



08-18-25 Committee on Budget, Appropriations and Finance

Legislature USVI

August 18, 2025 · 4.9 hours · gov

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It depends on Megan's Bay to help cover summer expenses due to differences in income. There is a strategic plan to transfer Smith Bay Park into a tranquil retreat, setting it apart from the lively atmosphere of Megan's Bay Park to attract visitors and locals looking for a more peaceful environment. Both parks rely on interest fees, open space and revenue from activities and rentals. Our beautiful park generates revenue through a variety of means including interest fees, open space rentals, and incomes from various activities. In the case of Megan's Bay Park, concession agreements are sourced from the following. WOW Water Sports USVI LLC, AAA Taxi Service which currently an RFP for taxi service is pending, DM Hospitality LLC which beach chair rentals and boutique and retail sale, elevated hospitality LLC food and beverage sales. The Megan's Bay Authority created a competitive bidding process through the issuance of a request for proposal for each concession across the three business ventures food and beverage boutique and beach chair rentals. These ventures created a diverse opportunity that only enhanced the park experience but also contribute to the maintenance of stable revenue stream. Successes and challenges the renovation of the ADA ramp at bathhouse number three has been successfully completed delivering a safe safer more durable and fully compliant structure that enables smooth and reliable access for individuals with disabilities parents with strollers and all visitors therefore improving the overall accessibility and enhancing the park experience for the public the The dedication of the Elliott MacDavis Trail in honor of our esteemed former board member recognizing his unwavering commitment to promoting health and wellness in the community. To enhance the visitor experience, we have procured additional picnic benches, ensuring ample seating and dining spaces for our customers and visitors. Prioritizing accessibility, we have installed three sets of ADA ramps to facilitate the

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mobility of our disabled community from the parking area to the beach. To further inclusive, we have acquired five new water wheelchairs to replace the ones that were damaged. We are committed to assisting all community members and the visitors in fully enjoying the serene waters. We are thrilled to report our highly successful 14th annual King of the Wings event at Megan's Bay which drew over 4,800 visitors and successfully raised funds for Nana Baby Home. The restoration

of the Coconut Grove has been completed further enhancing and appealing our surroundings. Implementation of new community-based programming including Megan's Bay has consistently extended support to our faith-based organization. Many of them have utilized our facilities to host camps and events. We We have engaged in collaborative efforts with multiple government agencies to facilitate employee events, retreats and recreational outings, including partnership with the Virgin Islands National Guard, VI Police Department of Health, Human Services, Department of Public Works and the Water and Power Authority. Our endearing town hall meetings with the Taxi Association are geared towards nurturing a more robust and all-encompassed relationship, serving their objective to refine our service delivery to our esteemed customer base.

0:03:46 In addition, we have conducted ongoing lifeguard training sessions with the Red Cross Lifeguards facilities to hold safety standards and preparedness. Several lifeguards have received additional responder safety and health concept training, A practical and essential skill that enhance your confidence and competence. A second session of the training will be conducted before the end of this fiscal year. Challenges. Nature-invasive plants, flooding, natural and man-made disaster, and increase of seaweed and sub-grassum on our shores. Human behavior. Loud music, abandoning pets being dropped off on the beach, glass bottles, and other hazardous material being brought to the park. unauthorized selling of goods and services on our parks, facility, long lines, aging facility, and ongoing constructions, FY2026 projected projects, facility improvements.

0:04:47 All of the following projects are scheduled to commence in fiscal year 2026 as part of Megan's Bay Authority's strategic plan to strengthen infrastructure, enhance visitor service, and maintain the highest the highest standard of environmental stewardship. Bathhouse No. 1 Reconstruction. Following the extensive damage sustained during the 2017 hurricanes, Bathhouse No. 1 will undergo a complete rebuild. The facility will feature an ADA-compliant access, modernized bathrooms and showers, and design that is both functional and resilient against coastal weather conditions. Renovation of Shed 1. Shed One will receive a full renovation to address structural concerns and improve safety. Work will include replacement of deteriorated supporting columns and installation of upgraded fixtures to meet the modern operational standards. The renovations will improve durability, ensure resilience against environmental wear, and provide an enhanced space for guest use.

0:05:52 Renovation of the bridge. The bridge renovation focuses on restoring the essential pedestrian and service route. Upgrading includes replacing of compromised deck boards, reinforcement of structural beams, and application of protective coating to resist corrosion and weather damage. These enhancements have extended the bridge lifespan, improved load capacity, and ensured safe patches for all visitors and parks operation. upgrade to septic system at bathhouse number two to accommodate the increasing usage and maintain environmental safeguards bathhouse number two septic system will undergo a major upgrade aging components will be replaced with modern high efficiency system designed to handle greater water waste volume while minimizing environmental impact improve filtration and drain system will also be installed to protect the surrounding natural resources, improve sanitation, and reduce long-term maintenance requirement. Collectively, these completed projects represent the Authority's commitment to preserve park infrastructure, improve the visitor experience, and ensuring compliance with safety and environmental standards. Despite facing numerous challenges including limited resources and environmental factors, the dedicated team at the Megan's Bay Authority has shown unwavering commitment to address and overcome these obstacles. Their resolute determination drives them to operate the park and beaches in a manner that enhance the experience of visitors and contribute to the overall health and well-being of both the local population and esteemed guests of the Virgin Islands. This involves preserving the natural resources to positively impact the mental health of our

0:07:44 community, education about our natural plants and animals, offering an exceptional recreational experience that contributes to the community's physical health. Moving forward, the organization is focused on three main goals that were created last year. To enhance user experience and promote environmental conservation, preservation, education, facilities and staff form the foundation of the future improving user experience and fostering environmental conservation, which forms the core of our future strategy. Our commitment to preservation is evident through the completion of the restoration of the Coconut Grove.

0:08:28 We are currently focusing on rejuvenating the Arboridum by planting native trees, clearing pathways and installing informational plaques. Building the Arboridum will help maintain the watershed, prevent soil erosion, and prevent a wealth of educational opportunities, particularly during harsh weather conditions. The nature trail will also be a priority as it promotes our natural environment and the fitness aspect of our park. The pathway of the trail will be refurbished to mitigate the natural occurrences of erosion over the years. The Authority looks forward to offering walking tours and workshops about Megan's Bay and the Virgin Islands flora and fauna. These programs empower individuals with skills, foster community development and engage the youth. Our partnership with the Educational Institutions will contribute to

raising a generation of more in tune to nature's wonders and the importance of conservation. Our foremost objective is to enhance the facilities and provide comprehensive support to the staff at both locations, acknowledging their vital role in delivering an exceptional experience for all visitors. With the intimate constructions of Bath House No. 3, we unavoidably dedicate to effectively, significant infrastructure improvements. Additionally, we take pride in offering our employee customer service training, lifeguard courses, and supplementary education programs aimed at fostering their professional development. These initiatives are designed to elevate the overall quality of our service delivery.

0:10:08 I would like to conclude by saying that our efforts are focused on providing exceptional recreational experience while preserving our natural asset. With all the continued support from this esteemed body, we are confident that our vision will be realized. Thank you once again for this opportunity. We are prepared to address any questions you may have. Thank you very much, Ms. Simon, General Manager, for your testimony there. Of course, we do have a few questions for you. You spoke about the federal, well, let me recognize the presence of committee member Senator Kurt Viola.

0:10:48 Good afternoon, Senator. Welcome. You spoke about federal funds. Did you receive any federal funds in FY 2025? In 2025, we received one payment, which was a reimbursement from 2017 Hurricane Irma Maria in the amount of \$4,725, and that was a reimbursement. \$4,725.

0:11:16 \$425. Okay. Do you owe anything in vendor's payment at this time? Not at this moment. Okay. What about revenues? I didn't hear you talk too much about your revenues to date. What is your revenues to date? Currently, our revenues is \$2,488.00. It's \$796.00, which is from our gate. Say that amount again?

0:11:47 Sorry, \$2,488,796. how was that in comparison to the same time period last year are you up or down our revenues are currently up what was your revenues during this same time period for FY 2024 um okay one moment Excuse me Senator, I want to have a correction.

0:12:21 Our total revenue for as of August 15th was \$4,688,856.64. And for FY 2024, it was \$4,854,386.12. And that's for the same time period or the entire year? The entire year for 2024 and for the time period the first number was for the time period for 2025.

0:12:51 Up until August 15? August 15, correct. Okay. When was your last audit? We received a completed audit on 2022, so our last audit was for 2022. Okay, what is the next audit slated to be completed? We have engaged in an RFP for audit for 2023 to 2025, so we're waiting to hear back those responses to have those audits completed. Okay.

0:13:28 And what have you paid out in per diem to board members in aggregate? Word. I will have to be searched that and get back to you.

0:14:10 Okay. What is your current operating time? We are open from 7 a.m. to 5 p.m. for the Megan's Bay Authority. And for Smith Bay, it's 8 a.m. to 5 p.m. And that's Monday through Sunday, seven days a week. Seven days a week. All right, at this time I'll open up the floor for questions from my colleagues and I'll come back with some additional questions. Senator Adigraf, you recognize for your five minutes. Thank you, Mr. Chair. Good afternoon, colleagues. Good afternoon, testifiers, all of you listening and present. I just wanted to put on a record that Megan's Bay is the number one beach in the world.

0:14:56 So we just wanted to make sure it's right here in the Virgin Islands, Megan's Bay Beach. So, General Manager, Simon, thank you. Thank you to you, your team, your board, keeping Megan's Bay up and keeping it running. Now, you have a copy of the Post Auditor's Report? Yes, I do. Okay, on page seven of the Post Auditor's Report, the last sentence of fiscal year 26, the authority submitted a projected budget totaling \$4,136,021. thousand twenty one dollars in your testimony said that a projected combined operation expenses are three million six forty six twenty one was it is what one of the numbers are for is operating less than your overall projection could you repeat that again senator on page six on page seven of the post-audit report the last sentence for fiscal year 2026 yes I see that the authority okay that four million one thirty six zero twenty one yes in your testimony and your your first page the second page of your testimony you have to make it better the projected combined operations is that three million six forty six zero twenty So you're projected for \$26,000 in your testimony is \$3,006,000?

0:16:23 That's our operating costs. Okay. And overall is the \$4,000,000 one? Overall is revenue. Revenue included? Yes. Oh, okay, okay. No, so the operating, the \$3,000,000 is for operating. The \$4,000,000 is for revenue. That's the projected revenue. So has anyone received any wage increases in \$25,000? Yes, all our unionized employees received their wage increases. Any retro owed to them?

0:16:53 No, they were all fulfilled. Which union is it? The VI Workers Union. VI Workers. Okay. And could I get, do you have any capital outlay? Yeah, what have you expended in capital outlay for 25? Can you say you have the shed and the bathroom facility? Okay, the shed would commence 2026.

- 0:17:28 26? Yes. Okay, so what have you budgeted in 26 for capital outlay? A capital overlay budget, I don't have that presently with me, but I can provide it to you. Okay, so you have your 25 expenditures? Yes, I do. Okay, so what have you spent in personal fringe, supplies? Fringe, supplies, capital, utilities. Okay, as far as, for fringe, we have \$406,021.02. cents as far as personnel personnel one second sorry the personnel we have a second a personnel cost we have for our full-time employees six hundred and 163,183.14, fringe 406,271, which total \$1,069,560.36.
- 0:18:45 Wait, excuse me, what did you say for fringe 406.71? 406 dollars, sorry, \$406,271.02. Okay. Supplies? So basically also, do you have also what you paid for utilities? For electricity, we have \$82,038.30, as far as you were asking in regards to building repairs. We have spent \$45,328.61, no, excuse me, in entirety. mm-hmm okay and just supplies and for office as far as supplies which include using small tools lifeguard supplies one hundred and thirteen thousand four hundred and eighty four dollars and 31 cents okay no excuse me how many person do you have under 35,000 we have three we have three employees three okay do you have an estimate of what it would cost for personal fringe for those three employees to bring them up to the 35 not at the moment but we are working
- 0:20:41 towards bringing those individuals up okay and would your overall revenues and stuff be able to cover the estimated amount? Yes, yes, Senator. Okay, all right. How many vacancies? We have eight vacancies. And how many of those vacancies are under \$35,000, if any? Well, presently, out of those eight vacancies, six of them are underneath that price. I'm sorry, it's underneath that dollar amount.
- 0:21:13 Okay, six are under \$35,000. Okay. One minute total. Okay. All right. Now for Megan's Bay as a whole, what are you putting into advertising for Megan's Bay? You came and you mentioned some things, but what kind of advertisement budget do you have and where do you and how are you advertising Megan's Bay as an entity? Well, with Megan's Bay, we have several publications where we advertise four of the publications, the majority of them, which you're seeing throughout the Virgin Islands. We also have our social media page and also our webpage.
- 0:21:58 So our advertisement budget has been basically with the, with the news, public publications, and we're basically going to extend out and trying to get a broader range as far as commercials and so forth to bring a broader um viewing audience okay and then and finally like you mentioned long lines uh megan's bay is the beach 30 seconds uh what what are you doing is there anything in play right now put be put in place to address the long lines which you mentioned also in your testimony well we are basically trying to educate the taxi drivers to have their fund their monies ready for their tourists that would alleviate some of the long lines and also we're trying to utilize incorporate a module unit meaning that we will have a handheld machinery to assist in walking down the path in order to take payment because if we don't collectively work together those lines are not going to go any go down anytime soon but we implore on a taxi community to make sure that they have their customers money ready that's what takes a lot of time. And finally I know I asked the last time I asked about having GS employees how many GS employees do you have?
- 0:23:16 We have 11. 11. Okay. And are they paid commensurate to the GS employees of the government when 27 they do the next race? Yes. Okay. I just wanted to make sure. Okay. Thank you for the time Mr. Chair. Thank you very much Senator Graff. General Manager Under assignment, are you paid your employees, the government employees paid through the ERP? Yes, they are.
- 0:23:45 Okay. So are you up to date with your GRS payments? Yes, we are. Okay. Have you received any philanthropic contributions or donations to the park? Yes, we received a donation in a month of \$200, \$1,200. \$1,200. And do you have any litigation or judgment against the authority right now? No.
- 0:24:12 Point of information, Senator Fonseca, you recognize. Yes, thank you, Mr. Chair. So the former director and manager did file a lawsuit, right? Is that litigation pending or it's been resolved? I'm not familiar with where it stands at the moment, sir, but I don't think it's resolved. Okay, so that's a pending lawsuit that the Chair just asked you about. Do you have any certificates of deposits? Yes, we do have CDs.
- 0:24:48 What's the amount of those certificates of deposits? I'm looking at your finances here. This looks like this is a cash call. This Megan's Bay Authority looks like it produces a lot of revenues. The certificate of deposit amount is \$681,631. And that's the only certificate of deposit? Do you have any other cash savings, investments? We have our savings account and operating account.
- 0:25:20 Okay, thank you, Mr. Chair, for the time. Point of information. Thank you, Senator Fonseca. That's your point of information, Senator Joseph, Carla Joseph. Thank you so much, Mr. Chairman. Just to follow up on the gentleman from Savannah and Bovone question, I wanted to ask you, what is the total insurance coverage you have for the Megan's Bay Authority? I was trying to find it in the post-audit report and your testimony, I didn't see anything. Liability. I would have to supply that information to you. You talk about the dollar value of, I will have to...

- 0:26:00 How much you have the coverage for? And you have an independent coverage outside of the GVI? Yes, correct. Okay, and that independent coverage covers your vehicle as well as any liability, et cetera? We have vehicle insurance, yes, separate from the general insurance. Okay, all right, thank you. Thank you very much, Senator Carla-Joseph. at this time the chair will recognize senator he but frederick you recognize for your five minutes thank you very much mr chair good afternoon colleagues listening and viewing audience um miss simon uh general manager miss simon how you doing good afternoon ma'am good afternoon well and yourself thank you um i'm very pleased to see your organization is functioning so well and you're not asking us for any money because you're self-sufficient you're actually performing as a semi-autonomous agency should i am very impressed with the numbers it's there's nothing about your numbers that that gives me any pause so congratulations to you and the crew for doing a yeoman's job and not costing the people of the virgin islands any money thank you very much I want to ask you some questions I only I noticed you only had one lifeguard listed is there a reason why we have been exhausting trying to recruit lifeguards currently I actually have three pending interviews but lifeguards we have individuals that come in but they want to be part-timers is their second job we're looking for full-time employment and that's across the nation as far as trying to receive employing full-time lifeguards it's not
- 0:27:55 an issue with the compensation we recently we have revised our compensation previously we match those of sports park and recreation I also had a conversation with them and they also had issues with trying to obtain the lifeguards but the compensation has been upgraded in order to seek and bring in qualified individuals. And who are you using to assist with trying to recruit these lifeguards? Well basically we have been doing advertising we also on our Facebook and we're also trying to utilize Department of Labor and their website. In reference to the resignation, I noticed you've got three resignations, two retirements, three new hires, and I guess you had one deceased employee.
- 0:28:50 What's going on with the resignation? This seems like a great job to have. Well we had two individuals that relocated and another one had a job offer so people left island yeah yeah I mean it looks like a great crew of people tell me a little bit more about this accounting contract you have with Miss Lisa in a case she's basically make ensure that all our payroll taxes are being completed reconciliation of our bank accounts so she utilized we utilize her for our other accounting efforts but you've never done a RFP for that service no is it in-house and it's basically in conjunction with our regular payroll schemes okay great so you what's your plan you've got almost ten million dollars here nine nine point seven million well what's what's the plan with just keep billing cash I mean what was the authorities plan with all this money are you planning that acquiring it more property or adding more services or what at what point do you start doing something with this money well currently we are doing restorations to several of our facility buildings over a period of time there's a deterioration with our facility, as far as our shed, as far as our roads. So we have a lot of money to go into as far as rebuilding and making a stronger structure. Also we have, for the last month, we've been inundated with Sogrossia and we're looking at resolutions to assist us with that.
- 0:30:45 And that is going to be a costly measure, looking to get into a boom, which is a price tag of over a hundred thousand dollars and also the maintenance of that so we have a lot of ongoing projects which will utilize some of those funds but you're gonna be generating additional income because you've got other areas that I see you're planning on opening up and generating more cash flow so you're still gonna be well off correct in spite of all the projects you just they don't have a high capital outlay well at the moment we're doing the refurbished there be building of shed number one which is almost a two million dollar project which is assisting by FEMA so a lot of that funding source will have to come from us so there's a matching component yes it's three hundred and forty five thousand yes okay the only the only advice I would give is you know since your cash flowing so well please look out for your employees make sure they get a nice bonus or raise because this is amazing I really appreciate what see and in terms of on paper congratulations and keep up the good work thank you very much mr. chair thank you senator thank you very much senator Frederick before we go on to the next senator which will be Senator Ray Fonseca I wanted to ask you Simon in respect to safety and security what is being done to ensure and upgrade your safety and security systems over at the
- 0:32:34 both of the facilities basically we are trying to install more cameras we have certain cameras on the beach but we need to get further down the line with the cameras lighting and training and also hiring of individuals we have part-timers but we like to bring on more full-timers because there's a notice that in the evening we have more and more people visiting the beach and we need more security okay what about emergency response in terms of you have individuals training for seed and first responder if anything happened at the beach how are you handling emergency responses we have individuals and some part-timers that are trained we have a couple of one that's actually our EMT that works up but basically we have ongoing training okay and I know during your last presentation or perhaps the one before that there were some challenges regarding the the concession lease um i think there was a long-term lease that had now been vacated on rfp that was put off with you someone new to handle the concession where are you with your concession at this point we have a new concessionaire they started in i think december of 2023 so there is a new concessionaire that deals with the

that area analysis for how long? Five years. Five years. All right.

