgin Islands Committee on Budget, Appropriations and Finance. Senator Novell E. Francis Jr., Vice Chair, committee members, other senators present, legislative staff, media, viewing and listening public, good morning and season's greetings. I am Anthony A. Otley, Interim President and CEO of the West Indian Company Limited. With me this morning is Mrs. Charlene Turnbull, CFO, and Mr. Mark Sabino, Director of Marine Operations and Cruise Services. Thank you for the invitation to provide testimony on WICO's fiscal year 2024-25 financial overview, the status of our pilot, and our capital projects.
- 0:32:08 As owner and manager of the territory's premier cruise ship docking facility and a key contributor to the U.S. Virgin Islands economy, WICO appreciates the opportunity to also officially inform the public about the upcoming cruise season and the state of cruise tourism in the USVI. Two months into the 24-25 cruise season, the West Indian Company Limited continues to experience challenges with limited berthing capacity due to the increased size of the ships and restrictions resulting from delayed harbour maintenance dredging. This cruise season's passenger count is projected to remain well below the 1.7 million visitors of our 2004-2005 banner season. As of today, we have 286 confirmed berthing requests with an expected 980,000 visitors, slightly above the 283 calls for 2024. Based on 2024 Cruise Line International Industry Report, also known as CLIA, this could potentially result in more than \$162 million in passenger spending that would benefit the territory's economy.
- 0:33:23 The USVI continues to be a leader in the industry with the second highest average passenger spend of \$166 behind Panama with \$191 and ahead of St. Martin which has an average spend of \$163 of the 31 common destinations in the Caribbean the USVI ranks number three in total passenger spend behind the Bahamas with 655 million and Cozumel with 483 million the USVI has almost 260 million annually senators since assuming this office I have consistently expressed cautious optimism about each cruise season with more ships requesting birds at the Waiko dock and ships arriving at near full capacity barring unforeseen circumstances, it is quite possible that Wyco once again may welcome more than 1 million cruise passengers to the USVI during the 25-26 cruise season.
- 0:34:29 We continue to remain optimistic as interest in birthing at Wyco remains high. Based on book calls for the 25-26 cruise season, Wyco estimates operating revenue to be 9.2 million, a slight increase of 3 percent over operating revenues of 2024 in the amount of 8.9 million. It is also anticipated that operating expenses will increase by 3 percent in line with increases in operating revenue and the projected inflation or CPI rate of 2.6 percent.
- 0:35:08 With year-over-year increases in operating revenue and expenses, Wyco's financial bottom line flatlines for 24 to 25, with a net change in operating losses of \$3,000. Our capital improvements outlined in Attachment B, Wyco's three-year capital improvement plan will be funded from cash, grants, and other remaining bond proceeds. Our aging dock and infrastructure are largely responsible for Wyco's capital improvements being so costly as such long overdue upgrades to our dock water pipe security HVAC and telecommunication systems have become critical our most pressing project is the upgrade of subsurface water pipes to mitigate 15 years of periodic pipe ruptures although several improvements have

been made above ground our subsurface cast iron water pipes have not been upgraded since the mid 1900s and are now badly corroded to date we have successfully separated Wyco's water system from that of the government employees retirement system though both entities now have independent water feeds from WAPA and meters we can serve as each other's backup in an emergency we have reduced our water losses to an acceptable level and there will be further reductions when we conclude our water system upgrade. WICO will then be able to bunker ships positioned at the inner birth of the dock. We also have assigned MOU with GERS to be able to provide water to ships docked at our inner berth position. WICO's 1.5 million in marine and dock related projects to replace several fenders, renovate and expand our excursion dock, and install two additional bollards are both timely and essential now that the Virgin Islands Port Authority has announced plans to begin the overdue dredging of the Charlotte Amalia Harbour, Harbour's access channel, Turning Basin and the

0:37:15 Waiko cruise ship berthing area in 2025. Our land-based projects will complement the dredging and prepare our dock to safely receive the new generation of larger class ships which now dwarf those introduced 20 years ago once completed the dredging project will improve the safety of the territories most historic commercial dock and increase immediate and long-term revenue to the public and private sectors from additional day visitors completing the Charlotte Amalia project dredging project may also aid in increasing Wyco's revenue by allowing us to position larger ships at the inner berth where we currently are restricted from positioning. The Wyco Pilot, which is the payment in lieu of taxes, currently exceeding \$10 million has been an embarrassment to the company and has become a matter of serious concern during our audits. Additionally, the debt has had a detrimental effect on our credit rating and our ability to borrow from financial institutions.

0:38:24 I have submitted an updated comprehensive pilot payment reduction explanation. This explanation accurately details the series of extreme man-made, natural, global and local events over the past 18 years that have led to the accumulation of our pilot debt. To summarize, the development and opening of Crown Bay's Austin Bay Monsanto Marine terminal resulted in a transfer of significant amount of ship calls from Waiko to Crown Bay. This reduced operating revenue and directly contributed to the company's inability to meet our annual pilot. The 2007 to 2010 Great Recession, the missed opportunity to dredge to receive the Oasis of the Seas in 2007, legal challenges and lack of community support for the long bay landing pair which was in 2015 the effects of hurricanes Irma and Maria the termination of the GERS Havenside Mall management contract the COVID-19 global pandemic and the continued diversion of head tax revenues further exacerbate our inability to meet our annual pilot obligation. For several years, WICO's requests, initially for redress and most recently for debt forgiveness, have sought to correct three miscalculations by previous legislative bodies. First, not instituting the original pilot based on a formula tied to revenues realized. Three pieces of legislation over five years first created, then increased Wyco's pilot obligation until the company was paying up to \$1 million per year to the government of the Virgin Islands. Our ability to meet the million-dollar payment correlated with Wyco being the main cruise

0:40:21 ship port and to Crown Bay's use as a spillover. During that time, ships were also berthing in the inner and outer harbour. The second and perhaps most impactful miscalculation was in not reducing the pilot to an amount the company could afford. After Crown Bay opened, Wyco's pilot was reduced by 30%, specifically from \$1 million to \$700,000, to reflect the 30% loss in ship calls. A \$300,000 reduction did not accurately reflect our losses since 30% fewer ships equated to between \$1.7 million and \$2.3 million in lost revenues from tariffs and fees while expenses remained pretty much the same.

0:41:13 That miscalculation resulted in WICO's inability to make its pilot. The third misstep, which also proved costly, was the 15-year delay in reducing the pilot from \$700,000 to a figure that better reflected the industry's changes and the USVI's cruise tourism landscape. Since the pilot was reduced to \$700,000 for the past 18 years, every WICO president appeared multiple times before the legislature to appeal for a reduction and forgiveness with no success. Almost two decades of delays have brought us to a point where even leveraging the current \$5.5 million value of a state Katerenburg mansion against the \$11 million debt will leave Waiko with an insurmountable balance that will keep growing annually and continue to negatively affect our credit rating despite promising cruise seasons, future cruise seasons. Our auditors are questioning whether or not Waiko can remain a going concern considering the size of the outstanding liability. As promising as the season appears on paper, the events of 2017 and 2020 have taught us that nothing is guaranteed. WICO's pilot explanation, which was included in our submittal, offers recommendations to resolve the pilot conundrum, which includes dispensation of the current balance owed and future obligation until WICO is on a more stable financial footing. While settling the pilot issue and completing the dredging project will assist in resolving some of the most pervasive hindrances to Wyco's progress and threats to its financial stability,

0:43:02 the Board and I are doing our part to move the company forward. We will continue to aggressively market available birds at the Wyco dock to our existing cruise partners and new lines and subsidiaries with smaller luxury vessels that appeal to

affluent cruise travelers. core development, WICO is continuing discussions with cruise partners on potential development opportunities. We also focus on diversifying our offerings on the dock as travelers are more interested in cultural experiences and unique locally made items than in luxury goods.

- 0:43:40 Funding, approvals and permits have been secured to begin the Charlotte Amalia Harbor Dredging project and we now have the opportunity for legislative remedies to correct past errors and lay the foundation for a more prosperous free future for the West Indian Company Limited and the territory. I extend the company's deepest appreciation to Governor Albert Bryan Jr. and the Virgin Islands Public Finance Authority, the Department of Planning and Natural Resources Coastal Zone Management Commission, the Army Corps of Engineers, the Virgin Islands Port Authority and of course the 35th legislature for assistance, actions and advocacy on WICO's behalf, especially within the past two years. I take this opportunity to now offer my sincere gratitude and that of our Board of Directors to our team of men and women of the West Indian Company Limited for their service and commitment to the company. Thank you Team WICO for your time effort and expertise that have brought us to this point and for everything you do to keep Waiko clean safe repaired successful and efficient senator Fred Gregory I would like to personally congratulate you on your accomplished time in the legislature and I wish you much success in your future endeavors senators I remain available to fully address any questions you may have thank you for your testimony and thank you for your kind words all right colleagues we've heard from the leadership of the West Indian Company and I'm certain that we have questions so we're gonna go to a four oh good morning Senator DeGraff please mark Senator DeGraff as present thank you for
- 0:45:34 being here Senator. All right so we're gonna go to a four minute round. And before we begin, I know that just full disclosure, Mr. Attlee has shared some information. There's been lots of discussion around the pilot. It's a discussion that needs to be had and we all Welcome to a final resolve on the direction, a final agreement on the direction that we should go as it relates to the pilot. What is the pilot? Seven million? The obligation is how much million?
- 0:46:14 Five million? No. At this point, it's 10.6. That's the outstanding amount. Outstanding. What's the annual obligation? Annually 700,000. Oh, sorry. That's right. Come on. Y'all have \$700,000. But come on, y'all have \$700,000. Okay. So before I go to my colleagues, I've looked at your unaudited statement of revenues, expenses and your change in your net position. And your operating expenses, your revenues are showing...
- 0:46:55 Let's just go to 24. You have your 25 projection. Let's go over to your 24 numbers. You have \$8.9 million in fees for services in FY24. First of all, what's your fiscal year? Period. October to September. So you have a similar fiscal year like the government, right? Correct. million, and then your cost of services is 5.6. And your administrative expenses is 822,000. So your depreciation is 2.9 million. If you back out your depreciation, you actually, your depreciation is not cash.
- 0:47:38 Right? Correct. Right? Right, Ms. Tumbo? Correct. Yeah, so this is a hard sell for me. The depreciation is in cash. It just shows the depreciation of your properties. So before depreciation, you actually have a \$3 million plus surplus. Actually more than three, \$3.5 million surplus at Waiko. So the depreciation, we can't count the depreciation as your expenses because it's not hard cash. You do that for your books. So y'all are selling us something that we can't buy.
- 0:48:28 You have your interest expenses, all that I appreciate, but at the end of the day, your depreciation is your Achilles heel, but that's not actual cash coming out of your bank. So at the end of the day, if you take depreciation away, you actually have three point something million dollars in profit at the end of the year. So explain to me. So we need to get a pilot. We do.
- 0:48:57 As a matter of fact, in FY 2025, we included a pilot. I mean, we're not asking you to, yeah, we balance our budget with the pilot. So I'm not sure why Waiko would be holding on to the pilot. When was the last time you all paid the pilot? We paid the pilot in 2019. So you paid it in 2019. So you haven't paid it in how much years that is? Five years. You didn't pay it in five years. So you haven't paid in all of this administration. But you could pay it. You can pay it. So why are you not paying it? I talked about \$5, \$10 million.
- 0:49:37 I was saying \$7 million in my mind. I don't know why I get a fund by \$700,000. So I'm still not understanding why Waikou is unable to pay its pilot to the people of the Virgin Islands. This is a hard one for me. I mean, I would ask my colleagues as I'm exiting the legislature to ask Waikou to provide their financial statements 2019 and forward to, I mean, during, there is a, I'm certain there's a period where we should be considering forgiveness because we experienced COVID, right? So during that COVID period, certainly it was a difficult time. You, ships were not coming to the territory.
- 0:50:27 So clearly, you know, I see where there's an opportunity to consider forgiveness, but Y'all continue to talk about the forgiveness of this pilot, but I don't see why, because your net position is your net, but you got back out your \$2.9 million, and that brings you right back to \$3 million in surplus. Well, Senator, let me just... Let me mention a few things

that have happened since we're going back to 2019.

- 0:51:05 Of course, in 2020, we had the situation with COVID where we lost ships for 18 months. What happened during that time, we depleted all of our reserves with our financial institution and we ended up going to the bond market in 2022. And one of our biggest challenges now, of course, is dealing with our debt to our bond holders. So that has become an extreme challenge with us because of the fact that we also had to, in refinancing, we had to replenish those reserves. So we ended up, you know, having to borrow a bit more than we would have liked. But of course, in the essence of that, we needed to look towards the future in case there was some other pandemic that comes along the line. So there is a situation that we're still on, you know, rebounding from those years. Like I mentioned, back in 2020, sorry, 2006 going forward, we've had the situation where When we were the only dock where the ships would come first, we would end up, Crown Bay would be a spillover dock.
- 0:52:31 So when we lost those ships, from that point is when it became a challenge for us. So we continue, we have capital projects that we also included that we have a classic example right now, we have a situation where we're considering actually replacing just about all of our offenders due to the fact... So hold tight, hold tight, this statement of revenues, where is your capital projects in this? What's your capital obligation? We submitted our capital improvement plan, we submitted that to you.
- 0:53:21 So in FY24, what was your spend on capital projects? And what is your current reserves? Because the information that we have is not inclusive of that. I know we're going to go ahead and move forward. Why I don't want to pay the government?
- 0:53:51 Excuse me? Y'all can pay it. Y'all can pay this bill. Y'all can pay this bill with your eyes closed. You can. Your net deficit less your depreciation and amortization. cover this bill miss miss thomble what advice you're giving them okay first of all the purpose of depreciation is to be able to me to hear you the purpose of depreciation is to be able to reserve you guys speak louder still i'm so yes please can you hear me clearly now yes okay uh the purpose of depreciation is to reserve funds for capital projects so in to look at it in that that light like yes we probably are just about breaking even in terms of cash however you do need that reserves for capital projects which is not reflected in your statement of net revenues that's first of all you asked previously what our spend was in fiscal year 2024 it was approximately around a hundred thousand dollars in capital projects in capital projects and what's your current reserves our current reserves is about seven seven million in restricted cash say it again about seven million in restricted cash and the restricted cash is tied to the bond so the bond so your bond obligation per annum is annually bond obligation at this point is 3.3 million but it's scheduled to go up as we're going to be paying uh principal so it will be around 3.5 million so there is a requirement on your bond to hold seven million dollars in your um restricted account to make sure that you're able to cover the bond correct so it's two
- 0:55:49 times two times one and a half time two times correct you say seven million two times correct give or take almost two times what's the requirement let me ask that question straight up because i want a straight answer is it one time is it two times is it three times meaning does it the question is the coverage so your bond obligation per annum is 3.3 million correct so what is the indenture agreement what's the coverage i believe it's two times what's the coverage i'll one and a half is usually one and a half Okay, if you're talking about debt service coverage ratio, it's 1.25.
- 0:56:33 Right, so you have, you have, so if it's 1.25, 1.25, so in your reserve you have much more money. You have, you have significant cash in your reserves. Is there anything else that you need reserve to, is there any other requirement for your reserves? Okay, so in terms of the debt service coverage ratio, it's more or less related to the cash that you collect in that particular fiscal year, covering your debt service, not necessarily your reserves. right now the purpose of your reserves of course is in case you run into a financial difficulty that you do have funds to function which you would have to replenish at a later point in addition to your capital reserves and your operating reserves so i think we're more or less talking about two different things right not really my primary concern is is your ability. You have not proven that you are unable to pay the government the \$700,000 pilot. You have not proven that out based on the statements that's before us and based on the reserves and based on the amount that, what is your capital obligation for fiscal year 25?
- 0:58:06 What is your capital project budget for 25? \$2.5 million. So you have a capital budget at \$2.5. And you're looking to your depreciation has gone up to \$2.9. \$2.9, projection, \$3 million. Right.
- 0:58:32 last year so you have funding sitting from the previous year are you because you only spent a hundred thousand so again i'm gonna say it again you have significant you have available resources to provide to pay for the pilot i think to ask for forgiveness i think the forgiveness needs to be considered for the years when there was covid and if there needs to be a discussion around lowering the pilot, then we could have that discussion. But I don't know that the pilot should go away because there is an opportunity, there is opportunity in that the industry is in fact growing and at the end of the day, government resources have to be provided for services and you should play a role in that. I just don't believe that, I don't

know where my colleagues are on that, but I don't believe that you should have your pilot removed. I could see the forgiveness for the previous years in instances, once you provide your financial statements, et cetera, and your spend. But in instances, in the instance where there is the matters around COVID and the lack of revenues. But I'm going to move on to the first senator.

