| Committee on Finance

Legislature USVI

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0:00:00 Thank you. Transcription by CastingWords We'll be right back. Thank you. Thank you. I love you Thank you. We'll be right back. We'll be right back. We'll be right back. We'll be right back. Thank you. Thank you. Thank you. Thank you. Thank you. We'll be right back. Thank you. Thank you. Thank you. We'll be right back. Thank you. Thank you. I love you Thank you. Thank you. Let's go. Thank you. I love you We'll be right back. Thank you. Thank you. Thank you. I love you. We'll be right back. We'll be right back. We'll be right back. We'll be right back. Thank you. Thank you. We'll be right back. Let's go. Thank you. Thank you. Thank you. Thank you. Thank you. We'll be right back. Thank you. I'll see you next time. of finances hereby call to order madam clerk may i have a roll call please mr chair can we have a recess please the committee of finance will take a one minute recess

0:42:00 Thank you. We'll be right back. Thank you. The Committee of Finance is back on the record. Madam Clerk, may I have a roll call, please?

0:43:42 Senator Marvin A. Blyton. Senator Blyton. Absent. Senator Samuel Carrion. Senator Carrion. Absent. Senator Dwayne M. DeGraff. Senator DeGraff absent. Senator Donner A. Fred Gregory. Senator Fred Gregory present. Senator Javon E. James Sr. Senator James absent. Senator Janelle K. Cerro. Senator Cerro, absent. Senator Kurt A. Viale.

0:44:43 Here. Senator Viale, present. Madam Clerk, please mark Senator DeGraff as present. Mr. Chair, we have three present, four absent. Thank you, Madam Clerk. Any correspondence? Yes, Mr. Chair. You may proceed.

0:45:16 Correspondence dated August 29, 2022. Honorable Kurt A. Viale, Chairman, Committee on Finance, 34th Legislature of the Virgin Islands, Capitol Building, Charlotte Amali, St. Thomas, VI. Dear Chairman Viale, please excuse my absence from the start of today's August 29th, 2022 Committee on Finance hearing due to a previously scheduled appointment.

Therefore, I am respectfully asking that I be excused until my arrival. Thank you for your consideration and understanding. Sincerely, Samuel Carriong, Senator, 34th Legislature of the Virgin Islands. Thank you, Madam Clerk. Please mark Senator Carriongastati. Any more correspondence?

0:46:14 Yes, Mr. Chair. You may proceed. August 29th, 2022, the Honorable Kurt A. VLA, Senator, 34th Legislature of the Virgin Islands. Dear Mr. Chair, please be advised that due to a prior commitment, I will be unable to attend today's meeting of the Committee on Finance. Please mark my absence as excused as I thank you for your time and understanding. Sincerely, Marvin A. Blyden, Senator, 34th Legislature of the Virgin Islands.

0:46:52 Please mark Senator Blyden as excused. Any more correspondence? No, Mr. Chair. Can you give me the final count? Mr. Chair, we have three present, four absent, two excused. Thank you, Madam Clerk. you may proceed and read the agenda into the record committee on finance meeting agenda monday august 29th 2022 9 a.m earl b atlee legislative hall charlotte amali st thomas usvi meeting agenda the committee on finance will receive testimony on the proposed fiscal year 2023 executive budget for the government of the Virgin Islands of the United States. The Committee on Finance will also consider two leases. Block 1, budget hearing, St. Thomas East End Medical Center. Invited testifier, Molito A. Smith Jr., executive director. Block 2, leases. Bill number 34-0275, an act approving the lease agreement between the government of the Virgin Islands Department of Property and Procurement and Carib Tradewinds Lodge number 17, Incorporated District number 8, for the purpose of conducting meetings, community outreach activities, feeding the homeless, mentoring youth, and for other related purposes. Proposed by Senator Donner A. Fred Gregory. Invited testifiers, Anthony Thomas, Commissioner, Department of Property and Procurement. Walter Freeman, Head Trustee, Carib Tradewinds Lodge No. 17, John James, Past Master, Carib

0:49:01 Tradewinds Lodge No. 17, Bill No. 34-0278, an act approving the lease agreement between the Government of the Virgin Islands, acting through the Commissioner of the Department property and procurement and on the level doing business as OTL mechanical for the leasing of parcel number 69 submarine base number four south side quarter st. Thomas Virgin Islands proposed by senator Donna a Fred Gregory invited testifiers Anthony Thomas commissioner Department of Property and Procurement, Todd Donahue, owner, president, OTL Mechanical, Morella Cornelius, CFO, office manager, OTL Mechanical. Mr. Chair, this concludes the reading of the agenda. Thank you, Madam Clerk. Good morning to the people of the Virgin Islands. Good morning, colleagues. Good morning to the testifiers. First before us, we have the St. Thomas East End Medical Center. We have some updated figures and a new post-audit report has been circulated. So senators, we are not going to go back over the testimony. They were able to provide testimony before, but I'm going to allow a rung of question in reference to the new numbers that were submitted to us. I want to welcome Senator Norville Francis, who have joined us on St. Croix. Senator Francis, thank you for coming so senators please look at the post artist report so that we can make a determination as to how they are going to be funding for fiscal year 23. so we're going to start with a four minute rung and also welcome senator j van james please mark senator j van james as present so we now have a quorum we're going to start with a four-minute drunk and i'm going to start on st cry with senator francis senator francis you recognize thank you very much mr chair good

0:51:19 morning to you and good morning to my colleagues uh good morning to the people of virgin islands and of course good morning to the fine folks from the eastern medical center Mr. Smith, good morning. How are you today? Good morning, good morning. And we are well in regards from me and my staff for good morning. Senator Francis, one minute. I'm going to hold your time. Let me allow those who are in the well to put the name and title on the record. I neglected to do that. So I'll begin with CEO Smith. Thank you. Good morning, everyone. Molito A. Smith, Jr., Executive Director, St. Thomas East End Medical Center Corporation.

0:52:00 Thank you. Next. Good morning. Eric Baines, Chief Financial Officer, St. Thomas East End Medical Center Corporation. Thank you. Next. Great Monday morning to everyone. My name is Renee Crawford, Executive Deputy Executive Director of East End. Thank you. Next. Good morning. My name is Francia Brin. I am Chair of the Board of Directors of the St. Thomas East End Medical Center Corporation. Thank you so much. I'm going to start over your time, Senator Francis. You may proceed now.

0:52:34 Thank you very much, Mr. Chair. Before I begin with my questions regarding the budget, I wanted to ask you, Mr. Smith, is everyone back to work at this time at your facility, at the Medical Center? Thank you for that question. Good morning again. We never, all of our staff has been working consistently on site except for one or two who had some remote work for a few days a week, but all of our staff has been at work throughout the COVID. Very well, thank you for that. So tell me, in respect, I haven't had a chance to review the the current numbers on the post-audit report but can you tell me what what is the major difference in reviewing the post-audit report you have you had an opportunity to review the post-audit report we yes yes we did there is some minor discrepancies but generally we we were able to review it in in essence and I think is necessary to put this on the record again the the The reason the FQHC, in particular St. Thomas

East End, is before the legislature, for this purpose, is because the government of the Virgin Islands funds its local match to the Medicaid, to the federal Medicaid funds through appropriations to the health centers. The other reason is because after 2009, when the government had shuttered most of its community health clinics, the FQHCs on St. Thomas, St. Thomas Eastern Medical had been picking

0:54:26 up all of the financial risks for carrying individuals who have absolutely no ability to pay. So we're really before you for two reasons. One is to discuss the increase in costs associated with the local match and the second is to appeal to the legislature for additional funding to support the uncompensated care number that we write off annually because of individuals who have no ability to pay and can't be spread with government health facilities.

0:55:02 So let's start from right there. What is your number represented for uncompensated care at the medical center? I'm going to take you back to our fiscal year 2019 come forward. In 2019, the health Center wrote off, accumulated $715,000 of bad debt, that is uncompensated care. In 2020, we accumulated $572,000 of bad debt that was subject to write off. In 2021, that's $624,000 bad debt. We are still accumulating or calculating the numbers for 2022 since this year is not quite over.

0:56:02 Very well. And in your reference to bad debt, is that the total amount that represents uncompensated care or the one that obviously weren't paid for or remedied by the Government of the Virgin Islands, central government? That is primarily the uncompensated care number. Those represent primarily self-pay, which are those individuals who would marginally qualify for a sliding fee and would not qualify for Medicaid presumptive eligibility because of various reasons. Can you speak to what effort was made to remedy those uncompensated amount prior to it being written off as bad debt?

0:56:47 Well, we've done a number of things. One thing that we do every year, and I think the record would reflect this, is that in our budget requests coming forward, we've always identified those numbers as an area for consideration by the legislature, since most of those individuals, that risk would have been spread across government health facilities if, in fact, they were more in line with providing the services. The other that we do is we have implemented a number of collection efforts, financial counseling collection efforts and so forth among the patients themselves in an attempt to collect them.

0:57:38 Individuals who may qualify for presumptive eligibility, we've ramped that up to bring them in line with um medicaid eligibility but the vast majority of those persons based on our information don't qualify for medicaid one minute okay and in regards to um funding that you have received outside of the the central government funding uh can you speak to any other federal funding that you received um from the the local government uh well you know that was said don such as the covet uh cares money or any other funding that you receive um from the central government as a result of federal funding support and stipends we have received no additional monies other than our appropriation from central government no covet fund no um cares money not nothing we we receive no money at all from the central government from the other than the appropriation that comes through the legislature time and any stipends uh mr chai wrap up right now any stipends um from the uh what is premium pay or any status stipends for employees work during the corporate uh we we haven't received any stipends or other funds the premium pay is going through its process now we've submitted all of our required documentation to the Office of Management budget and we are awaiting disbursement of those funds.

0:59:10 And I may, let me conclude by asking is there any delta, any amount that's not reflected in this budget that you're asking of this body to support during this fiscal year? Well we are asking, I'm sorry, I'm sorry Senator, we are asking for, My time I'm being called back to the Chair, I'm sorry, I'm answering his time. Thank you, Senator Francis. You may proceed on that. Thank you, Senator. We're asking for our normal ask each year, which is 2.9 million. Would you say that again?

0:59:42 We're asking for our normal ask each year, which is 2.9 million. So the answer is we're asking for 2.9, which is our normal ask, which we believe would satisfy that ongoing gap. Okay, and you received 2.1 this year, correct? Yes, we received 2.1. And what is the local match for the Medicaid? Do you have a number?

1:00:12 The local, well, I know the percentage. I understand the percentage is going to be shifting back to 55, 45, unless otherwise changed. As of when? I think my understanding is that that is the special exemptions are expiring. The date? You have a date? I thought it was a one-year extension, if it's going to expire. I think it expires closer to the end of this year. I don't have the exact date in memory right now, but it's in the latter part of this year that expires.

1:00:48 So right now you're being compensated at 83%? Yes. Okay. And what would be that difference? What would be the impact of going back to 55 percent? The impact is that the gap would widen unless otherwise funded through other means, particularly through the legislature, hopefully. But the gap would widen. The federal monies would stay constant because those are always paid first, and then the gap would widen unless the appropriation increases.