0:33:55 Thank you. Senator Fonseca, you're recognized for your five minutes. Please recognize the mic of Senator Ray Fonseca. Yes. Good afternoon. Thank you, Mr. Chair. And good afternoon to all my colleagues, all the listening audience, and of course, General Manager, Ms. Monique Simon, welcome. Real quickly, the lease that the Chairman just mentioned, what's the monthly rent that they pay?

0:34:34 For the concession, it's \$15,000. \$15,000. Okay, you know, I got a question. Because I was over Magins Bay, we had a little function, the Thomas Skelton Stout family and I was passing by the chairs then it looked like you had like a velvet thing with the beach chair rentals and it made me feel like this ain't the spot for the locals to be we could go on the other side up by shed one or we could go shed two to tree the the everybody the local could camp out in that area where the tourists hang out right yes okay because somehow i guess uh like like it's exclusive with them velvet thing like it's separated you know what i mean senator normally the excursions they would rent they would rent the chairs for a group of individuals and to separate the rentals for the excursions and amongst the rest of the other guests that's the course that they rent the vendor used yeah i understand your explanation but it still gave me the impression that this fonseca don't go hey go on that side go on the other side he got his velvet thing separating this is for tourists but i understand your explanation i didn't feel too good about it okay so let's go to smith bay now um you have money loaned to smith bay they owe you money how does that operate basically we have come to terms to state that um it's not really a loan because megan's bay and smith bay is one it's just the funding source so they borrow money from you how does it but the money goes into the same part okay so you've you're subsidizing them correct

0:36:28 Do you intend to collect from Smith Bay in the future? Do you have an accounts receivable for Smith Bay Beach? Smith Bay collects the funds and we also have employees that's paid through Smith Bay. Okay, so you don't believe Smith Bay owes you any money? At the time, no. Okay, let me ask you, they had a meeting with the Taino Indian Development Proposal. What's the status with that? Well, we all came to the table to have a discussion in regards to bringing more historical information and flavor to the beach. There was a preliminary meeting, but we have again to come again and have some conversation. They showed us their outlay, their outline, what their intentions are, but it's for all of us to come together to agree what we can do to push that forward.

0:37:17 Okay, so is the board in support of it? Yes, they are. Okay, that's a real good proposal, congratulations. Okay, going back to the questions from the senator from Savan, the other senator from Savan. So those that, those employees that are less than 35, do they, I wasn't sure, do you pay GERS contributions for those employees? Yes, we do.

0:37:46 Okay. So all of the employees that you have listed here are members of the GERS system? Correct, Senator. Okay. And the insurance and everything, you have, you give them all of that? Everything that the regular government employee receives. Okay, good. So now lifeguards, to follow up on the lifeguards. I noticed that the salary was, what, \$41,000, and you had one lifeguard. That lifeguard is for Megan's Bay. There's no lifeguard over at Smith Bay?

0:38:18 We have lifeguards on both beaches. that lifeguard work every lifeguard works on either beach but that's the only one that we have is full-time okay so the rest are part-time how many part-time lifeguards we have a around seven to eight part-time lifeguards okay awesome one minute so now um your revenues um you said was 4 million um 4 million 688 um for 2025 to date correct so what are you projecting as your final number for fiscal year 2025.

0:39:00 well which is in a few weeks so 10 percent of 30 seconds okay so basically your revenue is on line with where it was last year? Yes, Senator. Okay. Well, you know, the Megan's Bay Authority, they're well managed. It's incredible that you don't ask for any money. I wish a lot of the other authorities, semi-autonomous, would be in that situation. So I'd like to see the Smith Bay getting a little bit more developed, a little concession stand, and I'd like to see at least two restaurants out at Megan's Bay because I think you, even though you close early, I think it's a good spot.

0:39:44 You kind of like leaving the revenue because people are out there in that area eating dinner at night. So that's just my suggestions and keep up the good work. Thank you, Mr. Chair, for the time. Thank you very much, Senator Fonseca. Let's go over the board members real quick again. Who are the current board members? Our current board, our board chair is Miss Barbara Peterson, one second I just want to make sure I do it all. We also have, so our board chair is Miss Barbara Peterson, we have Kevin Rodriguez who's the governor representative, we have Miss Cecile de Young, we have Mr. Dale Barry, Mr. Robert Mark Marone, Mr. Jason Charles, and Ms. Katina Koulianos.

0:40:37 Is it Daryl Barry or Dale Barry? Dale Barry. Dale Barry. Dale Barry. Okay. So we have some corrections to be made here to the post audit report and those board members. Senator Carla J. Joseph, you're recognized for your five minutes. Thank you so much, Mr. Chairman. A pleasant good day to you. Ms. Simon, how are you doing? I'm well, and yourself? I trust your family fared well with the weather? Yes, they did.

- 0:41:12 Good, good, good. I think you're doing a really great job in your new role as the manager for the Megan's Bay Authority. And your staff is also doing a really good job. I see them out working even when I go to the beach on the weekend. And I went to the beach, I think about two or three weekends ago, but this time to Smith Bay Park. And guess what I saw on the shores? The sargassum. Yes, that's going to give you a big headache now. The sargassum was all over the shore of Smith Bay Park. What are you doing? Do you have a contractor who goes and cleans up the beach? We have our staff. I also hire temporary staff to clean the beach. We have a contractor that also picks up our garbage that is licensed to also pick up the seaweed. You're gonna need more than the young man the person I saw there. No, we have additional well when I went when I went there was only one man on the beach clean up all of that sargassum and I said they have to try to do something more efficiently and it isn't that you don't have the resources. You do have the money. Uh, to contract someone or some entity for to support uh your staff to move it quickly because it really was a turn off for me and I'm a resident. It was a res I'm a resident and it was a turn off for me. I turned I totally turned around and went to another beach so that's something you want to really look at and have your board consider just getting maybe a put another RFQ and see what you could get back as far as persons to come in to quickly clean up the beach. We're having an issue even down at Brewer's Bay but uh that's that's another disaster another headache with all of that now I know the chairman asked about FEMA funding and you said you didn't. You only had about four thousand dollars you receive in federal monies that was outstanding from 2017 hurricane from 2017. I noted on page four of the post audit report that you the Megan's Bay
- 0:43:34 authority has secured 3.4 million in FEMA funding for some of these capital projects that you mentioned in your testimony. It's mainly for bathhouse number one that's the bathhouse that was destroyed during Hurricane Irma. Maria we had an extension and we was approved so we're moving forth so that fund is just for that entity that section right and I note it noted that Romina construction is the contractor. Yes, what is the amount of that contract? 1.7 1.7 million. So you're going to have some money left over? They're only going to allot what we need. Only? Okay. So is there any other items that was impacted adversely by the hurricane that you needed money for? That was the main structural item that we've been fighting for years to get off the ground. Okay, and you, the Megan's Bay Authority, has sufficient funds to meet the match?
- 0:44:33 Yes, we do. Okay, so you don't have to come for us for any money? No, we don't. So making clear, you know, making sure that we are clear that you're not coming to us for any money. Also I wanted to ask you about your part time. Look at page five of the post audit report. It doesn't list here, I know you gave some information, but it doesn't list here on page five your part time and full time employees. We just get a full list and I know post audit typically prints what you supply.
- 0:45:06 So that's my concern, and it doesn't list the vacant position. I'm trying to see. I didn't see any vacant positions here. So if you could, through the chair, supply us with all of your positions, both part-time and full-time, as well as those who are positions and their pay that are vacant. You have here you you you are you projecting hiring these three new hires. Yes okay so there are they listed here in this list of personnel services. No, um I do have a list I do have a listing with the vacant positions and I will supply that to you please thank you so much that would be very helpful so um where where do you think uh do you advertise the Megan's Bay properties? Do you do some advertisement of the Megan's Bay property independent of the Department of Tourism? Yes we do at what cost well right now our advertisement balance for the year is 60,000 60,000 60,000 correct Mr. Chairman. I'll wrap up and this advertisement that you do is it with an independent contractor? It's with different magazine publications okay true to chair kindly forward the names of the the contractors that you utilize to advertise both properties you say yes we do to advertise the properties Mr. Chairman that concludes my questioning thank you so much for the time thank you very much Senator Joseph Carla Joseph miss time I think on the question you You spoke about a \$2 million set aside for the rebuild of Shed 1.
- 0:47:00 Did I misunderstand you? No, that's Bathhouse Number 1. Bathhouse Number 1? Yes. \$2 million set aside? That's with the grant and the cost to rebuild those. \$2 million for bathroom? Yes. Shed 1? Bathhouse Number 1? Yes, Senator. \$2 million? Yes, sir. Two million dollars for a bathhouse.
- 0:47:32 Yes, Senator. Who did the design, the architectural build-out of this? What's happening? I think that was underneath John Woods and Associates, but we have the drawings and so forth. Yeah. The scope of work? Yes, we do. You have the scope of work? And the bid for the bathhouse reconstruction was done through an RFP. So we went through the proper process, and we had several bidders, and we went through their proposals.
- 0:48:08 So I wasn't good, but I just can't fathom \$2 million for a bathhouse. And there's a lot of dewatering, and it's similar to the bathhouse on Smith Bay. And that was a cost. That was \$2 million for that one as well? It was almost that, yeah. Point of information, Senator Fonseca. So, thank you, Mr. Chair. I just wanted to clarify, just for informational purposes, as far as the members of the board, the governor is a member of the board, but the St. Thomas Administrator attends the meeting on his behalf, is that correct?

- 0:48:44 Noted, yes. yes so the governor is part of the board thank you uh thank you senator fonseca senator viola you recognize for your five minutes thank you secure and good afternoon to the people of the virgin dollars good afternoon colleagues good afternoon testifiers mr chair the two million dollar bathhouse goes along with the one million dollar system that we had last week that is being built okay so everything again that correlates uh in reference to the testimony um megan's bay is a good operation we have been able to sustain ourselves for a long period of time but but in your testimony you don't have a lot of numbers you don't have information as to the cost of the lease agreements you don't have how many tourists how many local can you give me some more breakdown let's let's start with the lease agreements Wow water sports what is the cost of that agreement with the authority Wow water stores is our new vendor because we just went through a RFP process in regards to that the monthly lease agreement for that vendor is 2750 that's the monthly cost okay they're doing what um what are they renting repeat that again sir yeah what type of services are they provided there will do recreational non-motorized water sports paddle boarding kayaking water sports for the amegas Bay location and the taxi association what's the cost of that service at least agreement their lease agreement is offhand is 30,000 a year DM hospitality LLC they have a rental agreement which is 50 pay 15,000 plus operating method of operating so they
- 0:50:59 have they pay a monthly lease of \$15,000. \$15,000 per month? Correct for rental. And Elevated Hospitality? This additional \$6,000. Okay and DM Hospitality owns Elevated Hospitality? DM they have similar names but there are two different companies okay in reference to the number of guests that you have do you have the breakdown for the number of guests at Smith Bay and Megan's Bay in categories tourists are local I can have that I do not have it with me now but I got has submitted to you okay I knew FY 2025 budget was what was the total for this year well what are you projecting as you or what what are your numbers for your FY 2025 budget for this year the four million six hundred eighty thousand another four million six hundred and eight is your FY 26 and I think when the senator from Savan spoke to you in your testimony you said that your cost is three million dollars three point six I think yes operate friends three million six hundred forty six thousand and twenty one dollars that's your operating expense right yes it is sir okay so so your projected budget is not four million one hundred and thirty six your projected revenue is four million one hundred and thirty six correct sir okay so you would have like a \$500,000 difference between your revenues and your expenses?
- 0:52:50 Correct. Is that an average amount that you realize each year in terms of the difference between? We normally have, for example, our 2024, we had a net income of \$1,489,000. OK. One minute. I know you've had a lot of excursions to Megan's Bay from the cruise ships because I've actually seen the number of individuals that are there. It's a really nice revenue generator. Do we have any similar excursions to Smith Bay? Any agreements with the cruise ship industry to Smith Bay?
- 0:53:26 We do have excursion going to Smith May from a vendor. So they come two to three times a week. So Smith Bay receives excursion along with Megan's Bay. Okay. Okay, Smith Bay is which cruise ship? It's a third party or directly with the authority? With a third party. They're a third party. Okay, have you ever thought of reaching out directly to the cruise lines to set up excursions to those two beautiful sites? Yes, we do. We're all Caribbean and certain other ones do have excursions coming directly, Disney.
- 0:54:04 okay are you thinking about doing the same thing for for smith b yes hi okay um i'll finish right now mr chair with your indulgence do we advertise the fact that megan b is handicap accessible yes both of them okay and is there any plan to incorporate um some of the smaller local vendors that might sell I don't want to call it a specialty but more the cuisine of the Virgin Islands whether it's patty or Johnny cake or just a small kiosk that they can operate are you guys looking at that for Smith Bay definitely and not for Megan's Bay that have 100,000 tourists there currently Smith Megan's Bay has a concessionaire and that concessionaire does serve local cuisine as far as patty but Smith Bay as you know we don't have a cassis concessionaire and we're definitely looking into that okay well what about stuff like just coconut coconut water the last time was there there was somebody there outside the gates away from everything selling coconut are we trying to get what I'm thinking was just getting a local experience you're not coconut vendor that's on the beach for the experience of the tourist are we looking at any of those areas outside of what they they vendor for the concession has we can have a discussion and i definitely think that will be more positive okay thank you so much mr chair uh thank you very much senator veille i mean simon what's the visitor census um at the i guess each of the sites over megan's bay how much visitors um come in come through that gate i can get those numbers for you i know that we have like
- 0:56:03 like 1.7 million visitors per year, but I can get the consensus for each beach for you. For each of them, okay. Yes. Okay. What about new initiatives? What is being discussed in respect to new initiatives undertaken that will perhaps bring in additional revenues there? Well, the Taino village would be one. We're also looking at the walking tours that we discussed, we have local vendors, local individuals that would like to assist us in the walking tours. So as far as the Arboretum, the trail, so the new initiative would definitely be the walking tours, educational. And we also have the basically, the current concessionaire, but the walking tours and basically the hiking would be one of the big initiative that

would be take off.