- 0:59:48 Ready? I'm going to move on to Senator Nova Lee Francis Jr., our Senate President, and then the Vice-Chair of this committee. Yes, you're recognized for your four minutes. Thank you very much, Madam Chair. Good morning to my colleagues. Good morning to the testifiers. And, of course, good morning to the people at the Virgin Islands. So, Mr. Utley, I know that there was notice sent out in November that you were stepping down from the position. What is your current position within Waiko or are you on a day-to-day or what's happening in that space? Current position, interim president and CEO. Okay. So you're just on a day-to-day, you don't know, what is your fate? You don't really know, you're just waiting for some notice or what's happening? Well, the board has sent out a notice to hire president and CEO, so in the meantime I'll be acting current. You continue to act and invest it until that time, right. So what is the total asset of WICO at this time? Total assets are around \$53 million. \$53 million. And is the asset insured? Yes, Senator. At what cost?
- 1:01:11 What, the entire amount? That's correct. Okay, great. So in this whole discussion about the pilot, because we have had this discussion for several years, and you're correct about that, what do you believe is reasonable for you to pay? I mean, while there is a \$700,000 annual cost association, what do you believe WICU is in a position to handle? Well, Senator, to be frank and honest with you, we would be, we're asking, at least until WICU gets on a more firmer footing, normally, like I mentioned, we used to collect 1.7 million. That dropped to around 1.1 to 1.2 million. Since 2020, we have not even broken a million passengers as yet. So we're still in a very precarious position as a company. So you know, we're looking at to be able to sort of get it, have it be zero for now, at least until we get to that \$1.1, \$1.2 million spot where we'll be able to afford.
- 1:02:27 So you're starting at ground zero, so there's even no room for negotiation here. You're simply saying that just obliterate or defer the total amount? That's correct. That's what you're asking for? That's what we're asking for. Okay. On the ACK, I think it was AD53, there was some agreement made to offset the pilot by whatever repairs or capital improvement has been done to Katrin Berg. Have there been any capital improvements to actually offset some of the pilot? uh there are uh expenses that we continue to pay um uh not as much as we've done in the in the past uh currently we have a a lease with office of the governor uh for katherine burg and you know i congratulate and thank this administration because of much of the expenses that we've been paying for the property in past years or past administrations uh this uh current administration is taking on those expenses as laid out in the lease. So we continue to pay not as much in expenses because we get the aid of the Office of the Governor for the space, but of course there are still expenses that we pay.
- 1:03:42 So you just make an argument that there is some possibility for you to be able to pay some of the pilot because that has been offset as well by the administration. Did you receive any fundings through Opera? We did. I think it was \$4 million. \$4 million. Did you get any money through the PPP program? We didn't. How much was that? \$717,000. \$717,000.
- 1:04:11 \$717,000. Have you had any cause to eliminate or any of your employees? Well, let me, no, not at this point. We've been, what ended up happening with the loss in ships, we ended up having to furlough employees. The good thing is because of the PPP program, we were able to come back and make them whole, but we ultimately, because we weren't able to, you know, we act as a private corporation and we weren't able to come in here and ask for money from the government, we ended up furloughing employees for three-day work weeks and then four-day work weeks, but we were able, because of PPP, to make everybody back home. 30 seconds.
- 1:05:02 Have there been any... You spoke about your significant reduction in terms of the amount of passengers. I think it reduced to 980 from 1.7. Have there been any austerity measures taken as a result of that? Well, what we've done is one of the challenges that adds to the problem is the dredging like I mentioned. You know, we're not able to move the ships, but what we've been doing is dancing the ships around on our dock to minimize the amount of shallowing that has been happening at different parts of our dock until we can get the job done. I was really referring to austerity measures taken in terms of the operating cost.
- 1:05:50 Any reduction in the operating cost consequential to this reduction? Right. So what we've done is we've increased fees, we've lowered our expenses, doing more stuff in-house. We're also looking at diversifying our operations into, you know, the land that we have in doing new leases, development of our undeveloped land and stuff like that. Real quickly, my time has been called but just one final question, Madam Chair, is that you spoke about the, I guess what I refer to as well, you call it other offerings and I had penciled down creativity and innovation, but you talk about focusing and diversifying our offerings on the dock. What are some of those offerings and diversification have you deployed?

- 1:06:43 Okay, so right now we're working on a redevelopment of the property, hence why we've been having talks with cruise lines and preparing a package so that to offer to other investors to play a role in the um in the new and improved waiko of course that takes uh money that takes uh you know revenues uh so those are the challenges that we're having right now uh with can you point us to any of your current implemented offerings outside of what you're working on do you have anything that you have um deployed at this time okay so what we've done is we've uh converted some of our warehouse space uh to uh to offering for offices we've converted some of our offices to warehouse space some of our lay down yard uh we're leasing now to different uh excursion trying to increase the amount of offering that we do have to passengers so within the past two to three months we we're signing leases we've signed leases with uh two uh new excursions and we're looking at additional um tenants for our butterfly garden and our warehouse space very well thank you what is what's your employee population uh we are 32 32 employees all right uh thank you very much madam chair for the time thank you for your response thank you uh senator francis junior let me just ask quick very quickly on the um then on audited statement of revenues expenses I see a contribution to the government what's that contribution 652 201 that's your pilot offset by lodging expenses for so that's a pilot offset yes so
- 1:08:42 I would be laughing at me because I said to y'all that you have 3.5 million but you have this you already took out a pilot as if you paid it because of course it's a it's an obligation right there's a liability correct correct right so your your your surplus is over four million dollars because you haven't paid the pilot so if you're back on a pilot I agree that we're back to the three point So if I may, previously I said you're more or less breaking even, right? That's the 2.9 and the 6.50. That will get you right back to that 3.5, 3.6. It's more than that. Well, it's very close. Okay. One of the reasons if I may respond to the question previously is Wyco is trying to move forward with investing in our infrastructure and adding new attractions and returning back to the premier facility that it was before with the pilot crippling our finances it hinders us from obtaining financing at a reasonable rate so I think it will be better served if we would have a facility that would make us even more competitive with our Caribbean neighbors being able to invest and upgrade the facility to bring even more visitors to our shores as our neighboring Caribbean islands are improving their facilities we would like to also improve what we have to offer but if we are losing money because of whether you want to back out depreciation, then it cripples us from getting the financing
- 1:10:47 that we need to invest in our facility. So, you know. That's a good argument, but I am not buying that one because I'm seeing your financials in front of me. So I can't buy that as on its face value. I could buy it for the years where we were in COVID. And of course, based on your argument, it is a good argument, what WICO's responsibility should be with this particular ask is, these are the things that we intend to do over the period of whatever that is. So instead of asking for a permanent removal of the pilot, Because by your own admission, you said you're a private, what did you say, what did you say? You're considered a? Private company. Private company. So private companies do what?
- 1:11:47 They pay taxes. So you have to decide whether it will be government or whether it will be private. And you would have to come to this legislature from my perspective and say, look, these are the projects that we intend to, these are the things that we intend to do to improve the product of Waiko overall, and we need X number years, so we're asking for this forgiveness for this period, but it has to start back. You can't get forgiveness infinitum.
- 1:12:21 We have services that we provide to our community. We have the Medicaid program in the beginning, you heard when I talked about it. We have those programs where we have to make sure that we are providing services to our constituents, our citizenry here in the territory, and Waiko has to contribute, not only from the fact that visitors are spending X dollars and we are seeing Y dollars in our revenues, because the jury's still out on that as far as when we look at the grocery seats, et cetera, that's coming into the coffers, we're still being challenged with that. So Waiko has to agree that bring the proposal to the legislature, we have to have a negotiated discussion around this, bring your proposal, these are the things that we're going to do. We want a five-year stay, if you will, or whatever that stay is, and over that period of time, these are the things that we're going to do to improve the product, and then we start back.
- 1:13:22 But to just say we want pilot, that will be very irresponsible of me as a leader in this territory. That's not something that I can consider. Okay, so Senator, let me address, I'm sorry, what you say, what you just said. It was, it's never, it has never been WICO's intent to just not have a pilot forever or into perpetuity. It was just a request so that WICO can get back on stable footing. As I mentioned, as early as between 2012 and 2014, when Wyco was making the 1.1 or 1.2 million passengers, if we look at just doing rough numbers, right now we're doing 900,000 plus. If we were to get another 100 to 200,000 passengers, we're talking an additional up to 1.4 million, puts us in a better footing that we can go ahead and pay the pilot why you also see the pilot included in this is because of the fact that you know our board has came to us as an entity and say listen we have to pay something so we know that we our intent is to pay but we first need to be able to make the money and be able to to have the funding to pay it so it was never to be into perpetuity of a forgiveness it's just so that we can get back to that one point one or one point two space so that we can afford to to make a payment to the

government but you talk it yeah I have to go to the next senator you keep referring to to the amount of passengers correct that's your reference but you're

1:15:09 not referring to the amount of dollars you in talking about passengers you have to equate it to money and you're not equating it to money you keep talking you have to get back to 1.2 million passengers, whatever that number is. But it has to be equated back to money. I'm gonna go to the next senator. This year, as I said to you, when we built our budget, we did not build a budget on 700,000. We built the budget on 500,000. We expect to get a check for 2024. We expect to get the check. Y'all need to send the check down to the Department of Finance.

1:15:43 Vendors are not being paid in this territory. I'm sorry. The next senator is Senator Fonseca, you're recognized for your five, four minutes. Yes, thank you so kindly, Madam Chair. Senator Blylen, point of information. Thank you, Madam Chair. Interim Director, actually, because Ms. Thurmond spoke to the \$2.5 million for capital improvement projects for 2025 budget. on what the conversation, those capital improvement projects, are they going to assist in terms of realising greater revenues moving forward based on those projects that you're investing in in terms of the property or whatever you're investing in? Can you speak to that please? Yes. It does speak to added revenue, but it is heavily dependent also on maintenance projects that needs to be done, which is more so we need to add some additional bollards. We also need to do some replacements of fenders based on the new class of ship that Norwegian has come out with, which is the Prima class. So we are doing repairs to our dock at this moment to pretty much get us by, but ultimately We were looking at upgrading the system, and all of this needs to be done going into the next century. So yes, it does have a certain portion for added revenues, but much of it has to do with you know, our deteriorating down.

1:17:27 Thank you so much for that response. Thank you Madam Chair for the time. Thank you Senator Blayden. Senator Fonsica, you're recognized for your four minutes. Yes, thank you, Madam Chair, and a pleasant good morning to everyone. Okay, you know, Waiko, you know, welcome Mr. Adley, Ms. Turnbull, and Mark Sabino. You know, Mark Sabino is a decorated veteran, a Navy SEAL, that's right. We have before us today a Navy SEAL. We don't have many Virgin Islanders that are able to accomplish that rank. Congratulations. I think you have been with WICO for a long, long time. Distinguished career at WICO. It's so good to have good employees, great employees like that working for the government. Ms. Turnbull, how long have you been CFO in WICO?

1:18:23 Since May of 2022. May of 2022. Okay. So there was a bond issuance of \$51,572,500. You were around that time when that bond was done? Bond was done in June of 2022. So yes, I was. So you, yes. Okay. So I noticed that you had to repay a loan of \$41,680,19. So there was a payment to you of \$9,892,481. What did Waiko do with that \$9.8 million? Can you provide that through the chair? Provide that information through the chair, because I don't want to waste time. You're delayed. Okay, I want to go to another question here. You see, Madam Chair was just referring to it. You're talking about getting back to the 1.2 million passengers but you're not receiving 1.2 you got 980 000 passengers but look at this your costs have gone up your total operating expenses have gone up so if you've lost a few hundred thousand passengers tell me why your operating costs are continuing to go up last year it was nine million four one four this million this year 24 is you're projecting nine point six two hundred eighty two thousand dollars why are you projecting your operating costs going up when you're at a deficit okay you're losing money four hundred ninety five thousand but your operating costs continue to go up as a matter of fact if i divide that nine million nine six hundred \$397,015, your total projected operating expenses for this year by your 32 employees, it's showing you're spending \$303,032 per employee. That's very, very expensive that you're spending \$303,000 average per 32 employees. So, the question is, what is the value of your Katrina Berg property?

1:20:33 \$5.5 million. 5.5, and you owe the pilot, you owe about 10.6, right? Correct. Okay, so you see, WICO, by Act No. 5826, was required to make an annual payment in lieu of taxes. That's the pilot, the annual payment in lieu of taxes. And your status is a public corporation. You're owned by the public finance authority, which is a government agency. So I'm going to tell you, right? I don't see where I can ever approve or vote for approval to reduce or to forgive your pilot. Like Madam Chair said, we're expecting that money.

1:21:16 You guys should write that check before the end of the year. The government needs that money. You guys have to pay that money. That is the reason why you've been organized. We reduced it, and you're still not paying it. When was the last time you made a payment to the pilot? 2019 for 2018 I can't hear you 2019 for 20 one minute pilot well sir popa 2019 you you're a corporation that's bringing in revenues of 9.2 million dollars you have 32 employees your expenses and 9.6 this corporation and I look at your audit right that's the reason why the auditors are concern okay before covid came you had a lot of cash and are you ex you went into that cash and now it gone you borrowed the the 52 million dollars and through the chair i want you to give this committee a detail of what you did with that 30 seconds 9 million 892 thousand four hundred and 81 dollars this waiko is not properly managed this is a poorly managed corporation that needs to make major changes you guys have to pay that money to the government you have to pay that money that's the reason why it

was structured like that the government spent millions of dollars to buy this corporation gave it to you without that overhead we're paying you we're amortizing your debt and now you want to now not pay taxes? No, I can't approve that. Thank you Madam Chair for the time.

1:23:02 Thank you, Senator Fonseca. Senator Blyton, you're recognised for your four minutes. Thank you, Madam Chair. Good morning to my colleagues, viewing and listening audiences. Staff central staff, good morning. Interim Director Atlee, Ms. Turnbull and Ms. Sabido thank you so much for your testimony. White Court is valid by a board, correct? Yes, sir. And that's why most of the blame should be lied on the board. Let me ask you, though, in respect to that, because in the testimony stated at the board, and you are doing your part to move the company forward, what's being done to move the company forward in that respect? What does that look like, moving the company forward in respect to dealing with your debt, et cetera? And you can put your name for the record before you speak, please. Charlene Turnbull, Chief Financial Officer.

1:23:58 Ms. Turnbull, I need to hear you, Dr. Pelley. Charlene Turnbull, Chief Financial Officer. So first of all, the company has been feverishly working towards diversifying its revenue drivers. Speak a little louder, please. company has been working towards diversifying its revenue drivers we understand that we cannot live solely on passenger revenue because as we know we're in a volatile industry and so from year to year depending on the economy depending on disposable income we can see fluctuations in our passenger revenue so previously waiko managed grs which offered some the grs mall let me correct that which offered some reprieve from expenses and allowed us to operate a little with a little less restrictions right now we are not that company so there we had to deal with several um situations that caused us to be in the situation that we're in today and i believe those were outlined in in the testimony offered to you earlier covid we had to deal with hurricanes we had to deal with at times losing quite a bit of passengers to our sister viper and um so with with those things initially the pilot was set up for a different company we're not that company today so we're looking at where we're at and considering diversifying and looking for other revenue

1:25:49 opportunities you spoke to um revenues i'll get time to expand but you spoke to revenues in respect to the cruise ships and providing them water what type of revenue are we speaking to how much money That's like \$300,000. It's not even a million dollars in any given year. It fluctuates. Very well. You want to respond? One minute. Senator, let me... I sort of want to respond to something that was said before, so I don't want to take up your time on it. I'll reflect on that at a later time. Okay. You can answer in the chair's time.

1:26:29 That's fine. Thank you. Okay. And let me ask before my time is up, right? You spoke to losing revenues to Crown Bay. Correct. How much revenue are we speaking of in- 30 seconds. Annual basis? When that initially happened, it ended up being somewhere in the neighborhood of \$1.7 to \$2.3 million. And it has continued. 1.7 to 2.3? Correct.