1:01:25 Okay, thank you so much. Senator Fred Gregory. Thank you, Mr. Chair, and good morning to the testifiers. Good morning. Good morning to my colleagues. Good morning. Before we start, let me just ask, I continue to see the sign as I pass on the highway. what's the status we are in architectural engineering plan development we've been for a bit we've hit a road bump in that a determination has to be made on the road coming through that area the Leonardo Trotman Road in in in this in this sense we are looking at whether the the beginning of road and whether there will be public sewage and water coming through that area that we will be able to connect to it will be about two years of construction for our project so we're in conversations the the alternative is that the health center would have to fund a million gallon cistern and a wastewater plant with water treatment so who are you in conversations with about the because that's a huge part of the success of that construction of the project so yeah we we have been in in contact with Public Works with waste management and others regarding that I think the conversation is still ongoing but that is where we are that is where we are we have first level schematics already as far as your financing are you well on your way as it relates to the

1:03:10 Well, we have term sheets and so forth already through a private funding with USDA Rural Development Secured Funds. I see. But we are at a juncture where the cost of the construction is really what is at question given the consideration regarding that phase of the road. Okay. Well, thank you for the information. You're welcome.

1:03:40 I think it's an important project. It definitely serves our community. So if there is anything that the legislature can do, I think that we really need to have the conversation as it relates to the infrastructure. I know that we recently passed legislation in that area to continue the road project going behind the mall area. We definitely did not want to ensure that we're not impacting the residents of Old Tutu in particular so that road was to go through the entrance of the mall the top entrance of the mall so um i know that in that project there is some infrastructure that should be included but i think that infrastructure is only lights um and the sidewalks so we we need to have a deeper conversation around the um the sewage etc this the sewer lines and stuff and and most importantly the waterline coming in there so we could have a further conversation around that but let me let me just get to the today the budget I know my colleague asked about the uncompensated care what is your overall annually what do you expend? One minute. Our entire expenses? Yes. What are your entire expenses on an annual basis? And let me ask you, I know that, you know, in past years we've talked about the challenges that we've had with the the Medicaid program here and your relationship with the Department of Human Services and their presumptive eligibility we've done walk-throughs with you we've done a lot of work a lot of work but what I'm trying to ask this morning is working is it working are you see have you seen a improvement in you receiving your

1:05:36 Medicaid reimbursement in a timely fashion thank you for that question and also thank you for your outreach with the project the total expenses we average about 12 million dollars a year in expenses okay that is revenues a million about 1.1.2 it'll be about one it'll be about 1.2 if you include those that we the numbers that we have to write off the the relationship with Medicaid with with all of, everyone's input and support has improved substantially. We are, the communication has improved. We're about, I would say, between 30 and 60 days out in terms of PIP payments, which is a vast improvement from years prior. And the relationship with the program itself has substantially improved. So thank you for all your efforts.

1:06:41 Okay, I have one last question, Mr. Chair, because my time has been called. You may proceed. But it's right back to the Medicaid program. You projected some $2.4 million in FY 2022. Is it as of 731? So are you projecting more? And this is Potsdam Pace 3 of 11. why is the numbers lower for FY 2023 for the Medicaid program if that's what I'm seeing yeah can you speak to the line specifically so I can I'm looking at the wrong one this on page four says 1.8 page 4 of the yes 1.8 on page 4 of some the question is is that a projection up to this report or that's the projection that you're seeing up to the close of this fiscal year why is your numbers for FY 2023 $250,000 less than or 14% less than your projections for FY20 23 thank you for that less than 2022 sorry yeah thank you for that question I think the that is the line for the retro claim receipts okay okay and the I think what what happened is that that when we submitted, we specifically highlighted the retro claim amounts that we received so that the legislature could be clear in terms of what we received and how we applied it. So the monies for Medicaid is wrapped

1:08:43 into our program income line. So that's under your non-appropriated? Excuse me? Is that under your non-appropriated funds? Yes, the program income, the Medicaid receipts or non-appropriated there are so what are you anticipating for fy 2023 is it a higher number because i'm seeing lower numbers that's what that's what the the the lower number that you see of 250 we're we're anticipating a lower yeah why i'm sorry why why based on the information we received through human services that the retro claim reimbursement for that year this year would be lower than previous year so that because of the possibilities of the the rate going back to that that is that is reimbursement yeah that that's part of what we were we understand all right thank you thank you for response thank you mr. chair thank you so I know that there was a proposal in the build back better act but it hasn't passed to make the 83 percent permanent for the territories but that is still languishing in the US Senate. So the present legislation you're not sure as to when it when it expires? It should be well it's expiring I don't know exactly off the top of my mind but it's expiring sometime this calendar year. Okay. And and and just to add a little more clarity for senate president fred gregory's question the retroclaim line is actually one-time payment okay thank you and do you get the retroclaim monies directly or that goes to the central government and then disperse um it came in in in the most recent it came as um payments against

1:10:44 claims. So it went through the claims reimbursement process. And the $800,000 additional that you're asking for, what would that be utilized for? We moved it up to 2.1 last year. OMB sent back down 2.1. You're requesting 2.9. What is the additional $800,000 going to cover? Well, that money would cover, one, to meet the gap in uncompensated care, two, to adjust for the increased cost of delivering services, increased cost of labor in terms of employee compensation, increased cost in every category of delivering care, facilities costs, cost of supplies.

1:11:33 So there's nothing with expansion of services? It includes expansion of services, because our services have already expanded. We've expanded in behavioral health. We've expanded in case management. So this would support that expansion that we've already been experiencing. Senator Fred Gregory. Thank you, Mr. Chair. I want to go back to the Medicaid retroclaim. I think it was a good question. So, you indicated that you've received the funds direct from finance, direct, how direct?

1:12:13 It came to finance directly as a Medicaid payment. So, is it a one-for-one? Is it tied to your exact claims? And the reason why I'm asking that question is because the last time we had this whole Medicaid retro conversation, it came to the legislature, and then the legislature dispersed. I think that's why the chair was asking the question. So I need to be clear. If you were to go back and do the calculation, is it tied to what you submitted? What's the period that that claim came through? Is there an audit that we can see that clearly shows that what you submitted as your claims is what you received?

1:12:57 It's tied to the cost reports for those years, which speaks specifically to claims against services rendered. So they're tied specifically to claims. So they're tied specifically to your entity? Yeah, our entity and our claims. All right. Thank you. Okay, thank you so much. And you're saying that you received no COVID funds? We received no COVID funds through the local government. No. But did you receive COVID funds? We received some COVID funds through federal grants that we applied to. How much?

1:13:32 Last year, we received approximately $900,000. Are you due to receive any more? The COVID funding period has expired. So, no, we're not anticipating any additional COVID funding. And the grants that we received have also expired. They've expired earlier in the year. Okay, now the Department of Health still have access to COVID funds, though, right?

1:14:03 I can't speak specifically to that. They don't? I don't have any knowledge of that directly. ARPA funds, American Rescue Plan Act, have you received any? We received some ARPA funds directly through HRSA, and with those, we augmented staffing and behavioral health in some other areas to support. How much did you receive? It's $929,000 spread over three years. So that's approximately 300 and change per year. So the 900 and... Let me go to the next senator and then I'll drill down.

1:14:36 Okay, perhaps they would expand on that. Senator DeGraff, you recognize? Meet both here. Senator... Meet him here. Oh, you met him here. Okay. When I came... Let's take a one-minute recess. Thank you. Thank you. We'll be right back. We'll be right back. Let's get started. Thank you. Thank you. Thank you. Let's get started. Thank you. Thank you. Thank you. Thank you. We'll be right back.

1:21:58 Senator Bulquez, can you give me a breakdown of your program income? About 55% is Medicaid. Can you go back to the other breakdown for this year, actual numbers, your actuals this year? How much is Medicaid, how much is insurance, how much is self-pay? Yeah, what was submitted most recently is actually the actuals. Are you asking under this, this is how we broke it down based on the submission, but if you're asking for the percentage of what revenues the program income, I could provide that for you.

1:22:42 for you. Okay, your program income thus far collected is $4,712,132, and that was at the end of July, July 31st. So you had two months ago. No, that number, we are operating on two different fiscal years the let's focus on this fiscal year as of 7 31 2022 what is the program your your fiscal year starts the same as the government fiscal year i'm not sure when Frederick says begins but we start March 1 to February 28th. You start March 1 to February 28th that's the period of our 330 grant. Okay so March 1 of 2021 to February 28th of 2022 what was your program income? Our total program income revenue was six million eight hundred and I'm sorry, $6,846,114.19.

1:24:11 Okay, and that was at the 83%? Excuse me? That was at the 83%. That was at the larger percent, and that doesn't include certain adjustments based on contractual issues there's a bit so when you put the adjustments in of the two million one three three it brings it back to four million change no so okay program income Medicaid insurance so free it it it makes up Medicaid, Medicare, self-pay, private insurance, make up our program income. Okay, so what percentage of your overall program income is Medicaid? Medicaid is about 50%. Medicare? Yeah, Medicaid is about 50%. And Medicare? Medicare is approximately 10%.

1:25:20 Insurance? Insurance? Insurance is about 15. Selfie? About 25%. Okay. Senator, what does you recognize? Thank you, Mr. Chair. Good morning. Good morning. Eastern Medical. Good morning. A quick question concerning, in your testimony, you mentioned a three-year strategic plan. could you share some of the key focus points of that strategic plan before I get into the financial questions? Yes, retention and recruitment of providers, succession planning, workforce development, the community engagement and outreach in terms of getting services to the community, rather than having community exclusively come into the center.

1:26:18 And financial stability is always a pillar of that strategic plan. Okay, thank you for that. You're welcome. In your testimony, page 13, you mentioned $245,000 for utilities. And I'm looking at the post-auditors report, and I see that utilities are spread out throughout the table. And after crunching some numbers, I came up with about 478, 608, which is relatively higher than the 240 that you're projecting. Would that be because of different funding sources?

1:26:59 Could you kind of let us know? I'm sorry. The number reflected in our submission reflects that which would be charged against the VI government appropriation. Okay, and the rest of it would come out of federal funding? With federal and program income sources. Okay, very well. Other sources. Very well. One other thing I did not see is maintenance. There were no maintenance line items in the post auditor's report, nor any mention in your testimony. Do you not pay any maintenance fees? Do you not have maintenance at the medical center?

1:27:35 Thank you for that question. As you know, we are housed in Tutu Park Mall. Part of our lease payment goes to common area cost and the maintenance that we do are not primarily around infrastructure. Those would be very minor types of maintenance in terms of us painting the interior. So we don't do any major maintenance efforts as one would if one owned the facility. Noted.

1:28:07 Likely when you build a new facility, that would be something that would have to be considered as well. Correct. Okay. Revenue generation versus operational expenses. I know that you're not able to generate as much revenue because of the nature of your business, one would say. But how do you pick up on that shortfall? How do you maintain the facility? Is it through your programs, program funding? That is a question that keeps all of us in health care up at night. I believe that there's not one health care facility, particularly now that's not balancing that response. The operational funds in terms of program income monies based on our pair mix has to be offset by other funds. And what we have been successful in doing is applying for other sources of funds to support that over the many years. More recently we brought in different lines of services including Bayville Health. We are just about to launch our 340B program and do substantial outreach to different elements in our payer mix to offset that which we have had to write off over the many years simply because of the nature of our business. Understood. In the grant section, I'm noticing a 330 program in addition to a federal 330. I'm not familiar with this, so I'd like to get some more information on that.