- 0:56:58 Okay, any timeline and what's your intent to initiate those? Hopefully it will be for the next fiscal year. Do you see any use of the facility during the evening, during the night? Any benefits to utilizing the facilities even on a low scale level during the night? There have been proposals in regards to people wanting to have different activities in the evening because it's actually beautiful, the moonlight and so forth. So that is another proposal that has come across our desk. Okay. And how was that materializing? and what's the discussion there?
- 0:57:33 We're waiting for the full proposal. We have the verbal, but we need it written. Okay. All right, any burning questions from my colleagues? Senator DeGraff, you're recognized? Thank you. Thank you, Mr. Chair. In regards to, General Manager, same one. In regards to the lifeguards, What specialized equipment do your lifeguards have? Do they have jet skis? Do they have those baskets that float, that pull up? What do they have?
- 0:58:09 No, the lifeguards, they have their board, they have their medical equipment, they have their tubing, so that's the equipment that they're issued. Okay, so they still have to swim out? Yes, they do. Look in the jet skis. Well, we were blessed. We got a jet ski donation. It arrived on island, so we have a jet ski. Good, because I think that would enhance safety, number one. It would enhance getting that service out. And for a night event, you could have them look into Torching Crab as training, teaching people how to do it. Thank you for the time, Mr. Chair.
- 0:58:45 Thank you. That's a good suggestion there, Senator DeGraff. What forms of payment do you accept? We serve all credit cards except for American Express. Cash, credit cards, but... Do you do Apple Pay and... Yes, we do. Zelle and all those? We don't have Zelle, but we have Apple Pay. Apple Pay, okay. And we have PayPal. Point. Point of information, Senator VLA. Well, thank you, Mr. Chair. What is the cost of entrance for a local versus a tourist?
- 0:59:17 A local is \$2, a tourist is \$7. okay and are you aware of what is the cost of a megan's base excursion from the cruise ship um i know of one cost what is that cost 75 dollars i think it's time for us to raise our own to ten dollars i just wanted you to put that on um ten dollars to entrance into such a beautiful facility I don't I think wouldn't be an issue with the cruise ships so just something to consider thank you so much thank you very much senator Bailey you have agreement which which cruise cruise lines I would have to double check but I think it is will be Disney if I'm not machine this is the 21?
- 1:00:09 That I know of offhand. How about, okay. No Carnival, no Norwegian, none of those? We have conversation with them, but I know that the tourists come from their ship. Okay. Senator Frederick, any burning questions for you? Thank you very much, Mr. Chair. Just real quick, I still am baffled this bathroom that's two million dollars I'm not bright enough to figure out why you would need a two million dollar bathroom is it is there something unique about the bath bathrooms senator the FEMA came out and price every they price exactly what it was to we to restore and build the bathrooms so the price to do the bathrooms every line item nuts and bolts was tallied it to the FEMA costs that information is that's not only for the bathhouse the money that is sent is also for the associate cost as far as consulting paperwork permits so initially is FEMA who gave the cost of what it would restore we took that same dollar information and gave it to the contractors and they priced out what would it cost to build those bathrooms to rebuild the bathroom and just to be clear how many commodes or urinals does that include I can tell you offhand but I could provide that information to you okay thank you very much thank you very much mr. chair thank you very much senator Frederick and I like the the thought the discussion in respect to increase into ten dollars I'm looking for some money to pay streetlights territory-wide here I think that that's
- 1:02:01 something that this public deserve, street light as we go. So I could take \$2 from that \$3 to go towards our street lights and improve the safety of our legislators here. So that's a discussion I'm sure we'll have at the appropriate time. Senator Fonseca, you recognize for your burning question. Thank you, Mr. Chair. I only looking for \$90,000 for the chain them for the stroke survivors and those with heart attack. Okay, so you are generating a profit. Your operating expenses is 3.6 million roughly. Your income is about 4.6 million. So it's about a million dollars profit. It's a non-taxable operation and you have a six hundred thousand dollar CD correct so your audited financial statements would show that you you you what do you have you have retained earnings how do you reflect the profit because you're a nonprofit organization so how do you reflect the surplus in your books you say surplus but it's the money is regenerated into our account but I would have to review how they have it well I don't know you're telling me here in writing that your operating expenses is 3.6 million and you just told me that you're gonna project 4.6 a little bit more in revenue so that's a million dollars more so it's a surplus correct so where is that surplus distributed in in retained earnings, in your investment, reinvestment, how do you show that difference on your books?
- 1:04:00 It's stated in our bank accounts and of course we would do investments. Okay, so you have it in cash? Correct. Okay. True to chair, I'd like to get an accountant of the investment vehicles for the Megan's Bay Authority, authority through the chair listen of the investment vehicles for the Megan's Bay Authority thank you so kindly thank you very much

Senator Fonseca Senator Carla J Joseph you recognize for your burning question yes thank you so much mr. chairman miss Simon who prints your payroll where you do you print your own checks or do you use the government system the government employees is paid through the ERP through Department of Finance our part-time employees and our vendors payments is paid through Megan's Bay through our own checks okay good I'm glad for that level of clarification because you know you are getting some service from the local GVI and so it's how much that service cost I also wanted to to ask you about where do you see the Megan's Bay Authority going in the next five years what is what is the the vision of the board and your vision going forward in the next five years our vision is to maintain the quality of the beach to also enhance the customer experience as far as really truly improving our infrastructure like we stated that the infrastructure we have a lot of lagging and failing build buildings and shed and we just want to make sure that we uplift them renovate them to make the customer come to the beach and see that we besides the water our buildings and our structure are maintained mostly uplift our employees and make sure that we take care of them

1:06:01 as far as ensuring that they receive their compensated pay but the vision of of the authorities to make sure that we keep the beach as environmentally sound and as a steam to retain our position as number one beach. Okay, thank you, and I think that is extremely viable and lucrative for you and the people of the Virgin Islands, our goal, and to have that level of goal and objective. So, you know, I'm on board with you being able to accomplish that. Thank you so much, Mr. Chairman, for the line of questioning.

1:06:39 Time. Thank you, thank you very much, Senator Joseph. General Manager Simon, in regards to some of the challenges you're experiencing over at Smith Bay, I know there was some discussion about retrofitting and doing some additional build out at Smith Bay. Where are you with that consideration? We're, as far as the senators mentioned, they would like to see some food concession on the beach. We're working on an RFP to send out so we can have that because the whole community is asking for that.

1:07:17 And definitely the tourists need that as far as coming to the beach where there's not much areas to really go and get something to eat quickly. As far as the infrastructure, just maintaining a landscape. Smith Bay is a tranquil spot, and we're trying to maintain it to be a tranquil retreat, and that's why there's no music in the shed. So when our local comes out, they want to make sure that we keep it esteemed, make sure the facilities are functioning.

1:07:46 Very well. And in terms of what you're experiencing with the sargassum over in that location, I know that it's severely impactful there. Is there any attempts to procure your own equipment to assist with deferring some of that costs or at least being able to address that issue as timely as possible? Right now, I have a whole crew over there cleaning because there was a blessing with Hurricane Erin because she removed all the sargassum and made the water crystal clean. We're just cleaning up the sargassum on the beach. But really and truly, we're gonna have to look at a boom, if you see what Riscalting did, because we're never gonna catch up. No matter, we cleaned it one week, it was beautiful the Sunday and the Monday, and then Tuesday, it went rent back. So therefore, we're gonna have to invest in acquiring a boom.

1:08:42 Yeah, yeah, there seems to be an ongoing problem. It's not just here in the Caribbean, but throughout the world they have in Mexico and some of those other areas are also experiencing that. Senator College Joseph, a point of information? Yes, thank you so much, Mr. Chairman. General Manager Simon, who is in charge of your moorings and maintaining them and putting them in place? Is it a relationship between you and DPNR? That would be DPNR.

1:09:11 DPNR, so you don't have any collection of those fees or anything with your moorings on either beach? No. Okay, thank you so much, Mr. Chairman. At this time, I'll give you 30 seconds to do your closing. And again, I believe that the, do you have a point? Yeah, I was about to say, I'll give you 30 seconds to do your closing. But of course, before that, I want to ask you, what keeps you up at night? What is it about your assignment, your tasking over at Megan's Bay that give you a reason for anxiety or continue to challenge you? To be honest, what keeps me up at night is at Sagrassi. It has been keeping up in life for the several weeks because we have a lot of hard-working individuals clean the beach, clear the beach, and the next day it comes right back in. So that is what keeps me up at night.

1:10:01 Yes, very well. Yeah. I'll give you 30 seconds to close off at this time. Well, I want to thank everyone, the viewing artists, the senators, and allow me to explain to the people of the Virgin Islands how precious Megan's Bay and Smith they are. And I want to thank the employees, especially the ones that come out, rain, sleet, and snow, and put their backbone into cleaning the beach. And I have a great bill of them today that's cleaning up Megan's Bay, and thank you so much.

1:10:32 Yes. Thank you very much, and again, we appreciate the work that's being done over at Megan's Bay. Certainly the board has a lot to do with the oversight and the productivity there. love it when we have some autonomous agencies that come before us that don't ask for the money but really just kind of you know highlight some of the work that they're doing their accomplishment the challenges and have that discussion in general with the public but you know if there is any opportunity for us to be able to again you know support your endeavors and initiatives over there we certainly poised and

positioned to support and assist in that endeavor because we want to continue to see those revenues coming in and certainly where there's opportunities for us to increase our revenue collection. We want to be in support of that as well. The Committee of Budget Appropriations and Finance stands at recess at this time.

1:11:44 ¶¶¶¶¶¶ Thank you.

1:13:14 ¶¶ Thank you. Thank you. so so

1:15:44 so Thank you.

1:16:44 Thank you. so Thank you.

1:18:14 Thank you. We'll be right back. [2 such phrases repeated 8 times · standby audio before the proceeding, transcribed by the recogniser as speech]

1:22:14 Thank you. so Thank you. Oh, my God. Thank you. Thank you. Thank you. Thank you.

1:26:14 Thank you. Thank you. Thank you. Oh, boy. so Let's go.

1:29:14 Thank you. Here we go.

1:30:14 so Good afternoon, the Committee of Budget, Appropriations, and Finance is back in record and out of recess. At this time, Madam Clerk, please call up the item in Block 3.

1:31:13 BLOCK NUMBER THREE, VIRGIN ISLAND'S TAXICAB COMMISSION, INVITED TESTIFIER MELISSA SMITH, EXECUTIVE DIRECTOR. THIS ENDS BLOCK NUMBER THREE, READING OF TODAY'S AGENDA, MR. CHAIR. THANK YOU VERY MUCH, MADAM CLERK. WE DO HAVE EXECUTIVE DIRECTOR MELISSA SMITH SEATED AT THE TESTIFIER'S TABLE. and at this time we'll go to introduction to her real quickly. Pull the mic in front of you, ma'am, please. Good afternoon, everyone. I am Melissa Smith, Acting Executive Director of the Taxicab Commission. Thank you. And the chairwoman is here as well.

1:32:00 Elizabeth Hanson-Watley is also accompanying you. Yes sir. Good afternoon bottom chairwoman. I am good. Good afternoon. Please recognize the mic. Mic number three. Hello. Okay. Good afternoon. I am Elizabeth Hansen Watley, Assistant Commissioner of Tourism and the chairperson at the Taxi Commission Board. Welcome. At this time, Executive Director, you may proceed with your testimony.

1:32:40 Thank you, Senator. Greetings, Honorable Senator Novell Francis, Chairman of the Committee on Finance, all senators present and legislative staff, as well as the present viewing and listening audience. I am Ms. Melissa I. Smith, Acting Director of the Taxicab Commission. Thank you for extending an invitation for me to share testimony on the Commission's 2026 fiscal budget. Joining me today is Ms. Elizabeth Hanson-Watley, Assistant Commissioner of the Department of Tourism and Taxicab Commission's Board Chairperson. chairperson.

1:33:27 The Virgin Islands Taxicab Commission was established under Title 20, Chapter 37 of the Virgin Islands Code. This law outlines the creation, structure, and responsibilities of the Commission to regulate the Virgin Islands taxi industry. Key duties and powers of the Commission include licensing and regulation of taxi drivers and vehicles setting and enforcing fair schedules conducting hearings and investigations enforcing compliance with taxi laws and regulations and title three governs the administrative processes and outlines the structure of the board the commission is charged with the responsibility to add the commission is charged with the responsibility for the continuance further development and improvement of taxi passenger services within the Virgin Islands and the overall regulation of taxicabs, taxicab companies, and taxicab associations. In addition to other powers and duties granted to it by law, the Commission may issue medallions in accordance with the procedures of Title 20 chapter 37 sub chapter 2 of this code also issue license plates to owners of automobiles for hire who properly registered their vehicles with the Motor Vehicle Bureau and in accordance with the procedures of title 20 section 339 of this code and who also are owners of medallions as provided in Title 20, Chapter 37, Subchapter 22. My Budget Overview.

1:35:24 The approved operational budget for the Virgin Islands Taxicab Commission is \$556,043. Our budget allocations include appropriations from Fund 2114, the Taxi Revolving Fund, in amount of \$395,603, and Fund 6068, the Tourism Revolving Fund, in the amount of \$160,440. Our revenue collections as of June 2025 stands at \$298,442, with a revenue projection of fifty five hundred and fifty thousand dollars as it stands today the taxicab commission's budget does not meet the operational funding needs of the commission the resource minimum projection is set at 1.5 million dollars shortfalls due to budgetary constraints include the following areas Staffing. Currently the VITCC has been serving the territory with just two employees and myself as the acting executive director. Our regulatory arm of enforcement is non-existent as we no longer have VITCC officers. All except But two currently occupied positions need to be filled. Technology shortfalls.

- 1:37:10 Computer systems and equipment at the Commission are outdated. The Bureau of Information Technology is currently working on their report on exactly what the agency needs to bring us not only up to date but on a cause to become the standard in accessibility, regulations of the industry strengthening our connectivity is vital to our community engagement and industry professional support office locations we have been plagued with location woes as the taxicab industries regulatory arm we are to be accessible visible and ready to serve we are not only asked we are not only tasked with regulating but also serving the needs of industry professionals who often require our support. Presently we occupy a small room at the Department of Property and Procurement in St. Croix. The office space in St. Thomas has had issues of connectivity and environmental cleanliness. Despite these challenges, as an agency guided with the support of the Taxicab Commission Board under the leadership of Assistant Commissioner Elizabeth Hanslin Whatley, we have been able to solidify governmental support with agency partners such as the Virgin Islands Police Department, Bureau of Motor Vehicles, Office of Management and Budget, the Division of Personnel and the Department of Finance, and of course the Bureau of Information Technology and the Governor's Team at Government House.
- 1:39:08 Our FY 2025 Progress and Strategy. Our goal at the Virgin Islands Taxicab Commission is to improve the taxi industry throughout the territory by focusing on key areas that will improve operations through service efficiency and enforcement, while also addressing critical operational challenges. The Commission is currently facing several significant challenges which are impacting its ability to effectively regulate and support the taxi industry.
- 1:39:44 major challenges include for one the lack of enforcement personnel and we move along rising illegal taxi operations and the absence of enforcement staff has led to a surge in unlicensed taxi operators which undermines legal business and poses safety risks budget constraints the Commission currently operates on a budget of \$556,000. This funding level does not adequately support the Commission's funding needs. It is estimated that the Commission will need an infusion of funding in the amount of 1.5 million dollars to effectively support staffing and operational activity to include enforcement. Budgetary Constabulary constraints have also contributed to the delay of travel to the St. Croix District and has slowed implementation of enforcement and public education campaigns. Operational inefficiencies.
- 1:41:01 The Commission still relies on a paper-based customer system lacking digitized records, which contributes to delays with customer service and revenue collection activities. This outdated process negatively impacts all of the Commission's business functions by slowing transactions, particularly in the area of collections and potentially in the area of citations where enforcement is now evolving to an e-citation reporting system. Here are areas for improvement. During my tenure with the Commission, it has been my focus to identify areas in which the Commission may grow and improve.
- 1:41:59 observing workflows meeting with staff taxi operators and vi taxi association members i have been able to identify key areas that vitc must must improve in order to address these challenges and contribute to the best outcomes for the taxi industry the first area is information technology the existing computers at the taxicab commission are severely outdated and upgrades are critically needed computer system upgrades that are linked to modernization and digital transformation are critical to vitcc's ability to provide improved approval and processing services for the territory.
- 1:42:51 The offices are in need of more than computer upgrades. In order to grow and meet service demands with the onset of new operators and to further meet service demands of the growing Virgin Islands tourism industry, the Commission must transition from paper-based records to a fully digital database. This includes digitizing taxi medallion records, licensing, documents, and enforcement data to improve operational efficiency. This improvement will streamline the documentation and approval workflow by providing the capability of real-time communications with agencies such as VIPD for police and traffic records, the Virgin Islands Internal Revenue Bureau for current tax letters, and our key partner agency, Bureau of Motor Vehicles, for the provision of Class C driver's licenses.
- 1:44:00 This system would also provide real-time statistical data that may be shared with the Bureau of Economic Recovery, DOT, Department of Tourism, other agency partner agencies, and key stakeholders. This will also support the provision of data requests for executive reporting as required to such bodies as the legislature and maybe government house as well. The Commission is currently in discussions with BIT and also with BMV for the best solutions.
- 1:44:42 The technology enhancement for the Commission is estimated to be in the range of anywhere from \$200,000 to \$400,000. The Commission's goal is to hire additional staff to enhance customer service and regulatory enforcement. The Commission's staffing levels are critically low, particularly within the enforcement division. As of June 2025, the Commission has been without active enforcement officers.
- 1:45:21 This was mainly due to the retirement and resignation of three key enforcement staff members. Ideally, the Commission should be staffed with six officers to ensure enforcement visibility and action at critical passenger pick-up areas throughout the territory, particularly on ship days when the demand for enforcement is at a peak. The Commission is also administratively understaffed with only two administrative staff members which include one collections clerk in the St.

Thomas office and one administrative secretary in St. Croix.

- 1:46:06 Other traditional vacancies to be filled are those of critical support staff to include one additional collection clerk, one additional administrative secretary for the St. Thomas st. John district and a staffing position upgrade of administrative secretary to for the st. Croy for the st. Croy district the Commission has in process for approved personnel requisition forms PRFs for the positions of one administrative secretary one and three taxi inspectors enforcement officers regulatory oversight and service improvement and productivity while the commission is short staff it has been very productive i would like to commend miss joseph and miss mcintosh for their committed efforts and demonstrated support at this time if it were possible they would be here today but are currently processing customer documents for approval the agency through June through June the agency has processed over two thousand seven hundred and thirty nine document transaction transactions and documents and medallion accessories as follows certificates of entitlements, operators badges, business licenses, lease agreements, co-ownerships, medallion transfers and sales. The Commission also continues to track and document its collections and revenue transactions which occur daily. With limited funding levels TCC maintains the production of key documents with the provision of a badge-making machine, a copying machine, paper and ink.
- 1:48:14 Other resource support has been provided through DPP and the print shop. In lieu of having full-time officers, VITCC has been in discussions with VIPD and DLCA who have extended some support. Education and awareness. In collaboration with the Department of Tourism and the University of the Virgin Islands UVI Cell Program, the commission has successfully processed over 84 taxi class aspirants.
- 1:48:54 The initial class began July 15, 2025, and will conclude on August 28, 2025 for Cohort 1. Cohort 2 is projected for late fall or early spring. The Commission is actively collaborating with the Department of Tourism to expand the existing Safe Ride campaign to educate the local and visiting public on what a safe taxi vehicle and or operators should look like. The campaign to include strategic placements throughout the territory is now in draft and under development for final launching.
- 1:49:44 For our FY 2026 forward moving vision. The commission intends to meet the pace of growing technology and the tourism industry. To meet and measure specific improvement goals for FY 2026, the Commission has identified key performance indicators to be documented as follows. The documentation and processing and approval times in the Commission. The Commission will monitor the average time it takes to improve and process documents and authorized accessories.
- 1:50:29 This has already improved in 2025 from the average processing time of 30 days to one same day service or two days second day service for document review and approval depending on the review. Compliance rates. The commission will document the number of taxi operators that meet regulatory standards and the onboarding of taxi inspectors will assist with this. Document review processing and approval turnaround time.
- 1:51:13 This piggy is back to item one. The cycle time for administrative processes, this would measure the duration from initiation to completion of key administrative GVI-wide administrative processes, such as payroll, hiring, and the payment processing time. Error rates. TCC will measure the percentage of administrative errors in documentation, data entry, and compliance checks. And we will also begin to track the percentage of operators meeting regulatory standards. Policy updates, we'll track our policy updates and procedures.
- 1:52:07 Complaint review resolutions, we'll also begin to track our resolution times, our resource utilization rates. our training completion rates. The tracking of these measurements will support success driven outcomes. Honorable Senator Francis, members of the Committee on Finance and all other members of the 36th legislature, your funding support of the Virgin Islands Taxicab Commission is a commitment to public safety economic development and the modernization of taxi operation services with this funding we will strengthen regulatory oversight improve service standards and ensure that our taxi industry continues to serve both residents and visitors with integrity and efficiency to add your support will allow the Commission to modernize our operations, enhance public safety, and ensure fair and efficient transportation services for passengers. Last but not least, and we reinforce that your investment is the economic, it is an investment in the economic vitality and mobility of our islands. We respectfully We urge your favorable consideration and partnership in driving this mission forward as this investment will yield lasting benefits for our community and the territory as a whole.
- 1:53:47 We are prepared to answer your questions. Thank you very much, Acton Executive Director, Ms. Melissa Smith. At this time, we will take a two-minute recess for the change of the year quarter. This will be a budget appropriation of the finance stands at recess for two minutes. ¶¶ Thank you. ¶¶ so so so
- 1:57:32 so so Thank you.