1:27:03 That's a significant amount of money. So what's being done in that space in respect to seeing how you can basically find a way to get some of those revenues back to Waiko? Well, when I mentioned that, that was starting back in 2006. because that was not an issue at the point at that point what we've not been able to do was to get back to those numbers and as the Senate president mentioned you know in talking actual numbers that 2.3 million dollars what has been a challenge what needs to be taken into consideration is that Wyco is a is a cruise ship dock that's what we make about 90% of our income it has always been that from from when we back in the mid-1900s when we doubled down on cruise tourism in the late 60s to 70s that's what we became yes diversification will help the company on the other end but we just have to keep in mind that at the end of the day what brings us revenues what has brought us revenues is packing that dock with as much ships as possible, and that is bringing revenue to the territory.

1:28:25 Can I continue? I mean, I wanted to address something. You know, not yet. Okay. Thank you so much. Thank you for much responses. Thank you, Madam Chair. Address it. Thank you. I want to go back to the comments that were made earlier about Wyco being a poorly run company. I take exception to it and in the defence of both the board and the executive staff of Wyco currently and the past executive staff and a mention was made to 2019, since 2019. Now what needs to be kept in mind, in 2019 the reason why we were able to pay the pilot was because of proceeds that we got from Hurricane Armand Maria. That was why we were able to pay the pilot at that point and we paid the 700,000. What happened after that was 2020 when we lost all ships. So we weren't making the money. We actually had that year where we had no revenues from the ship. When the ship started to come back in, I'm sorry, in 2021, we got two ships that year. Now what ended up happening, Royal Caribbean came out as the leader of the pack in getting back to cruising. So in actuality, Port Authority started receiving ships, I think, in July. We started getting ships in September. And right at the end of our season, we only received two ships for that second year. So with two ships at a dock that gets close to 300 ships, you could imagine. So we didn't have the money. And as I mentioned before, we ran through our reserves. So all of those reserves that we had, we were paying on the interest on our financing. So we were able to pretty much not get into trouble

- 1:30:31 on our financing of our debt. So that's where that money went. When the question was asked of what did we do with that \$9 million in the bond that we got. Remember, the CFO just mentioned, \$7 million of that is restricted. So from the \$9 million you're talking about, we're just talking about \$2 million. Sorry? Yeah, in the bond financing, we had seven of those millions were to replenish the reserves that we ran through when we didn't have ships.
- 1:31:12 So I just wanted to address a couple of those things that were said concerning, and like I mentioned, what ended up happening after we started to get back ships, I think our revenues at that time, in 2023 may have been, I think, 5 million, million and 2021 may have been maybe two million so we haven't been at the point when we're discussing 8.9 and 9.2 million that's just this year and last year for the past three or four years before that we were making two million and five million so it's not really accurate when we have that being said about uh the company so i just wanted to put that on the record and address it Thank you, but you also need to be accurate with your bond indenture requirements.
- 1:32:15 I don't think it's \$7 million restricted. We need to get what the obligation is, what the indenture is, what is one and a half times? What is it? Okay. What is it? That is information that you should have right there. Okay. Is it one and a half times? Is it one time? Is it two times? Is it three times? I asked the question before. So you can't just say five, I mean, seven million, because, well, what's your current interest rate on your bonds? Is it a fixed or is it fluctuating?
- 1:32:50 So your interest is six point something? That's high. So, and Senator- What's the interest? We want to make sure we get the information on the table. So when you get some time, please share with us what is the requirement, what is one and a half times, one time, what is it, what's the coverage? That's what we're looking for and what the interest rate is, clearly. We heard you, but the one thing I'll tell you is when you look at your statement of revenues and expenses on your net position you are presenting this as if you've paid the obligation to the government and you haven't. It's a liability. It's not a payment that you've made. It's misleading. That is my position on this. You know, you pay your bond debt, right? We do. But you have a debt to the government that needs to be paid. I just don't understand why we feel that we could not pay what we owe to our government. Everybody thinks that they shouldn't pay what they owe to the government and then the government have to pay. Government pays when folks pay their debt. That's just how it works. It's a cycle. So you have to contribute. Senator DeGraff, you're recognized for your four minutes.
- 1:34:16 Thank you. Thank you Madam Chair. Good morning colleagues, good morning testifiers, of your listener present. Mr. Interim, CEO, President, thank you for standing up for your team. Don't come in here and put no tail between your legs. You're defending your end, you defend. But to my fellow veteran, thank you for your service. Happy holidays to everyone. Now, the bottom line is, the young people have a saying, what did I say, the Martin Martin.
- 1:34:49 Remove \$700,000 from your financial statement right now and tell me what's going to happen and how you're going to survive from doing that. Because back in September, we put that money into the budget for 25. So technically, we put it in, we just didn't take it from you yet because you haven't given it to us. So you go ahead and do it right now. Because we could stay here, we could ban it, we could bar it, we could flip it and turn it however we want.
- 1:35:25 But the fact remains, why could that \$700,000 was added to the government of the Verneran budget? So go ahead and remove it, take it out, and then I recalculate, do what you have to do. and fix what you got to fix because I think now we're to the point where we had several meetings before we or we had meetings before where we are looking for a number where you spoke about in terms of where you'd be willing to pay I believe um had waiko just taken and say well hey this is what we could afford here's something boom here's a check for something we can't afford much this is the situation, but they come here now and do it in 11th hour, you don't get it done. The body is steadfast in terms of because it was a done deal. So that's what I say. So you as a sovereign like me, I ain't want to see you kowtowing to nobody. I'm going to defend you to the end. And now they make it into him and they ain't tell you where they're going to put in charge i even i i upset now too but i'm just saying that's neither here nor there but deduct that seven hundred thousand dollars going forward now what what did you use to back your bonds on what are the bond is the bond backed on the bonds are backed by revenue revenues primarily and the property revenue and the property the value of the property is what 52 million and the bond was for how much 51 a little over 51. right so the property value at 52 you get a 51 million dollar bond
- 1:37:17 so so something seems to be a little off so it's a revenue or value so if i mean senator yes one minute um it's it's not like a exact match what it is is if you default on your bond the first thing that they will go for of course is ownership of the business right that comes revenues comes with that so it's not a like well this is 52 million so you know there's an exact correlation between no but how you not not to cut you out but in my mind as a lay person i'm looking at it if if your asset is 52 million dollars and your revenue is x that's 52 plus x is what you have to show us hey this is my collateral that i have correct and then i get so if i could only get 51 then it seems either the low value and the the value of the property or the low value and the value and your your revenue generated that that's how it is as a lay person that's how i see one and one time makes two so in closing now you have 32 employees has anybody received any wage increases or anything like

that from 2019 to now yes we had one um increase okay so so you're still able to make it a viable company where the employees feel hey it's worth coming here or am i just wasting my time should i leave i think that's what you need to start if you're going to rebuild the company with your employees versus and go outward versus try and fix everything else and don't fix the employees figure answer on the chair time if you have any uh comment thank you for the time thank you madam chair

- 1:39:15 thank you uh senator graff point of information senator fonseca um thank you madam chair okay so we looked it up here on your management discussion and analysis the 2022 bonds are due April 1, 2026, with interest rates of 5.875 to 6.5%. So that's the \$52.6 million bond that was used to prepay the \$41.6 million obligation. So we got it out from here. But my point remains, though that the cfo should know what the interest rate of a 52 million dollar bond is most people that have a mortgage they could tell you right out what money what interest they pay in the bank because they hurting them it coming out of the pocket so the cfo is coming here before me today they have a 52 million dollar loan and they don't know the interest rate that's a properly managed organization. Thank you, Madam Chair. Thank you, Senator Fonseca. Let me just ask very quickly. So, when did you all stop running the mall? In 2020.
- 1:40:30 2020. And how many employees, do you remember how many employees that you had at that point or how many employees were downstairs as a result? We had about 78 employees at the time. Okay, so you had 78 employees and those employees went with the... A majority of them, the GERS thankfully did accept them based on the, you know, number one tenure, number two knowledge of the property, et cetera.
- 1:41:02 Right, but you had a total of 78. That's correct. So the employees, for the most part, went with the work, the new work, the new organization, the new management, if you will, correct? That's correct. So now you are left with 32 employees. That's correct. Give or take.
- 1:41:28 That's the amount? Correct. amount correct okay so your expenses your operating expenses naturally would have been reduced because your revenues were more correct correct some were reduced keep in mind we were sharing costs at that time so some of them went up because we were no longer able to share like security repairs etc etc So, if we were to ask you for your financials for the past five years, what are we going to see?
- 1:42:11 Are we going to see where there were austerity measures that was put in place as a result of the government employees retirement system now taking back the responsibility of managing them all? Are we going to see that? That is of concern. have to go back we have to go back and look at your financials for that six year window I think is more so six years 2020 to to where we submit a minute so we have to go back and look at that to make a determination as to whether or not your argument about the organization being well-run financially and my colleagues argument how to bump up against each other truth be told so we You have to look at it and I would urge you all to look at it and make your own determinations if it hasn't been done.
- 1:43:02 Now let me ask you, you also have property that you lease, correct? Correct. And have all of your properties are leased? Majority of them are leased. So all are not leased? Correct. How many of your inventory isn't leased? And are you actively seeking individuals to lease these spaces? Yes. We currently have a broker that's marketing the properties for lease.
- 1:43:35 A very small portion of it is not leased. A major portion of our leasable realty is to Yacht Haven Grand. That's over seven acres. And we have a majority of the on-dock property leased. There's one property that we have which is the state Liverpool property that we're looking for development on.
- 1:44:05 So under the Yacht Haven Grant lease, you guys, how much a year are you under? The lease is for what period? That's a long-term lease. It's a long-term lease. Correct. annually do you get for that how much give me the acres again seven I'm glad you brought it up so seven acres tell me how much annually you get for it well it's a graduated amount so each year it changes at this point it's a much again this year it's 41,000 come up 41,000 per month so I guess the legislature have a lot to do with what happened with that lease. And that lease is for how many years?
- 1:44:54 I think it's about 50 years. A 50-year lease, 41,000 a month. Some of my colleagues know it by heart. I think it was a third year and then an option. So, like, almost 500,000 per annum? Correct. Yeah. Well, I mean, we have to figure out how to deal with our economic development.
- 1:45:27 But we also have to hold our entities, you know, and that's not something that can be revisited. It is legislated. So that one, we gotta take that one. We are part of the reason why you are challenged with your revenues. Right. Okay, I can leave that already. We have some challenges there, but in defense of the, I was not here at the time, you know, that's a property that needed Development. Development, so we have to also do our part to ensure economic development. So there's push and pull there for us to look at.

- 1:46:08 That's very important for us to make sure that we put on a record that, you know, we weren't there so we don't understand all the things that happened but I know for a fact that I used to drive fast that place and it was in very, very bad condition. So you have something you want to say because we're about to close. Yeah, I just wanted to respond to Senator DeGraff's inquiry into the bond and some of the specifics and I just wanted to mention to you, when you mentioned the \$51 million etc what needs to be taken into consideration also is that bond placement was done at not the best timing also so we may have had some challenges with the interest rate and whatever and the reason i say that is because when you go to the bond market for a dock that has 90 plus percent dependent on crews and you're coming right off of a two-year stint where you had no crew ships and you have a history of using up all of your reserves in the prior financing, that's a sort of precarious position that the new bondholders take into consideration also with added risk to them.
- 1:47:27 So that's something that needs to be taken into consideration also. All right, thank you, Senator Francis, Jr., you recognize your point of information. Thank you, Madam Chair. Just real quickly, Sir Adley, in regards to Act 8053, are you familiar with that Act? Off the top of my head, if you just give me the, there's quite a few acts we've been kicking it around lately that pertain to Waikos. So which one are you referring to?
- 1:47:59 Act 853 was the act that was to have transferred, transferred, the... Catherine Berg. Catherine Berg over to Papua Procurement. Correct. So I just wanted to get from you your interpretation, your understanding of Act 853, if you're familiar with that. Yes, it was proposed by Senator Millen Young, and it was to turn over a state Catherine Berg to the government of the VI, to be run by, I think it might be DPNR, and there was a committee that was supposed to overlook that, which included, I think the Commission of Public Works, WICO, Tourism, and DPNR. The challenge that we've had with that was the fact that when that act passed, we were right in the middle, and we continue to be right in the middle of getting FEMA funding for damages at Katerinburg. One of the challenges that we have, well, challenges that we have was some issues in between there where we had ADA compliance and not being considered for additional funding. We're at a point right now where we just got back from FEMA within the last month where they agreed to some additional funding for us based on ADA, et cetera. And then now we can move forward with going back out to bid with the contractors that initially bid the project and that's the position, that's where we are now.
- 1:49:36 So as far as the act of the law, we are cognizant of it, but of course we want to ensure that the asset, once it's turned over, especially if WICO is playing a role in the expenses or the maintenance, that we get as much money as we can from FEMA to get it into tip-top shape before we do that. Okay, very well. We'll have some deeper discussion in regards to that, but yeah, this is at play as well, so I'd love to have some further discussion in respect to this as we move forward.
- 1:50:13 Of course, Senator. Thank you. Thank you. I actually was going somewhere with the leases. Have you serviced your leases within the past three to five years? Have you looked at your leases and the, what your tenants are paying, et cetera? Yes. So you're satisfied with your agreements? For the most part, we are still doing some reevaluation of that and seeing where we can gain some more revenues from that with our existing tenants and possibly shifting tenants or moving them around so that we can capitalize on getting the most bang for our buck.
- 1:51:00 And your leases, are they straight leases or you do business income? No, straight leases. Straight leases, you don't do business income on them. Okay. All right, colleagues. I think we've exhausted most, if not all, of our discussions with WACO. I'm certain that this is a continuing discussion. Oh, before we wrap up, when was your last? audit 2022 correct and what's the status of your 23 it's set to start and in January of 2025 and what's why why is your lease your audits behind like that we're in line with the government so we're a component of the PFA so she doesn't think as PFA goes so does its components so you see you see the challenge that we have with Waco is like we the way goes like a dance fish Which one are we?
- 1:51:51 So we're in line with the government, but she's right. She's correct. You know, you're a component unit, but you're still considered a private corporation. So your leases, your audits are not timely because you're in line with the government. So that's also a part of why when you go to market, you're unable to get the interest rates that you would prefer because you're in line with what we do here as a government. Bill, you see the dance? I know you're in a procura situation, go ahead.
- 1:52:25 So let me just respond to that. In Wyco's defence of course, when initially we did our own audits and we were always on time, this is not a blame or any sort, what ended up happening in measures to save money because what we found, when Wyco did their own audit, VINGN did their own audit, PFA did their own audit we were paying a premium to have three different audits so PFA at the time decided to wrap all audits into one so that we can save money and with that you know you you have different entities that are dependent on others to provide stuff in a timely manner where we have that very short you know fall back of not being quite on time but understood but that's again it goes back to the concern that we have. Again, I think what's important, and I'm happy that you brought up the Virgin Islands Next Generation Network, because they are very similar to you, and I think it's time that the legislature really takes a hard look at these private

corporations that's under the government umbrella, and that's under the government umbrella when it's convenient, and when it's inconvenient, you're not. It's been a back and forth with us i think we need to address this once and for all that's from my perspective and my perspective only but i'm going to give you a um a 30 second close if we have we don't have any more questions because our other testifiers are waiting and we want to make today a good day so uh we're going to give you a 30 second close and before you close i'm going to ask again for fy 2024 pay the government the pilot if you can't pay the seven pay the pilot five we have no but you should pay all of it because you have it on your you have it on your your statement of revenues as

1:54:29 if you paid it you've you've had it here as if it's been paid this is you you're not listening you listen this as a liability you make this as a payment so write a check today it's christmas write the check so we could pay our vendors i am as serious as i sit in here pay the people it's it's not senator i understand there's no there's no need to respond pay the money either pay iban give us something give the government something so we're going to give you a 30 second close and um there's much more work to do to address this this vexing issue And, you know, the senator asked a question, though, with regards to this act that was passed to do the transfer.

1:55:17 And it hasn't occurred. Why hasn't it occurred? We're in the process of repairing the building. We've submitted all the paperwork to FEMA. And as the owner, we've been in a back and forth with FEMA on additional funding that they deemed us not eligible for in going back and forth with them, we have proven that we are eligible for it. And FEMA funding from the beginning was only tied to going back to the original use of the property. So when we're talking about converting to a museum and different stuff, that would make us ineligible for the federal funding. Understood.