1:29:51 Yeah, the 330 slash federal 330 is actually one and the same. That is funding under the 330 section of the Public Health Act that funds federally qualified health centers. It is a cluster grant, so in that funding there are several different elements of funding under the 330 statute that comes together to fund the federally qualified health centers and other health facilities that qualify under that statute. So the 330 program income would also be a part of that?

1:30:29 Yeah, that is program income. That is what qualifies us to receive what we call prospective payments through the Medicaid and through CMS, Medicaid and Medicare. Time. One more question, Mr. Chair, please. Thank you. The American Act Rescue Plan. Why is the number so low? We received a, as mentioned earlier, we received a grant of $929,000 thereabout that spread over three years. So it's not a $900,000 per year. It's spread over three years. And we presented a justification for supporting staff to expand services and to shore up workforce development and emergency protection of staff related to COVID and COVID responses, but primarily to expand services.

1:31:38 Thank you for the time, Mr. Chair. Thank you for the answers. Thank you. so presently i'm i'm just i'm researching and trying to find it this rate and i'm seeing everything saying that for 2022 55 percent are we back to the 55 percent right now who's who's making the submissions that could tell me whether or not you're getting 83 um i i can i ask my She can come into the world. Revenue cycle. Yes.

1:32:25 We're good. Street, I'm the revenue manager for St. Thomas East End Medical Center. One minute. Repeat your name and title again. Down the street. I'm the revenue manager for the St. Thomas East End Medical Center Corporation. What is the present reimbursement rate? It is not 55%, 45% share. Right now, based on the pandemic, actually the pandemic right now, we are actually getting 93% on the dollar from Medicaid. So we're currently at that rate.

1:32:57 As recent as last month? As last month, yes, sir. And do you know when that expires? No, I'm not privy to that information. Okay. You guys need to do that type of research because it impacts your ability to function. So you need to know exactly when that rate expires because that's going to be a determination as to whether or not you're going to be able to function. Because if you're going from 92% to 55%, that's a tremendous cut. Have you guys done any lobbying? Have you written to the delegate to Congress?

1:33:35 Through the chair, yes. We've been in discussion with the Delegate's Office as well as our federal partners regarding that, as well as the National Association of Community Health Centers, which is our overall lobbying group. What's the feedback? The feedback that we received, that it looks favorable, that it may be extended not at the 93, but at a lower rate, well above the 55 percent. It was in the Build Back Better Act, but that is stuck.

1:34:14 Yes. Yeah, that's why I say it's in process. I don't even know if it's in process, because the Build Back Better Act has been stuck for the entire year, and they pulled out parcels of that and passed this new inflation act. I'm just a bit battered by the fact that a lot of our federal programs are expiring and going back to what it was, and we don't have any indication as to whether or not there will be an extension.

1:34:48 And these are all programs that are going to affect the Virgin Islands. Senator DeGraff, you go ahead. Thank you, Mr. Chair. Good morning, colleagues. Good morning, testifiers, all of you listening and present. How much money is here, Nid? 2.9. Only? On the conservative end, 2.9. you see when i heard 2.1 and then when mr chair actually the difference between the 2.1 and the 2.9 employee compensation run across my air you know i start right there if you ask in the same amount now one last of your employees receive a wage increase we we have we've done um wholesale employee um compensation adjustments in november okay and can you sustain it in the 23 budget based on 2.1 it will be a challenge um given that the the gap in um self-pay and program income but so far we have been able to do to do so and we will do you know other creative team creative things to support that okay so i i vote for 2.9 so i i'm still sticking with 2.9 you can't convince me to go lower um now health insurance you have the same health insurance as the government when when do you anticipate an increase on your health insurance in um we have the we are currently a signatory to the group health insurance um as part of our exercise in looking at all expenses we are looking at options to to that but no decision has been made so it is a possibility if agreed upon by our board that they we may be in a different health insurance scheme which would save the health center about 300 000 a year okay for comparable for comparable

1:36:52 health care that's good to hear um i i see you have a housekeeper slash translator in the post audit report is is that so um we we have several employees who are also um bilingual who who who support translation services okay they could use a little more compensation for that though because they are two top-notch careers housekeeping and translating the two top-notch careers so they could use a little more compensation for that um capital outlay now i know you're working on the new facility and hartman property what's the total number we are looking at to build complete that that facility we we're looking at approximately 6.5 million 6.5 million yes okay good All right. That's a good number. Now, in phases, what would be the phase one that you say you have the A&E? Do you have funding for that allocated already?

1:37:52 Yeah, that's the architectural engineering. We received funding through the Capital Improvement Program under the Office of the Governor via Office of Management Budget that covers the architectural engineering. The construction piece is being funded. We have term sheets already for the 100% financing for that phase. We are now up against that block looking at what the actual cost will be given the sewage and portable water issue.

1:38:32 Okay, so the 6.5 doesn't cover the possible cistern or waste treatment? That wasn't anticipated. If, in fact, we have to, we'll have to look at scaling the building differently. One minute. Okay, now, overall, has your volume of services gone up or down? Our volume of services is substantially increasing back to pre-pandemic levels. we are stop rating that's my justification rating 2.9 no law that's it your volume of services are increasing going back to pandemic pre-pandemic that's my justification I can stick to that you don't have to say anymore now outstanding vendors do you owe any outstanding vendors we have we have a aging of about between 30 and 60 days so we we have some vendors that we offer for 30 to 60 days out based on our aging report and you have funding to cover that um the the the funding is always a challenge um given the gap that we've seen post pandemic and self-pay so it's a balancing act to ensure that we satisfy vendors and maintain relationships the 30 to 60 days that you have in vendors are there also prior existing vendors that you owe or just recent vendors that you owe?

1:40:07 Well, I'll let Mr. Bain speak to that more. Sure. Could you just mention my prior vendors? Because we pretty much are consistent with the vendors we stay with, so I mean we keep a continuous annual relationship with vendors? Okay, so nothing prior that you just keep compounded correct correct okay good but um like i say in terms of me justifying that is involvement services going up healthcare is your your passion and that's what you do and you provide a great service so you know i stand and support you guys 100 and then down the road we go for more but 2.9 nothing less we fumbling we stuttering we guessing when they add so much you want 2.9 say loud thank you for the time mr. chair point of inquiry sound like a a personal thing there is senator the graph a lot of welcome senator general sorrow committee member thank you um for joining us uh senator francis you recognize point of inquiry uh thank you very much mr chair just quickly i wanted to get the um the medical center proposed a budget for fy 23 what is the the total amount?

1:41:22 The recommended amount sent from OMB was 2.1, but the amount that we are seeing Mr. Smith, the question is the overall proposed budget for the Medical Center, overall. it's it's just shy of 12 million 11 million six hundred and seventy seven thousand three seventy four thank you you're welcome repeat the number please $11,677,374.6 Okay. Now, in reference to the health insurance, I know you were trying to switch. You're still currently, in August, paying Cigna?

1:42:28 Correct. And you're going to pay Cigna until the expiration, September 30th. Our board hasn't made any determination to switch, so we're still by contract on the Cigna. And we do have a legal contract? Yes. Okay, so, come October 1st, what are the plans? Can I ask that, let me preface that question. I ask that because we are going to ratify an agreement from Cigna in perhaps two weeks, and that agreement is going to include and not include certain entities. So if that agreement is ratified and you sign on to the particular agreement, then that is binding until September 30th of 2023. So if you're going to be doing something separate, we would need to know before the contract comes before the legislature first.

1:43:28 And second, if you're doing something separate, it can be done because it's going to save money if you're not going to afford the exact same I would say rights that are included under the present Cigna contract. I don't want to save money and then we reduce what is available to the employees. So what you're looking at is similar to the Cigna plan in terms of everything that is covered under the plan? To the Chair, yes, it's similar and superior in certain areas.

1:44:00 Okay. I'm going to bring to Senator Fred Gregory. Thank you, Mr. Chair. I think I heard the reason for the move is because the offerings are better, more attractive. Do you care to share? Are you in a position to share what entity that is? We're not currently because we're still in negotiations, But once those are complete and the board is give favorable consideration, we will definitely do so before.

1:44:38 And I ask a question because I think I know that the GSC board does a really good job of trying to ensure that we are able to get the best possible package. But I really believe it's time for us to expand our search and to have deep dive conversations around our health insurance. For as long as I've served in this institution, and I believe before, since the 32nd legislature, this body has been supplementing the increase, and it's going to come a time, and I don't know if it's this year, where we're not going to be able to do that. So we really need to make sure that we're getting the bang for our buck and we are really able to, you know, secure a policies that really serve the people.

1:45:28 So I'm very interested in, I guess, off the record, hearing what you guys are doing, because, you know, in leadership, we have to be innovative and we have to take risks. So I absolutely, I'm not really happy to hear that because then it could create some imbalance for us on our side of the house as it relates to our costs with your staff departing from the policy. But it also says to us as leaders on the government side that we have to expand our lens on that look as it relates to our insurance. So I'll be happy to hear how you guys are doing that. Thank you, Mr. Chair. We will definitely open to sitting with you off the record.

1:46:18 Thank you so much. Senator James, you recognize? Thank you, Mr. Chair, for the time. Good morning to the people of the U.S. Virgin Islands. I saw where you referenced housekeeping translator. And just to dig a little deeper, As far as the languages that the housekeeping slash translator speaks, can you let us know? Because I know in L.O. St. Thomas, we have a growing population of people from Haiti. And I just would like to know what are the languages that the translator speaks.

1:46:57 This particular individual speaks English and Haitian. there's a feedback but it should it it should also be noted there's feedback yeah we know the feedback right now against another james yeah the question was asked so it's also him to go ahead and answer the question Thank you for that. This particular individual speaks English and Haitian Creole, but it should be noted regarding language and interpretation services that we have a number of staff that are bilingual in both English, Haitian Creole and Spanish. We also have at least two other services that we use to provide translation services for all our patients.

1:47:58 And, of course, where we do want to remain responsible with the finances, as far as the other individuals, not saying all across the board you should do so, but are they compensated when it comes to their salary, is it factored in as far as the convenience of having those individuals speaking a different language, or is it just something that just happens naturally? the reason i'm saying that because you're setting precedents when you have housekeeping slash translators so i i want to find out what's going on there uh through the gs they they are that is considered in in all of our compensation formulas thank you for placing that on the record and i see where you have a behavioral health director and behavioral health director executive assistance um can you i see a disparity between the salaries and i know it's based off of qualifications but as far as what you're doing for i've seen time time well my piece one minute as far as far as what you're doing for the island of st thomas because i know and i don't see in croy the project said health clinic do offer similar services can you let us know um the success of of having those individuals on board and what have you been able to do with having those two individuals um yes and and just for just doubling back to the question before the translator slash housekeeper is not the primary translator that we use for the facility um in terms of the director of behavioral health that is a psychiatrist um so the our director is a psychiatrist board certified and adult and adolescent psychiatry so the difference in pay is because that individual is a board certified psychiatrist who actually sees patients

1:49:51 and provides services in psychiatry to patients and a lot of part of the question is as far as your services that you have been able to provide the success of that program how many individuals you have seen in FY 2022 I I want to see some numbers and some data to find out by having those two individuals. I believe I provided some of those numbers in my initial testimony. On page... Time. Let me find this. In my opening testimony, I believe I provided some of those numbers. Speak into the mic.