- 1:59:02 the committee budget appropriations of finance is back on record and again we have before us today Virgin Islands Taxi Cap Commission who is defending the proposed budget of five hundred and fifty six thousand forty three dollars so acting an executive director miss Melissa Smith you can you tell us how much have you received of your FY 2025 budget allotment to date? Here's the mic, please. 298,000. One moment for an exact total.
- 2:00:08 Leave that mic in front of you. Don't keep moving it because you don't cause distortion. Okay, I'll keep it in front of you. How much have you received thus far in terms of appropriation to date? \$208,895.79 That's \$208,895.79.
- 2:00:41 Correct? Correct. Okay. And you say so far you have revenues of \$298,442? Yes, sir. Okay. And that's woefully under the targeted amount, projected amount, which was \$550,000, which is a 46% below the targeted amount. That projection is through June.
- 2:01:08 The projection for the year was \$550,000? Yes, but the revenues to date is through June. Do you have an updated amount to August? I didn't bring the amount through August, Senator. You didn't bring that amount? No. Okay. So knowing that you're coming for budget hearing today, you didn't bring that amount, that would be able to bring you at this a little bit more current to your state but I can't provide that amount to you okay so what is your vacancy savings Friday what is your vacancy savings to date your budgeted your funding existing but um field position was three hundred and ninety five thousand six hundred three dollars and we also funded for the funding of existing vacant positions of a hundred and forty five thousand four hundred and forty dollars what is your vacancy savings to date approximately three hundred thousand dollars I don't have a specific amount today the exact total today so senator approximately three hundred thousand dollars how much do you owe a vendors payment our vendors payments so remembering that i haven't been there from the inception it's estimated at seven thousand seven hundred and forty five dollars \$7,700 and how much is it?
- 2:02:53 \$45. \$45. And that's how long, what's the age on those vendors' payment? How long do you owe this money for? Anywhere from five to six years. That's the most current estimate. Five to six years? That I'm aware of, Senator. Okay. And you spoke about the issue of office space. In light of the amount of government buildings that we have and the availability of office space, Lise, why do you continue to be challenged by office space and your current environment, where you're at?
- 2:03:38 what is happening there with that the Commission is still in search of office space and that hasn't been one of my key focuses at this time it's been actually the hiring of staff it has been on the table in the past that that that I'm made aware of but we are going to continue looking for office space no office even your prayer executive director also complained about office space and the environment in which had caused the office to close on several different occasions and again minimizing the opportunity to be able to collect and raise revenues so at what point at what point that will become a priority for you well it is a priority to be honest i have noticed some improvements in regards to the cleanliness, and we haven't had any mold issues recently, and actually it is a priority now.
- 2:04:43 So if the improvements continue, then there may not be a move, but there would be a need for some office space enhancements. Okay. OK. And in respect to enforcement, you are an enforcement agency, how do you intend to undertake your responsibility without having an adequate number of enforcement officers? Well, as the executive director, I still have the responsibility of, even though I'm not a peace officer, of undertaking that role. I have collaborated with VIPD. When I do have complaints or calls, I respond to them timely, real time.
- 2:05:26 I have actually called in operators and I have actually addressed those who are not licensed operators and have given them direct warnings of maybe having their licenses lean through BMV and the possibility of citations. To add, I have had real-time assistance with VIPD, in particular Officer Luby, and not Officer but Deputy Commissioner Santos, with conversations and some planning.
- 2:06:02 We have actually solidified one of our gaps with our bank drop-offs where we'll be escorted with VIPD and we're still solidifying the details of that. But I have been assured that we would receive some assistance. DLCA has also assisted me with some call outs to those operators that are non-compliant. So we are addressing the issue, and we do address it real time, and we have had multiple visits to the office in that regard. Have your discussion with the VR Police Department involved perhaps drafting or putting an MOU, MOA in place so that they could, again, have a structure by which they're supporting your endeavors, and perhaps even where you're able to pay off-duty officers in some capacity to assist with some of the enforcement that's required there. Is that something that's being discussed as a possibility and a prospect of being able to fill the void?
- 2:07:18 That has been discussed as on the surface. It has been, we have had the discussion, but we haven't solidified it as yet. We know that it has to be solidified, and that's where we intend to grow. Well, we talk, you know, again, we have violators that continue to violate, and we have revenues that's not being collected. So at some point, Madam Chairwoman, there needs to be some engagement, you know, so that the talk could materialize into some action.

- 2:07:52 Do you agree with that? Absolutely, Senator. and that's why I'm here to lend some support because I think sometimes we have a soft-spoken executive director. However, we've been having these discussions, it's not anything new, and the board has directed the executive director to get something tangible in place, but of course, you know, it takes two to tango, so both agencies have to come up with an agreement and move forward, but we are definitely ready and able and have made the request to get something solid in writing between both agencies.
- 2:08:34 Thank you for that, and I'm hoping it's sooner rather than later that we can really get this done. At this time, I'll open up the floor for discussion or questions from my colleagues. Senator Dwayne DeGraph, you recognize, for your five minutes. Thank you, Mr. Chair, good afternoon, colleagues, good afternoon, testifiers, all of you listening and present. E.D. Smith. Yes, sir. Budget 101. Budget 101, we're here to help you out. Regardless of how it might seem that the legislature want to jump on you and think, that's not it. We're here to assist you how we can, but we're going to do everything for you.
- 2:09:11 So in terms of numbers is what we're basically looking for in terms of your revenue, how much actual revenue have you generated. We need to have that information. You know, and then I need to know the actual information on your expenditures from 25, so I'm going to get to all of that. Any of your employees or yourself received any wage increases for 2025? No, Senator.
- 2:09:38 Okay. No, Senator. At one point, the employees are still those two remaining persons are GS employees, correct? Yes. Okay, and I know at one point they had a problem receiving their raises. So they are current on their raises and retro? To my knowledge, they may be owed one wage increase, based on my review. Okay, you can check on that for me. Number one, employees. Employees are number one. Don't worry about anything else. Take care of your employees first, then we go from there.
- 2:10:18 are they doing the work for you okay so employees so find out about make sure they current and their wages increases and any retro go to them how many of your employees are there all of them the both of them over 35,000 yes okay so they are how many vacancies you have nine senator nine vacancies how how many of those vacancies are under \$35,000?
- 2:10:55 None of them, Senator. Okay, good, good. Now, you just had a class for taxi licenses. Yes. How many persons are set to graduate? 84. 84 persons. So when 84 persons come out... 34. So you're going to pass a class to get 84 licenses to persons and you don't have no enforcement entity? Well, actually, Senator, they won't initially, they won't initially receive licenses.
- 2:11:30 They'll initially receive badges and then for licenses. But we do intend to have our enforcement officers. We have already submitted to, we already have approved PRFs for the hiring of our officers. Those PRFs have been submitted to the Division of Personnel with the intent for advertisement. But excuse me one second. Enforcement officers is a year out. You're not going to get one before a year. So do you have enforcement inspectors? Because I think at one time you had inspectors who aren't the law enforcement entity but can still go out and perform inspections and different things?
- 2:12:13 We're calling, I'm calling them enforcement inspectors. Okay, so we can't say you have two. I'm saying one is the same, yes. Their title is Taxi Inspector. They are enforcement officers, peace officers. Their titles, mm-hmm. No, I believe there's a difference, meaning the enforcement officers have to go through the police class nine, 10 months. Correct. Before they come out, but I think there is inspector positions that you can hire. think from my understanding that you can have i guess the board could clear that up for me madam chair well what what she's explaining to you is that um we'll have title wise it's combined so it won't be a inspector separate from an enforcement officer they'll they'll have dual purposes um so they they will go through the regular training that they need to be officers but they'll be able to do inspections okay I'm just saying then that's a year old from now but what no it's not a year old because one minute it is yeah okay yeah I'll just finish and see okay that remember at the beginning of her testimony she did say that VIPD is partnering with us as well as DLCA so we did not want to hold up the classes as they've been held up there hasn't been classes in a territory for at least four years and so this is not something that we wanted to put on a back burner we don't want to hamper any productivity in the industry so we know that we have the accessibility to VIPD and to DLCA and so we're able to still have an enforcement arm it's just not internal
- 2:14:01 to taxi commission okay okay thank you I get a little more clarity maybe from just to wrap up mr. chair do you have your actuals in terms of expenditures broken down into personal fringe supplies other services do you have that with you presently and as of what date if you do have it the most recent numbers I'll have to provide that to you. Okay.
- 2:14:39 Through the Chair. Thank you. Thank you for the time, Mr. Chair. Thank you very much, Senator DeGraff. Going back to the question of inspector versus enforcement officers, you're saying that they're one and the same to you in respect to their duties, responsibilities, and functionalities? Correct. Then I was also adding that the inspector job, a part of the delay

with the advertising is that the taxi inspector job description is being reviewed by the Division of Personnel for maybe that intent to include enforcement as part of the job title and then to maybe and to also include the fact that the peace officer status is a part of the requirement. And our past enforcement officers did have peace officer status.

2:15:31 So as we read the job description, it does indicate that we require peace officer status. So you, in my opinion, you're conflating the two issues. I mean, if you're limiting yourself or capping yourself at having an inspector versus enforcement officer then you were talking about individuals I have to go through the Academy to be trained and you know that takes between nine months to a year for them to become enforcement officers you have an opportunity similar to the police department they have categories they have auxiliary officer that's able to carry out certain duties and responsibilities they have CSOs community service officers again that that's operating a limited role that could be to carry out some of the the operations that don't require someone to have the enforcement of authority by having going through the peace offices so you're missing a great deal of being able to function um without having peace officers by having an inspector that could still carry out you know some of your functions and requirements and then refer those matters to the police department in the interim if need be you know so that's that's something you need to consider you're moving forward because then um you you're you're short changing yourself by waiting for enforcement officers slash inspectors to be well we appreciate that information and that's why we working closely with vipd because we are not the subject experts but they can make recommendations to us but but the plan is to have all the the partners come together so we could have best-case scenario and then come up with a plan that works best for Taxi Commission okay you don't need every one of those individuals then to

2:17:19 have a badge and a gun in order to be able to carry out the tasks and responsibilities have individuals then could do the inspections and making sure that there is some compliance and where there's violation they could always then call in you know someone else to then take absolutely the only issue that we would have is and I believe this is why we were thinking of doing the combining of some of the duties were because of budgetary concerns so we we have a very limited budget and so we don't have the luxury of bringing on the amount of staff that we we would love to have and so we're just looking at different ways but again you brought that to our attention and we'll go back to VIPD and see what what is possible. That that's actually a benefit to you because you'll pay 75% of what you'll pay for enforcement officer. DLCA does it as well. They have inspectors and then they have the enforcement officers so similar to what they have there. Thank you for that. At this time we'll point of information Senator Joseph. Carla Joseph. Thank you so much Mr. Chairman. A pleasant good day to the testifiers. Good day. I wanted to ask how much are you just your your salary range for your enforcement officer i know it says it here for your inspectors but what what salary range are you looking for especially now that you're looking at combining the duties that was something that you were contemplating and considering well in reviewing the existing job description it's not combining the duties it's actually the duties so it was just a consideration of whether or not the title needed to be changed to reflect in enforcement officer because the taxi inspectors as we have them now or have had them in the past reflect peace officer status they've always had peace officer status and we continue to advertise the position with peace officer status so the the intent was to maintain what has already

2:19:22 historically been done at taxicab commission however with the recommendation of of senator francis taxi inspector would be a relief and we could consider the title as taxi inspector and and remove the peace officer status requirement, which is now at the Division of Personnel, and just hire as taxi inspector. So that recommendation would work well.

2:19:54 Okay, and I saw here you had the budget, at least on page four of the post audit report, and that's a vacant position for the taxi inspector is \$46,413. that what you're anticipating paying for that position for the taxi inspector or that was the taxi inspector that the the peace officer that was the salary that is the salary okay thank you oh thank you very much senator joseph senator frederick here by project you're recognized for your five minutes uh pleasant afternoon mr chair my colleagues testifiers listening and viewing audience my staff and of course the legislative staff i i just wanted to interim director smith good afternoon how you doing very well thank you senator um congratulations on your assignment i think you're fairly new if i'm not mistaken how long have you been in the position now just that six months now just six months now yes i'm beginning to see some of the challenges you're you're dealing with you're new and you're dealing with a very pro problematic uh agency that has had a long history of problems can you tell me how many um employees were currently there when you got there versus now when i when i assumed the position three three employees one of which was already on route to be to resign and two so I it started with three one who has resigned and now we're left with two what were there any enforcement or taxi inspectors on staff when you got the job yes sir

2:22:08 one okay that's so 20 years you don't have that person anymore right no senator okay all right executive director smith help me out here how did you come up with 1.5 million dollars as your new projected budget when literally you're starting from scratch here this this is a rebuilt organization You're going to have to rebuild this thing. Correct. Well, my

projection was based on historical staffing data, the need for certain improvements, the fact that we have to eventually begin to pay rent, and it was based on the rental cost was based on an estimate of the past due to or existing potential rent agreements.

2 : 23 : 05 through dpp projected rents agreements and then the fact that we have to become automated and digitized in order to be effective so my projection to me is a low ball like projection but that is the projection based on historical data and data moving forward in order for the commission to become modernized and also provide salaries um that that reflect the duties attractive salaries we still need to focus on the potential of this commission to make money generate revenue so it could in fact help sustain itself correct you have projected five hundred and fifty thousand dollars your fy25 was two hundred ninety eight thousand four forty two and you know you're you're you're not even projecting a third of of what you're projecting on your budget this this is this is just not consistent with the way you should move i agree with your i agree with the optics of the existing projection but we do know that the taxicab commission in the past was funded at 1 million or more dollars historically those projections that were historically um revenue were based on the fact that we had full staffing along with enforcement officers that issued citations we know that the projection we would meet the projections if we were able to generate the

2 : 24 : 55 revenues through citations the fact that we have new operators on boarding and that we're going to have additional business transactions and also the future review of legislation to include additional operators would definitely bring in the 1.5 million projection which which fiscal year you're talking about not FY 2026 well not 2026 we need the onboarding so that we could at least get to 800 000. I think with an aggressive site with aggressive enforcement team and as a swift onboarding of enforcement officers we we would meet the projection unless we have an agreement that allows us to pay VIPD offices part-time to assist with citation operations for the taxicab commission. We could meet the projections Mr. Chair can I wrap up please you may Senator.

2 : 26 : 06 Director Smith acting director Smith I appreciate your response I'm trying to justify finding more money for your organization at this time and I think we're still rebuilding so you just need to get some of the basics done you spoke about working with BIT in terms of getting more digitized in terms of your operation because I know it's a paper operation over there I had the opportunity to see it myself so I know you have a big task ahead is there any way you could figure out what that number is because your range was between 200 and 400 000 you really need to get tighter numbers so we could okay the range is let the sample let the senator complete this thought before okay sure go ahead senator if you can provide the chair some very specific numbers so we could have a better idea of what you would need to help you know improve the digitization of this office because this is just too broad of a span okay the broadening of the span is based on two discussions one with the bureau of motor vehicles and one with bit so and the span is based on the fact that the implementation has to be built out on the lower end if we fear towards the option of onboarding with um the bureau of motor of motor vehicles to just piggyback on their operations with very minimal transactions type transactions that would range in the two hundred thousand dollars if we go if we build out to all of this accessory management to include um our clients that would that would um range to four hundred dollars and that's based on quotes from two sourced vendors so that's that's why it's at a range so it depends on the funding levels as to what we can do with the system build out and we can provide the details at a later date 400 000 400 yes 400 000 if i may

2 : 28 : 40 um we'll be able to afford those numbers to you as bit is currently doing an analysis so they'll be able to give us real numbers tangible to computer improvements and so So, we'll be able to get that shortly and forward that to the legislature. Thank you very much for the additional time, Mr. Chair. I appreciate your responses. Thank you. Thank you very much, Senator Frederick. Just real quickly, again, there is 13 authorized positions within the Toxicab Commission, and 10 of which is vacant. Correct? Correct. So right now, all you have is an executive director, an administrative secretary, and a collection clerk.