1:56:03 Okay. Now it's a lot clearer for me. So, Senator, I'd like to thank yourself and all the senators for the questions. It gave us an opportunity to provide, you know, answers. I'm glad that we were able to, and I thank Senate President. I think back in March when we came with our query and request, he gave me marching orders to go ahead and present a white paper which I hope it wasn't too much of a read but I tried to make it as concise as possible and be able to give all the information concerning the pilot so I thank you for that opportunity I thank the rest of the senators for the ability to come here and explain our plight I look forward to following back up with senate president in short order, because this pilot issue that we have is not going away, and we do have legitimate concerns and challenges, that we have no issues providing the past income statements, et cetera, that you requested, because at the end of the day, that is one of our number one priorities in addition to keeping Waiko open and safe for the cruise lines coming. So I'd like to say to you and everyone else, I know it's been, what, 50 seconds, congratulations to you again, seasoned greeting to all, and thanks again, and we'll be back to you guys shortly with following up on this information on the pilot.

1:57:44 Thank you for your responses and for your candour today. I must say that you are a big defender of the organisation, so I would have done the very same thing. I have to say that your team, Ms. Turnbull, you guys are big defenders of your organization and that's really important. You know, we didn't get somebody in our chance at that, we didn't talk at the time, so it's okay for him to do something today, but let me just say that I hope that you took our recommendations seriously and, you know, for the consideration that you're asking for, I really believe that you need to develop a plan, a five-year plan, some sort of a plan to show what is it that you intend to do to improve the product as you bring the conversation back to the legislature of the Virgin Islands. So it could be something that can be considered in a meaningful way and we are able to say to our community, we're doing this because of this.

1:58:41 You see what I'm saying? Understood. So that's my strong recommendation. So we don't have any other further business today with WICO, the Committee on Budget Appropriations and Finance stands in recess for five minutes. Transcription by CastingWords Thank you. We'll be right back. We'll be right back. We'll be right back. Thank you.

2:02:21 Yes, I'm coming home for Christmas Gonna be drinking, guava berry, playing mass Having a good time God, I can't say the last time I had some sorrel Punchy creamer, smoke ham, sweet bread God, it won't be nice, yes Eating and drinking, having a good time Christmas is a time for fun A time to relax in the sun Christmas is a time for love It's a time to share with everyone I don't have no time to waste It's getting cold, I have to leave this place Take me to the Caribbean Where quadrice music and farang in the air I'm coming home for Christmas Drink while my berry I'm coming home for Christmas To be my son be merry I make up my mind this Christmas Until January I got the line for Christmas Tell uncle Sammy can keep the cold, keep the snow Christmas, I have got to go Christmas Thank you. Thank you. Thank you. Thank you. No! and Thank you. We'll be right back. We'll be right back.

2:08:15 THE COMMITTEE IS BACK ON THE RECORD. MADAM CLERK, CAN YOU PLEASE READ THE ITEM IN BLOCK NUMBER 2? to bill number 350108 an act appropriating 10 20 million from the settlement agreement between the government of the virgin islands and the estate of jeffrey e epstein daryl k indyke in his individual capacity and in his cap its capacity as the co-executor for the estate of jeffrey e Epstein and administrator of the 1953 trust Richard Decan in his individual capacity and in his capacity as co-executor of the estate of Jeffrey E Epstein and administrator of the 1953

trust the 1953 trust plan D LLC great St. James, LLC, Nautilus, Inc., Hyperion Air, LLC, Poplar, Inc., Southern Trust Company, Inc., Maple, Inc., and Laurel, Inc., collectively defendants to the Department of Public Works for the design and construction of a nursing home on St. Croix and a nursing home on St.

- 2:09:54 Thomas proposed by Senator Duane M. DeGraff. Inventor testifiers are Honorable Kevin McCurdy, Commissioner, Department of Finance, Honorable Avril George, Commissioner, Department of Human Services, Mr. Dwayne Alexander, Executive Director, VA Housing Authority, Mr. Angel Dawson, Jr., Chief Executive Director, Government Employees Retirement System. And this is the end of Block 2, Madam Chair.
- 2:10:28 Thank you, Madam Clerk. And I see that we have the testifiers ready to move forward. So I'm going to ask you guys, the testifiers, so please put your names and titles on the record. And we're going to start from my right, my left, your right. So we're going to start with you, Ms. Pell. Mrs. Pell, you may proceed. Good morning, senators. My name is Lydia Pell. I'm the chief operating officer for the Virgin Islands Housing Authority. Good morning, Senators, Duane Oaxan, Executive Director, Virgin Island Housing Authority.
- 2:11:05 Good afternoon, Clarina Modest Elliott, Executive Assistant Commissioner, Department of Finance. Good afternoon, Admiral George, Commissioner of the Department of Human Services. Good afternoon, Tayshia Phillips Dorstad, Assistant Commissioner, Department of Human Services. Good afternoon, Sean Georges, Deputy Commissioner, Department of Human Services. Do you have anyone else? In St. Croix, we have Administrator Alvin Milligan of the Senior Citizens. Okay, Ms. Milligan, and I see one other lady. Ms. Milligan, could you please put your name and title on the record?
- 2:11:48 Ms. Milligan, we're unable to hear you on St. Croix. Okay, I think we just heard you. Go ahead, try it again. Good afternoon, Alvin Milligan, Administrator of the Division of Senior Citizens Affairs, Department of Human Services. And I see the young lady from the Department of Finance. Lucy Nunez, Director of Treasury, Department of Finance. All right, thank you. Who will be testifying on this measure? Well, before we talk about the measure, who speaks to this measure?
- 2:12:24 Yes, I apologize, Mr. Senator DeGraff. You may proceed. Who speaks to Bill number 35? That's 0108. I do, Madam Chair. You may proceed. Bill number 35-0108 is about money that we have. It's about... Test, test, test. Thank you. Thank you, Madam Chair. Good morning, colleagues. Good morning, testifiers, all of you who are listening and present. Bill number 35-0108 is about money we have. It's about my passion for the senior citizen population of the territory we have. And it's about making a dream come true. The Jeffrey Epstein situation is a dark cloud on the Virgin Islands that we're going to have in our midst. So based on this particular settlement, I looked at let's try get something good out of this and some subsequent legislation that we did to get something good out of these monies that come here to the territory to address a specific, specific population, our seniors. You know, we have free tuition in our elementary school, I mean, at our university for our children to take advantage of.
- 2:14:01 They're still leaving in droves. We're trying to keep, we're trying to bring home some of our great young minds back to our territory. We have a fellows program. Now we have Herbert Gregg, we have Lucinda Millen, we have Queen Louise, we have these senior facilities here presently that are atrocious. You go to these facilities and it's atrocious. So what I tried to do was not only grab \$20 million of this money for St. Thomas because I'm a senator. I'm a territorial senator. 10 million for St. Thomas, 10 million for St. Croix.
- 2:14:48 Equally deserving in the territory that we have to look out for our seniors. These are the people who laid the foundation. We are walking on the backs of the senior population in this territory. Some of the seniors have retired with, my mother retired making \$17,000 after working 30 plus years as a nurse. Seniors retired making nothing. Let's look out for them. Let's take \$20 million now that we don't have to tax nobody in this territory. We don't have to go and increase no fees anywhere of monies based on something that horribly went wrong in this territory.
- 2:15:31 Now, we're trying to bring some light to it and use this \$20 million toward building a nursing facility for seniors on St. Thomas and St. Croix. This is long awaited. You know, I'm happy to have the testifiers here, what are you for against? But I think, again, this has to be addressed, and I'm happy for the time. Thank you for the time, Madam Chair. I ask for a favorable consideration by my colleagues. Thank you. Thank you, Senator DeGraff.
- 2:16:01 I see that we have testimony from the Department of Finance led by the Assistant Commissioner, Mrs. Clarina Modest Elliott, as well as testimony from Commissioner Avril George. Those are the two testimonies that's before us? Okay. Okay, so we're going to start with the Department of Finance. You may proceed, Mrs. Modest Elliott. Good afternoon, Honorable Donna Fred Gregory, Chairperson of the Committee on Budget, Appropriations and Finance. Bill sponsor, Honorable Dwayne M.T. Graff, other members of the 35th Legislature, and listening and viewing audience. I am Clarina Modest Elliott, Executive Assistant Commissioner of the Department of Finance, Testifying on behalf of Kevin

McCurdy, the Commissioner of Finance, I appear before you with Ms. Lucy Nunes, Director of Treasury at the Department of Finance. Thank you for the opportunity to provide testimony on Bill 350108, an act appropriating 20 million from the settlement agreement between the government of the Virgin Islands and the estate of Jeffrey E. Epstein. Darren K. Ndiye, in his individual capacity and in his capacity as the co-executor for the estate of Jeffrey E. Epstein, an administrator of the 1953 Trust. Richard D. Kahn, in his individual capacity and in his capacity as co-executor of the estate of Jeffrey E. Epstein, an administrator of the 1953 Trust. the 1953 Trust, Plan D, LLC, Great St. Jim, LLC, Nautilus, Inc., Hyperion Air, LLC, Poplar, Inc., Southern Trust Company, Inc., Maple, Inc., and Laurel, Inc., collectively defendants to the Department of Public Works for the design and construction of a nursing home on St. Croix and a nursing home on St. Thomas. As the custodian of the Jeffrey E. Epstein settlement funds, the Department of Finance has ensured compliance with the statutory requirements governing their use. The settlement agreement totaled \$105 million.

2:18:29 However after deducting legal and other associated fees, the government received \$76,029,864.69 settlement proceeds on an additional forty three thousand two hundred forty eight dollars on five cents in interest in accordance with act 89 20 as overridden these funds have been appropriated for specific projects we confirm that we are to expect a total of 23 million two hundred seventy one thousand three hundred and fifty nine dollars as the remaining balance of the epstein settlement This total includes interest on approximate \$10.9 million from the sale of Little St. James Island.

2:19:18 However, we must advise that based on the provisions of Act 8920, we are not in support of the bill as it may not be an eligible use of the funds. The law does not explicitly provide guidance or authority for such expenditures. Given this ambiguity, we recommend a Tarot review of Act 8920 to ensure that the proposed use aligns with the legislative intent and legal requirements governing the settlement funds.

2:19:49 This concludes my testimony. We are available to answer any question or provide additional information as needed. Thank you. Thank you. I also see that we just received testimony from the Virgin Islands Housing Authority. We're going to go to the Department of Human Services and then Commissioner of Human Services and then we'll go to the Housing Authority. Commissioner, you may proceed. Can you hear me? Yes, I can.

2:20:18 Good morning, Senator, Chairwoman, Senator Donaford Gregory, members of the committee, staff, fellow stakeholders, and members of the listening and viewing audience. Joining me, joining with me here today, I have my Assistant Commissioner, Tayshia Phillips-Dorsett, our Deputy Commissioner of Operations, Sean George, and our Administrator of Senior Citizens Affairs, Alvin Milligan on the Island of St. Croix. Thank you for the opportunity to provide testimony on Bill 35-0108. I have the honor of serving as the Commissioner of the Virgin Islands Department of Human services and today i will address the critical needs of our senior citizens provide context about the challenges we face in delivering long-term care and offer insights into the department position under proposed legislation first and foremost the department of human services remain steadfast in our mission to safeguard the dignity safety and well-being of the seniors across the territory with an aging population and increased demand for specialized care the issue of residential long-term care is not only urgent but multifaceted while this bill proposes a significant investment in our senior care infrastructure we must ensure that any allocation of funds reflect a holistic holistic approach to addressing the systematic needs systematic needs of our elders as commissioner my role is to advocate for the well-being of our most vulnerable population including our senior citizens and to ensure that we deliver high quality services that meet their unique needs bill number 35-0108 raises important considerations regarding the state of long-term care in the virgin islands and the critical role of sustainable planning and resources in meeting the growing

2:22:18 demands for these services challenges in nursing home care although the common references in the residential long-term care industry often focuses on the availability of nursing home beds this approach oversimplifies the complexities of elder care physical bed and rooms are critical components of care but they represent just one aspect of the larger system required to support our seniors the challenges we face today are deeply rooted in a dual impact of infrastructure damage and system systemic resource shortages physical damage hurricanes irma and maria significantly impacted our nursing home facilities at herbert great active beds were reduced from 40 to 25 and at queen louise their number dropped from 29 to 15. this reduction has severely limited our capacity to meet the growing demand for residential care our workforce deficits even if physical spaces were restored to their original capacity the ability to provide high quality care hinges on adequate staffing and nursing homes must be supported by a multidisciplinary team to include dietary staff which is kitchen managers cooks food service workers and stock clerk to ensure proper nutrition medical personnel which is registered nurses licensed practical nurses certified nursing assistants and physicians provide round-the-clock care support services which is housekeeping maintenance and custodial staff ensure a safe and clean environment our social services which is social workers and aids addresses the emotional and social well-being

2:24:19 of our residents and administrative staff to give effective management which is essential to ensure seamless operation without these critical staff members our seniors cannot receive the 24 hour custodial care they need regardless of the

availability of physical space position on bill number 35.0108 the intent of this legislation is commendable our seniors deserve facilities that are safe modern and capable of addressing their comprehensive care needs however i must echo the position of governor albert brian jr the appropriations outline in this bill as written are not supported the governor's reservation stem from several key factors lack of strategic framework the bill proposes funding allocations without sufficient detail regarding how these funds will be used to address the systemic issues of elder care particularly in staffing and operations current negotiations the governor is actively pursuing negotiations of the acquisition of the Seaview nursing home. These negotiations are a critical component of a broader strategy to rebuild and enhance our elder care infrastructure in a sustainable and fiscally responsible manner. Premature allocation of funds for other projects risk undermining these efforts. Sustainability concerns. Any investment in elder care must be tied to a comprehensive plan that addresses not only infrastructure but also staffing training and operational needs it is critical to ensure that any new facilities are supported by sustainable staffing and funding models before i conclude my testimony i'll also like the team to note that we have also have ongoing projects in regards to queen louise and herbert great in queen louise we have

2:26:26 our project project status at queen louise new building and our funding at 73.073 million dollars and our project status for herbert greg holmes for the age of funding for that project is 131 million dollars in conclusion the department of human services is committed to collaborating with the legislature the governor's office and community stakeholders to ensure that any initiatives related to senior care reflect both fiscal responsibility and the best interests of our elderly population while we appreciate the intent behind bill number 35-0108 the current language and approach require further refinement to achieve these goals thank you for the time and attention and we remain available to answer any questions you may have thank you uh commissioner George. We'll now hear from Executive Director Mr. DeWine Alexander of the Virgin Islands Housing Authority. Thank you. Good afternoon, Honorable Senator Donna A. Fred Gregory, Chairperson of the Committee on Budget and Appropriations and Finance, Vice-Chair Novell Francis Jr., and committee members, Senator Marvin A. Blyton, Senator Samuel Carrion, Senator Dwayne M. DeGraff, and Senator Ray Fonseca, and Senator Javon James. Good afternoon to all other distinguished senators, president today, legislative staff, citizens of the Virgin Islands, my dedicated team, the Virgin Island housing authority board of commissioners and the listening public my name is duane alexander

2:28:17 executive director of the virgin island housing authority i am honored to be here today as the authority's representative for my first face-to-face discussion with the committee on budget appropriation and finance and the well with me today is miss lydia pell chief operating officer together with our dedicated employees we are committed to enhancing the performance of the virgin island housing authority in line with the u.s department of housing and urban development standards a summary of the act i would like to thank you for the opportunity to provide the testimony and support of bill number 35-0108 on july 18 2013 the 35th Legislature of the Virgin Islands enacted a bill appropriating \$20 million from the settlement agreement between the government of the Virgin Islands and multiple defendants including the state of the Jeffrey E. Epstein.

2:29:20 The funds are designated for the Department of Public Works and will be used specifically for nursing homes, \$10 million for design and construction in St. Croix, \$10 million for design and construction in St. Thomas. The funds appropriate will remain available until they are fully extended. These initiative addresses the urgent needs for housing for elderly and the Virgin Islands. The settlement involving a state of Jeffrey Epstein and various entities represent a significant financial resource for the Virgin Islands. Utilizing these funds for community needs, like nursing homes, would demonstrate a commitment to addressing pressing social issues. Divergent Islands, like many places, experiencing an aging population, which increases the demand for elderly care facilities. Nursing homes provide essential services for seniors who may require assistance with daily activities or medical care. There are existing gaps in health care services for seniors making the establishment of nursing homes critical to improving health outcomes and quality of life for the territory.