1:50:36 i'm sorry let's see so so so here it's in the essence of time mr chair let's ask one last question and i guess when you want to let him finish and then we'll allow you to answer the question and he's also asking the next question right now go ahead senator james yes with your indulgence mr chair the the answer he's about to give he can answer that when i'm finished with last question I see where you have the pediatric dental program and I think you are projected for allotment of forty five thousand dollars but it mentions here that dental pediatric surgical procedures for patients that qualify so can you just place on the record what qualifies an individual to be a part of this program and how many individuals benefited from this program in FY 2022 I'll answer the initial question.

1:51:36 We serve 3,271 patients under our behavioral health program. I asked a question, and then you'll go on to our next question. He was answering the first question, and then he's going to answer the second. The first question that you're asking, he's trying to answer that. Yeah, I told him. I'll go ahead, buddy. What's it? No, you ask a first question, and then you ask a second, so he's responding to the first question, and then he's going to respond to the second.

1:52:10 Which question do you want him to respond to? It's your time. Which question do you want him to respond to? I told him, while he's looking for the answer for that question, let me go to the next question, and when I'm finished asking that question, he can go back to the first question. Whatever, whatever, whatever it is, whatever. As long as we get the information. Thank you, Mr. Chair, for the time. It doesn't make a difference in which order, as long as we have the answer to both questions. So you may go ahead and proceed.

1:52:38 Okay, the question, through the chair, the question regarding the number of behavioral health patients that we're seeing last calendar year, the number is 3,271 patients, we're seeing through behavioral health. One minute before you go on to the second, that's in context, that's not patients. I'm sorry. Correct. The 3,000 number represents how many patients? Those are patient visits. I'm sorry.

1:53:12 Which are encounters. Which are encounters. I'm sorry. Repeat individuals. How many total behavioral health patients did you see? Okay, and while you're looking for that, go ahead to the second question with Pediatric Dental Service. Can we restate the second question just to make sure I'm answering it explicitly? It was in reference to pediatric dental care? A number of patients, services provided. How do you qualify? You've made something about qualifying for pediatric dental care.

1:53:48 How do you qualify for that? All individuals who are pediatric qualify. there is no eligibility formula to be a patient under pediatrics. I think the qualifying question that was indicated were those who require that type of service, that type of screening service under pediatrics. Mr. Chair I also asked about the enrollment because I want to find out with the allotment that we have in place, how many individuals benefit from that program who are qualified. We're trying our best to find out the data so we can find out if the program needs improvement, what can we work on. That is the reason why I asked the question.

1:54:35 Male Speaker 2 Male Speaker 2 Male Speaker 2 Male Speaker 2 Male Speaker 2 Male Speaker 2 Male Speaker 2 Male Speaker 2 Male Speaker 2 Male Speaker 2 qualify. So there's no discriminatory eligibility that screens people out for dental services. So the question is whether the total amount of dental patients that we have, and if you give us a second I'll be able to pull up that number and respond before we move. And do you have the mental health number of patients? We can pull that up also. If you give us one second, I'll get that to you. Can I ask our clinical compliance officer to come forward and respond directly to those inquiries? Dr. Teswitchers. Dr. Teswitchers. Dr. Teswitchers.

1:55:40 Dr. Teswitchers. Dr. Teswitchers. Dr. Teswitchers. You can sit right there. It's... Oh, you can come with it. The allotment for the general fund is $2.1 million. That is from the general fund. The total income for East End Clinic is over $10 million when you put in federal grants and you put in program income, et cetera. So you're not seeing, you gotta go to the program income part to see exactly how much monies are utilized for personnel and fringe and all of those other areas.

So remember that we're only 25% of the total budget for East End Clinic. And in reference to pediatric care, or pediatric dental care, It is always a need for expansion because we have so many dental patients that are not being served. I'd like to go to the last senator for her own questioning, and when you get those numbers, if you can provide it to me, pediatric dental care and mental health.

1:57:03 You have those numbers, ma'am? Yes, good morning, I'm Dr. Tess Richards, I am a physician and I do quality and compliance for the center. The answer to how many patients we're seeing on mental health is 414 in 2021. And pediatric dental? Pediatric dental I do not have. Dental is different from what I do. I don't do dental. Okay, 414. That's a good number. That's a high number. Senator Saro, do you recognize? Thank you. Mr. Chay, just have a point of inquiry quickly. Dr. Richards, you went to the American University in the Caribbean for med school?

1:57:42 I did. And you're very successful, right? I have been so far, yeah. I just wanted to hint to the chair. We talk about med schools in the Caribbean. This has a product right here before us. And I'm right back home. So I just wanted to, when I hit a debate last budget season about that. So there's a product before us, Mr. Chair. That is correct. All right. Quickly, so let's get changing insurance. Mr. Smith, does employees know that they have a change in insurance? Has that been communicated with staff?

1:58:21 It has not been communicated yet because the decision has been made. Okay. So you understand how that could kill employee morale that we're talking about changing insurance on a Senate floor, but the employees are not even aware that this may be in a pipeline? A decision has been made by the board or anyone that insurance would be changed. So once a decision is made, we will go through that process with our staff. Okay, but communication is also key to tell employees, you know, there may be something coming on the pipeline and this is the comparison, you know.

1:58:52 So if we could improve on that. Now quickly, when you came before us last year, you were, the year before actually, according to my notes, you were given a raise in 2021 for 2017, correct? My budget book is four years old. I don't have any more pages, so I have a pad today. But in my 2021 notes, you indicated that you were giving raises to the staff for the year 2017. Can you hear me? I can hear you, but not clearly. So in my 2021 notes, it indicated that you were giving raises for dating back to 2017. so the raise that you're referring to what what year what year um are we compensating employees for the we we did not do retroactive raises because the funds don't support that so your raise is what for just the we did substantial cross the board raises um effective october of 2021. so those raises were just for the fiscal year 2021 moving forward how would how did you implement a raise was it just a like a 5% raise 20% raise 10% or did you calculate what was owed to employees for previous years how did we well to to future to to to begin we didn't have any previous year of monies owed to employees so I want to put that on the record the we did a market assessment and brought our wages in line with where the market was to ensure that...

2:00:37 Who conducted an assessment? Excuse me? Who conducted the assessment? Well, we had a market analysis done by UVI. We used portions of that, and we also did... So UVI did an assessment for STEAMCC? UVI did a market analysis for us, and we also pulled from a National Association of Community Health Centers that does annual assessments on health care worker salaries okay I have a few more questions under raises but only have four minutes translation yeah I know for a fact your employees are doing translations are they being credited for translations the one I'm doing it are you compensating them for that there is a a yes or no is the are you because we have the same issue at the public defender's office this is an addition to their regular responsibilities so are we compensating them for that I'm gonna ask some miss who offered to respond to them yes good morning again my name is Renee Crawford and it should be noted that those individuals that you see like for maintenance slash translator translation is not their primary so the question is are we I only have one minute I don't mean to rush you are are we are we fairly compensating them for the additional responsibilities we do you sure I'm very I know like I know I know at least two that are translating and I don't think they're being compensated for the additional responsibilities if we could look into that and appreciate that Now let's talk about a GRS. You move from your employees being in GRS to a 403B?

2:02:23 Yes. 403B, right? Yes. Time. Yes? Yes. Okay. So quickly, I know some of those employees, they haven't received their GRS payments. Do we plan to make those employees hold because i actually this last season budget season you told me that you're going to work on it yeah because you move them to a new hold a second because they i don't want a sonographer to give me the look um they moved to a whole new plan and their money is somewhere else so what what was and you promised me you're going to have a discussion with grs what's the outcome of that well let the the I'll say this the all employee contributions have been received by the employer by by employees those monies that they contribute to tenured employees excuse me the tenured employees all employees who were mr. Smith your employees are calling for this payments if I can complete all employees who receive their employee contributions from GRS the employer contributions we have in litigation and we are hoping that sometime soon that litigation will close. All of the procedural matters have been completed and we're waiting now for the judge to make a determination of that. I'm a little concerned in how we did the transfer because we can't just put employees into a 4-3-B plan. Don't see it through from step 1 to step 10 and then we turn around and we tell employees, okay, hold off, we're in litigation, and litigation could take years to conclude. So, I mean, that's

2:04:08 just... But just to put on the record, that description isn't accurate. Okay, help me. The health center is a private, non-government entity. Yes. And by statute, by law, we are not eligible to be members in GRS. Correct. So as such, So as such, in the transition now, GRS sent correspondence to each of our employees indicating to them that they are not members of GRS, and we're in the process of making that last piece, which are the employee contributions hold. So it's not merely a matter that the health center arbitrarily decided that we're changing pension schemes.

2:04:51 We are not eligible as members of GRS because we're not a public entity, And we are going through the process, painstakingly so, to make our employees whole. Mr. Chek, can I just ask one question, please? One final question, Sandra. Thank you. Let's go to the leases briefly. I just need some clarification here because I'm a bit confused because the post-addy report doesn't really have dates and times. So the Hartman land lease, you've been paying the Hartman land lease from 2018? 2018, correct.

2:05:20 And that's at the tune of $50,500? A year. A year. Correct. Okay, and how long is that lease for? We have that lease. That lease is, if you use the accumulated time of the lease, it's just under 100 years. Under 100 years. Correct. In addition to paying the $757,133 at the mall? Until we move, which will be after our construction. So is that sustainable, Mr. Chair?

2:05:48 I just wanted to know, between paying the lease and then the rent And then the cost of construction, just from a financial point, is sustainable for STEAM CC. Hopefully, the entire process will lead to a reduction in the elimination of the $757,000 rent. Correct. And it will afford us a number of other things to support offsetting that rent that we're paying to something that we build no equity in. Okay. Well, I want to go back to GRS. Give me a minute, Senator. How long has the East End Medical Center been established?

2:06:30 Since we incorporated in 2000, and the operations was transferred in 2004. Have there been employees of STEAM that have retired under the GRS system? Not that I know of. We have some folks at GRS in the process of settling this matter. I ain't talking about settling.

2:07:00 How did you get into the system? Why did you start paying into the system? I think what happened, based on looking at the documentation, When operations and certain operation elements was moved or ceased under the government and moved under the private entity, legislation was passed that grandfathered the health center into GRS. And when we look at it... To include employees, right? To include employees...

2:07:34 That were already pinned into the system. And to include employees, all of whom, many of whom were separated at the time of the transfer. And we have one employee left that is employed since 2004, which we maintain their payment for GRS based on GRS's definition. But the fact is, that legislation shouldn't have happened. But you can't have two systems. Excuse me? You can't have two systems. You can't have one system in which you pay an individual employer contribution, and then you have this totally next system where they phase it out. You can have the next system where they phase it out, but then your argument is that the employer contribution that was paid to the government employer retirement system should come back to STEAM so that that can be investment income for that particular employee. And the present policy for GRS, if you want your money, you can get your money.