2 : 29 : 27 Yes, sir. Okay. Your assistant executive director is vacant. Your chief inspector is vacant. Your administrative enforcement coordinator is vacant. Administrative secretary is vacant. The fiscal officer and HR coordinator is vacant. And all of the taxi inspector, one, two, three, four, five, is vacant. Yes, sir. all right senator ray fonseca you recognize for your five minutes yes thank you mr chair and good afternoon to melissa smith executive director and assistant tourism mr what miss whatley welcome um a couple things that jumps out to me immediately with the taxi cab commission um how many board members that you have now with an unexpired term how many board members we have five board members and who are those board members myself Elizabeth Hanson Watley chair we have a vice chair mr. Sweeney we have Myrna George, she's our secretary. We have Mr. Julian Penn and Mr. Franklin, graduate.

2 : 30 : 49 Okay, so now let me ask you, when was the last time the taxi certification exam? I saw some discussion on that, but when do you plan to do that? The exam? Yeah. Oh, well we actually have a class that's in session. Yeah. That ends August 28th. It ends August 28th? Correct. And then the exam would be? In September. So September. And how many persons

are in that class? 84 84 okay that's good that's a good accomplishment okay so um do you have any current job postings and there's been no hiring but are any jobs posted right at the time at this time all of our we have three four vacant positions we have four vacant positions that are now at the division of personnel they have been of funded approved for funding and will be posted shortly you know will be police posted shortly I don't kind of like it like that so the answer is no no jobs are posted but you plan to shortly okay so the Division of Personnel will post them after their review okay but they are have you seen the post editors report have you seen the post editors report yeah I received it page four I want to bring your attention to page So the governor's recommended is \$556,043, but to date you've expended \$208,896, is that the correct number?

2:32:50 That's correct. No, through June I expended \$208,896. What is it now? Ms. Smith, you have to get in front of that mic. Okay, I expand it through June 208, 896. That's based on the time frame that was requested for the post started report, but I can get you the numbers through. Okay, well, the question, the question is, are you going to reach the 556, 043 expenditure by this fiscal year, end of the fiscal year? a projection and we we hope to you hope to but how are you going to meet it if you don't have any jobs posted because you don't know you just told me you don't know when the jobs are going to be posted and then when they post it then they have to be hired correct and so that means that it's it's going to be a woman's job to get them posted and hired before the end of the fiscal year which is you know shortly well depressed when you said that well last year the last other projection the revenue collections were at with 496,000 and it was this with the same level of staffing I realized we were funded at the 556 one minute we're still gonna be hopeful for the projection okay so collections you're projecting five hundred and fifty thousand yes yes okay so you know what's happening and I got a call right is we have a situation now where their riders not tax openly soliciting rights that's what's going on so the enforcement officer the taxi inspector are those gonna be some of those that are posted

2:35:01 which which positions are going to be posted first three taxi inspectors one 1, Administrative Secretary 1. Okay. They may all be posted simultaneously. They are still under final review at time DOP. Okay. Can I just follow up one further question? Okay, so the last inspector that left, did you do an exit interview? I know they had a lot of years, but did you do an exit interview to find out exactly why they left at such a critical time, leaving you with no one in that division?

2:35:46 Well, their retirement, their resignation was in prior to me taking the post. And it's my understanding and conversations with them that they had 20 years of service. I do know that they have had other reasons not related to the Taxicab Commission, and they thought it was their time to leave after serving 20 years.

2:36:18 Okay. Is that person in another division of the government now? No, Senator. Okay. Thank you. Thank you, Mr. Chair, for the extra time. Thank you very much, Senator Fonseca. um acting executive director of smith do you currently have a working website not at this time what's the status of your website we are working to update our website and we'll work in collaboration with bit to have our site updated okay how are you then disseminating information to the public Well, we did, through other media avenues, such as the newspaper, when we have announcements, we do utilize the newspapers.

2:37:10 We do have our Safe Ride campaign, where we're going to utilize. Which newspaper are you using? We have Daily News. When was the last time you posted in the Daily News? year december last year december 2024 nine months ago six well remember the idea is pretty pretty new so um we have been piggybacking off of government access uh government house has been working in collaboration with the board as um we needed to disseminate any information they would always give us access so their media team would collaborate with when was the last release and what was the information to the public i believe um we had discussed and that was internal with the board the taxi classes announcement about taxi classes and then we also came up with a plan moving forward to do a better job of marketing with dot so dot is now on board with a marketing campaign as you're going to see very soon but that is just one of many areas that we had to deal with and so moving forward we now have a strategic plan on how we'll be marketing any information out of the taxi commission what is the timeline you have slated to get your website up and running? BIT is they're going to feed back a timeline to us. They're still working on a timeline because right now we're also working on the database

2:38:56 management rollout potentially. So there's no established timeline to get your website up and running because you have to determine your timeline at BIT. It's your website. So it has been shared with BIT that this is something that we needed yesterday right we have been in emergency mode for a long time at taxicab Commission we know that they're diligently working they know that we would like the information within this month to mid-September and so that is why we don't have the numbers for the computer systems yet we just have a general idea because they are doing real-time analysis on what's required to get us not up to par only but to move us forward so that we're competitive in the region thank you so I would add they did actually have to get closer to the mic they did reinforce just last week Friday that they are working on the on the final outcome for those numbers Santa Carla J Joseph you're recognized for your five minutes thank you so much mr. chairman a pleasant good day to the people of the Virgin Islands and the testifiers, I want to say I am happy,

not totally happy, 100%. I'm about 69%. I'm happy with what I'm hearing today. I know you both could bring it up to a B, a 89%. Okay? I believe you're on the right track. You just need to tighten up a few items and i know funding would help you do that what i want to get to i wasn't too clear on it how much money have you collected uh for the fiscal year how much money have you collected for the fiscal year so that would be from october 1st of 2025 uh to maybe uh july 31st of no october 1st of 2024 to july 1st of 2025. so in running my numbers through july it's in running my numbers

2:41:12 through july it was 331 000 however for the senate hearing today i prepared for through june and that was 298 000 42 dollars that you have collected so you are looking at collecting uh your full budget uh hopefully hopefully and that is a good thing because i remember years upon years we couldn't get a number yes we couldn't get a number with the collection so that's but i'm still holding to my grade of 69 okay 69 percent we're able to produce So you'll be able to send it to the chair how much you have collected as of July 31st of this year.

2:42:03 How much you have collected in fees and other items. So that would be good. Yes, Senator. Okay, through the chair. The other thing I wanted to mention is I'm also very thankful that you implemented the classes. And how much is in the cohort, the first cohort? That would be \$84, Senator. That's very good. And so when they are completed, they would have to pay a fee to be in those classes? Yes, \$200 for application and processing fee, and the \$500, which is the actual cost for the class, has been underwritten through the Department of Tourism.

2:42:47 So the persons have to pay \$200? So it's \$200 times the 84, you brought in some significant amount of money. Actually, it's a little more than that because we've actually processed 109 applicants. The classes were full or there may have been some scheduling conflicts of which cohort to would accommodate those additional aspirants in addition to more aspirants because we have additional spacing for the class you are a revenue generating entity you're not supposed to come here to ask us for no money that's that's why i'm not giving you an a or a b You're not supposed to come here. This is the largest, largest, single largest agency that can produce money. The taxi men here, right, will pay you.

2:43:49 They come in and pay. So you need to generate your own money. And don't be coming here to the legislature to ask for additional money. That's my point. Generate your money, because we don't have that much money. Now, I wanted to also ask you, relative to these vacancies, how much are you projecting? Because you need to fill these vacancies with the enforcement.

2:44:18 You have the amount here for the taxi inspector, and I know that you said that you have about three of them you want to fill immediately, and one administrative, correct? Correct. Where is your administrative person going to go? In St. Croix District or St. Thomas District? St. Thomas District. Okay. And your taxi inspector, one for each island? One for the St. Croix District and two for the St. Thomas-St. John District.

2:44:49 Okay, because you have to have somebody go to St. John. Okay, so that's what you're looking at. You need to get those out as quickly as possible. I noted, turn with me to page four of the post-saudit report. Okay, and I'm looking at professional services. What is included in this \$210,000 that you have here projected? Mr. Chairman, if I may. \$210,000 you have here for professional services. What do you have included in there? All of the vacancies.

2:45:26 No, no, no, that couldn't be that. The vacancies and the... You have the professional services. Oh, professional services. Professional services. Sorry, sorry. Yeah. One at a time, please. One at a time. Not personnel services, professional services. Professional. Okay. For the professional services, that includes any contracts, our projected contracts. Okay. What projected? I'm thinking that is your IT people then that you might be looking at maybe as well as your webmaster to design your website.

2:46:01 Is that what you're looking at in that included in there? Yes. Okay, so those are things that you could work on. Is there a final, final, do you also have any legal needs as well? Ms. Smith? Yes, I have, we have discussed that with the board at the time. We didn't agree on a projection for that, but we do have legal needs. Okay. All right. Thank you so much, Mr. Chairman, for the time.

2:46:38 Thank you very much, Senator Carla Joseph. Point of information, Senator Fonseca. Thank you. Thank you, Mr. Chair. Please, the mic of Senator Fonseca. Thank you, Mr. Chair. Okay, I want to follow up on the line of questioning of a senator from Bovonia and Oswald Harris Court. That's right. Okay, your web design, you don't have the chairman mentioned, you don't have the website up. Any of these positions here are going to help you to get the website up, like maybe your assistant executive director?

2:47:16 maybe but um we would be able to get the website up in working with bit so but when when are you going to get it up a projection would be three months okay in treatment like the chair mentioned we have already been in discussions with bit this has been something prior to me we have been in discussions and we're hoping that within a month we would have some type of solidified update. So my projection is based on the fact that we all have challenging deadlines and timelines in addition to the other items that we have to produce for the taxicab commission.

- 2:48:07 So the website while it is significant and at the forefront may be a little delayed but we hope to meet the one month projection and in the long haul three months thank you mr chair thank you thank you very much senator fonseca what did we do around here is talk a lot and discuss you know we really need to get to the point where we are actually actionable items and start to engage and execute uh senator of vla you recognize for your five minutes thank you mr chair Ms. Lloyd is not a member of the board, Loretta Lloyd, of the commission?
- 2:48:51 I'm sorry, could you repeat that, please? Is Ms. Lloyd still a member of the commission, Loretta Lloyd? No, she's not. Okay, thank you. I listened to the discussion. I'm looking at the budget, and if I had to give a grade, it's a solid F. This is total dysfunction. This is dismantling of an entity that made substantial money that has come down to next to nothing. I reflected back on my past terms in the legislature and I went back to when I was chair of the Finance Committee back in 2018. 2018, Act No. 8110, \$825,000 to the Taxi Commission, all the monies generated by the Taxi Commission, every single dime.
- 2:49:45 And now we are aware we are going to collect some \$397,000 this year, because the number you gave at the end of July is \$331,000, which means you're collecting \$33,100 a month. You've got two more months. you're going to collect three hundred and ninety seven thousand less than half by what you collected seven years ago and the Commission was just systematically been destroyed to poor leadership to poor guidance where the taxicab Commission just totally poor poor guidance that have destroyed this entity and now you come to the legislature will hand open saying that you need 1.5 million dollars you said you've been having meeting with the executive branch did you tell the executive branch that you need 1.5 million dollars to be able to restructure this taxicab commission you you ask it i meet with the board and the board has discussions with the executive branch okay i'll pass the question hold up that's enough the board have you had a discussion with the executive branch that you need 1.5 million dollars we have had discussions with government house and their team and um just to go back to what you said about six years ago that's just the answer one if you had discussion with government house and the team why did government house send on a budget for 500 plus thousand dollars what would be the reason why the budget in front of us is five hundred and fifty six thousand dollars and that gotta mean something but I reflect on the budget and I reflect on the fact that you're saying you are 1.5 but the five hundred and fifty six thousand that you have for fiscal year 26 I mean 25 you're not even going to spend the money you're not
- 2:51:47 going to spend the money you have spent two hundred and eight thousand dollars as the energy that's 10 months that mean you're spending 23 what is it 208 you're spending 28 thousand dollars a month with three months left so you're only gonna spend 72 thousand more you're going to spend less than three hundred thousand dollars so even the 556 you can't spend and you want 1.5 and you can't come here and justify how you have spent the money so you have now in your budget by onboarding people individuals so that you could collect i mean we we got to be fooling ourselves that we have these entities coming before us and not being responsible in generating the revenues necessary for this government and then want to use general funds when you have access to revenues what this is saying is that a lot of individuals are not getting any citation and a lot of fees are not being paid what is the source of the taxicab taxicab license fund fund two one one mike okay is revenue generated through the document process and fees of the taxicab commission and also and also the tourism revolving fund we have two funds 6068 and 2114. so the funds are generated through the collections one second let the senator complete his thoughts and respond it is my time it is natural time oh yes sir i i did that actually about the tourism revolving fund i asked you about the taxi cab
- 2:53:34 license fund yes what are the sources of monies into the fund don't tell me anything about a tourism revolving fund because you never used to get money from that fund before what are the direct source to the taxi cab license fund the collection of fees based on business licenses, documentations, lease agreements, badges, and the sale of medallions, the onboarding of operators, co-operators, co-owners, all transactions through the taxicab commission, revenue generated through the taxicab commission, and citations historically. So have there been a decrease in the number of taxicab operators in the St. Thomas St. John or the St. Croix District? Could you repeat the senator's question, Senator? Have there been a decrease in the number of taxicab operators in the Virgin Islands?
- 2:54:32 Not to my knowledge, the number stands at 771 licensed operators, 280 active medallions, and 280 active medallions in St. Thomas, 518 in St. Croix, and then we have \$179 in St. John.
- 2:55:04 Hence, you should be generating substantial revenues and with a large amount of gypsy cabs and Zentamas, you should be generating revenues. These individuals, if you're hiring the inspector and they don't have to go to the academy, you need to bring them online immediately. But before you get any additional money for this body, You need to show that you have the ability to hire and to spend the \$500,000 that you have now, because \$200,000 is going to remain in a general fund. At the very least, show that you're able to bring individuals on. All of this BIT and website and three months, website don't take three months to develop. I mean, we've got to be like stone age. I think that...

- 2:55:48 Thank you, Mr. Chair. Mr. Chair, I could respond. Thank you very much, VLA. You may respond, Chair. You know, we're here today because none of us personally own the Taxi Cab Commission. We know historically the Taxi Cab Commission has had issues and I think that to ignore the fact that within six months we have been able to turn around the Taxi Cab Commission who's been plagued for before I was born is just disheartening because we are not coming here to beg for anything except for to tell the truth and say that we need assistance in an agency that we know has yes i agree been mismanaged in the past in a lot of ways but with new leadership in six months we've been able to restart taxi classes that we haven't seen for years we've been able to now put our um information forward to the department of personnel to make sure that we do hire people so that we can gain the income but don't forget that lack of having staff we've been able to collect revenues and this is without having access to operating funds for a long time which nobody seems to talk about the fact that we had to operate without a budget for many of months we just got access to our budget recently so everything that you're seeing produced with three employees at the Department of Taxi Commission and just a board in my opinion is remarkable not to mention the fact that the revenues that are coming in from the taxi classes are revenues that we weren't seeing for years so this is an addition to so and on top of that because we're able to know bring on officers and inspectors will be able to now see other revenues come into the department so to to act like nothing has happened for the past six months that hasn't happened in over six to ten years I don't agree with but again we didn't come here to fight we came here to give the facts and also to show the public that the we don't want to just come up to standard we want to compete with the region and so we have to be real in saying that we do need to invest in our product we could either sit aside and let the competitors over overtake our industry or we could be the example so it really is up to all of us but don't forget that the budget that we were operating with was just paying salaries three people there were we we have been working
- 2:58:29 collaboratively with government house to make sure that in without the access to the funds that we were still able to keep the doors of the Taxi Commission open territorially uh thank you there um assistant commissioner and chair miss uh smith in regards to the 298 442 uh of revenues that's collected can you break out um where or how that money was collected and from which um which category yes senator um for business i need you to get closer to the mic okay for business licenses we collected one hundred and forty five thousand four hundred and twelve dollars one twenty five or one forty five one forty five forty five one forty five all right um for the classes we collected twenty one thousand eight hundred dollars um operator badges we collected 18,420 dollars for lease agreements we collected 10,960 dollars for penalties we collected 56,240 dollars which let me get a number again please 56,240 dollars and all of the remaining the balance would be in documentation reviews and transmittal letter fees so go ahead yeah go ahead miss met you finish you finished us that's the breakout that's the breakout okay point of information senator fonseca and then we'll come to you senator Villa. What's what's the revenue for the taxicab medallions collections the
- 3:00:31 taxicab sale of taxicab medallions. I haven't had any taxicabs well for the medallion sales twenty seven thousand dollars. So that add to that two ninety any or that's not included? That's not included. Okay, thank you. Thank you, Mr. Chair. And all of this, this funding has been deposited into the general fund?
- 3:01:06 Ms. Smith? Yes. Is any of this funding retained for any operations of your of the Commission of the authority all of the funding is retained for the operations of the Commission said it again is this deposited into the general fund or is any of that is deposited it's deposited yeah do you have an impressed one no sir you have a petty cash no okay the vla you recognize point of information thank you so much mr chair the taxicab commission not being funded was the direct result of being able to provide pertinent information to the legislature over the last two years i wasn't here but i listened to the hearing so it wasn't just like a decision that was made that they were not going to fund this particular entity it was because of lack of information this is only year seven so i don't want to hear any excuse or disheartened or anything it's dysfunctional and that's the long and shot and until we accept that we can have all the positive outlook that we want but we'll be back here with the same thing again next year with individuals not being hired and not collecting money and at some point you gotta say enough is enough and that is my mindset enough is enough with this dysfunctional entity and the taxicab commission destroyed destroyed this entity thank you so much mr chair
- 3:02:54 uh thank you very much i'm gonna do a second round um so senator the graph you recognize for um the second round two minutes okay sound good thank you mr chair uh 20 your 2025 budget was how much 556. the 2025 is 556 thousand dollars and what's your 24 budget you have that it was the same no your 26 budget recommendation is 556.
- 3:03:28 The recommendation for the post-salary report that I have for the 25 budgets was 395. Oh, okay. Right, that you're presently on now is 395. Okay, that was the total of both funds, Senator. Right, so your 395, 603 is your 25 budget. your proposed budget for 26 is 556. Senator so we operate on two funds so the 556 is cumulative of both funds correct so if we're speaking on the 214 then it would be the 395 395,063 dollars and then we had 160,000 of that from the Tourism Revolving Fund. Okay. So the cumulative total was the 556. Okay. So we adjusted it last year. Okay. So with with with

the 550 okay do you have 30 seconds do you have any making for a cfo or somebody to deal with your financials all together uh yes that's one of your vacant positions so the vacant positions include a chief inspector no just tell me you have a cfo yes a finance person yes and to the board um madam chair in In regards to rules that you could promulgate on your own as an entity generating semi-autonomous, can you, you can go ahead and generate, promulgate rules, create an inspector, what goes out on the road, may issue tickets for parking only. And you project the rules, check the law as to what governs you, create positions, and then go for that in terms of what needs to be done now. Regardless of what you do, everything still happens every day.