2:30:40 The Virgin Islands, like many regions, is experiencing a demographic shift towards an older population. As life expectancy increases, the demand for elderly care facilities is rising. This necessitates the establishment of nursing homes to provide adequate care and support. Many seniors face barriers to accessing health care services due to the limited availability of specialized facilities. Nursing homes can bridge this gap by offering comprehensive care that includes medical attention, rehabilitation and daily living assistance nursing homes can enhance quality of life for seniors providing not only medical care but also social engagement recreation activities and mental health support this holistic approach addresses both physical and emotional well-being establishment of nursing homes in the Virgin Islands will provide a long range of benefits to the community, particularly for the elderly population and their families. Some key ways in which nursing homes can have a positive impact on the people in the Virgin Islands. Access to health care. Nursing homes offer a specialized medical care rehabilitation services in existence with daily activities ensuring that residents receive the attention they need to maintain a health and well-being. Facilities employ trained health care

professionals including registered nurses and certified nursing aides who can provide round-the-clock support and care. Relief of caregivers nursing homes can relieve the burden on families allowing them to spend quality time with

2:32:41 their loved ones without the stress of daily caregiving peace of mind knowing that their loved ones are in a safe supported environment can provide families with this with peace of mind social engagements and community nursing home orphans provides programs and activities to that promote social interaction helping residents build friendship and reduce feelings of isolation. They also can serve as community hubs fostering connections between residents, families, and local organizations. The economical benefits of these are the construction and operation of nursing homes will create jobs and various fields stimulate an economy. Increased spending with the community can benefit local benefits. Addressing the long-term or the aging population needs, nursing homes provide a structured solution to meeting the growing demand for elderly care. They create a continuum of care options for seniors, allowing for more tailored approach for elderly care. They also can offer preventive health services and rehabilitation programs to help residents maintain their health. Many nursing homes provide mental health support and activities promote cognitive engagement. Establishment of nursing homes can enhance the community, the continued care available in the Virgin Islands which is essential as the population ages. This includes options for independent living, assisted living, and skilled nursing care. Conducting a thorough needs assessment to identify specific community requirements for nursing homes including types of services most sought of after by the elderly population. Building trust and involvement. Organizing informational sessions and forums to engage community members gather feedback and address any concerns regarding nursing homes. This

2:35:00 can foster a sense of ownership and support within the community. In summary, the appropriations of \$20 million for the design and construction of a nursing home at St. Croix and St. Thomas represent a significant step towards addressing the urgent need for elderly care in the Virgin Islands. By focusing on effective planning, community involvement, and sound financial management, initiative has the potential to greatly enhance the quality of life for seniors while also benefiting the local community. Establishment of local nursing homes is expected to have a multifaceted positive impact on a community by improving the care for the elderly, supporting families, and creating jobs. By leveraging its expertise, resources, and community connections, the Virgin Island Housing Authority can significantly enhance this initiative through collaboration advocacy and focus on sustainable development the Virgin Island Housing Authority can help ensure that the nursing homes effective meet the needs of the elderly population in the Virgin Islands this initiative to establish nursing homes in the Virgin Islands represent a significant opportunity to improve the quality of life for elderly population while addressing the critical gaps in health care services through thoughtful planning, community engagement, and collaboration with various stakeholders. The Virgin Island Housing Authority and the Department of Public Works can create facilities not only to meet the immediate needs of seniors but also contribute to the overall well-being and cohesion of the community by fostering a supportive environment for seniors the nursing

2:36:51 homes can enhance not only the individual lives but also the fabric of the Virgin Islands community ultimately leading into a healthier more connected society this initiative is not only about building structures is about creating a sustainable future where every elderly residents feels value safe and care for. I would like to express my gratitude to you, Senator Gregory, Fred Gregory, and other members of the Finance Committee for providing the Virgin Island Housing Authority with the opportunity to present this testimony. As you conclude your final term, I just want to take a moment to express my deepest gratitude for your incredible service and dedication. Your commitment and passion has made a lasting impact in the Virgin Islands, and you have inspired so many of us with your leadership. While the chapter may be coming to an end, the legacy you have created will continue to resonate for years to come. We are all better for having had you in this role, and I'm excited to see where your journey takes you next. Thank you for everything. Wishing you all the best in your future endeavors. We appreciate and will continue to provide our support and eagerly anticipate addressing any questions related to my testimony. Lastly, I would like to express my heartfelt appreciation once again to the dedicated employees of the Virgin Island Housing Authority. Three minutes.

2:38:27 For the unwavering commitment, hard work, and diligence in ensuring that our residents have safe and comfortable places to call home. Thank you, that concludes my testimony. Thank you, Mr. Alexander, for your testimony and heartfelt thank you for your kind words and confidence. Thank you so much. Colleagues, we're going to go to a three-minute round and we're going to start with Senator Novali Francis, Jr. Thank you very much, Madam Chair, and good afternoon. And thank you to the testifiers for your testimony. And I'm happy that you took the time to put your thoughts into this testimony and truly appreciate it. I also want to recognize my colleague, Senator Dwayne DeGraff, the minority leader, for his stick-to-wictiveness in ensuring that as we move forward in regards to the use of the Jeffrey Epstein funding, that in fact, from the get-go, there was much robust discussion in regards to the use of this money and he certainly was one at the forefront of ensuring that whatever we do we want to carve out and set aside some money for our elderly and the development of a nursing home so I want to commend him for his stick to it to this and that this Jeffrey Epstein money I must say have been put there is a number of appropriation that have been made in previous legislation recently that

address our behavioral health issue as well as a number of initiative that we work collectively on to ensure that this money is utilized for to make us of a better community as a result of the funding I don't want to believe based on the testimony that I've heard here that Department of Human Services and Department of Finance don't want 20 million dollars to support and assist them in this endeavor I what I'm hearing from them is that there needs to be a comprehensive approach to how we utilize this money and I could certainly agree and appreciate that when we contemplated and had the discussion regarding this we really wanted to ensure that as we build

2:40:46 out an elderly home that in fact we want to create a nursing home with all of the necessary ancillary service to be able to address the issues that's confronting our elderly. The issue of neurological issues that's affecting them as they age, dementia, Alzheimer's, seizures, stroke, we want to make sure that we're putting in all of those sensory mechanisms to make sure that we're addressing the whole elderly care that's required in these efforts. And I would love to approach certainly the Department of Human Services in terms of the plans that they have, because this can be one-sided. The executive branch can't do this by themselves. And I'm hearing about the money that have been set aside for the Queen Louise home, the Herbert Gregg home, and those different areas. But I think there needs to be a collective approach to this. We have an additional \$20 million that I'm hoping that we could either build on to what have already been created by the administration to support and assist, especially when we look at those sensory areas. For me, I think it's critical as we move forward. So, Commissioner, can you just share with us real quickly, what are some of the plans regarding this, the addressing the elderly care for the Queen Louise, Seaview, Herbert Grey home that you have discussed in your testimony? Avril George, Commissioner of Human Services. We have two projects currently in progress. Louise home new build is currently under review with ODR to re-engage with the architects to proceed with the A&E designs. The project was placed on hold due to super PMO start up, task order is being revised

2:42:42 and re-engagement should occur by January 2025. The project status for Herbert Gray, task order currently being revised by ODR and Geridian Once the task order is executed DHS will get the green light to proceed with the A&E design. For Queen Louise, we have a temporary facility which is an existing building. Repairs to the current facility is in progress and contract has been awarded to custom builders to do the repairs, interior, exterior to the facility and the relocation of the staff is currently in progress and dhs is awaiting final supply agreement from dpp to begin the relocation process our tentative date of the move is february 2025 and the relocation of the staff will be at palm court i think it's palm courts have a view for about nine months so these are the projects that are currently in progress funding had already been allocated for them and we're going through the process so what will be your recommendation in respect to how you believe that this 20 million dollars of stuff available to us could help to support those initiatives or be able to complement any other initiative that's being undertaken as it pertains to addressing our elderly care in this community I think the 20 million can be twofold if we look at a comprehensive plan like you previously mentioned and figure out what Avenue we can go whether it's staffing whether it's critical infrastructure but I think more discussion has to be made among all parties info so is it I'm hearing I'm wrapping up right now madam clerk I'm on a chair am i hearing from you that in fact that you will want to to sit and further discuss you know with us in

2:44:36 terms of the comprehensive use of this funding moving forward is that what I'm Mary? It's twofold, because the question is, is all that funding really available? Because if you hear from DOF testimony, there's allotments that have already been done, there's things that have already been done with the Epstein funding, so I think conversations have to be have of what is really there and what direction we take. We can sit here and say, 20 million, does it really exist, or is it being used for other purposes based on Governor Bryan's vision and where he want to take it? So I think there's just further discussion need to have. I can't sit here and sit, we have \$20 million. I can tell the team what to do with it. Well, I hear you and you work for the executive branch, but this is the legislative branch that handle the purse ring of this funding. And while Governor Bryan and the executive branch have already determined some of the initiative there, this legislative branch will have a seat at the table to determine how this money is being spent there. So whatever is said and done, we will be included in how we move forward on this particular issue. Thank you very much, Madam Chair, for the time.

2:45:43 Thank you, Senator Francis Jr. So I probably should have given four minutes for this. The Department of Finance, you represented that three, the settlement agreement total 105 million, however, after deducting legal and other associated fees. What are the associated fees? What are those? Yeah, there's only, what are the associated fees? bank transfers and those banking fees I don't know miss Nunes you want to give the details so you're saying that bank transfers give me what the associated fees is because we have we've done extensive work on all of these settlement agreements and at minimum the Department of Finance should have provided us not just a testimony give me a table that break out what you're representing. So let's hear what are these associated fees? What is the total amount of associated fees? There must be transparency in this, tied to these funding, these dollars and then we continue to be challenged with it and this is why the legislature will continue to do what they have to do on this. So tell us, what are these associated fees?

- 2:47:15 the information for or attorney fees is retrieved or can be obtained by the Department of Justice the fundings that we receive were net of the amounts so that information would then definitely need to be requested by the Department of Justice and the AG office I see the game we see the funding net listen we We have a breakout of this, and the Department of Finance, a minimum, should have a breakout of this. We received \$105 million, so we agree with that.
- 2:47:52 The attorney fees and costs total, \$17,349,705, and the amount that has been paid as of 11-15, 15, that was 2023, was \$16,521,391.69, and it was 828,000 outstanding on some recent collections at the time. That left a balance of \$87,652.95. The legislature appropriated about \$67 million from this particular settlement agreement, which left the \$20 million.
- 2:48:37 So finance, you need to give us an accounting. Your treasury director can't tell us what the associated fees are. At minimum, someone that's responsible for the financials of this government should analyze those agreements just like we did here. And it is clear that that didn't happen because your treasury director is only able to provide us, which is rightfully so, what was transmitted. But what does the settlement agreement say?
- 2:49:11 Is the government of the Virgin Islands in agreement with what has come over? The Attorney General is not responsible for doing financials, the Attorney General is responsible for doing the settlement agreement. So based on the agreement, the Department of Finance responsibility is to drill down into the agreement to determine if the government got its due. So the responses that we're getting from the Department of Finance today is not acceptable. And we're going to ask again for the Department of Finance to provide the legislature with The amount that was, the settlement agreement was 105.
- 2:49:48 The attorney fees was 17,349,705, leaving a balance of 87,650. I don't have the bills in front of me, but we can, 87 million that we, that I can go over but I can surely get them. But the numbers are not correct. I do agree that there are concerns as it relates to how the bill is proposed. I don't have a challenge with that. challenge with looking at the dollars so we have to make sure that when we're coming before this committee that the information that we provide is not just okay to say associated fees and no I'm not acceptable we I mean I sat on that side of the table and we had to come prepared to this institution with clear information so we could you know explain our position to the government so I'm I'm challenged with this. But I'm going to go over to the next senator, Senator Fonseca, you're recognised for your three minutes.
- 2:50:44 Yes, thank you, Madam Chair, and welcome to all the distinguished panel of testifiers, all the listening, viewing audience. Okay, so I wanted to quote from the Human Services Commissioner, the Honourable Avril George. oh by the way um congratulations on the assistant commissioner higher miss tisha dorsett phillips she used to be up government house where she had um exemption from coming down here testifying you know i never used to be able to actually have us sit in the well and ask her questions but very capable higher um congratulations i i thank you i see there's great things happening in human services and continue to do the great work, because I know you inherited a lot of issues and I see where you're addressing them head on.
- 2:51:40 And I agree with you, you know, we need to look at the whole package. You mentioned that we have Herbert Grigg lost 15 beds and Queen Louise lost 14, so you're down 29 beds, but we have \$204 million to address it, and it's being addressed, you're in the AE stage for the rebuild of Herbert Green, and Queen Louise. So let me ask you now, Custom Builders is going to do the rebuild of Queen Louise home, is it going to restore it back to the 29th, oh, first I want to give special congratulations to my fellow Savanero on this initiative because elderly housing is definitely a yes. And I support this definitely.
- 2:52:34 So is Custom Builders with Queen Louise, are they going to restore it back to 29 or it's going to be less than 29? How is that going to be? Good afternoon, Senator Taysha Phillips-Dorset, Assistant Commissioner. custom builders is going to do is repair many of the patches the leaks etc that currently exists in Queen Louise and that is going to give us the opportunity to begin to add more residents until the new facility is constructed and built out unfortunately when we have residents who pass we then go to our waiting list because our waiting lists in both districts are very robust and we try to build a new client into the space as soon as possible so very robust I got to dig into that so the waiting list is how much persons more or less I and for the Queen Louise for the Queen Louise home the waiting list currently is 20 25 residents and for Herbert Grigholm it is 20 residents. Okay see so if we're able to restore them we have 29 additional units and and I know it's a challenging process because we've taught it and we know it can't be done and you know I have to congratulate Human Services I see great things is happening so you know I'm supporting. Quickly I want to go to miss Lucy Munoz the director of the Treasury. So, Ms. Munoz. N-U-N-E-Z. N-U-N-E-Z. N-U-N-E-Z. Okay, question. So, the chair lady, Dr. Donna Fred Gregory, outlined the net \$87 million. Was this money invested once? And And don't tell me we got to ask justice because finance, I'm assuming that you know this. Once that settlement was made, the \$87 million, was it invested or it was just in a non-interest bearing account? Give me the details on that.