2:08:45 But the employer contribution stays with GRS. Well, I would say this. We're at odds with that supposition, and that's why it's in litigation. GRS had already settled on one aspect of that and returned our employer contributions. So... To GRS return employer contributions? Contributions for a segment of our employees already. So this is in litigation. I really don't want to put on the record more, but we did receive, through a settlement with GRS, acknowledgement that that money belongs back to the health center. Honestly, just from being the chair of finance for a number of years, All of these independent practices just causing the government a lot of total heartache and causing the system to become insolvent quicker.

2:09:38 When you have entities that could just opt out, we opt out of insurance. All of these, every single one of these policies are based on numbers. We know that the more individuals in the GRS system, the better off the system is. We know that the more individuals under the health insurance, the cheaper costs that we get. As a government of the Virgin Islands. so when you have entities that that opt out but yet um receive monies from this body it doesn't bode well for for the entire entire system well the grs already bleeding money to have to go now and pay out x amount whether it's two three four five million from their portfolio um to go back to steam because steam has opted to uh create an independent plan plan is it is hard on the system and what are you going to do, investment income? You're going to say, what, they owe you 8% investment income per year?

2:10:28 There's a lot of... If I could just place one thing on the record, regarding that, just so we're all generally clear. STEAMCCC is a private entity. It's not a government entity. It doesn't qualify under the definition of an entity to be a member of GRS. And that is what's at the heart of this discussion right now. So it's in litigation, and it's taken its course. And in response to previous questions, it is our full intention and full aim to make all of our employees whole. You're an FQHC. We are incorporated under the laws of the Virgin Islands as a private nonprofit.

2:11:18 You're a federally qualified health center, correct? Yes, and a private entity. Point of inquiry, Senator Fred Gregory. Point of inquiry. So, based on this conversation, I continue to be concerned about the ask. I don't believe that I have enough information to make an informed decision as it relates to the funding that's being asked for. So I acknowledge that STEAM CC is a private entity, and the ask is 2.9. The ask is 2.9.

2:12:03 So the ask is 2.9, and we need to get information. So, if you have the percentages of the breakdown of the revenues, then you have the revenues. We need the numbers. We need the numbers. What is the amount that you have generated thus far from Medicaid? What is the amount from Medicare, self-pay, insurance, et cetera, et cetera? That's important information because you are clear in your presentation that STEAM CC is a private entity. And I note that in the post-added report that we make reference to the funding that's received from the government as a grant. But really, it should be the amount to make up, the difference between the Medicaid amounts that's not reimbursed.

2:13:06 So give us the numbers so I could have a clear understanding as to whether or not. Because I don't think you really justified your 2.9. So you gave percentages earlier, but I prefer to get dollar amounts, please. and I know you have the information so that helps me to understand what I'm doing and why I'm doing what I'm doing do you have it? yes we'll provide that information prior to the week we know so you don't have it on you today Oh, you want to know? Okay.

2:13:51 Yeah, I mean, you have the percentage. If you've got a percentage, that means you have the numbers, right? Yeah, the Medicaid generated from March 22 to July 22 is $1,212. $1,212. $1,212. $3,13. $3,13. Medicare is 619-898, self-pay is 882-056, private insurance, 316-746. Could you say that a little louder? 316-746. Okay, 746. So, my primary concern is the Medicaid. So, you generated 1.2, and that's up to what period?

2:14:46 July 2022. March 2022 through July 2022. to well uh we we operate on a fiscal year so when you're making your calculations and making your presentations to us based on what we're giving it still needs to be on our our fiscal year so we could truly understand the picture because if you give it to us in that manner then we don't understand the picture you see so then if you need to provide that another time i can accept that but but we need to see the picture based on how we allocate the funds to you.

2:15:24 We can provide that. You see? We can provide that. Yeah, we need that information. And I'm going to close because I know that it was just a point of inquiry, but we need that information because you are clear that you are a private entity and our responsibility is to provide that matching requirement. So we need to understand, because you asked for 2.9, with really no rhyme or reason. So if you're going to argue that you're a private entity, then we also have to make sure that we are doing what we should do.

2:15:55 Because you're standing your ground, so we have to make sure that we... Because based on your 1.2, we're giving you more than enough. Well, the other piece, the center is the uncompensated number, which is the self-pick. So we'll provide the numbers between October... I calculated that. That was $700,000 one year, $500,000 next year. Which is what we, the numbers that we gave were in our audited fiscal period. Right, but those are two different fiscal years, so we're just dealing with one fiscal year at this point.

2:16:32 Well, we'll provide the numbers. We gave you 2.1 last year, so the 2.1 should have taken care of the $700,000. Not necessarily, because our fiscal year runs March through September. Okay, whatever it runs, your numbers for one fiscal year was 700,000, the next fiscal year was 500,000. And we compensated or allotted 2.1 million for the GVI fiscal year. So did that $2.1 million cover uncompensated care, care, the match at 93%, we only have 7% match. You collected Medicaid is 50% of the 6 million, so 3 million, we only had 7% of that, which is a couple hundred thousand. So the 2.1 surpass your bad debt, along with your uncompensated care. The issue, some of the insurance have.

2:17:34 i'm going back to the insurer i'm into the retirement and then i'm going to go to santa dacaro i'm coming right now the switch over for the um grs or the retirement was when last year or two years ago um 2019 three years ago two going on three years okay and you had employees that were paying into grs for how many years seven eight nine years the um the oldest was what the the much well we had employees who um i think the oldest person the longest person was the individual that's been there from 2004 and before which is one individual okay that was until you said 2017 right no they're they're still um grs indicated that they would carry those persons until retirement so we pay their i i okay so so you're you're well grs just won the case literally by saying they're going to carry that person because i don't know how the litigation will move forward when grs is saying that that person qualifies but my issue is is that i hope that everybody know that who switched over that in 2017 they went back to step one they went back to their first year of investing in a retirement system because the program that you have is what is based on what it's um how much you have how much you put into the system is how much you're going to get out we senator vla again renee crawford um the way our program works an individual decides how much money they want to actually put in to the program, but to back up just one brief moment, individuals had the opportunity, if they so desired, to roll over whatever monies they had in GERS to go into the 403 program.

2:19:41 Then they went ahead and decided the dollar amount that they wanted to contribute on their behalf. St. Thomas East End actually does a dollar-for-dollar match for every employee who has decided to participate in the 403B program. And it has saved you how much money? I don't know those numbers, Senator Taviole, off the top of my head, but I know it is a considerable amount. As you know, GERS has its own formula as to how much an employer is to contribute to every single employee in addition to what the employee actually contributes. Correct, and that's, we have a very, we have a good system. It gives a lot, but you're going from 23.5 employer contribution, 11% employee contribution, and now you're going to, whatever the employee contributes is what the employee is going to contribute.

2:20:40 So before it was like two to one, a little more than two to one that the government was putting up, in reference to what the employee is putting up. The government has a defined benefit program where they calculate your salary and that's what you're going to receive after you retire for the rest of your life. The system that you're going to is what you put into the system. That's what you're going to get when you retire based on how you calculate what you want the payout to be. Just about every study that has been done with that shows that within the first couple of years you're broke. You're broke. Because how much, within three years, what you put into the government retirement system is gone. After retirement. So I just hope everybody knows that where they might be paying less now, and then while 11% was mandated, now you're allowing the employee to put in whatever they want. So if the employee says, I'm only going to put in 5%, then he sent put in 5%, which saves you 18% that you would have had to put in if they were under the government program. So it saves a lot of money because individuals are going to be very happy. I'm not going to pay you that 11% of them all. Let me put aside 4% or 5% and then the employer put aside 4% or 5%. But those same individuals or whoever are the senators 20 years from now, they're going to have to deal with them because they're going to have uncompensated care and everything else.

2:22:05 And I hope that whatever is worked out, because GRS is covered under Cigna, the United Healthcare, but we have a retirement insurance for our retirees that is very beneficial to our retirees. Is this new retirement system or new health care system that you're going to, is it going to protect those employees when they retire? And with your new retirement system, how is that going to work? Or if somebody retired 58, they're going to have to wait until Medicare is 65 or 62 in order to get their health care issues covered? So we're looking at all type of car savings stuff now, but that long term, because our retirees are covered under UnitedHealthcare.

2:22:59 Yeah, that's one of the items that are still under negotiation. But it probably ain't going to work with your new retirement system, because they're only going to be able to cash out what they put into the system. So if they have 200,000 there or a million dollars there, they got to know, try to determine, well, how much am I going to draw down every year? How long do I expect to live? And there are a lot of factors when we go into retirement and healthcare system, but I will down there, that's a decision that was made by what is a private concern, but long term, I honestly, long term, I don't see it working out in the employees' best interest. They're going to work out now.

2:23:42 They're going to get more money in the packet, but down the line, they're going to pay severely for that switch, severely. Senator Carriong, you're recognized. Good morning. Good morning. Thank you, Mr. Chair. Good morning to my colleagues. Good morning to the testifiers, and good morning to the beautiful people of the Virgin Islands. uh ceo smith good morning to you and your staff i first would like to begin by commending you and your team for the work that you guys are doing you're really filling a gap within our community and sometimes i think where we would be if it wasn't for organizations as yourself and Frederick said health clinic um where would our community be so thank you very much to all the men and women who are in the trenches continuing providing the services um to our community thank you so much sir so you are asking for 2.9 and i think you've been appropriated before uh 2.1 so we're talking about an increase of approximately eight hundred thousand dollars um and yet i'm still not clear based on what was shared today on the justification uh for that increase but let's um dig in a little bit more uh into some of the questions i have here today In regards, so I see, well, according to the post audit report that we received, it seems like there's a decrease within the fringe benefits in various sections within the post audit report. I mean, from various funding sources. Why is that decrease in fringe benefits?

2:25:41 Mr. Eric Baines will respond to that. Hi, good morning, Eric Baines, CFO. As you're aware, we've been losing key providers, which we are desperately looking and pursuing avenues in which to recruit new providers. But of course, as revenues decrease, the fringe benefits will decrease accordingly.

2:26:12 Well, I didn't see much of a decrease in personnel compared to French. But so what, how many vacancies you have at this time? Vacant positions. Currently, against the local budget, I believe there is one. Against the local budget and against your federal and program? Yeah, give me one second, please. Yeah, give me one second. I'm getting the personnel listed.

2:26:47 And while you do that, it also caught my attention that you don't have anything for capital outlays. Are there any maintenance or project plans that you have? yeah we are currently in a lease facility and the capital outlay is not captured under the lease facility that we're in now in in terms of the vacancies we have we are actively recruiting or a for providers I'm just asking the number of vacancies that you have total number the the total number across all sources would be seven and and that's seven and those include providers and other support staff the provider staff is primarily against the federal program income sites. And then from the general government, from our appropriation, you only cover just one position, is that correct?

2:28:04 Let me see here. That is... So what percentage goes to personnel services from the funds that are appropriated by this body I would say about 90% of the funds go to personnel the other amounts of the monies pays for one quarter of utilities but the local funds are I'm sorry I'm sorry the local funds primarily cover support staff so So about 90% cover support staff and the other portion covers one quarter of operating expenses in terms of rent and utilities.