3:05:36 Yes, the board has been actively doing that, and that's why we, of course, we focused on enforcement because that is one of our biggest revenue generators. But we have been actively doing that for the past six months. That has been our target to look at the vacancies and also how we can improve to make sure that we have more bang for a buck. So it's not something that we're not doing actively. Every time we meet, we're talking about that. Not Leo's, not law enforcement, inspect the local guy on the road tomorrow once you're hired. Absolutely. Thank you. Thank you for the time, Mr. Chair. Thank you very much, Senator DeGraff.

3:06:13 Madam Chair, have you guys, have the board or commission have any discussion in regards to the two forms of payments? And looking at that issue, two forms of payments by the taxi drivers, as well as ride share. Any discussions being had at the board level in respect to that? More towards ride share because this has been an active conversation. Definitely because many people think that that ride share should fall under taxi. Of course, with the description of what we're required to do, it does not. The law is very clear about pre-booked rides, private rides, and then taxiing.

3:06:53 So, but we do have suggestions for departments like DLCA on how to target that group because definitely it's not that we're opposed to anything like that. There is room for all of us to grow, especially with our tourism product evolving. And so we definitely have been having the discussion on how it could be possibly integrated into what we have to offer to our guests. uh thank you for that the senator frederick's any of you got two minutes you recognize thank you very much mr chair pleasant good afternoon all again interim director smith i'm just trying to get some clarity on your strategy of moving the commission forward so please bear with me um there's one lingering question i I wanted to ask you about the rent since you said that the lease hadn't been paid. What's the status? It's like, what, \$1,000 a month for that property?

3:08:03 The lease agreement that I reviewed, historically, yes, \$1,000 a month. Okay, so are you holding this money to pay the landlord or what? what what's the plan for for not paying the rent at the yeah if I could jump in here like I said the the executive director is pretty new one of the reasons why we change direction and leadership is because we have some outstanding payments that we need to address and so the Commission board has decided that we'll change direction because we want to make sure that when we do business with people that we pay our bills and so this is one of our priorities we are now in the process of collecting whatever information we have for outstanding bills and an agreement to come into proper standing and yes we do plan on paying what is outstanding when it comes to our agreements with rentals as well as um directing the executive director to identify a new property but i like i said 30 seconds this agency has been in a tailspin for a long time so we had to prioritize onboarding um personnel and so that is definitely on our to-do list okay real quick though is there even a lease right now in place no senator yes no okay no so there's not even a lease okay real quick can you please tell me what is what are your strategy uh interim director smith in terms of turning this agency around six months i personally think it should be even more progress but fine this is the progress that we have so far what is your strategy in the short term what's your short term medium term and long term plans in turning this agency around because right now i don't know where you are is it is it going to be website development is it is it going to be

3:10:19 to upgrade your technology is it going to be to hire enforcement officer add more workforce there's so many pieces but i don't know what's your priority now i just found out now you need to pay past due bills you need to figure out how are you going to structure the turnaround of this commission otherwise I don't think we're going to see any improvement it's not it's not in a structured manner you need to figure that out and present it that way senator I beg to differ I think it is in a structured manner we inherited an agency that already collapsed there is no staffing there was no staffing we have we had to identify the funding that was not presented to us it was not we had to investigate the funding for the taxicab commission and we did that starting in february when i onboarded we had many challenges to include payroll that had to be done we have a lot of and okay the priorities include the onboarding of staff director director smith what was the short term medium term term and long term strategy that's what i was really the short term the short term and long term strategy is to strengthen the staff to increase revenues and to also enhance our technologies i think i mentioned it in in my senate in my testimony that is our law those are our objectives to modernize improve the technology hire staff and to also um begin to pay our to pay our expenses but immediately we are going to hire staff okay thank you very much Mr. Chair I've I've needed my time, and thank you very much for the responses.

- 3:12:19 Thank you very much, Senator Frederick. Senator Ray Fonseki, you recognize for your two minutes. Yes, thank you, Mr. Chair. Director Smith, I wanted to follow up with you with the taxi medallion auction. What was the number you gave, 20-something thousand? What was the number you gave in the sale of the medallions? That was \$27,000. \$27,000 for the sale of the medallion. Okay, so according to Virgin Islands Law, Title 20, Section 504, the Taxi Cab Commission holds annual auctions of taxi medallions exclusively for U.S. military veterans. Only U.S. Virgin Islands veterans may participate. So you're saying that you've sold \$27,000? You had sales of \$27,000 in medallions.
- 3:13:17 Is that this year? No, that was one medallion sale for \$27,000. Okay, good. Now, you know, when the Office of Veterans Affairs was here, they reported that money was not received. So what's the process? How come Veterans Affairs haven't received that money? I'm not sure, Senator. I'm speaking to the fiscal year transactions and I did not conduct that medallion sale so I would have to investigate why they were not. It says the Virgin Islands Taxicab Commission. Correct. So who conducted the sale then?
- 3:13:58 The previous director. Okay, it was the Taxicab Commission. It was the Taxicab Commission under the leadership of another director. Okay, but you can't account for those funds that's what you're telling me. I can account for the portion that I can account for them because I just mentioned it for the funds but I cannot account now for the funding that would have been owed in portion to veteran affairs. I would have to research that. Mr. Chair, can I just follow up on one I got one important question. So that was one medallion for \$27,000. You heard the question. I said. You said that sale was one medallion for \$27,000?
- 3:14:46 That I'm aware of. Okay. So I thought the medallion on St. Thomas was about \$40,000, \$45,000. Why was that? This was an auction. That was an auction. So an auction, it's selling at a discounted price. Yes. Okay. That's good information. Thank you, Mr. Chair, for the time. Thank you very much, Senator Fonseca. Senator Carlos J. Joseph, you're recognized for your two minutes. Thank you so much, Mr. Chairman. I just want to follow up just to get clarity. Actions is based on bids, right? And when you're actioning something, it's based on the persons who are involved in the bids that you receive. So it's not necessarily discounted.
- 3:15:31 I mean, I don't know how it happened that way, but that's how I understand actions to be. And have you received any communication from the Office of Veteran Affairs regarding any payment that they may be owed for the auction of that one medallion in fiscal year 2025? No, I have not. And that's the problem. We're not communicating. They should communicate to you. If there was an auction, they should ask you were there any auctions and for you to be able to pay them.
- 3:16:04 Because you may have, because you're new. you may be thinking that it was paid so that's something that so just have a communication now that you're aware have a communication with the office and veterans affairs. I want to ask you are there any annual leave sick leave or accrued annual leave that is owed to any of your employees who have parted from the Commission? No, in fact they saw one disbursement director that one disbursement of eight hundred and eighty two dollars but no other accrued annual leave. In fact they left with no leave balance. Okay, no one is owed any money for separating from the Commission. Annual leave balances no, not to your knowledge, no, not that I'm aware of, not from what I've reviewed. No, okay. Good. Um, I also wanted to um ask you uh relative to time your time Mr. Chairman, I'll just wrap up. Um, I wanted to ask you about the vehicles now I saw you had a hundred and twenty thousand that you're projecting for your vehicle purchases. Are you looking at hiring uh purchasing new vehicles or that is anticipation of bringing on some of the law enforcement inspector position? Correct. Okay, all right. Okay, thank you Mr. Chairman. I don't have any further questions. Thank you so much. Thank you very much, Senator Carla Joseph. Next, Senator Viola, you recognize your two minutes. Thank you Mr. Chair. If my recollection serves me right, I think when offered the veteran affair was before as they said that they received zero dollars in reference to
- 3:17:58 medallion seals for the last. Um, I can't remember the exact amount of years and there was more two or more years so we could check back the testimony. I was just trying to check it in reference to vehicles. Um, how many vehicles do you presently have? Four. Senator, four vehicles and how many employees? Three. Two employees and myself, so three. We have three staff members so the next vehicle is where at property and procurement. I'm not understanding your question. Where is the next vehicle? You have four vehicles. You have four vehicles and three employees. Yeah, yes, where property where's the next vehicle? Those are at Property and Procurement.
- 3:18:55 Okay. All of your employees have a vehicle? No, I have a vehicle. And the other vehicles would have been, those are two 2020, those would have been vehicles assigned to law enforcement. So where are those other vehicles at PMP? Yes, Senator. To your knowledge are they being utilized by PMP? No, those vehicles are parked. How long have they been parked? 30 seconds since from the retirement of the officers so two may have been about three years now and one about six months. Okay, let's look at the chair. I purchased batteries and tires before for next government entity. I don't know if they're going to be coming to you again Mr. Chair. Um, do you have authorization from OMB to pay prior year obligations? Are they

going to submit some type of legislation i heard you said that you have prayer your obligation how are you going to take care of that without authorization from this body I didn't make that statement but the prior I would need authorization for the prior year obligation I think it has been explained that there have been some prior year obligations that we are researching and investigating and we would need authorization

3:20:46 for that okay thank you and how much how many individuals have you selected thus far for positions that you're waiting for the nova to be processed we are at the phase of approved personnel requisitions that have been forwarded to the department of personnel for further review and then advertisement so four positions we haven't um selected any persons because we would have to go through the proper vetting process which includes the gvi vetting agencies and then we're able to finally advertise and then hire and keep in mind that we are also in line and it's been explain to me that while we are under review there are quite a few other agencies that are also being reviewed for the same advertisement process and we want to follow the proper protocols of the government because these initial positions are classified.

3:21:55 Okay so you have just described that there is no urgency to get these positions on board. Thank you so much Mr. Chair. Thank you very much, Senator Viola. There is definitely urgency to get these positions fulfilled and although we have to follow the same process as every other government agency, we have had discussions with VIPD and other agencies to let it be known that we want to be prioritized if anyone is available and willing and able to assist our agency, that we have these positions that are going to be posted and they're going to be prioritized thank you miss Smith in regards to funding outside of your budget allotments from our 8907 have you received any ARPA any OIA which is office of insular affairs any additional funding that have come your way no senator all right tell me the list of at least three items that you intend to undertake for the remainder of this fiscal year the three priority items that you wish to undertake staffing Modernized, computer modernization and enhancement, digitization, and enforcement.

3:23:27 And enforcement you speak of is also staffing, staffing issue that's tied into staffing? That's tied into staffing as well. Okay. any particular directive that I've been given, Madam Board Chair, to the executive director in terms of actionable items to be undertaken for the remainder of this fiscal year from the board? Absolutely, and those are the three target areas that the board has set off for the executive director to make sure that we reach those goals, and we're well on our way to meet those target areas.

3:24:08 Which is the staffing, the computer modernization, as well as enforcement. Yes. And website upgrade as well. Absolutely. We see our website coming on board soon, just because this has been in the pipeline even before Ms. Smith came into her position. And so the board actively worked hand in hand. Also, we've agreed with Government House to prioritize these target areas. so we're not just willy-nilly going about it, but Government House has put these agencies on notice that this is time-sensitive.

3:24:42 Very well, I'll give you 30 seconds to wrap up at this time. Ms. Smith, I know. You say 30 seconds? We just would like to thank you for your time, Senator. An infusion of funding would greatly assist the Taxicab Commission in being where we need to be in terms of a revenue generating agency. Staffing is critical for that support. We know that historically we have been funded at approximately \$1 million. We found that we were basically defunded two years ago. Not sure what transpired there, but we do need an infusion of funds to bring our revenue generations up to par. We need staffing right now. We're definitely inundated and overworked.

3:25:55 we do need an infusion of cash to support us with resources okay closing um madam chair i definitely want to thank you all for the invitation to put our our plea out there i think that all of us collectively want to see the taxi commission continue to exist and just be great because it's a reflection of our territory and our competitiveness even in producing a good tourism product but even more than that producing a great product for the people of the Virgin Islands I think that we've done a yeoman's job in six months we've been able to turn around things that we haven't seen in over a decade and of course where our ask is not that we have to continue to come with our hands out to the legislature but we do need support to turn this thing around and I I think that the two years of the funding, more or less, the Taxi Commission shows our ability to still produce with the lack of access to funding. We've been able to do great things in the last six months. And I am hopeful that the legislature sees the need to support the Taxi Commission, because it's not about myself or Miss Smith. It's about the taxi operators, the hardworking men women of the territory who go out every day and represent us and so we're asking that you give the confidence in the people of the virgin islands give us the access to do what we do best and produce the best product in our region thank you so much uh thank you very much i think um along that line as well is that we have to at least show um from your perspective as well that we're carrying out you know because some of these within your hands um you do have the funding to make these things happen the hiring of law enforcement officers to ensure that we minimize the gypsy taxi cabs and all these individuals that's not paying any revenues uh to the coffers of the government of the versions in fact that we need to address that also in the veterans affairs testimony they spoke about the fact that they have not received any funding which is they're required to get 20 percent of the annual veterans

taxi medallion action and they have not seen that since 2021 2022 2023 or 2024 um so that is a conversation that needs to be had and in fact we want to make sure that our veterans are made whole you can appreciate that and make sure that um you know we are able to take care of veterans and whatever is

3:28:37 owed to them on that well we're definitely going to look into that as um senator joseph said earlier we were unaware of that and um we also need to investigate how the process works because you know oftentimes your monies may be um put into the general fund and then of course it's out of our hands as far as distribution is concerned but we will look into that very well thank you the committee of budget appropriation of finance stands at recess for five minutes when we return we have the uh we have waiko uh be before us committee stands and recess for five minutes Thank you. Thank you. Thank you. ¶¶ so Thank you.

3:33:06 so so so Thank you.

3:35:06 Thank you. Thank you. Oh Thank you. Thank you. Thank you. I love you. Thank you.

3:39:06 The committee of budget appropriations on finance is back in record and out of recess. At this time, Madam Clerk, please call up the item in block number four, the final item. Block 4, West Indian Company Limited, invited testifier, Charlene Turnbull, Interim Chief Executive Officer. This ends the reading of today's agenda, Mr. Chair.

3:39:48 Thank you very much, Madam Clerk. We do have Interim CEO Charlene Turnbull, congratulations, baptism by fire, welcome. At this time, we'll go to the testifiers table for introduction. Is there anyone on virtual? No. Okay, you may proceed with introductions. Just intro for now. Charlene Turnbull, Interim CEO, West Indian Company Limited. Mark Sabino, Marine Director, West Indian Company.

3:40:24 Hugo Hodge, Jr., Chairman of the Finance Committee for the WICO Board. Good afternoon all, welcome. You may proceed with your testimony at this time. Good afternoon, Senator Novel E. Francis Jr., Chairman of the Committee on Budget Appropriations and Finance of the 36th Legislature, Senator Marvin Blyden, Vice Chair, other committee members, other senators present, other members of the viewing and listening public. I am Charlene Turnbull, Interim CEO of the West Indian Company Limited. With me this afternoon is Mr. Mark Sabino, Director of Marine Operations and Cruise Services, and Mr. Hugo Hodge Jr., Finance Chairman of the Board of Directors of WICO. Thank you for the invitation to provide testimony to this committee.

3:41:22 My testimony gives a financial overview of WICO, both currently and historically, highlighting fiscal year 26 projections and operating and capital budgets, in addition to data analysis of cruise performance regionally and territorially, both at a macro and micro level. This testimony puts in context, briefly, Waiko's 113-year journey to where we are today. Our history. The West Indian Company Limited was chartered in 1912 by the Danish government to aid in the economic development of the Danish West Indies. In 1917, the United States government purchased the Danish West Indies and the only properties not included in the transfer were Wyco properties. Wyco properties at that time included the Havenside Shopping Mall, Yachthaven Grand, Estate Katringberg, which is the governor's mansion, and Estate Thomas or Liverpool. The company remained a Danish company until 1993, when the government of the U.S. Virgin Islands via the Virgin Islands Public Finance Authority purchased WICOM.

3:42:34 WICOM's initial responsibilities included maintaining and dredging the Charlotte-O-Mali Harbor, constructing a dock, introducing electricity to downtown Charlotte-O-Mali, building cottages on St. John, and initiating ferry service between St. Thomas and St. John. It is not until the 1960s that Waiko moved its focus over to the cruise industry and is now considered a premier cruise ship destination and docking facility.