- 2:54:55 Well, we have \$76,073,112.74 as it was outlined in the testimony this morning. So the figure that is provided, based on the receipts, this is what we confirm in the bank activity. Okay, but you didn't answer my question. My question was, was it invested in an interest-bearing account, yes or no? It's in an interest-bearing account.
- 2:55:26 I didn't hear you. One person speak at a time. I didn't hear you. Can you repeat? There's a backdrop, I don't know if you're hearing on this back end. Could you repeat the question, Senator Fonseca? Okay, the amount of the net proceeds, after we paid the 17 million attorney's fees, was the difference, the balance invested in an interest-bearing account? Yes.
- 2:55:54 Yes. So then there's an additional add of interest earned on that, right? That's correct. Recall that then there's some of the proceeds are in the CD. Okay, so what was, then you see, when you provide information to Madam Chair that she requested, then you're going to have to now add the interest earned because apparently there was interest earned on that net deposit, right? That's what you're saying? That's what you're confirming? Right, and so...
- 2:56:29 Okay, yes, that's all I want. Madam Chair, can I just finish up one time? Okay, okay, good. So now with the Seaview nursing home, you said that you're in negotiations. Tell me where we are now with the Seaview nursing home. Finance, finance, you mentioned one of the items was that we're in the process of negotiation for the Seaview nursing home, I mean Commissioner George. We told the facility conversations are happening between the team on the use of the facility and what we're looking at it for, so conversations are still happening and negotiations are being done. So we ain't sure then that we're going to buy Sea View.
- 2:57:17 We're looking to buy, but we ain't sure. That's the direction we're looking to go in, Centre. Okay. Thank you. Thank you, Madam Chair, for the time. Yeah, it looks so, yeah. Thank you, Madam Chair. Thank you, Senator Fonseca. So we're trying to pull up Act number 8920 because I think there's some confusion with, as we read the last paragraph of your testimony, Assistant Commissioner, we're realizing that I think we have set aside some \$20 million and I think that you all are thinking that what we are trying to do today is tied to that 20 million.
- 2:57:59 No. So we just wanna pull up the bill and then we're gonna get back to you on that, okay? Because I think we have some, because you're talking about legislative intent, this is a whole new bill for whole new money. You see what I'm saying? This don't have anything to do with what we appropriated in 89-20. You see what I'm saying? But going back to Commissioner George, so this is a challenge that we have. I think in the testimony, you know, one of the things that we've experienced over and over, and this is why things move at such a slow pace here in the territory, is we all know that we are challenged with senior care facilities. We know that we're challenged in that aspect. But the collaboration with the legislature is not occurring. So you're in the process of, you're in the negotiations rather, with the potential purchase of the Seaview, and this doesn't have anything to do with you directly. This has to do with the chief executive, the chief executive office. So that type of information is information that's necessary for the legislature to be aware of. While there may be ARPA funding, that's the funding that you're using, right?
- 2:59:21 I'm not sure. Well, that's the only funding that's available that could be spent without legislative authorization right now. So, while there may be ARPA funding, there still must be some collaboration around the work that's being done behind the scenes. So, we don't do, we are not working on things like this. If we collaborate, we recognize we need nursing facilities in the territory. We're utilizing a portion of our ARPA dollars to purchase the facilities, then we talk about it. Or we probably, it's either ARPA or what is it, the HUD, the CBDGDR, let me just ask the guy, he's right here. Is there any discussion with you around utilizing CBDG-DR funding for the purposes of purchasing . Oh, sorry.
- 3:00:16 I'm talking to the wrong person. I'm sorry. Yes. Yes. I'm talking to the wrong person. Yes. That's HFA. That's HFA. Right. Yeah. That's HFA. So I can't ask you that. So, to your point, you don't know. had some money either or but we should know some have some ideas of what's happening so herein lies where we continue to reach come to these roadblocks and things are not happening as fast as they are able to happen because of that lack of that collaborative component that's definitely missing so um i'm gonna go to senator is it you senator blighton you recognize for your three minutes thank you madam chair and good afternoon again to all and i want to start by thanking uh commending the senator for for proposing this bill it's a very important bill because we know we have an aging community and when it comes to senior living it's important that we look out for them i do agree that we need more collaboration and communication because um myself and sponsor have spoke about the funding for these two homes and we also spoke to see if you also to see how we can collaborate um so here we are and i do agree with um commissioner george in respect to what's necessary um when it comes to the wraparound services because right now we have several senior homes or senior living facilities that desperately in need of those wraparound services to include Lucinda Mailing Home that had it in the past. And it's a problem for our seniors in terms of their daily living and what they
- 3:02:07 need in order to be comfortable in their living space. So definitely there needs to be more collaboration and communication moving forward in how we're going to assure that whatever we built, and wherever we built it, that

there's the wraparound services, there's the routine maintenance that's necessary also, and that there are other services that are going to assure that our seniors are comfortable in the space that they live. Because when it comes to senior care and senior living, it's definitely a passion of mine and a responsibility that I take seriously. Let me ask one quick question to Commissioner George. You said right now you guys are at what phase when it comes to Herbert Gregg and what phase are you at when it comes to Queen Louise?

3:03:08 One minute. Because I know you have a lot of moving parts at the same time, but what's going on? Talk to me. for the Commissioner of the Health Department of Human Services. For the Queen Louise home, the task order is currently being revised and the re-engagement should occur by January 2025 and for Herbert Gregg, the project was placed on hold due a super PMO startup but our task order is being executed and DHS will get the green light to proceed with the A&E design. And when will that happen?

3:03:55 We're looking at also in January, February, sir. Okay. Very well. Again, it's important that I'm moving forward with all of these projects when it comes to our seniors and senior living, we must really collaborate and coordinate in respect to how we move forward as a whole and assure that we have all of the services, wraparound services necessary to assure that their living is comfortable and we meet all of their needs moving forward because they have a lot of needs. And I want to thank you for your testimony, Madam Chair.

3:04:32 I want to thank you for the time. Thank you, Senator Blayden. we go to the sponsor so let me just go back quickly to the testimony from Department of Finance so because we need some any any clarification oh boy what did I do it all that paper it's this okay so in your last way it says however what does that mean however we must advise that based on the provision of act 8920 we are not in support of the bill as it may be may not be an eligible use of the funds the law does not explicitly provide guidance or authority for such an expenditure given this authority but given this ambiguity we recommend authority review of act 8920 to ensure that the proposed use aligns with the legislative intent and the legal requirements governing the settlement What does that mean?

3:05:36 Based on my role, Clarina Modessa Elliott, Executive Assistant Commissioner, Department of Finance. Based on my understanding, it seems that the bill kind of itemized what we can use the fundings for. And we can use it for renovating Seaview, which is a nursing home, but it didn't specify actually building two new nursing homes. Okay, so I realize that there is a misunderstanding from the Department of Finance in. So let me just break it out for you. So there's \$105,450,000 in this settlement agreement.

3:06:19 Of that \$105,000, my colleague, my Savanero colleague who's bringing this bill before us today, he set aside 20 million that's not included in bill number 8920 that's there's no conversation so there's no legislative intent that's tied to this conversation that we're having today follow me then there was then we there was also \$450,000 for the reclaiming of the shoreline at the Epstein Island, okay? Then there was \$17.3 million that was tied to the attorney fees, which were paid. So that left an available balance of \$67,652.94.70, and that's what we appropriated in Bill number 8920 but act sorry in act 8920 but this 20 million that we're talking about today has nothing to do with the the act you see what I'm saying so if you look you you said it you said we confirm that we act that we are to expect a total of 23 million as a remaining balance so that's what he try to use the other side they remain in balance that's what is going on just for clarity because I realize that you all are thinking that the measure that we pass because I think we set aside four million for the upfitting of Seaview because when we spoke to the governor about it he said they may need money for the beds and the furnitures etc so that's what that four million is for Commissioner George? Senator Jennifer Gregory, the money for the \$4 million came from the St. Croix Settlement Fund, not the upper fund.

3:08:21 Correct. Correct. You're correct. Exactly. Yes, it did. So, you follow me? So, the \$20 million is, based on your very testimony, there's \$20 million. There's interest and different things that have occurred since then, so that's why you're coming up to \$23 million. Okay? Let's make sure we're going to see it. Senator DeGraff, just wanted to make sure that we break it out so we could all understand what's happening here. Senator DeGraff, you're recognized as the sponsor for your three minutes. Madam Chair, thank you very much.

3:08:55 You know, in listening, I think, you know, as I get older, the type of person my parents made me is to listen and try to find the higher ground let just remove dwayne the graph from anywhere this bill forget dwayne the graph okay let's forget doing the graph let's try to envision having the 20 million dollars and doing something for our senior population period okay this is gonna be senator Joe Blow so I asked housing to come because what was told to me was look for low income subsidy to be a as a seed money actually toward trying to get a partnership to build and why it was explained to me that if I retired making \$17,000 and I qualify for the low-income subsidy, if I put in \$10 million into it, it may help for somebody who retired making \$25,000 to get in.

- 3:10:11 Because you add some seed money, you could broaden the horizon a little bit. That was why I asked housing for that part. I asked human services because in discussion with my colleagues, Mr. President brought an idea that well then maybe we could take the 10 million dollars for the sinker and add on a wing to herbert gregg now and getting some people know money up front that we could do it that that's that intent um madam chair gave me the the idea in regards to the 10 million also on the saint thomas say check with um grs they have properties that we could start that 10 million dollars to put down public private partnerships get something done these are the great ideas that my colleagues gave me that's why i just left the bill bare so we could just get the 20 million dollars and then we sit down now and have everybody have a say have an input so we could get this done but to hear some of the things i heard in the testimonies one minute like the young generation said that i i said earlier the mat ain't martin and i i ain't gonna never be disrespectful to anybody but if i i donate 20 10 million dollars to human services or anybody and they tell me well i don't want your 10 million dollars because you ain't provide for how we gonna do this and do that i'm giving you 10 million you do what you want with it that's how i look at it so so just i just sacks just remove the graph name 30 seconds this is senator joe blue he from savannah too but we try and get his head done and and madam chair thank you very much for what you provided and we are seeing that the 20 million dollars is there in your testimony of assistant commissioner Elliott you did say there was a balance of twenty three million dollars so the
- 3:12:10 twenty million is there and it's for conversation for maybe with the federal monies that are allocated for Herbert Gregg and time Queen Louise if I may wrap up madam chair you maybe have to go through hoops and bongs we have this money here that is in a treasury way to be spent and we're just trying to allocated toward getting something done and that's my only intent like I say senator Joe Blue from Savan is the person dealing with it so let's don't get caught up in in politics let's look at a big picture and we all move forward the money is there that's the intent that's some of the great ideas that came for my colleagues and I and so I'm just asking for my colleagues support again senator Joe blue from Savan if we could get his move get it done and get his head rolling thank you to my colleague madam chair you know for putting it on and on your your last thing anyone cause no we're gonna do but again thank you for what you have done for the people of the Virgin Islands continue to do great things. I highly appreciate you. Mr. President, thank you again for your idea. But we could move this money. Let's get it done. Thank you for the time, Madam Chair.
- 3:13:35 Thank you, Senator de Graff. You know, we didn't get into the weeds of the fact that the \$10 million is designated for the design and construction of a nursing home in St. Croix and \$10 million for the design and construction of a nursing home in St. Thomas. As we said I think I kind of heard that resounding in the conversation that this bill requires some collaboration with Department of Human Services, the executive branch overall, so we could determine what's the best use of the funding for the nursing home. I think all of us agree that it is very necessary, but I think that based on what we have in front of us, and we have public works being the responsible party, we know that that is in fact not the case, so I guess at the appropriate time we will make a decision as to how the way forward is with this measure.
- 3:14:26 So what I'm going to do right now is ask the testifiers to do a 30-second close. We will make a decision on this measure later on today. So I'm going to start with who was the first testifier, Ms. Modest, Mrs. Modest Elliott. You may proceed. 30 seconds. Good afternoon. I would like to thank the 35th legislature for the opportunity to testify on the bill to associate 20 million to build senior homes on St. Thomas and St. Croix. I would like to commend the bill's sponsor. We will definitely reach out to Department of Justice and obtain the details of the associated fees and will advise the legislature once we receive the pendent balance of \$23 million.
- 3:15:16 Again, thank you. Commissioner George. Thank you for the opportunity to testify on the bill, and I look forward to the collaboration and continued communication in this matter, and I just want to wish the people of this community seasons greetings and safe and happy celebration on the island of St. Croix. and I also want to wish my staff the same and thank them for all they do and God bless and start all right and mr. Alexander thank you senator I want to thank all the senators for allowing me to testify today but I would just put out there from where we sit the housing authority we house many seniors throughout the communities and one of the key point is that we do not provide any housing other than independent living so because we provide independent living we have some senior living facilities we firsthand watch every single day seniors who need some medical attention and a nursing home will add to what we already do we just don't have those additional services so what our vision is a little bit different than most of my colleagues and I respect their opinion but from where we sit with the independent housing 60% of the people that we serve need some additional services in terms of nursing services so we a big advocate for that again I want to thank you all for allowing me to share my testimony you all hope you all have a nice holiday coming soon thank you thank you very much let me just ask you one question as you talked about what you said in your closing what's what's the status of
- 3:17:00 Lucinda Millenholme? We are working on that in terms of, and I'm sure that this question is going to pop up, we are working on that. We have a lot of facilities in our queue. When are we going to see, because you made a passionate plea

[illegible]

3:36:25 Pack me guts with food and bitters Tense the season to get the jetpack Don't drink all the guava berries You better save some for me Pack up me guts with food and bitters La la la la la la la la la Oh, pack me guts with food and bitter La la la la la la la la It's the season to be a gin La la la la la la la la Don't drink all the guapa, baby You're like a damn song for me Pack me head with food and bitter La la la la la la la la la Thank you.

3:37:52 Take the season to get digital Don't drink all the quaffa berries Say some for me Fuck up me guts with goo and bit La la la la Oh fuck up me hand with Couch and bitter La la la la Take the season to get digital La la la la la la Don't drink all the quaffa berries Say some for me Fuck up me guts with goo and bit La-la-la-la, la-la-la-la Thank you.

3:39:20 Take the season to get me jitters La la la la la la Don't drink all the tartan mabby Save some for me Pack up me guts with food and bitter La la la la la la As it's a pack me head with bush and bitter La la la la la la Take the season to get me jitters La la la la la la Don't drink all the corroborberry Save some for me La-la-la-la-la, la-la-la-la Thank you.

3:40:46 The committee is back on the record. Madam Clerk, can you read Block No. 3 into the record?

3:41:23 Block 3, Bill No. 350423, an act approving the Fifth Amendment to lease agreement between the Government of the Virgin Islands and Coral World, V.I. Inc., Inc. to extend the lease term, provide for additional rent, and incorporate two surveys reflecting the meets and bounds description of the leased premises proposed by Senate President Noveli Francis Jr. on behalf of the governor. Invited testifiers are Honorable Lisa Leandro, Commissioner, Department of Property and Procurement, Honorable Jean-Pierre Oriel, Commissioner, department of planning and natural resources and miss gertrude prior president coral world vi inc bill number 350414 an act approving the lease agreement between the governor of the virgin islands acting through the commissioner of the department of property and procurement and submarine base warehouse llc for parcel numbers 12 12a and 145 consolidated submarine base number six south side quarter st thomas virgin islands for the purpose of bulk storage establishing a slate of subtenants on their premises packing and other permitted purposes proposed by senate president novelly francis jr on behalf of the governor invited testifiers are honorable lisa aleandro commissioner department of property and procurement and enrique rodriguez managing member submarine base warehouse llc madam chair this ends the reading of today's agenda thank you thank you madam clerk do we have any correspondence to be

3:43:18 read into the record yes madam chair you may proceed letter dated december 13th 2024 the honorable donna e fred gregory senator 35th legislature of the vi chair committee of the budget appropriations and finance capital building charlotte mollison thomas vi their committee chair fred gregory due to scheduling conflicts the virgin islands Department of Property and Procurement respectfully asked to be excused from testifying this morning before the Committee on Budget Appropriations and Finance. The Virgin Islands Department of Property and Procurement supports the Fifth Amendment to the lease agreement between the government of the U.S. Virgin Islands and Coral World VI Inc. for the St. Thomas St. John District which is currently before this committee for consideration this fifth amendment to the lease agreement requires legislative approval in accordance with 31 very code section 205 c this amendment to the lease agreement shall take effect upon its approval by the governor of the u.s virgin islands and ratification by the 35th legislature of the u.s virgin islands The development and use of the fast land coupled with the development occupancy and use of the submerged land under the lease shall be subject to the terms and conditions of all current and future permits issued by the Division of Coastal Zone Management within the Department of Planning and Natural Resources, DPNR, as pursuant to Chapter 21 of Title 12 Virgin Islands Code may be amended from time to time.

3:45:15 This Fifth Amendment to the lease agreement seeks to provide Coral World with more options relative to its occupancy of the fast and submerged lands located in and adjacent to Parcel C, Parcel D1, and Parcel D2, Estate Cokie Point. Number 4A, Eastern Quarter, St. Thomas, U.S. Virgin Islands. It will assist this long-standing, locally-owned business to

expand and improve its operations, therefore contributing significantly to the long-term stability and of the Virgin Islands economy. The properties will all be returned to the government at the end of the respective lease term in further improved condition.

3:46:06 the department of property and procurement as custodian of all government-owned properties supports the mutually beneficial partnership and agreement with this tenant which further unlocks the value of this government-owned property dpp respectfully requests that the committee on budget appropriations and finance vote in favor of this fifth amendment respectfully respectfully, Lisa M. Alejandro, Commissioner.

3:46:46 The most? Yes. Good afternoon, Senator Fred Gregory. On behalf of the Department of Property and Procurement and Commissioner Alejandro, I hereby respectfully request that the proposed lease agreement between the government and Submarine Base Warehouse LLC be removed from today's agenda. DPP in the coming days will address a concern raised in the last couple days. Pardon any confusion. It was unintentional. Respectfully, Vincent Richards, Assistant Commissioner.

3:47:29 This ends the correspondence for today's agenda Thank you Let me take this opportunity to recognize Thank you Madam Clerk and let me take this opportunity to recognize the presence of Senator Javon James Senior Committee Member Please mark Senator James as present Okay, so do I hear a motion? Senator Francis Jr. recognize your motion uh thank you very much madam chair good afternoon and um madam chair and colleagues i moved that bill number 35.04 one for an act approving the lease agreement between the government of virgin islands acting through the commissioner of department property and procurement and submarine base warehouse llc for parcels number 12 12a and 145 consolidated submarine base number 6 South Side Quarter for the purpose of bulk storage, establishing a slate of subtenants on the premises, parking, and other permitted purposes be removed from today's agenda.