2:28:50 One minute. So when I look at the post audit report, though, in Exhibit 7 that speaks about grants, you have grants awarded and you, well, it's listed here that VA government grant, the 2.1. And when I go to, let me see, it's not this page. It says, let me see what page in the post audit report speaks to funding just one position. That's why I needed clarity on that.

2:29:30 page of that center uh page six professional services and contract so i think that's just one that you outsource for fifty nine thousand dollars page six time you reference the post audit report itself let me get that post audit report Exhibit 8 and 9. Dr. Myers. Okay, page.

2:30:17 Yes. Yeah, this individual is a OBGYN and we there's part-time and we funded we allocated the funding for that position against the local appropriation okay all right then the last thing uh mr sheriff i may proceed have you received any additional funding from uh the government separate apart from what is appropriate through his body um no no we have no okay so that means no type of covet funding through the government no arpa funds through the government so all you have received from the government is which you identify as as vi grant for 21 um for 2.1 million dollars right correct correct very well thank you mr thank you senator no i think you said you received not from not under the government per se but you received 900 000 in covert funds and 927 000 opera funds yes so over three years so we still have one year left in our province okay all right i'm looking at um Let's take a one with a recess.

2:32:16 We'll be right back. Thank you. Transcribed by ESO, translated by · Thank you. We'll be right back. We'll be right back. We'll be right back. We'll be right back. Thank you. We'll be right back. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. We'll be right back. Thank you. Thank you. Thank you. the committee of finance is back on the record just some final questions i think we even went longer than i expected i i did a brief analysis quick of your um personnel and and fringe and

2:42:41 fringe and it it scares me a bit i looked at i look at the general fund the general fund personnel services and the amount allocated for fringe fringe allocation is 12.7 12.7 program income fringe 15 16%. Federal funds, fringe, 16.7%. That's literally impossible. After you take out FICA and everything else, how are you paying for insurance? How are you calculating for insurance?

2:43:24 How are you calculating for GRS? Central government, fringe, 46%. 46%. After you calculate the 23 and then the insurance is, average cost of insurance is, family package is 200 and something dollars for a family. And the government pays 65%. The employee only paying 35. It's like double that. You know, so based on these, after you take out FICA and everything else, you barely have anything to pay for insurance and fringe unless you're paying for it from someplace else.

2:44:04 How are you paying for it? How much you pay FICA? Tell me the breakdown of your fringe. We'll go break down the fringe as to what you're paying for fringe. Who's your financial person? Okay. Well, of course, as you indicated, when it comes to FICA, there's a set percentage, but then also... But your FICA isn't included in your fringe?

2:44:36 Correct. Okay. Yes. But also remember that with our retirement system, it's determined by what they choose to contribute into the retirement system. 403B. Correct and I'll go back there that's part of where I have some some issues your overall if you do the direct calculation like I did it it works out to 12.7 percent general fund 15 percent program income federal fund 16.7 percent that's what you have allocated for fringe I'm backing out FICA is what six 6%? 5 or 6? What's FICA?

2:45:20 7.65. 7.65? 6.2 plus 1.45. So 7.6? Okay. You back out 7.6. Under the general fund, you only got 5% left to pay everything. How are you paying everything else? How are you paying, I mean, you got individual income tax, you got social security, how are you paying everything else? Well, on the FICAR we cover life insurance, health insurance, dental insurance, disability. That's separate. I don't understand the question.

2:46:07 FICA is a federal income tax. What I'm saying, you come up to the central government utilize a rate of some 40-something percent. You come up with that because we know it's 23.5% for GRS. You come up with a percentage for the health insurance that's a mandated cost. Your health insurance alone under Cigna is more than 506 or 7%. So how did you come up with those numbers for fringe? The numbers are low, that's all I'm saying.

2:46:46 The numbers don't afford you the ability to pay for all the various areas that need to be paid for. All of the standard deductions that come out of your paycheck. What are the standard deductions coming out of somebody's paycheck at STEAM? But it's an intention on what they choose to... No, some are just standard, some of you don't have a choice. Income tax and all that, you don't have a choice.

2:47:15 When an employee gets a cheque, what are the mandatory costs that come out? FICA? What else? FICA is mandatory, but insurance is not, it's if you choose to have the insurance. So they have the option, it's not... Right. And what is the portion that the employee pays for insurance? I don't have that number.

2:47:45 Well, employee, employer, I want another breakdown. The central government is 65, 35. What is the employer paying for insurance? The same percentage that we pay. Under the proposed plan or switching, what is going to be the breakdown of employer, employee for insurance? I really... Okay, you can't discuss that. Yeah, we couldn't discuss that. Okay, but my issue is... Hold up one second. My issue, and I'm just putting my issues on, and hopefully we could get them resolved. It's now a 65-35 split for the central government. Some of the semi-autonomous or autonomous entities have elected to pay more. I know Port Authority, WAPA, a few have elected to pay more.

2:48:30 However, with inflation, et cetera, employees can be charged more. So I don't want, if you have a 60-40 or 65-35 split now where the government is paying 65 and the employee is paying 35, I hope we're not switching to a plan that is like a 50-50 split or a split where the employee is paying 60% because then the cost will dramatically increase to that particular employee. So I hope that whatever is being negotiated is being negotiated with the employee in mind, that the cost isn't going to go up and that the benefits are going to remain the same. That is our ambition. That's the premise that we're negotiating under.

2:49:19 Okay. So with the GRS issue, the employee, were they pulled as to what they wanted to do, Or was this just everybody was scared because all of the talk that GRS is going to become insolvent, so we said, well, let's pull and let's do something else? When we looked at the law, STEAM CC was not eligible for membership under GRS. Okay. I wish law was that, that you looked at. I want to read the law. Well, I could provide that offline, but those are elements of our lawsuit.

2:49:50 No, not the lawsuit. You said a law. I want to read the law that says that STEAM is not eligible. As a private entity, STEAM CC is not eligible to participate in public pension. Okay, and that was based on the determination of the leadership of STEAM and the board? That was also determined based on correspondence that came from GRS as part of our initial settlement with GRS. This went to court before, and GRS settled on that matter, and these are part of the initial settlement with GRS.

2:50:25 Okay, I'm going to get in contact with Mr. Nibbs, and I will get some more background information. Our colleagues, I'm going to close out. Anybody have one more question, and we're going to close and move to the leases, so that we can move on. Senator Francis, you had anything? One question? Thank you very much, Mr. Chair. I just wanted to ask the Executive Director, Smith, if you just quickly talk about, you know, some of the performance measures and how are they measuring and maintain accountability for the medical center? What is the gauge or guide that he's utilizing to determine their efficiency and effectiveness?

2:51:09 Thank you for that question. The health center is subject to what we call a health center compliance manual, which is about 100 requirements. We gauge our performance against that, and the federal government that funds our 330 comes on site once every three years to review and rate us against that. So that's really the benchmark that we use in addition to other audit-related items. I'm glad to say that in our last audit period, the health center, of the 100-plus item, the Health Center achieved high performance, which goes to show that we have been operating in accordance with federal requirement. Thank you Senator Francis. Senator Frederick, any question? Senator DeGraff? Good. Senator James? Any last question?

2:52:15 Thank you, Mr. Chair, for the time. My question today is, I know how important diet is to our patients and what have you, but I see here you have a vacant position for a registered dietitian and you also have a nutrition program which is in-house with a projected cost of $6,000. dollars. Are those two things connected and what you plan to do to get a registered dietitian and who in the interim is dealing with that? Thank you for that. We are in the process of recruiting a dietitian registered. As you may know, they are a very scarce resource in the Virgin Islands as are other providers. In the interim, we coordinate that service through private providers, entities outside of Scheme CC. And the final part of the question, the nutrition program, I see you have $6,000 projected. What are you able to do with that $6,000, and is that tied to that of the dietician?

2:53:32 Thank you for that question. Thank you, Senator James. You're Mary's fine. Okay, thank you. The $6,000 is just the local amount that we charge against the grant. We use other services to augment those services within the health center. And yes, it is tied to the nutrition program, but not to the salary of the dietician. Those are just for ancillary support activities around nutrition, particularly for diabetics and hypertensives. Thank you. Senator Karung, you have a final question? Senator Bolkwitz, final question?

2:54:14 Are you good? Okay. Thank you for your testimony. At this time, I'm going to allow you, Mr. Smith, to put a closing statement on the record. Good morning again. I guess it's almost afternoon. Just like I say, thank you again to you, Senator Ville, and members of the Finance Committee. The challenge that we all in the health care sector have is being able to balance delivering services against the growing and transitioning expenses to do so. I want to commend the staff at East End Health Center, number one, for the ongoing hard work, support, and dedication they have exhibited over the past two years. We have recently been voted as the best medical team in St. Thomas through readers of the Daily News, which should be coming out soon. That goes to show really the dedication and support of the entire team, and particularly through the COVID periods. We strongly encourage consideration of our increased requests to satisfy the uncompensated care and the Medicaid match that may or may not continue at the current rates.

2:55:44 and just like say thank you again and to everyone for your ongoing support. Thank you. Thank you so much, Mr. Smith. The Committee of Finance will take a five-minute recess. Colleagues, we are going to hear both leases at the same time, so probably no more than an hour before we conclude the day today. The Committee of Finance will take a five-minute recess. We'll be right back. Thank you. Thank you. Thank you. Thank you. I love you Thank you. Thank you. Thank you. Thank you. We'll be right back. Thank you. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. Thank you. Thank you. We'll be right back. We'll be right back. We'll be right back. We'll be right back. Thank you. I'll see you next time. Thank you. Thank you. Thank you. Thank you. I'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. I love you the committee the committee of finance is back on the record it's back on the record colleagues

3:14:57 we have two bills in this particular block before i entertain a motion the first one bill number 34.0275 Mr. Walter Freeman who's the head trustee of the Caribbean Tradewind Lodge number 17 is unable to be here with us today. So I'm entertaining a motion. Motion Senator Gregory.

3:15:26 Thank you Mr. Chair. I move that bill number 34.0275 be removed from today's agenda as a result of the extenuating circumstances with the lead for this particular lease. I so move. A motion made by Senator Gregory, seconded by Senator DeGraff. Roll call.

3:15:58 Senator Marvin A. Blyden. Senator Blyden, absent. Senator Samuel Carrion. Senator Carrion absent. Senator Dwayne M. DeGraff. Senator DeGraff, yay. Senator Donna A. Fred Gregory. Yes.

3:16:25 Senator Fred Gregory, yay. Senator Jayvan E. James Sr. Senator James, absent. Senator Janelle K. Saro. Senator Saro, yay. One minute, Madam Clerk. Senator Jayvan James, we didn't hear you. Not absent. Okay, are you voting, not voting? Not voting.