3:43:06 Who we are? Waiko is one of three Burton facilities in the U.S. Virgin Islands. The three Burton facilities are the West Indian Company Dock, the Austin Bay Monsanto facility in Crown Bay St. Thomas and the Anne Abramson Pier in Frederickstead St. Croix. The Austin Babe-Monsanto facility and the Anne Abramson Pier are under the jurisdiction of the Virgin Islands Port Authority, and WICO is a subsidiary or component of the Virgin Islands Public Finance Authority. WICO owns revenue primarily from two sources, cruise passenger, Wofford fees, and other marine revenue which make up approximately 85% of Waiko's total revenue and rental of warehouses and land which accounts for 10%. As the territory's premier cruise ship docking facility, Waiko is a key contributor to the U.S. Virgin Islands economy. Waiko has historically hosted on average 60% of the total USVI passengers. Fiscal year 25, third quarter cruise statistics obtained from the virgin islands bureau of economic research show the usbi hosting one million 350 436 passengers and board 484 excuse me 484 cruise ships on power with historic trends waiko hosted 811 000 passengers or 60 percent of the territory's passengers Although of the 484 USVI berths reported, Waiko hosted 246 ships, or 51% of the territory's calls. Although Waiko continues to lead the territory in cruise traffic, it is not without the handicap of limited berthing capacity due to the increased size of the ships and debt restrictions along the inner bird of the pair industry trends and data as a territory the USVI cruise ship industry has not returned to the area of hosting over 1.9 to 2.1 million passengers

as it did annually during the cruise years of 2013 to 2016 and Waiko has yet to return to hosting 1.3 million passengers on average for same years in fact waiko has yet to reach numbers comparable to its banner season of 2004-2005 which saw 1.7 million passengers as previously mentioned the reduced capacity of a docking facility and the decline in cruise traffic is partly due to the growing size of the ships and increased competition from other islands hurricanes and covet 19 pandemic years waiko has been through some trying times with severe losses in cruise traffic because of hurricanes irma and maria as the company i was still recovering from the economic impact of hurricanes irma and maria on cruise traffic passenger traffic then comes another hurdle the COVID-19 pandemic. The pandemic years of 2020 to 2022 resulted in restrictions on cruise traffic and an 18-month pause in cruise activity at Waiko. In fact, if we look at the aggregate passenger revenue loss for hurricanes

3:46:50 Irma and Maria and COVID combined is an estimated 20 million dollars. The company went from averaging 1.3 million visits in years 2013 to 2016 to 875 000 visits in 2018 to 2019 then to 337 average passengers during 2020 to 2022 with 2021 having just two calls it is in fiscal years 2023 and 2024 that waiko's passenger numbers started trending upward in a meaningful way to approximately 825 000 and 989 000 respectively but still below historic levels waico is projecting 954 000 passengers for fiscal year 2025 a decrease of 45 000 or four percent when compared to 2024. the reduction was primarily due to the loss of a few ships calls due to maintenance however fiscal year 2026 shows a major improvement in passenger visits as current projections show a 20 percent increase to total anticipated passengers of 1.1 to 1.2 million what does this all mean it has been an uphill battle for cruise tourism in the territory and at waiko again i would like to reiterate we have yet to return to the level of cruise activity once experienced in the territory hurricanes or maria and the covet 19 pandemic restrictions resulted in millions of dollars

3:48:36 in annual revenue loss some of the cruise traffic has been rerouted to other islands and the cruise lines are investing in private island developments in mexico the muhammas and other places our caribbean neighbors are expanding with new facilities and enhancing their port infrastructures and the cruise lines are creating a curated cruise product with the onset of private island investments that allows the lines full control of the destination and the profits with these emerging threats on the horizon we must pivot and pivot fast Inaction or slow action is costly and will cost us eventually.

3:49:21 We must draw our immediate attention to investing in and improving our facilities and docking infrastructure as well as continued improvements to our excursions and our overall tourism product. Without careful and deliberate attention, the gap between those that are ahead of us will widen and the gap between those that are behind us will eventually shrink. We cannot afford to be comfortable and not continue to improve. We must remain on the cutting edge of our competitors. Here is where we are and what we have accomplished.

3:50:02 One, the Caribbean Journal and Porthole Magazines voted for St. Thomas as the best cruise destination in the eastern caribbean two the usvi is ranked number two in total cruise passenger visits three the usvi is second in highest average passenger spend of 166 dollars per passenger behind panama with 191 and slightly ahead of saint martin when an average spend of 163 And concurrently, for total Caribbean cruise tourism expenditure, the USVI ranks number three in total passenger spend of \$258 million, behind the Bahamas with \$655 million, and Cozumel with \$483 million annually. And five, the USVI is ranked number four in total tourism employment in the Caribbean behind the Bahamas, Dominican Republic, and St. Martin. Looking at these accomplishments, I would like to extend my sincere congratulations to Team Waiko, as well as Team USVI. Tourism truly is a collective effort. The taxi drivers, tour companies, shop attendants, ferry operators, excursion operators, and the overall warmth of the people of the Virgin Islands are all contributors to these accomplishments.

3:51:28 And I would be remiss if I omit to congratulate the Office of the Governor, the Senate, the Department of Tourism, and the Virgin Islands Port Authority for their contributions. Waiko is still a premier docking facility and highly regarded in the cruise industry. The U.S. Virgin Islands is still a premier tourist destination with breathtaking harbor views and world-cast beaches. There are very few places that boast the amazing wonder of our beautiful Shaltamali Harbour. We are truly blessed. We are little but we pack a big punch. Next step, Waiko's fiscal year 26 financial goals. The bottom line. Increasing the bottom line is always top priority as we look at our annual budget. As cruise passenger book calls usually start 18 to 20 months in advance, we usually have a fairly good idea of what our projected revenues would be for the upcoming years. In fact, at this point, fiscal year 2027 has well over 300 cars booked. This is in line with market trends as the Caribbean cruise market is continuing to grow rapidly. The fiscal year 27 numbers are expected to remain on the upward trajectory, barring unforeseen cancellations due to economic and unnatural phenomena beyond our control.

3:53:00 Our projections for fiscal year 2026 shows a 29% increase in calls from 281 to 362 ship calls as well as a 20% increase in passengers from 954,000 to 1.2 million as previously stated. This translates to passenger revenues of approximately \$9.6 million, an increase of \$1.6 million from the previous year. Simultaneously, WICO continues to manage costs with fiscal

year 26 showing a small overall increase in costs of 2% or just under \$110,000. WICO's WICO's three highest-cost drivers are personnel and insurance costs and debt service. Personnel costs, WICO has 33 employees with four vacant positions. WICO intends to fill these positions in fiscal year 2026. Anticipated personnel and fringe costs are expected to increase by approximately 8% or around \$220,000. Insurance costs. Insurance costs are primarily driven by property insurance, which makes up 80% of total insurance costs. WICO anticipates a decrease of 7% for fiscal year 26, which should offset increasing costs in other areas. Debt service. Debt service remains around \$3.3 million annually. And operating process and net income are expected, anticipated for fiscal year 2026 to be including depreciation around a net loss of \$113,000. Fiscal year 26 goals. WICO is committed to maintaining and improving its docking facility, which includes the upcoming water pipeline project. This project would allow Waiko to provide water to the ships at all bunkers along the full length of the dock. The company is also exploring ideas to increase berthing capacity as well as pursuing new business by capitalizing on opportunities for new itineraries. As part of this pursuit for future growth, we are actively pursuing foreign markets or international ships as well as boutique ships to increase berths on off-peak days. Commission agreements are set to expire shortly and renegotiations are ongoing. We anticipate full occupancy of rental spaces by the beginning of fiscal year 26 and we are pursuing other leads to diversify our revenue streams. We intend to continue working with the Senate on a resolution to the pilot conundrum which includes commencing Katrinburg repairs. The pilot resolution will take a concerted effort by all stakeholders in hopes that its suitable resolution will be realized sooner than later to this growing problem.

3:56:03 We intend to develop the seven-acre Liverpool property, a long-overdue underutilized asset. This property has a beautiful view of the Fshalta Mali Harbor and is near the Waiko dock. There is a wide array of potential development projects in view and talks with potential investors are positive and ongoing. Team Wyco is extremely optimistic about the upcoming fiscal year and is looking forward to future growth in years to come. We are aware that tough decisions are to be made now if we are to create the future we desire. Our success is not in isolation. We look forward to collaborative efforts with the private and public sectors. Together we can.

3:56:55 Together we will. This concludes my testimony and my team and I am available for any questions you may have. Thank you very much, Interim CEO Turnbull, for your testimony. And I like this pilot conundrum. Tell me about that conundrum that you're making reference to. Well, we have a growing liability that's been extending for many, many years. And historically, we were in a position to pay the pilot when it was won a million dollars. Why? Because as I was stating in my testimony, we had a number of passengers coming to Waikou that allowed us to earn the revenue to be able to pay that tax liability. But as the numbers reduced and traffic went down to Crown Bay, as well as competition from our Caribbean neighbors, as well as ships growing in size and reduced capacity due to the ship sizes getting larger.

3:58:13 You know, it creates a scenario where your revenues cannot cover the pilot liability. And of course, there was some concession made by the Senate then to reduce from the million dollars to \$700,000. What are we down to now? So it's \$700,000. We still have \$700,000. Yes. Okay. And I know that we've been back and forth discussing the possibility of how we could work that out. And, of course, those talks will continue, but we'll take that up at a later time. Have you received any central government funding at all in FY 2025? No, Senator.

3:58:53 Nothing. and you spoke about the fact that you have seen where the numbers are starting to trend upwards now and you're seeing an increase in passengers have there been any increase in fees passenger fee had passenger fees or anything of recent yes sir how much is that how much has it been increased by 44 cents. What is the current? \$8.24 for the tariff sir. \$8.24 I know that there have been some discussion in regards to the dredging that needs to occur there again to to be a little bit more attractive in terms of the larger cruise ship as they are being designed and built out now. Where are we with that?

3:59:52 I'm sorry, can you repeat the question? The dredging that is supposed to be done. I know that there have been some conversation back and forth about that. What is the latest update in respect to the dredging? Well, as far as I know, there haven't been any movement. But as you know, Port Authority is taking lead on the dredging project. All right. And have you had any recent discussion with Port Authority in respect to that since assuming this position? No, I have not.

4:00:24 Mr. Sabino, have you had any discussion in respect to that? Mark Sabino, Director of Marine Cruise Services, West Union Company. I have not had any direct discussion with the Port Authority on that, but the previous CEO did reach out to them before he left at his level, And they discussed, the response was they had to go back to the Army Corps of Engineers because the restrictions that were on the first permit were too severe for bidders to be able to bid on it. So the latest that I have seen was, I think it was three weeks ago or a month ago, where the contract was awarded to a local construction company to demolish Cancrain School which is where the spoils are supposed to go but as for the initial dredging itself we have no update on that that is you know as you know the Western Union come I mean the personal support authority they have charge over the channel and the harbor so it's all in their hands okay very well thank you we'll

certainly try to get an update on what's happening there can you uh discuss briefly what's what's the the um the discussion or the proposal for the use of that seven acre liverpool um orient me to exactly where this is located one and then um you know what is what is the discussion being had a respect to it okay so the seven the seven acres are located behind the butterfly garden all the way up to the road heading towards the frenchman's reef as far as discussions you know it's ongoing it's in negotiation we're looking at different

- 4:02:26 renderings and deciding which is best suited for that particular property Any idea in terms of what you intend to do, whether it's going to be condominium, office space, warehouses, anything that, any sneak preview in terms of what is it that you're trying to accomplish there without divulging any privileged information? Right. So we have looked at vacation rentals and things of that nature. But we're also considering develop the property in such a way that we'd enhance the haven site footprint. So we're basically weighing both options and seeing which is best in the long run.
- 4:03:08 Okay, very well. At this time, I'll open up the floor to a discussion. We didn't talk too much about finances. You're saying that you continue to operate at an annual revenue loss as it stands right now? Correct. how significant is the loss revenue loss that you're seeing projections for 26 is a negative 113 000 113 000 for 26 for 26 and 25 any anything coming in for 25 thus far um it should be somewhere around that for 25 as well yes what is your revenues for no i apologize let me let me clear up the record here for 26 for 2025 we're operating at um 829 000 loss 829 000 right correct um what is your current revenues My current revenues, are you talking about for fiscal year 2025? Yes, ma'am. Your current.
- 4:04:22 Okay. The current revenues to present is 1.96 million. No, I'm sorry. I'm looking at the wrong thing. Sorry. So sorry. I'm looking at the wrong information. Current revenues... Thank you. fiscal year or a calendar year yes we do we operate on a fiscal year similar to central government October right okay it was supposed to revenues before I move on to my colleagues the revenues are approximately 9 million you're about and that's as of when And while you're looking for that, if you could give me the expenditures to date as AS WELL, AROUND THE SAME TIME PERIOD.
- 4:06:01 FINANCIAL, YOU HAVE THE NUMBERS? Hugo Hodge, finance chair, Weico board. The total revenues for fiscal 25 are on 9.6, 9.7 million.
- 4:06:44 9.7 million. And your expenditures? Expenditures are approximately 9.8 9.8 hence the 829 okay okay very well uh senator the graph you recognize for your five minutes Thank you, Mr. Jay. Good afternoon, colleague. Good afternoon, Tessa Fires, all of you listening and present. Okay, something seems a little off to me. How many employees do you have? We have 33 employees. Okay, the postcard report has you for 36 positions. So it's 33 employees and what, three vacancies? Okay, so four vacancies. We lost one employee, so there are four vacancies.
- 4:07:46 Oh, okay, so you lost an employee, okay. Right. How many employees under \$35,000? God, probably about three or four. Okay, three or four? Yeah, about three. Okay, do you have a cost at what it would be to bring them up to \$35,000? Well, that would be three. They probably, let me put it on the record, they probably are at 35,000 with overtime.
- 4:08:25 32 is the base salary. No base, right, so all those base that are under 35,000, to bring them up to 35,000, what would it cost? Do you have that cost? Well, it would be 3,000 times 12,000. Plus, no, you tell me, I don't know. So I guess your question is, how much would it cost? The base salary is \$32,000. There are about three or four employees. So we'll go with four, conservatively. How much would it cost to bring them up to \$35,000? So the difference is \$3,000. Let's say times four, \$12,000. And then fringe, of course, of your 7.6 million. What I'll do, I'll make it a little.
- 4:09:08 You could just, through the chair, you could get that information to the chair. OK. So you could get that straightened out and cost. Okay, how many, out of the four vacancies, any of those vacancies under 35,000? No. No, okay, good. How many was paid, how much, how many, how much was paid to the pilot in 25? Toward the pilot in 25, this budget? Zero dollars. Zero, okay.
- 4:09:35 Did anyone receive wage increases in 25? No, sir. No. Okay, so, Okay, the post audit report on page, do you have a copy of the post audit report? Yes, sir. Okay, look at page three. The FY26 recommendation. The FY25 revised budget. The revised budget for FY25, 1 million 961 669 36. The FY26 recommendation for personnel, again, \$2,549,589.19.
- 4:10:27 That's a difference between the personnel and fringe. You're talking \$709,000. So you're giving wage increases in 26? You intend to do that? Yes, we do. But it's four vacancies. so no no no we we talking something else we talking now based on page three your personnel and your fringe right the personnel fringe the difference the variance for personnel in the 26 budget is 587 919 and fringe is 188 539 came the the total came to 770 000 plus right so you see a given wage increases in 79 so first of all i mean in in 26. the fiscal year 2025 revised budget is represents 10 months of data and the fiscal year 2026 recommendation represents the entire fiscal year no i i got you an order i i'm just saying so you're giving wage increases in 20. in other words your testimony on page six said.

- 4:11:38 Right. Wyco has 33 employees with four vacant positions. Wyco intends to fill these positions in FY26. Anticipated personnel and fringe costs are expected to increase by approximately 8% or around \$220,000. So increasing 8%. If I may. If she would allow you, it's up to you. You tell me. If I may.
- 4:12:07 Sure. We have vacancies as well as we're in the middle of a collective bargaining agreement negotiations. So there are some projections to cover what may take place. 30 seconds. That's perfect. That's what I want to hear. I want to hear about your personnel that have been taken care of, not that we're just going to get all the raises for the top and then the wage increases don't get to the bottom. So he just answered the question. So in Budget 101, personnel first, okay? Always, remember that. Yes, Senator. Okay, so now could I just have, in closing out, your... Is retro owed to anyone for anything?
- 4:12:48 No, sir. No, no, wait, okay. Time. And just in closing, Mr. Chair, can I have your actuals of expenditures to date or the latest you have for personnel, fringe, supplies, other services and charges? capitalically, and utilities? \$5.3 million. No, that's the overall total, but I'd just like to get a breakdown. How much, how much you spent to date for personnel? How much for fringe, you know, if that breakdown, if you have it? I have it. Okay, personnel?
- 4:13:20 \$1,961,669. Okay, so those are what the figures that the post audit has? Correct. And they are of what date? July 31st. Okay, so you don't have anything recent to that? More recent than July 31st? No, sir. Okay, so they are already listed. Okay, now in closing, how much do you pay on average for utilities, on a monthly basis for utilities, and then the aggregate for the year thus far?
- 4:13:58 So the aggregate for the year thus far is \$236,945.63. And I believe we pay around \$35,000, if I'm not mistaken. Okay, around \$35,000 a month. Okay, thank you for the time, Mr. Chair. Thank you very much, Senator de Graff. Madam CEO, there's a wealth of information that's lacking in our post audit report. Obviously, I think that they've been trying to get some additional information from you and have not received that information.
- 4:14:34 We still need to get that information so we could update the post audit report so that my colleagues and I could be able to make informed decisions on these things. When was the last time you paid the pilot? 2019? 2019. Senator Hiba-Frederick, you're recognized for your five minutes. Thank you very much, Mr. Chair, a pleasant good afternoon now, listening, viewing audience, testifiers, my colleagues. I want to welcome you, Acton CEO Turnbull, how are you doing?
- 4:15:20 I'm well, thank you, Senator. Congratulations in your placement. I'm glad to see that, you know, Wyco is trying. Wyco is trying. Question, can you list for me the names of your board members, the active board members? Okay. Jason Charles, Chairman, Rick Carrington, Vice Chair, Hugo Hodge, Finance Committee Chair, Vincent Richards, Chairman of the Development Committee, Prash Daswani, and um roosevelt david secretary thank you very much um i was struggling with your presentation it was good um very formal in terms of the history and some general operations but no details on on the numbers and this is a finance hearing so it's difficult for us to ascertain the performance of waiko for example i don't even know what your net operating revenues were there's nowhere that it's listed um that's something that should have been something that's basic and and shared um and then when we look at your salary listing there's no no amounts listed totally none we have position titles but no salary amount so you know you mentioned to my colleague from savannah that there were some salary increases but uh what's the numerical value we can't tell it it doesn't show up here it let me ask a simple question though is waiko considered a private private company or a private
- 4:17:22 entity owned by the Virgin Islands government what is your depiction of what WICO is to the Virgin Islands government? Senator good afternoon Hugo Hodge finance chair that is a highly debated and one that's been through some legal recourse so I don't think it's appropriate to to jump into that here at this forum right now. Okay.
- 4:18:00 It's very difficult for me to do an assessment on the financial performance with so many omitted, as the chair stated, omitted facts that we should be reviewing. That's not provided to us. And I assume it's intentional because this should be information that the public should know, general information, and we don't even have that. Is this something that was discussed before you guys decided to come here? If I may, Senator, there was a list of requested data provided by legislature for the entity white coat before coming to the hearing inclusive of financials and whatnot that were provided so the assumption is that they were shared with all of the senators but especially those in the committee if not all in the entire body so the the testimony is is done with the with the assumption that that data that was provided was shared with all the information that i have in front of me is from our post auditor and i could tell you so far every entity that's before us it's been very detailed as to the information we need to make our assessment and this one has been very lacking unfortunately so that's why i'm asking was this this discussed before to present it this way or it just happened to be as vague as it is this time we received a package and we gave the information that the package required we do this every year this is