3:48:40 I so move. Thank you, Senator Francis Jr. Bill Number 35-0414 has been moved by Senator Noveli Francis Jr. to be removed from today's agenda, seconded by Senator Javon James, Seminus Samuel Carrion. Hearing no objections, so ordered. Let me also take this opportunity to recognize the presence of committee member, Senator Samuel Carrion. Good afternoon, Senator Carrion. All right, so we're prepared to move forward with... Let me see what bill it is.

3:49:29 Bill number 35.0423. And we see that the testifiers are here and ready to testify on this measure. I'm going to ask the testifiers to please put their names and titles on the record. We're going to start from my right, your left, so we're going to start with Mr. Pryor. Cornelius Pryor, I am the owner of Coral World. One second. Please recognize the mics of the testifiers. One more time.

3:50:03 Cornelius Pryor, owner of Coral World. Gertrude Pryor, President and General Manager of Coral World. Okay. One more time. Gertrude Pryor, President and General Manager of Coral World. George Dudley, partner in the law firm of Dudley Newman-Fierzig, and I am counsel to Coral World. Okay. Marlon Hibbert.

3:50:35 Marlon Hibbert, Director, Division of Coastal Zone Management, DPNR. Thank you. And we're going to ask the... who speaks to this measure? Senator Francis Jr., you're recognized for your... you're recognized. Thank you very much, Madam Chair. Bill number 35-0414 is an act approving the lease agreement between the government of the Virgin Islands correction, that'll be bill number 35.0423, an act approving the fifth amendment of the lease agreement between the government of the Virgin Islands and Coral War VI Inc. to extend the lease term, provide for additional rent and incorporate two surveys reflecting the meets and bounds so myths and bounds of description of the lease premises this proposed measure is being offered at the request of Albert Brand jr. governor of the US Virgin Islands the agreement would extend the current lease term for Coral World VI for its from its current expiration of 2036 to 2056 with with two renewal options of 10-year terms.

3:51:53 This lease provides an annual audit, which potentially validates the percentage of annual gross profit that will be paid to the government of the Virgin Islands in rent. The extension of this lease ultimately ensures the longevity of a St. Thomas landmark and tourist attraction. I ask for my colleague's support at the end of the presentation of this request. Thank you very much, Madam Chair, for the time and opportunity. Thank you, Senator Francis, Jr., so we're going to now hear from the testifiers, and we're going to start with the government. Mr. Hebert, you may proceed with your testimony.

3:52:30 Good afternoon. Good day, Chair Fred Gregory, other members of the 35th Legislature's Committee on Budget Appropriations and Finance. I think we're having a hard time hearing you. Try the other mic. Pull that one that way. Yeah. Let's see if that works better for you. Hello? Yes. I'll begin. Good day, Chair Fred Gregory, other members of the 3rd or 5th Legislature's Committee on Budget, Appropriations and Finance, non-committee members and legislative staff present, and members of the viewing and listening public. My name is Marlon Hibbert.

- 3:53:07 I am the Director for the Division of Coastal Zone Management. I am representing Commissioner Jean-Pierre Aureole, who apologizes for his absence as he's in transit on a previously scheduled trip. We are here today to provide support for the Fifth Amendment, the lease agreement between the Government of the Virgin Islands and Coral World, Inc. On February 12th, 1971, the GVI executed a lease with Ocean's Environment, VI, Inc., for a total of 8.2 acres, more or less, approximately 4.2 acres of which are submerged lands. The initial term of the lease was 30 years from the date of commencement, with one additional 10-year extension and four additional five-year terms each. Base rent on the lease began at \$10,000 per year, adjusted by 10% every five years. Additional rent is 1% of the gross revenue of the operation of the facility. In March 1976, the lease was assigned to Pearl World VI, Inc., who is the present holder of the lease today. The present owners, Neil and Gertrude Pryor, purchased the business and became the lease holders in 1997. Aside from exercising the extension clauses on the lease, one amendment came in 2012 relating to the development of the dolphin area on the southern side of the Cokie Point Peninsula.
- 3:54:44 Coral World requested and was approved to substitute a portion of its leased area for a larger area on the south to accommodate the dolphin enclosure. In February 1977, Submerged Lands Permit No. 177 was issued to Coral World to construct an aquatic observatory, which began the development of what is today the Coral World Ocean Park. Over the years, there has been several major coastal zone management permits issued to Coral World, CZT-5-97L for the renovation of the property after Hurricane Marilyn, CZT-1-09L for the development of the sea lion holding area, and CZT 2-12 land and water for the dolphin exhibit, all of which are in compliance with the provisions of Title 12, Chapter 21, better known as the CZM Act. For any permits authorising in-water work, the lease agreement is referred as the lease, continues to be in good standing, and development activities are consistent with the use of the submerged land area authorized by the lease.
- 3:56:02 Today, BPNR receives a base payment of \$23,579.40 in rent, and over the last three calendar years we have received an average of \$60,000 in additional rent. Prior to the storms of 2017, we received an average of \$30,000 in additional rent, but But since 2022, that number has doubled. We note that for 2024, this was our first normal summer since the end of the pandemic, and we are not anticipating the levels of 2022 and 2023. We must admit that it is out of the ordinary to be before this body requesting the approval for an action on a lease, not a permit. However, Coral Royal was issued a lease before it was ever issued a permit, and pursuant to Title XII Virgin Islands Code, Section 905, has a vested right. Coral Royal has requested an amendment on the lease to increase the term by an additional 40 years.
- 3:57:09 This is necessary to attract additional investment opportunities or qualify for any financial options. We expect that this will result in investment into the park, and when the park does well, so too does the GVI. Coral World has been a good partner for the Department, for the territory, and for the environment. For the Department, Coral World has assisted us with many outreach initiatives, promoting our natural resources, and they are also one of our main partners in our efforts to combat coral diseases and restoration efforts. Recently, Coral World has started the Coral World Ocean and Reef Initiative, providing research and support aimed at restoration and protection of coral reefs in the territory.
- 3:57:57 Additionally, Coral World has hosted rescues of endangered coral species after disturbance events. Coral World is also a major contributor to our tourism product, offering visitors recreational opportunities, enjoying our natural resources. And they also opened their doors to our youth, hosting school groups and teaching them about our natural environment. Coral World has also assisted in rescuing injured animals, responding to and rehabilitating injured sea turtles and other animals that may be in distress.
- 3:58:31 For all the above reasons, and that they are in good standing with the Department, we are We are here to support the amendment of the lease agreement between the GVI and Coral World VI, Inc. This concludes our testimony and we are here to answer any questions you may have at this time. Thank you for your testimony. Do we have testimony from Attorney Dudley? may proceed okay the honorable Donna a Fred Gregory other members of the committee on budget appropriations and finance we have some feedback I believe the mic that's right next to you is on. Try it again.
- 3:59:22 Okay. Third time. One more time. The Honorable Donna A. Freight-Gregor. Okay, to turn it off. One more time. What's the issue? Come, he said, you've got to come a little closer to the desk, to the mic, okay. Okay.
- 3:59:51 Yes, perfect. The Honourable Donna A. Fred Gregory, other members of the Committee of Budget, Appropriations and Finance of the 35th Legislature, other members of the 35th Legislature in attendance at this hearing, ladies and gentlemen, good afternoon. My name is George H.T. Dudley. I am a partner in the law firm of Dudley Newman-Fierzig LLP, and we are counsel to Coral World VI Inc. I am accompanied today by Neil Pryor, the owner of Coral World, and Trudy Pryor, the president and general manager of Coral World. We appear today on behalf of Coral World with respect to the legislature's consideration of the recommendation by Governor Albert Bryan Jr. that the Fifth Amendment to the lease between the V.I. government and Coral World be ratified by the 35th legislature. For more than 50 years, Coral World has been a part of the landscape of the Virgin Islands tourism economy and was acquired by Neil Pryor in 1997

following the severe damage to the facility caused by Hurricane Maryland in 1995. The Marine Park was rebuilt at a cost of approximately \$9 million before reopening in 1998.

- 4:01:13 Over the years, the Priors have continued to enhance the facility. The park opened its new Dolphin Education Center and Dolphin Habitat at a cost of \$20 million, bringing their total investment to over \$50 million. Over time, Coral World's contributions to the Virgin Islands have increased in importance and evolved beyond tourism to become an important resource for marine biological, ecological, and environmental education for the children attending Virgin Island schools. Coral World provides free admission to Virgin Island school groups from preschool through college. In 2019, the Priors established Coral World Ocean and Reef Initiative, a Virgin Islands nonprofit to continue Coral World's partnership with the University of the Virgin Islands through collaboration on coral restoration and by offering internships to UVI students pursuing marine-related college degrees. Coral World Ocean and Reef Initiative uses Coral World as a base for its operations. In addition to receiving major federal grants from the National Park Service and NOAA, in support of coral restoration, Coral World Ocean Reef Initiative will be engaged in a multi-year sub-grant from the Department of Planning and Natural Resources to pursue coral conservation, sargassum research, marine animal rehabilitation, and other marine conservation endeavors, again using Coral World as the base for its work.
- 4:02:57 Coral World has 80 full-time employees, and if you include only Coral World's payroll and direct spend with local vendors and suppliers, based on its annual report filed with the Virgin Islands Economic Development Commission, Coral World has a direct beneficial impact on the local economy of approximately \$5.2 million annually. Coral World's expanded positive impact in the Territory and on its youth, residents, and visitors has been the result of a concerted effort by Trudy and Neil, who for the last 27 years have guided the enterprise and overseen the expansion of Coral World's contributions to the Territory's economic and environmental well-being. Now, as the priors approach retirement, they have decided that the responsible next step for them is to sell Coral World to an experienced operator that shares their vision for Coral World to continue to be an attractive destination for VI tourism and for it to continue contributing to the educational, economic, and environmental well-being of the territory. In order to attract a qualified buyer for the enterprise, Coral World needs to have its lease extended to a term that makes Coral World an attractive investment opportunity for a responsible operator-purchaser. I am pleased and grateful that Governor Bryan and his commissioners of the Departments of Planning and Natural Resources and Property and Procurement share the vision held by the priors and accordingly have negotiated the Fifth Amendment to the lease that is before the legislature for ratification. I also wish to note specifically that under the terms of the Fifth Amendment, the amended lease benefits the VI government directly in two ways. First, the annual rent paid by Coral World in the future will be based on a combination of a percentage of gross revenue as well as a percentage of gross profit achieved by the business.
- 4:05:01 Second, the lease continues Coral World's commitment to educational programs for local students and not to be overlooked is the fact that Coral Rule will continue to be a significant component of the territory's tourism infrastructure. In conclusion, the Priors and I are prepared to answer any questions you may have with respect to the Fifth Amendment of the lease. Thank you. Thank you for your testimony, colleagues.
- 4:05:30 This particular measure is, I think, is non-controversial. It's very straightforward and we know of the contributions that Coral War makes to the, not only the St. Thomas St. John District, but to the territory overall. So we are going to go to a two-minute round, and we're going to start with Senator Novoly Francis, Jr. I'm sorry, the bill sponsor. Senator Marie Fonseca, you're recognized for your two minutes. I can pass you and go to Senator Blayden and I'll come back. Senator Blayden, you recognize your two minutes.
- 4:06:08 You go ahead. Thank you so much, Madam Sheikh. Good afternoon to the testifiers, and thank you so much for your testimony. This is a bit of a no-brainer. We know what Carawar means to our territory as a whole. It's a staple in the community as a matter of fact. And as Attorney Dudley stated, in terms the educational, economical, and environmental, what they do and what they mean to us in the territory.
- 4:06:39 Once any visitors come here, many of them know about Carawall. Once you go to Cookie Point Beach also, it basically speaks to when you hear Cookie Point, you hear Carawall. When you hear Carawall, you hear Cookie Point. It's a staple. It's a well-known place in the territory. it does in terms of the contributions to our people, it's very important also. You said 80 employees? They employ 80 individuals? Yes.
- 4:07:09 Let me ask the principles of CalWall. What was your vision, as a matter of fact, when you decided to do CalWall? How did it come about? Let me hear that part of it. It was quite an accident, really? Yes. The mic. It's the mic. There was actually a general manager who, if you recall, when the Israelis owned it, they would send an Israeli to manage the property for a couple of years, and then they'd change. And in 1995, that ended with the hurricane. We happened to encounter a former general manager in 1996 who had a business plan to resurrect Coral World in his briefcase.

- 4:08:03 Unbeknownst to me at the moment, my husband became intrigued by that and so that was how we got involved. Wow. Imagine that. It was meant to be. So nonetheless, we appreciate Cal War and what it means to us in the territory. And I also was happy to see that Dolphinarian added to it. That's a very good piece that you added to it. It's different. We needed that in the territory because it also helps with our tourism structure. So I appreciate that. Thank you so much. And like I say, I vote yes. It's not an issue for me. Thank you, Madam Chair, for the time. Thank you, Senator Vlade. Senator Fonseca, you're recognised for your two minutes.
- 4:08:48 Yes, thank you, Madam Chair, and good afternoon to the testifiers. Good afternoon. Coral World, this is an easy one. This is a yes. We all know the impact, you know, the tourism impact that Coral has in the community and also the locals. You know, we go out there a couple, just maybe about two months ago, we was out there to a birthday party. It supports the community, it's a good thing. These two, the lease from 2036 to 2056 is good. Coral World is a good community business. And we definitely appreciate that you're continuing operations, hearing the testimony and all that happened and all the investment. This is an easy one, this is a yes.
- 4:09:45 Thank you, Madam Chair, for the time. Thank you, Senator Fonseca. Senator DeGraff, you're recognized for your two minutes. Thank you, Madam Chair. I vote yes, also. You know, when I see Ms. Gertrude, prior name, you know, I've always known you to be a strong business person. Very straightforward. I've known you over the years and hear you speak. and it's a plus and the standard that you've set for Coral World now that you're planning retirement and you're selling the property are you going to put certain parameters in your sale that they upkeep going forward what you have you know your investments and you know going forward what you mean to the community is an asset so we don't want somebody to come in and then decide they're going in a totally different direction. Is that kind of conversation being looked at?
- 4:10:47 Well, frankly, we don't have a buyer lined up. This is something, you know, something for the future, recognizing that once we start reaching out, we have to be able to say yes, you've got another 40 years on the lease. So that was, it's anticipatory. We are committed to what Coral world is and what it can grow to be even further. I've had a passion for it for 27 years, and it's very important to us that its future is protected, so obviously we want someone who has the wherewithal, and we also want someone who has the same vision. We don't know whether the entity will be for-profit, non-profit, but I assure you we will be looking for a very good candidate okay you know you know when they say you're going to retire 30 seconds you come to the virgin islands so i hope that when you're going to retirement you stay here in the virgin islands you know we're a beautiful territory and you have helped to make us you know your entity and yourself has helped to make us you know the beautiful uh destination that we are so enjoy your retirement time when that time comes happy holidays to everyone thank Thank you.
- 4:12:05 Thank you very much. Thank you, Senator DeGraff. Senator Javon James, Sr., you're recognized for your two minutes. Please recognize the mic of Senator James. Greetings to the people of the U.S. Virgin Islands. Thank you, Madam Chair, for the time. I stand in full support of bill number 35-0423. Coral Whirl is our seawall right here in the U.S. Virgin Islands and I definitely stand in full support of this measure. We're moving forward from the question and looking into the future and if you are doing it already just elaborate on has placed on a record as far as collaborations with other organizations and nonprofits whether it's a federal government to receive funding to protect our marine life and not just that but to work with the University of the Virgin Islands when it comes to several projects can you just list any if if you have any well as was mentioned earlier in 2019 we initiated the non-profit Coral World Ocean Reef Initiative primarily so that we could obtain grants because as a for-profit Coral World was unable to do so with those grants a major one from the National Park Service we have been able to do significant restoration work in the National Park of corals so we have our reach gets to St. John we get beyond St. Thomas we have a another grant right now that is designated primarily for restoring the reefs around Cokie Beach and we 30 seconds we've been rehabbing turtles for a very long time with the
- 4:14:13 division of Fish and Wildlife which often calls us to to take on the rehab so we We work with the university, we work with federal agencies, and we work with DPNR, and we work with the schools. We have several thousand school children come through every year. We're enhancing our education programs. As I speak here, we have now a designated education and outreach staff person who will improve what we offer to the children when they come to visit. Time. That's all I really wanted to hear from you, to make sure that you have those things in motion and to make sure that there's some level of continuity for our youth and the University of the Virgin Islands as far as collaboration. Thank you, Madam Chair, for the time and I am willing to vote yes as we speak.
- 4:15:06 Thank you, Senator James. Senator Carrione, you're recognised for your two minutes. Thank you. Thank you. Good, good afternoon to you, Madam Chair, to my colleagues, the testifiers that are here present and our viewing and listening audience. This too for me is also a non-brainer and I'll be voting and affirmative. I had the opportunity to visit Coral World many times and see the work that you guys have done and also very impressed with the expansion over the years

and the quality of the product that you guys provide for our local community and those for those visiting. But also I'm very pleased to hear about the educational component, the partnership that the organization has been getting into with other organizations and how you have also opened the doors with regards to our schools and our children. It's important that our kids are able to be exposed. We really need more individuals to enter into the field of marine biology and I know that by visiting Coral will really inspire a lot of our children to understand that their careers in other areas that they could also tap into. So thank you so much for the work that you have done. I do have a question. Is there something currently that you would like to see different within Coral World or within your relationship with our government entities in the territory? I think right now my main concern is the situation at Koki Beach.