3:17:01 I just want to clarify, we're voting yes to remove it off the agenda, right? Yes, the motion is to remove Bill No. 34. Okay, thank you. Please mark Senator J. Van James as yes. Senator Kurt A. VLA. Yes. Senator VLA, yay. Mr. Chair, we have five yay, two absent. Thank you, Madam Clerk. Bill No. 34-0275, an act of approving the lease agreement between the Government of the Virgin Islands, Department of Prept and Procurement, and Caryb Tradewind Lodge No. 17, Inc., District No. 8, for the purpose of conducting meetings, community outreach activities, feeding the homeless, mentoring youth, and for other related purposes will be removed from today's agenda. Okay, we're going to move on to the last item. We have both individuals who will be participating virtually, and that is Bill No. 34-0278, an act approving a lease agreement between the Government of the Virgin Islands, acting to the Commissioner of the Department of Property and Procurement, and on the level, better known as OTL Mechanical, for the leasing of parcel No. 69, Submarine Base, No. 4, Southside Quarter, St. Thomas, Virgin Islands, we have Mr. Vincent Richards from PMP. We also have Mr. Donohue, who will be providing testimony, like both of those individuals, to put the name on the record, beginning with Mr. Vincent Richards. Please turn your camera on and put your name and title on the record.

3:18:40 Good morning, Senator Vincent Richards, Deputy Commissioner of the Department of Property and Procurement. Thank you so much. And Mr. Donohue, Todd? Good morning, sir. I'm Todd Donohue. President of OTL Mechanical. Okay, can you turn your camera on? I believe it. Is it on? No, not yet. I apologize, sir. It shows to be on on my computer. Okay, sign out and then sign back in.

3:19:19 Yes, sir. I will allow Mr. Richards to begin his testimony only on bill number 34-0278. Mr. Richards, before you provide the testimony, I'll have Senator Donna Fred Gregory speak to bill number 34-0278. You're recognized. Thank you, Mr. Chair. This morning, I introduced bill number 34-0278. This measure, pursuant to the Virgin Islands Code, requires all leases to be ratified by the legislature.

3:19:54 This lease agreement, as noted earlier, is with one level doing business as OTL mechanical to use process number 69 submarine base number 4 south side quarter of St. Thomas, consisting of 29,900 square feet or .68 U.S. acres of land. The purpose of this particular lease with the VI government is for OTL Mechanical to operate a general construction and plumbing contractor business and for no other use. Based on what's before us, I believe that there are no issues or challenges with this particular lease, so it's my hope that we can approve this lease today for further consideration of the whole body.

3:20:59 Thank you, Mr. Chair. Thank you, Senator Gregory. Mr. Richards, you may proceed. uh good afternoon uh committee chairman of vla uh vice chair and senate president uh the honorable donna fred gregory committee members senators uh the graph carry on james senior sarah legislative staff and fellow testifiers i'm vincent richards the deputy commissioner of the property and printing divisions of the virgin islands department of property procurement i am testifying virtually today on behalf of commissioner anthony thomas in support of uh the proposed lease agreement before the committee for consideration on the level mechanical doing business as otl mechanical uh hearing after otl uh for the property located in sub base on the island saint thomas the lease agreement between uh otl and the government of the virgin islands is for improved parcel number 69 sub base number four south side quarter saint thomas virgin islands consisting of approximately 29 900 u.s square feet and or well or uh 0.68 u.s acres of land uh the term of the agreement is for uh 20 years with two additional five-year option periods the annual rent will be uh for uh seventeen thousand nine hundred forty three dollars uh and seventy two cents payable and equally monthly installments of $1,495.31. The rent payable under this lease agreement will be adjusted after the first two years of the term and will increase annually in accordance with the schedules on the lease agreement. Beginning in the seventh year of the lease and then annually afterwards, including any renewal terms,

3:23:11 the rent payable will be further adjusted in accordance with increases in the consumer price index as established by the u.s department of labor bureau of labor statistics this proposed lease agreement would allow otl to operate a general construction and plumbing contractor business and for no other purposes the use of the premises is contingent on otl obtaining and maintaining all required permits and licenses for the operation of the business these leases are this lease agreement requires insurance coverage for public liability and coverage for property damages for any constructive improvements required documentation to support the processing of this lease agreement with the government have all been provided by the prospective lessee uh this lease agreement um requires approval of the governor and the legislative legislature of virgin islands in accordance with 31 vi code subsection 205. the department of property procurement uh continues to seek viable tenants to partner with who are committed to making significant investment in gvi owned properties through long-term tenancy and who Maintain current in their other government obligations, including excise, gross receipts, payroll, and corporate taxes. This property will be returned to the government at the end of its lease in a much improved condition than it was originally. This lease agreement would contribute to the ongoing recovery of the U.S. Virgin Islands and the long-term expansion of our economy. The Department of Property and Procurement respectfully requests the 34th Legislature of the Virgin Islands Committee on Finance to vote in favor of the proposed lease agreement. This completes my prepared testimony, and I am prepared to answer any questions the committee may have. Thank you very much. Thank you for your testimony, Mr. Richards.

3:25:27 Okay, let's see if you're back up. Mr. Donahue? yes sir is your camera on yes is it not showing to be on sir no it is not all right look i'm gonna get another computer i don't it's showing that it's on okay um You're in the Virgin Islands, Mr. Donoghue?

3:26:10 Yes, sir. I'm in St. Thomas. Okay. In Shalatomali in town? Actually, yes, sir. I'm close to the airport right now. Okay. Let's try the next advice first. Yes, sir. Let's take a two-minute recess and try the next advice. This is going to sound and recess in two minutes. Thank you. Thank you. Thank you. Thank you. Thank you. We'll be right back. Thank you.

3:30:33 The Committee of Finance is back on the record. Mr. Donahue is trying to sign back on. He was just there and we lost him.

3:31:03 But while we're waiting for him to sign on, Mr. Richards, this is just a renewal? No, Senator, it's not a renewal. It's a new lease, Senator. Okay, it's a new lease. Yes, Senator. Okay, where exactly is this location? The property is located exactly across the street from the correction facility in Subbase up on top of, I guess I'll call it Subbase Hill. The property was severely damaged after, during Hurricanes Irma and Maria. We had a previous tenant in the building, Mr. Donahue and his company, OTL. who was providing significant, was part of the recovery in St. Thomas, approached us, their company approached us, and they needed a place to set up shop. I believe they then stepped in and took the property as is and made significant improvements to the property. And that's how we begun our relationship with them. So, I mean, I see him signed back on, so he can give you the details, correct. Yeah, so thank you for giving us that explanation.

3:32:30 Mr. Donahue, I'm now going to allow you to read your testimony into the record. Yes, sir. Thank you, Mr. Birling. I'm sorry. you may proceed can you hear me thank you sir my name is todd donahue thank you for allowing me to be here i've been here since 1990 my father started this company we have 78 employees we work in st croix st thomas and st john we do plumbing air conditioning and we also have a contractor's license we asked for this space because we needed a space in st thomas after the storms to help with the recovery of the storms and we were they were gracious enough to allow us to fix this place up we've spent over 500 000 on renovating it to get it to where we can use it as an office for the St. Thomas base okay thank you that's you concluded or lost you we have to support i would love to have your support to help us to allow us to do this okay thank you so much so you have already spent the five hundred thousand dollars in renovation

3:34:14 yes sir okay uh senators let's go to uh two minute round it can be very direct if you need a little more time i will allow you starting with senator francis thank you thank you very much mr chair and and thank you otl for um your continued um business spirit and in the virgin hours i'm familiar with your business here in st croix as well a very reputable business and um and your website to talk about you know going green and if you could just touch a little bit in terms of your environmental friendliness in terms of the product that you offer um if you speak to that real quickly yes sir in 2007 we saw that it was we really saw how our energy prices were going high and we wanted to do something for our community for myself as far as others so we got into uh we hired two engineers to come in and help us decide what would be best to sell and at that time it was more energy conservation with the led light bulbs the variable speed pumps and and the uh fastest payback was the solar hot water heater so that's what we pushed back then uh since then we have also pushed uh the now the pv panels are coming to where it actually makes sense and we're a strong believer in that system but uh we were buying led light bulbs when they're 106 dollars my cost uh just because of the savings back then and now home depot everyone has them and they're actually huge savings so we've been go green since 2007.

3:35:54 very well again any other additional um infrastructure improvement i know you have already invested five hundred thousand dollars into um the improvement at that facility is there any additional um requirement by property and procurement to invest any additional dollars not i mean we're not to my knowledge right now we plan on um well the next thing i want to do i want to redo the floors we put carpet in and the guys have tracked dirt all throughout here so So that would be the next big step for us. But we feel like we've got the yard looking pretty well, as well as the main building. Very well. Again, I want to thank you for your economic development and investing and continue to invest in the territory and wish you good luck. I definitely am not a member of this committee, but I stand in support of the work that OTL Mechanical have been doing territory-wide.

3:36:52 Thank you very much, Mr. Chair, for the time and good luck to you, OTL. Thank you, Senator Francis, Senator Fred Gregory. Senator Bogus, this is going to be a quick one. Senator DeGraff. Good afternoon, colleagues. Good afternoon, testifiers. Mr. Richards, correction, Deputy Commissioner Richards, in regards to the property, are there any liens on that property at present uh lien senator not that i know of i i honestly didn't check okay is there any opposition to this particular business going there standard i can't imagine there being any um i i will encourage you and encourage the entire committee to go by and take a look at the property um we'd be happy to send you photographs of the property before and after um they've made significant in uh investment and improvement to the property um i'm usually chastised for the conditional sub-base but one by one we're cleaning it up and this is one of them that's that's made significant investment in cleanup of about the sub base area sir sender and and that that's significant investment i'm happy to hear and uh the gentleman's name again mr todd mr daniel yes mr daniel no i'm just seeing in um some of your paper where it says your business license expired 10 31 22 or expires uh and you You have some certificate of good outstanding, expires June 30, 22.

3:38:42 Are these things in the process of being renewed? Yes, sir. They've been applied for. Everything's current. We're in good standings, to my knowledge. Send the graph, if I may. Sure. Send the graph. Up until last week, I believe the office manager for his company supplied us with updated documents as recent as last week, Monday or last week, Tuesday, Senator. Okay, great. Thank you. Thank you for that. And finally, Mr. Donahue, what services does your business provide exactly?

3:39:16 Could you just go through that again for us? So we do plumbing, fire sprinkler, HVAC, and then we have a general contractor's license. Okay. But we specialize in the mechanical. Okay. Thank you for that. uh i i i sign in support that you know vote accordingly at time thank you for the time mr chair thank you so much senator degrab senator james yes greeting to the greetings to the people of the u.s region islands i i think this bill is straightforward as far as the leasing agreement i've reviewed all the documents and I've read what the Department of Property and Procurement said about this leasing agreement. So I really don't have any questions and I'm ready to vote in affirmative whenever the time comes.

3:40:12 So thank you, Mr. Chair, for the time. Thank you, Senator James. Senator Cario? Good morning. Good morning. Yes, I do have a few questions. Good morning, Mr. Richards, and good morning to Mr. Donoghue. good morning sir good morning sir good morning what is a scheduled um increase annually that you have and i i think you mentioned testimony it begins after the seventh year or is it after the second um year just please explain for me it's after the second year that it starts to go up let me look yeah let me allow mr richards who is um representing the government on this lease agreement okay and i carry on i'm out i'm gonna have to apologize to you i'm testifying virtually and i do not have the file right in front of me but if you give me a few minutes i'll be able to pull it up electronically and answer the question okay given that you don't to have while you get it uh i believe and allow the sir to respond please as a knowledge yes sir so it's uh 1495 for year one and two the third year it goes to 29 90 62 the fourth year it goes to 37 38 28 the fifth year it goes to 4 672 84 the sixth year it goes to 5 841 05 and then And after that, the seventh year will be based on the price index and the CPI.