- 4:19:59 not new we all know what we're supposed to do but and if you're if you're not sure you could easily ask the post auditor or the chair for specific information because I don't want my constituents to think that I didn't take this seriously enough to ask you questions about your operations but I can't because I don't see any numbers here that's worth really diving into it's so vague that's the only reason I'm expressing myself this way to you but But nonetheless, thank you very much for the time, Mr. Chair, and hopefully we can get some more information in the future. Thank you.
- 4:20:44 Thank you very much, Senator Frederick, and again, as indicated before, there is a wealth of information that's missing from this. The information that the Chair of Finance alluded to would have been submitted to our our post audit division for preparation of a post audit report that is circulated to all of the senators and from that is where we're taking a position that a lot of information is missing or lacking from that. Okay?
- 4:21:15 I'm sure that I saw that the post audit had a discussion with you, you know, earlier and it's in reference to the lack of information that's on the post audit report as it stands right now. What is the, do you have in aggregate the per diem that has been paid to board members? What is that amount in aggregate? I don't have that information at this time.
- 4:21:44 You don't know what's being paid to the board members in per diem? Yes, I know what the per diem is. You said in aggregate. How much have WICO paid out to the board members per diem? You don't have that number. Is that your testimony? I don't have the information at this point.
- 4:22:24 I'm really challenged by continuing this discussion this afternoon. I mean, we don't have much to go on, and again, the post-salary report lacks information that we're asking for. You don't have the information, so I'm not sure what we're going to be able to gather here today. Senator Fonseca, you recognize for your five minutes. Thank you, thank you, Mr. Chair, and a special welcome to Charlene Turnbull and Mark Sabino and Hugo Hodge, Jr. You know, that's interesting, you know, WICO, you're giving us the least amount of information here, and it's public knowledge that your board is highly compensated for the board meetings. I think it's about a little bit more than \$500 per meeting, could be errored on the low side. But anyway, let me get into the questions because, you know, transparency is very important because you're owing the government, you're saying about \$10 million in the pilot, but you don't want to give us the numbers. Okay, so let me ask you, you issued some port facilities revenue bonds 2022A and 2022B of about \$52.6 million? correct what's what's the annual debt amortization on those what's the annual debt amortization how much you pay for them PFA issue them but I believe you are the one pay the debt amortization or PFA correct me if I'm wrong who pays for those bonds so we pay it's about 3.3 million 3.3 million okay
- 4:24:16 So the Havenside Mall, you didn't mention that. I assume that was an area that you basically lost some revenues. Is that so? So correction, Senator, we do not manage the Havenside Mall. No, I didn't say you manage the Havenside Mall. I said you lost revenues. You used to manage it and you used to make money. So you lost revenues. on that because you went all the way back to how you lost cruise passengers going way back i imagine haven site would have been one of them right correct about how much income you generated from when you were managing the haven site mall i was not with the company at that point so i can't put a particular number on the record okay um so the cruise passengers pay correct Correct me if I'm wrong, I'm going by these numbers. It's \$14.64 per passenger. Wico collects \$7.80 and the Port Authority gets \$6.84 plus a \$1 marine tax. Is that how it is?
- 4:25:19 But it's now \$8.24, but you're closed. Okay, Port Authority gets, who gets the \$8.24? Wico. So you've gone up from \$7.80 to \$8.24? Correct. So that means you're generating more money. What is it? Is it still \$14.64 or that went up? That went up. Okay, give me those numbers for my information. What is the cruise passenger tax now? So the cruise passenger or the tariff is \$16.08.
- 4:25:51 \$16.08. Right. Wyco gets? Wyco gets \$8.24. And Port Authority gets? \$7.84. \$7.84. Does Port Authority still get the \$1 marine tax? Yes, Senator. Okay. Okay, I want to ask you now, the dredging of the harbor, is that fully funded and that's all going to come through Port Authority and other means? No liability on WICO?
- 4:26:25 No liability on WICO, Senator. Okay, so what is the amount to dredge the harbor now? I don't know what their final amount was, but I know they got \$17 million from the PFA. But Mr. Mark Sabino is there. He might know. Do you know Mr. Mark Sabino? Mark Sabino, Director of Marine and Crew Services, West Union Company. As the interim CEO said, they received \$17 million from the PFA.
- 4:27:00 the remaining uh costs i believe the last thing i heard was somewhere up around 26 million total um so where the rest of that funding is going to come from i can't say at that time so right now as i mentioned earlier the only thing that i've seen in movement is the uh the demolition of the concrete school which was awarded to a local contractor, senator, for a little under \$2 million or something like that. But the lion's share of the cost of the dredging is yet to be, the source of that is yet to be revealed is where it's going to come from. That is all under port authority control. Okay, well, you know, Mr. Chairman, I wasn't aware that the cruise passenger fee had went from \$14.84 to \$16.08. How was that done? That was

done through legislation?

- 4:28:05 Well, if I may put this on the record, Weico passengers will pay \$3 for the Dredgen, but we're not paying it at this point in time. No, no, no, that's not my question. No, I'm going back to... No, no, no, this is my time. You can answer that on the chair's time. I want to know how it went from 1464 to 1608. Was that by legislation or was that Wyco Port Authority said that? How did that passenger fee, how did that change? So Wyco have agreements with the lines that allow for CPI increases every other year.
- 4:28:48 Okay. okay so basically you're collecting how much more mr chair can i just so how much more are you collecting based on what is it one i have to figure out the numbers um so what i'll do is um how much more did that 1464 to the 1608 increase your revenues do you have approximately it's you get about 900,000 passengers time a dollar something so it's about two million a little bit less than two million dollars it's not as straightforward as that it depends on the number of passengers you carry in any particular year I mean it does increase it per passenger but then we had a decrease in in passengers in 2025 yeah you see that's the thing about this testimony, it ain't much straightforward.
- 4:29:45 I'm not getting the clear answers, but thank you very much, Mr. Chair, for the time. If we're not gonna be able to get any response or accurate response from this, then we are exercising futility. Clearly, I don't wanna waste your time and I don't want you wasting my time. Either we're gonna agree. This committee stands at recess for three minutes. Thank you. Thank you.
- 4:31:41 Thank you. Thank you. Thank you.
- 4:33:11 Oh, my God. Thank you.
- 4:34:11 Thank you. Thank you.
- 4:35:11 We are out of recess and back on record. Senator Joseph, you're recognized for your five minutes. Thank you so much, Mr. Chairman. I appreciate the time. And of course, I want to say a pleasant good afternoon to the WICO representatives here. Interim Director, Ms. Charlene Turnbull. We are having a major challenge here with getting some of the questions answered.
- 4:35:42 I know it was stated that WICO, it's a question regarding that WICO is whether a public or private entity, based on my research, and what the court had ruled that yes, the Virgin Islands West Indies Company Corporation, WICO, is a public entity, specifically a public corporation and governmental instrumentality of the u.s virgin islands government there was a virgin islands supreme court ruling and then a third circuit u.s uh court ruling third circuit court of appeals ruling and that was made now if there's some other uh legal maneuvering documents or rulings I will be very much interested in knowing about it and so would other persons be interested in knowing about it but as far as I have researched that's what I came up with now I wanted to ask about insurance cost you mentioned on page six of your testimony Miss Turnbull that there was some insurance cost how much are you projecting for your insurance property insurance for this year Oh media could you please turn on miss Turnbull's mic how much is it repeat again mr. humble For 2026, Senator?
- 4:37:24 Yes. Yes, Ms. Turnbull. \$1.4 million. \$1.4 million, okay. And is this an ink? You said it was going to be a decrease. Correct. And the decrease I'm suspecting is because you no longer manage the mall and you don't have that under your inventory? No, Senator. is causing the decrease? Well in the past we put insurance out for bid and so we are getting more competitive premiums. Okay good and that's a good thing with the bidding process that you're getting low amount. Now I know about this debt service. You have a debt service that remains at 3.3 million based on on what you're stating, and you pay that out annually.
- 4:38:21 To which entity? UMB. There was one point in time, if I recall, there was negotiations or discussion to have debt service or maybe consolidated with Banco Popular or the like. So we had a bond refinance. Originally we had loans with Banco Popular. We refinanced them through bonds. Through bonds, and how much did you refinance? What was that amount?
- 4:39:00 The refinance amount, I don't have the exact figure for the refinance amount from Banco Popular. Okay, so you don't have that exact figure with you? The refinanced amount? Okay, so the refinance amount, We included some capital outlay, as well as reserves. Okay. And what was the total aggregate? The total was 52.6 million. Okay, 52.6 million in refinance.
- 4:39:32 And this, what is the repayment of it? How often do you repay and what is the amount you repay with this, this refinancing? So we pay monthly to the trustee. Okay. We pay about 200 and... I'm sorry, I lost my train. We pay monthly to the trustee. One minute. Sorry.
- 4:40:07 Okay, you pay monthly to the trustee. Do you have the amount you pay monthly to the trustee? Yeah, I do. I'm so sorry. Okay. While you're looking at that, do you have the number, the figure? Yes, \$278,000. \$278,000. Correct. Now, when does this note mature? How long is the period? 2052. 2052. 30 seconds.

4:40:38 And you entered it in what year? 2022. Okay. Okay. Now let's just talk a little bit about this pilot that you have going on that you said in your testimony is a conundrum. A pilot conundrum. Conundrum. Okay, so this pilot conundrum, how much is it that you're owing us? Time. Mr. Chairman, I'll just wrap up on that. How much is that that you owe us?

4:41:18 2025, I believe it is, about \$11 million. \$11 million. Okay. Okay. Mr. Chairman, I don't have any further questions. Thank you so much for the time. Thank you very much, Senator Collier-Joseph. Senator Viale, you're recognized for your five minutes. Thank you, Mr. Chair. And at the beginning of the testimony, you heard that the word used a pilot conundrum and the need to negotiate with this body in reference to the repayment of those monies.

4:42:03 And then you come and you testify, you provide no information. So how can you even think about negotiating what is owed when you literally refuse to provide this body with information? In reference to the personal services, did you receive a request and post audit to provide the salaries of your employees? Yes, Senator. Why did you not? My understanding is we're a private company and the certain information is private.

4:42:39 And who advised you that? Counsel? Legal counsel? Council? Who advise you not to provide us with the information? Legal Council? No. They're both here? No.

4:43:07 Who advise you not to provide us with the lease amount and the number of tenants you have here? I know you have more tenants than what you have on this list. Who advise you to not provide us with the cost of those lease agreements? I mean that you're not going to provide that information? The chair has options, I know the chair, and I'm sure he's going to exercise his options. He can request that you guys come back before this body with all the important information swear you in for your testimony what is the amount of per diem per meeting you know what's the amount that each member receive each meeting you go to how much monies are you supposed to get it's 1500 per member 1500 per member do you have a meeting every month no have you in every month this year no how many meetings have you had three or four is there anything that you guys remember like in detail that that's precise as to you're an entity that that has governance over our premier beautiful cruise report but somehow you don't remember any details now in reference to the budget I'm looking at page three of

4:45:09 the testimony and it's saying that your FY 2024 actuals or six million six hundred 660,000, is that true? Page three of? The post audit report. Okay. Fiscal year 2024 actuals number that you provided to the post auditor, actuals, general fund, and I don't know why they put in general, well, it shouldn't be general fund monies you generate but six million six hundred and sixty thousand was that your budget for 2024 for 2024 my budget was six million six point seven million six million what is your proposed budget for 2026 um six million six hundred and seventy eight okay when the chair asked your question earlier you said that your revenues were 9.6 million and your expenditures were 9.8 million what's the disconnect between that 9.6 in revenue and your budget recommendation of 6.6 okay did you say that your revenues are 9.6 million Mr. Chair, can you intervene one second to refresh my mind if I, because I know you usually write that stuff. The revenues the finance chair indicated that the revenues is \$9.7 million and the expenditures

4:47:00 were \$9.8 million. Okay. So if one was 9.7, how is it that your budget is saying 6.6, which is \$3 million less? Are we missing? Is a debt service missing or something missing? What's missing? Debt service. So you don't include debt service in your budget? I answered based on the statements that I received. asked particular for particular items i provided what they asked so there's an additional 3.1 million for debt service in this amount no sir 3 million 337 3337 yeah that comes up to i guess like 9.9 So how did you get an \$800,000 loss? You said your loss was \$809,000.

4:48:07 So when you add on your service to the \$6.68 and you said that your revenues were \$9.6, to lose \$800,000, your expenditures would have had to be \$8.4, sorry, \$10.4 million. Okay. So you're referring to fiscal year 2025 or fiscal year 2026? either or okay because it's a say in 2025 you said you lose 800,000 okay so what is your expected okay expenditures with the debt service for this year what do you expect to spend with that service personnel etc what is the total so the total is excluding depreciation 10.3 almost 10.4 million so there's 9.6 in revenues of which 7.9 or 8 million is passenger fees and other expenses variable and fixed are approximately six million dollars interest expenses three million three hundred and thirty seven dollars and seven three hundred and thirty seven thousand three million three hundred and thirty seven thousand seven hundred and thirteen dollars and of course we have the pilot which is seven hundred thousand and that's excluding depreciation okay we're going to need a real breakdown of all of those numbers so that we can have it in front of us and examine those numbers and whoever told you to come before the legislature and not provide any information that was really bad advice because you can't want to come and say you have a pilot conundrum and then you come here and you act like everything is secretive we need to know the salaries that you pay in we need to know the increases that are being given we need to know the per diem that the aggregate costs and you need to provide us with that information thank you so much mr

- 4:50:10 Chair. Thank you very much, Senator Viale. Ms. Turnbull, prior to being the interim CEO, what was your position? Chief Financial Officer. CFO. So some of this information is not new to you. Obviously you have been the one crunching the numbers and being responsible for the numbers, is that correct? Correct. Okay.
- 4:50:39 Again, we sent and we'll send a revised listing to WICO in regards from our post audit division and the information that's needed for us to be able to make an informed decision. And again, we want total transparency and be able to have this hearing in public so that the members of our community could see and also hear of the information that's being generated here. So I mandate that you come back before this committee once you're able to put all of that information together so that we could, you know, schedule a subsequent hearing on this matter. Okay?
- 4:51:15 Yes, sir. Any closing comments from the chief financial officer or yourself as interim CEO? We'll recognize you for 30 seconds. First of all, I'd like to thank my team, the Waiko team. We have a group of hardworking employees that really give a valiant effort every day to make sure that we dock these vessels and make sure that we are the economic engine that we are for this territory. I would like to apologize if for some reason there's a miscommunication. I will be available at any other time to answer the questions that this body may have. Thank you. We also appreciate the hard work of you know the employees here we see of the ships coming in and we see how careful and meticulous those individuals are in ensuring that there is some safety there so we don't want to minimize that you know we certainly appreciate that but today you know there was some avoidance in our opinion in terms of the information that have been asked to be provided you know we are guided by the post audit report you know so that we could be able to ask the pertinent questions that we can make informed decisions on these matters. I will send you a request for you know for a new date and I hope at that time we could really be able to flush out and you know look at the numbers and be able to make an informed decision. My colleagues and I really had some discussion in respect to how do we address this pilot moving forward you know but we can't do that in vacuum you know we have to again do that with informed decision uh so the committee of budget appropriations of finance of august 18th 2025 again i want to thank the central staff post audit my colleagues and everyone involved in today's process um you know thank you for today however we will have to get the WICO back before us in the very near future. The Committee of Budget, Appropriations, and Finance is hereby adjourned. Thank you.
- 4:53:56 Thank you. 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.

- 16x **Senator Ray Fonseca**
heard in this transcript as: Fonseca, Ray Fonseki
- 8x **Senator Carla Joseph**
the surname alone also matches: Clifford Joseph; Karla J. Joseph
heard in this transcript as: Carla J. Joseph, Carlos J. Joseph, Joseph
- 7x **Senator Dwayne DeGraff**
heard in this transcript as: DeGraff, Dwayne DeGraph, Graff
- 5x **Senator Hubert Frederick**
heard in this transcript as: Frederick
- 4x **Senator Novelle Francis**
heard in this transcript as: Francis, Novel E. Francis Jr, Novell Francis
- 3x **Senator Kurt Viale**
heard in this transcript as: Viale
- 3x **Senator Kurt Viola**
heard in this transcript as: Viola
- 2x **Senator Collar J. Joseph**
the surname alone also matches: Carla Joseph; Clifford Joseph
heard in this transcript as: College Joseph
- 2x **Senator Kurt VLA**

heard in this transcript as: VLA

2x

Senator Marvin Blyden

Bills and acts referred to

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

Act 8110

Act 8110 · (title not held)