4:16:43 Traffic there, congestion, parking, it's out of control. And we have struggled for a very long time with trying to protect our parking lot for our guests, our visitors. It's... One minute? The road. Thank you. Senator Blyden years ago You made a difference on a large section of the road But before and after that section it's falling apart again. So a closer look at And I think it would be DPNR's responsibility it's sports parks and recreation, but the permitting process goes through DPNR and that area really needs a very close look by the government from a lot of different perspectives okay 30 seconds from what you've seen currently and some of the issues that you have mentioned and I'm sure there's others that you have not you've been reaching out to some of the government agencies how is that collaboration happening and what would be the immediate need that you would like to see corrected as soon as possible well I think Commissioner Governor White could probably step up and take a closer look at the supervision that is taking place out there.

4:18:06 Time. And the taxi service that's kind of running the show there. Okay. So a little bit more structure and organization is what you are saying from the government perspective in regards to permitting and access and so forth. Thank you very much for sharing that with us. Thank you. listening and we hope that we could get some movement in that area because, of course, you guys provide beautiful location, great educational, we know it's a tourist destination and we have to protect that because you guys become an icon also for the territory. Thank you very much and all the best and I'll be voting in affirmative. Thank you, Madam Chair.

4:18:47 Thank you, Senator Carrione, let me ask because I think a lot of times, you know, businesses that support our community don't ever get a chance to say some of what they do. And I know, and I'm just going to take the liberty and say, Trudy, I know that Trudy, you have supported our young people in tremendous ways, and I would like for you to share with us very quickly some of what you've done at Cora World with young Virgin Island nurse well the fact that we have so many school children coming through with their teachers hopefully being inspired learning a little bit along the way I'm always grateful when I learned that the teachers have actually taken some of it back to the classroom so that it's not just a day out which I think is important we have over the years had multiple interns coming from UVI high school students we recently had a couple of young men from through the jobs for America's graduates program and they actually learned how to dive which is an amazing thing because if I have one great disappointment it's that we we we cannot attract enough young people from here to go into the positions that involve getting in the water diving working with large animals so we have the the opportunities there and we do get interns there's no question that we do but my my hope is that over time we will see more and more young people people coming into these positions so for me I think it's the giving giving the young people here the exposure and the opportunity if they will only take it to become involved in whether it's training a sea lion or dolphin or learning how to frag a coral and restore it to the environment I think those are the sorts of things that have given me the most pleasure thank you for that

4:21:05 uh senator francis jr sponsor of the measure you recognize for your two minutes oh thank you very much madam chair and thank you for all my colleagues and supporting uh this piece of legislation and again you know coral well mean the world to us and obviously the issues that have been brought to our attention and time and time again i've had the opportunity for over 20 years when i served with the police department and attempting to address that complex issue in terms of traffic and criminal activities in that particular area and of course it's complex because you have one way in one way out you have two competing beaches you have cookie point as well as coral bay you have it becomes a tourist attraction site for both the the cruise ships as well as the local visitors so on any given day you have hundreds and thousands of people that could um be there at the beach at times so it really presents some challenges there i think I think maybe perhaps it's time for the Sports Park and Recreation, the Virgin Islands Police Department, DPNR, to all converge into that area once again. We have done it before and really just coming up with some ideas of how to be able to address that particular situation because it's in fact a tourist attraction area and we don't want any fallout that will be able to impact the Coral World or Cookie Point at any given time we have seen in the past. So certainly I believe that we need to continue to work make sure that we're bringing all of the necessary entities together to minimize you know any fallouts from that particular area but i think it's a win-win situation um you know when we look at the government being able to benefit from you know gross revenues gross profits 80 employees um full-time employees there it's really a win-win situation i know a few years ago you had done the dolphins habitat and education center any plans for any new mammals

any new animals in that area Well, I think right now we are in the process of doing major renovations. So as you can imagine, concrete that is exposed to salt water, both on the inside and the outside, takes a beating. And so we're doing some major reconstruction of the undersea observatory.

- 4:23:16 Yes. 30 seconds. The Caribbean reef encounter is going to need a great deal of work, and we have some ideas about making it a little bit more exciting maybe and then we have sea lions that probably will need a new home in the not-too-distant future so those are those are three of the major projects we have underway there well again thank you for what you do and continue to do I know that not only benefit tourists or individuals coming from the St Thomas and John district but as well as St. Croix and a number of students come over from St. Croix to visit Coral Oil and really get the exposure of marine biology and everything else that go on there. So thank you for all that you and Neil have done, again, for the Virgin Islands. Thank you. And I'm sure that we'll be moving this measure and making sure that you're able to position yourself for better investment moving forward. Thank you very much, Madam Chair, for the time.
- 4:24:09 Thank you, Senator Francis, Jr. Do I hear a motion? Motion. Motion. Senator Francis Jr. I recognize for your motion. Madam Chair and colleagues, I move that bill number 35.0423, an act approving the fifth amendment to lease agreement between the government of the Virgin Islands and Coral Oil VI Inc. to extend the lease term, provide for additional rent and incorporate two surveys reflecting the meets and bounds description of the lease agreement be approved by the Committee of Budget Appropriations and Finance and sent to the full body for further consideration. I so move.
- 4:25:02 Second. I actually said second. Bill number 35.0423 has been properly moved Seconded by Sen. Javon James, Sen. Samuel Carione, Sen. Marvin Blyden, and Sen. Ray Fonseca. Roll call, please. Sen. Marvin A. Blyden? Yes. Sen. Blyden? Yes. Sen. Samuel Carione? Yes. Sen. Carione? Yes. Senator Dwayne M. DeGraff, yes. Senator DeGraff, yay. Senator Ray Fonseca, yes. Senator Fonseca, yay. Senator Noval E. Francis Jr., yes. Senator Francis Jr., yay.
- 4:25:56 Senator Donna A. Fred Gregory, yes. Senator Fred Gregory, yay. Senator Javon E. James Sr., yes. Senator James Sr., yay. Madam Chair, seven yays. Thank you Madam Clerk. Bill number 35-0423, an act approving the fifth amendment to lease agreement between the government of the Virgin Islands and Coral Royal VI Inc to extend the lease term, provide for additional rent and incorporate two surveys reflecting the meets and bounds description of the lease premises has been favorably approved by this committee and will be forwarded to the full body for further consideration and action. All right, I will give the, I'm not certain who wants to speak on behalf of the bill number 35.0423, but we'll give you a 30 second close.
- 4:26:59 I guess I'll take the mic. Okay. want to say thank you very much for your kind words, the appreciation that you have shown for the work that we have done, the enormous investment financially that my husband has made, and the years of passionate leadership that I have given to Coral World, and and my staff thanks you as well. Thank you. How long have y'all been married? We've been married 31 years. Yeah, I see why, because you said the enormous investment my husband has made. Yes, yes, yes, yes, absolutely. Well, thank you, and we have one more action to take place before we end today, but we're going to take a quick recess to allow you and of course I forgot that we have the government here so mr. Hebert 30 second clothes thank you very much senator thank you always for your support when we come to this body and I would be remiss if I did not add to your deserved accolades I have two words astuteness and candor which have always been admired by myself and I suppose our department so I do wish you in the words of mariners, fair winds and following seas on your next adventure and thank you for your service to the people of the Virgin Islands. Thank you so much and to think that I would have missed this. Thank you so much and of course Attorney Dudley we would be remiss if we did not let you close as well. All I can say is thank you very much for this afternoon. As I said when
- 4:28:46 started when I spend less time in the well working than more time and the audience observing I've had a successful day absolutely thank you very much all of you yes so and of course my good friend Neil I have enjoyed watching what Trudy has done to Coral World coming back after Hurricane Marilyn and it has been my joy to see so many of my neighbors all over the place come to Coral World and enjoy it. I share with Trudy a desire for more of the youth here to get interested in sea life and marine activities in general. But this is a start and I think she has done a beautiful job and I want to thank all of you today for recognizing her work thank you thank you thank you so much I almost want to clap yes yes thank you all right we're gonna take a quick recess and then we're gonna resume very quickly so we could dispose of the last matter on today's agenda committee sends a recess for two minutes . Thank you. Thank you. We'll be right back. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you.
- 4:35:07 Guava berry Thank you. I love you I love you The committee is back on the record.
- 4:37:20 Do I hear a motion? Senator DeGraff, you recognize your motion. Thank you, Madam Chair and colleagues. I move bill number 35-0108, an act appropriating \$20 million from the settlement agreement between the government of the Virgin Islands and the estate of Jeffrey E. Epstein, Darren K. Indyke, in his individual capacity and in his capacity as

co-executor for the estate of Jeffrey Epstein and administrator of the 1953 Trust, Richard D. Kahn, in his individual capacity and in his capacity as co-executor of the estate of Jeffrey Epstein and administrator of the 1953 trust the 1953 trust plan d llc great st james llc nautilus inc hyperion air llc popular inc southern trust company inc maple inc and laurel inc collectively defendants to the department of public works for the design and construction of of the nursing home on St. Croix and a nursing home on St. Thomas be favorably voted on in this committee and forwarded to the floor for final consideration of vetting. I so move. Bill number 35-0108 has been properly moved by Senator Duane M. DeGraff, seconded by Senator Marvin Blyden, Senator Ray Fonseca. Hearing no objections. Roll call please.

4:39:02 Senator Marvin A. Blyden. Yeah. Senator Blyden. Yeah. Senator Samuel Carrion. Yes. Senator Carrion. Yeah. Senator Dwayne M. DeGraff. Yes. Senator DeGraff. Yeah. Senator Ray Fonseca. Yeah. Senator Fonseca. Yeah. Senator Novell E. Francis Jr. Yeah. Senator Francis Jr. Yeah. yay senator donna a fred gregory senator fred gregory yay senator javon e james senior senator james senior yay madam chair seven yay thank you madam clerk bill number 35.0108 has been an act appropriating to 20 million dollars from the settlement agreement between the government of the Virgin Islands and the estate of Jeffrey E. Epstein, Darren K.

4:39:59 Allende, in his individual capacity and in his capacity as the co-executor of the estate of Jeffrey E. Epstein and administrator of the 1953 trust, Richard D. Kahn, and in his individual capacity and in his capacity as co-executor of the estate of Jeffrey E. Epstein and Administrator of the 1953 Trust. The 1953 Trust, Plan D, LLC, Great St. Jim, LLC, Nolitas Inc., Hyperon, Air, LLC, Popula Inc., Southern Trust Company Inc., Maple Inc., and Laurel Inc., collectively defendants to the Department of Public Works for the design and construction of a nursing home on St. Croix and a nursing home on St. Thomas has been favorably approved by this committee and will be forwarded to the floor for favorable consideration and action.

4:41:01 Senator DeGraff here, recognize your point of personal privilege. Thank you. Thank you, Madam Chair. Thank you very much. And again, best of wishes and everything for you in the future. We are moving Bill No. 35.0108 forward. In its present state, how it is written, we do an amendment the nature of a substitute where we look to make those monies available for assisting with um the assisted living um in the territory and for our nursing home uh the saint thomas saint john and the saint croix district and so we make that adjustment we get with um human services and the great information was put out today that we can also have access we are locking this money down we have access going forward to utilize it for the senior population in this territory and it was under the collaboration with my colleagues in the finance committee so again thank you to my colleagues thank you madam chair for the time thank you uh senator the graph and again thank you to all the staff for all the work that we've done in the past in the last two years and happy holidays we do have another session The work isn't done yet, so we have more work to do, so I'm certain that I will see each of you next week. If we have no further matters, no other matters of discussion, the Committee on Budget Appropriations meeting of today is hereby adjourned.

4:42:48 For more information, visit www.fema.org We'll be right back. Thank you.

People named in this transcript

SUSPECTED, and a finding aid only. Names were matched by machine against the spellings used across all 426 of our transcripts, and the title is the one used in the room. Being named here is NOT evidence that a person attended or spoke - only that the name was said. Speech recognition mishears names, so a spelling may be wrong even where no alternative is offered.

23x	Senator Dwayne DeGraff heard in this transcript as: DeGraf, DeGraff, DeGraff's, Duane M. DeGraf, Duane M. DeGraff, Dwayne M. DeGraff
20x	Senator Novelle Francis heard in this transcript as: Francis Jr, Francis Jr., Nova Lee Francis Jr, Noval E. Francis Jr, Novali Francis Jr., Novel E. Francis Jr
19x	Senator Ray Fonseca heard in this transcript as: Fonseca, Fonsica, Marie Fonseca
14x	Senator Marvin Blyden heard in this transcript as: Blayden, Blyden, Blylen, Blyton, Marvin A. Blyden, Marvin A. Blyton
10x	Senator Samuel Carrion heard in this transcript as: Carrion, Carrione
7x	Commissioner Avril George heard in this transcript as: George

- 6x **Senator Javan James**
heard in this transcript as: Javon E. James Sr, Javon E. James Sr., Javon James, Javon James Sr.
- 6x **Senator Marise C. James**
the surname alone also matches: Javan James; Giovanni James Sr
heard in this transcript as: James, James Sr, James Sr.
- 5x **Governor Albert Bryan Jr**
heard in this transcript as: Bryan
- 5x **Senator Fred Gregory**
the surname alone also matches: Donna A. Frett-Gregory; Donna Frett-Gregory; Donna A. Fred Gregory; Frank Gregory
heard in this transcript as: Gregory
- 4x **Senator Donna A. Frett-Gregory**
heard in this transcript as: Donna A. Fred Gregory, Donna Fred Gregory
- 3x **Senator Donna Frett-Gregory**
heard in this transcript as: Donna A. Frett-Gregory, Donna Fred Gregory
- 2x **Senator Donald Fred Gregory**
the surname alone also matches: Donna A. Frett-Gregory; Donna Frett-Gregory
heard in this transcript as: Donafor Gregory
- 2x **Chairwoman Fred Gregory**
the surname alone also matches: Donna A. Frett-Gregory; Donna Frett-Gregory
- 2x **Commissioner Jean-Pierre Aureole**
- 2x **Senator Jennifer Gregory**
the surname alone also matches: Donna A. Frett-Gregory; Donna Frett-Gregory
- 2x **Commissioner Lisa M. Alejandro**
heard in this transcript as: Alejandro

Bills and acts referred to

Matched by number against our own acts corpus. The number is what the recognition heard, so it may be wrong; where it resolved, the title is the one the Legislature gave the act.

- Act 8053** Act 8053 · June 1, 2017 · An Act to authorize the Virgin Islands Government to purchase Estate Catherineberg from WICO and for other purposes
- Act 8920** Act 8920 · September 27, 2024 · An Act appropriating funds received from the settlement of The Government of the United States Virgin Islands v. Estate of Jeffrey E. Epstein, et al., Civil No. ST-2020-CV-00014 and the settlement agreement with Leon Black for various projects and initiatives to enhance community services, mental health resources, infrastructure, and economic development in the Virgin Islands, including the establishment of the Southern Trust Company Settlement Fund and the Survivors and Mental Health Healing Trust Fund

Referred to but not found in our acts corpus: Bill 35-0108, Bill 35-0423, Bill 35-0414, Act 5826