3:41:53 Okay. That's what I wanted to know. So, after the seventh year, Mr. Richards, it seems that the department will evaluate and see and adjust accordingly? After the seventh year, we would adjust whatever the CPI is adjusting. I mean, traditionally, the CPI floats somewhere between 1 to 3 percent. I believe it's capped at 3%. I believe it is capped at 3%. That's what we traditionally do. Okay. So we will be bound to adjust every year after the seventh year. Good. And you don't have any pictures for us, you said, right?

3:42:35 Senator, no, I do not. I'd be happy to email them to you or provide them to the committee through the chair. But it's, you know, I mean, it's impressive what they've done and invested. I had, even ahead of getting this lease and securing this lease, I was, you know, I mean, it shows a level of commitment on their part. You know, quite honestly, I probably wouldn't have taken a chance, but they did, and I guess they're vested. I see their trucks moving up and down the island, all over the place, doing different things. So, and again, their yard is, their yard is, their property is kept exceptionally clean on a regular basis, because we'd be inspected every 30 days.

3:43:16 Yeah, I hear you, and I commend the company, its owner, for engaging in this partnership with the government and showing the level of commitment by the investment that they have done. And plus, like you said, also the job opportunities that they're creating with 78 employees. Mr. Donoghue, any plans of continuing development? in the island yes sir we've uh so i personally have uh just acquired quality electric i have just plastics uh and we're constantly growing i my i have five kids we're all here this is where i grew up and so i i want to see us grow more and more here to be honest with you sir Mr. Chair, if I can, maybe for future hearings for leases, if we could have the Department of Power and Procurement submit pictures so that we could really have a visual of the changes, the level of investment, and the before and after pictures, I think those would do us justice, specifically for us senators from the St. Correa District that might not be too familiar with St. Thomas, will be very helpful. um i don't have any further uh questions uh yes i do have one uh the last one has the property been inspected by dpnr past inspection permits and uh yeah which is property procurement uh sender if i may um that you know this inspection by dpnr and several other regulatory government agencies or departments is mandatory to get and secure your business license.

3:45:15 So, Mr. Donahue, you're up to date with all of that, all your inspections and permits and taxes. Yes, sir. Very well. Thank you, Mr. Chair, for the time. Thank you, Senator Carrion. So, Mr. Donahue, in your response just now, you said something about quality electric. You acquired quality electric? Yes, sir. Okay. As of? January 10th of this year. Okay. Congratulations on that recent acquisition. Thank you, sir. One of the major electrical suppliers on the island of St. Croix. So, congratulations. Colleagues? Yes.

3:45:57 Senator Viola, if I may? Yes. Go ahead, Mr. Richard. I have a photograph of the property, if you want to take a look at it. I can see if you can allow me to share my screen. You can. Okay, there is a building, guys.

3:46:24 We still have one senator to go, who is the sponsor of all the lease agreements as a president. okay that that is a nice building that's a good job all right and if i if i showed you the before photograph you might it might make you win so yeah that's always good i think that's a very good recommendation from senator carrion let's begin to have those before and after so we can see how we have transformed these properties we're going to go to the bill sponsor senator fred gregory and then we're going to close it out thank you thank you mr chair so this particular lease don't have any zoning changes any issues with dpnr etc correct that question is for whom i'm asking that question of you I'm going to tell you what I'm asking. I'm asking the question for a very legitimate reason because we have to, this has really nothing to do with this at least, but the time is ripe to make this comment or have this conversation. You know, recently, us here in the institution, we found ourselves in a very precarious situation because what happens is, you know, once an owner comes to property and procurement for a lease, there isn't necessarily a conversation with DPNR, but I believe that if the lease is zoned, is not zoned for the particular type of business, et cetera, then there must be some alignment between yourself, which is property and procurement, and the owner, the individual, the applicant, if you will.

3:48:20 We have to figure out how to close those gaps here in the Virgin Islands so we could prevent, we have to learn from our experiences so we could prevent future situations that really are necessary. So there must be some way for the department. And if we have to legislate it, then that's probably what we're going to have to do. But it has to happen because we don't need to go down that road again. You understand what I'm saying? Because I know this year alone we've had several leases that came before us that requires now that applicant to get a CZM permit or zoning change, if you will. Correct?

3:49:05 Yes, Senator. Yes. So that presents a problem for this institution. So we have to figure out how to protect the institution and protect how we make our decisions. So there must be that communication and collaboration between the agencies to figure out whether or not it's even doable in the first place before we approve these leases. So now let me ask very quickly, how many employees do you currently have in St. Thomas? About 64.

3:49:39 64, wow. You have 64 employees. And you've been in business in St. Thomas for how long? 2009. I'm from St. Croix. In St. Thomas? Yes, ma'am. In 2009, my wife and my family, we moved to St. Thomas. And you've been located where? Before? we uh we have rented a barn uh next to the marriott um from nick purcell um and that's where we we did the ritz air conditioning project in 2009 that's what brought us over and then we did the renovation in 2011 at the marriott uh and okay so you've been operating your um your current business for a year or you just did the bill load? I suspect you had probably a year lease with the Department of Property and Procurement, so you took that chance, which is admirable. So you probably had that year lease. So have you been operating or you just used that year to do the upfitting? No, we both. I mean, we got, honestly, we've been having our, this is our office here in St. Thomas now. Okay, perfect. And do you have any tax obligations?

3:50:54 I'm good on my taxes. Outstanding. Yes, ma'am. My office manager does not let me. She always says she doesn't look good in orange, so I have to pay taxes even when I don't want to. Okay, so I'm going to take your word for it because I have to ask my colleagues to support this measure. I think it's economic development for this district and it's definitely economic development for the entire territory because all of our funds go into one pot. So if we do well in this district, we have new businesses, then, you know, it supports the entire Virgin Islands. So I'm going to ask my colleagues to support this. I know that based on the comments that were made earlier, they are all on board to support this. We just have to make sure that we are, what they say, what my grandmother said, walking good. We have to walk good and make sure that we're making the right decision.

3:51:43 So thank you for the time, Mr. Chair. Thank you, Senator Fred Gregory. It seemed like you walk in carefully. Yes. That we have exhausted testimony on this particular lease. I think it's very straightforward. It's a boon for the Virgin Islands. I said, Donna, you do some operations on both islands, and I would probably assume St. John also. You do work wherever the work is available in the territory. Okay.

3:52:13 That's two major projects, Frenchman Reef and Ritz-Carlton. We are happy to be getting Frenchman Reef online soon. so hopefully that refreshment will be completed soon it's um that's a prime hotel in in st thomas district some 500 rooms so we're looking forward to that but at this point we're going to hear a motion uh we're going to vote on this particular measure let's let's um let's take a one minute recess We'll be right back. We'll be right back. We'll be right back. We'll be right back. Thank you. We'll be right back.

3:56:09 We'll see you next time. The Committee of Fairness is back on the record. Motion Senator Donna Fred Gregory.

3:57:00 I move that Bill No. 34, that's 0278, an act approving the lease agreement between the Government of the Virgin Islands, acting through the Commission of the Department of Property and Procurement, and on the level, doing business as OTL Mechanical for leasing of parcel number 69, Submarine Base, number 4, South Side Quarter, St. Thomas, Virgin Islands, be favorably approved by this committee, and forwarded to the Rules Committee for further consideration. I so move.

3:57:30 Second. Motion made by Senator Fred Gray, seconded by Senator James, Senator DeGraff, roll call. Senator Marvin A. Blyden. Senator Blyden, absent. Senator Samuel Carrion. Yes. Senator Carrion, yay. Senator Dwayne M. DeGraff. Senator DeGraff, yay. Senator Donna A. Fred Gregory. Senator Fred Gregory, yay. Senator Javon E. James Sr.

3:58:14 Yes. Senator James, yay. Senator Janelle K. Saro. Senator Saro, yes. Senator Kurt A. Viale. Yeah. Senator Viale, yay. Mr. Chair, we have six yay, one absent. Thank you, Madam Clerk. Bill number 34, that's 0278, an act approving the lease agreement between the government of the Virgin Islands, acting through the commission of the Department of Proctor and Procurement, and on the level, better known as OTL, mechanical, for the leasing of parcel number 69, submarine base, number 4, Southside Quarter, St. Thomas, Virgin Islands, has received a favorable vote in this committee and will be sent to the Committee of Rules for further consideration.

3:59:13 Early day, colleagues, we will be back here tomorrow, but today I just want to thank everybody for a short, successful day. Testifiers, you are dismissed. The Committee of Finance is hereby adjourned. I love you Thank you. Let's go. 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.

14x **Senator Dwayne DeGraff**
heard in this transcript as: DeGraff, Dwayne M. DeGraff

13x **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

9x **Senator Marise C. James**
the surname alone also matches: Javan James; Giovanni James Sr
heard in this transcript as: James

9x **Senator Novelle Francis**
heard in this transcript as: Francis, Norville Francis

9x **Senator Samuel Carrion**
heard in this transcript as: Carrion, Carriong

8x **Senator Marvin Blyden**
heard in this transcript as: Blyden, Blyton, Marvin A. Blyden, Marvin A. Blyton

6x **Senator Donna A. Frett-Gregory**
heard in this transcript as: Donna A. Fred Gregory, Donna Fred Gregory, Donner A. Fred Gregory

6x **Senator Janelle K. Saro**
heard in this transcript as: Saro

6x **Senator Javan James**
heard in this transcript as: J. Van James, Javon E. James Sr, Jayvan E. James Sr, Jayvan James

6x **Senator Kurt Vialet**
heard in this transcript as: Kurt A. Viale, Viale, Ville

3x **Senator Angel L. Bolques, Jr.**
heard in this transcript as: Angel L. Bolques Jr., Bogus, Bulquez

3x **Senator Kurt VLA**
heard in this transcript as: Kurt A. VLA, VLA

2x **Senator Hubert Frederick**
heard in this transcript as: Frederick

2x **Senator Kurt Viola**
heard in this transcript as: Viola

1x **Senator Donna Frett-Gregory**
heard in this transcript as: Donna A. Frett-Gregory

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.

Bill 34-0275	Act 8654 · An Act approving the lease agreement between the Government of the Virgin Islands Department of Property and Procurement and Caribe Tradewinds Lodge No. 17, Inc., District No. 8, for the purpose of conducting meetings, community outreach activities, feeding the homeless, mentoring youth, and for other related purposes ---0
Bill 34-0278	Act 8656 · 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 On The Level d/b/a OTL MECHANICAL for the leasing of Parcel No. 69 Submarine Base, No. 4 Southside Quarter, St. Thomas, Virgin Islands
Act 8654	Act 8654 · An Act approving the lease agreement between the Government of the Virgin Islands Department of Property and Procurement and Caribe Tradewinds Lodge No. 17, Inc., District No. 8, for the purpose of conducting meetings, community outreach activities, feeding the homeless, mentoring youth, and for other related purposes ---0
Act 8656	Act 8656 · 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 On The Level d/b/a OTL MECHANICAL for the leasing of Parcel No. 69 Submarine Base, No. 4 Southside Quarter, St. Thomas, Virgin Islands