



| Committee on Government Ops.

Legislature USVI

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0:00:00 I'll be right back. Oh, my God.

0:01:00 Thank you. Thank you. Thank you.

0:02:30 Oh, my God. Thank you. Oh, my God.

0:04:00 I don't know. Thank you. Oh, my God. [3 such phrases repeated 9 times · standby audio before the proceeding, transcribed by the recogniser as speech]

0:08:30 Oh, oh, oh, oh, oh. Thank you. [2 such phrases repeated 10 times · standby audio before the proceeding, transcribed by the recogniser as speech]

0:13:30 guitar solo Thank you. Thank you. Thank you.

0:15:30 I love you. Thank you. Thank you. Thank you.

0:17:30 Thank you. Thank you.

0:18:30 Thank you. Thank you. Thank you.

0:20:00 Thank you. Thank you.

0:21:00 Thank you. Thank you. 🙏 Thank you.

0:23:00 Good morning, colleagues. staff testifiers people of the virgin islands listening and viewing audience the committee on government operations and consumer protection meeting for tuesday march 29th 2022 is hereby call to order before we proceed to roll call i'd like to highlight the month of march as both being vi history month and women's month today i urge us to celebrate with me the many virgin islands women who have withstood many trials severe tests to rise above and overcome and become a beacon of light to other women and all people alike i respectfully wish to highlight our four,

four strong women, Virgin Islands women, who have influenced me and who might wake every day giving thanks to God for all that they have done for our people and who are still here on top of God's good earth, continuing to work diligently for the upliftment and

0:24:54 empowerment of our people. These women are the Honorable Deborah Smith Watlington, Judge of the Superior Court of the Virgin Islands, the Honorable Donna Christensen, former Delegate to Congress, the Honorable Cleone Crickey, former at-large senator, and the Honorable Carol M. Burke, my big sister, as I label her, former senator representing the Island District of St. Croix. I give God a thanks for these women of strength and distinction as they are, as well as other women, have opened doors for us as women and our people in general to step into and to shine. Additionally, one of the most awesome event, and this is an announcement, that is sponsored annually by my office is our Black History Month Art Competition.

0:26:02 I am so proud to announce that this year's winner of a \$200 gift certificate is none other than a sixth grader attending the Bertha C. Buschelt Middle School, Miss Arielle St. Paul. Miss St. Paul did a fantastic rendering of the person who is a light for her, who is the wind beneath her wings, and she spoke and wrote so highly about him, and that is her father. She said her father is there to support her through all things. And I know one of my colleagues, and he sits right here on the Committee on Government Operation, he authored a bill regarding fatherhood and putting together a fatherhood council. And I really want to really appreciate that, that this father takes times to support his daughter, Ms. Ariel St. Paul. So Mr. St. Paul, kudos to you. Kudos also to the principal at Bertha C. Bushelter Middle School, Mr. Corbett, and for the art teacher for assuring that the class participated this year in the annual event. Finally, we're doing it again and sponsoring our summer youth employment opportunity program for young people ages 16 to 24 last year my office was instrumental in placing several young people a number of young people over 18 young people and partnering them with and pairing them up with some of our employer partners so this year we're going to be doing it again and we're urging young people ages

0:28:02 16 to 24 with a good attitude willing to work and willing to receive preparation for the workforce and get paid to go to my website senator carla joseph.com to download the application and submit it to my email at senator carla joseph at ledge vi.com or you can drop off your application at my legislative office here in the legislative building the deadline to submit your application is June 10th 2022 special thanks to our employer partners to include vi hotel and tourism association via catholic charities dr derrick jones gec llc and the girls club of saint girls and boys club boys and girls club of saint thomas and saint john as well as lime tree pool at bar and market any employer wishing to partner with my office to provide an opportunity to our young people to receive training and be part of a movement to build our workforce kindly give my office a call at three four zero six nine three three five one five madam clerk kindly proceed to roll call Senator Marvin A. Blyden, Senator Blyden present, Senator Novell E. Francis Jr., Senator Francis Jr. present, Senator Ama Francis Heiliger, Senator Francis Heiliger absent, Senator Senator Javon E. James Sr. Senator James Sr. present.

0:30:05 Senator Franklin D. Johnson Senator Johnson absent. Senator Carla J. Joseph Present Senator Joseph present. Senator Milton E. Potter Senator Potter present. Madam Chair, you have five present, two absent. Thank you, Madam Clerk. We do have a quorum. At this time, Madam Clerk, do we have any correspondences? Yes, we do.

0:30:45 Kindly read into the record the correspondences received. The Honorable Senator Carla J. Joseph, Senator, 34th Legislature of the Virgin Islands, Committee on Government Operations and Consumer Protection. Excuse Tardeness for a committee meeting held on March 29th, 2022. Dear Senator Joseph, please excuse my Tardeness for today's meeting of the Committee on Government operations and consumer protection the mic for the clerk is gone down media could you please assist hello okay please excuse my tiredness for today's meeting of the committee on government operations and consumer protection as i have another urgent matter that i am previously scheduled for this morning i noted the importance of the agenda items to discuss and ask that my additional information shared during the hearing prior to my arrival be forwarded to my office Thank you in advance for your understanding. Sincerely, Alma Frances Heiliger, Senator.

0:32:13 Thank you so much, Madam Clerk. Colleagues, this morning we have a long agenda. Madam Clerk, I'm going to ask you to read into the record the agenda for this morning. The Committee on Government Operations and Consumer Protection has scheduled a meeting for 10 a.m. on Tuesday, March 29, 2022, in the Earl B. Otley Legislative Hall, St. Thomas. The purpose of this meeting is to receive testimonies on the operations of the following agencies West Indian Company Limited, WICO, the Virgin Islands Taxi Cab Commission, the Virgin Islands Port Authority, and the Virgin Islands Division of Tourism. The committee will receive testimony on the West Indian Company Limited, WICO operations to include but not limited to enabling law and jurisdiction, current agency challenges, and plan of actions to resolve those challenges. The invited testifier is Mr. Anthony Otley, President slash CEO of the West Indian Company Limited.

- 0:33:33 Block two, the committee will receive testimony on the Virgin Islands Taxicab Commission to include but not limited to enabling law and jurisdiction, current agency's challenges and plan of action to resolve challenges. The invited testifiers are Ms. Linda Smith, acting director of the Virgin Islands Taxi Cab Commission, and Ms. Loretta Lloyd, chair of the Virgin Islands Taxi Cab Commission board. In block three, the committee will receive testimony on the Virgin Islands Port Authority operations to include, but not limited to enabling law and jurisdiction, current agency challenges, and plan of action to resolve them. The invited testifier is Mr. Carlton Dow, Executive Director of the Virgin Islands Port Authority. In Block 4, the committee will receive testimony under the Division of Festival's operations to include, but not limited to, enabling law and jurisdiction, current agency challenges, and plan of action to resolve those challenges. The invited testifier is the Honorable Joseph B. B. Schulte, Commissioner, Virgin Islands Department of Tourism.
- 0:34:45 Madam Chair, this ends the reading of today's agenda. Thank you so kindly, Madam Clerk. We have before us colleagues the President and CEO of West Indian Company Limited, WICO, Mr. Anthony Otley. Mr. Anthony Otley, welcome. And I know that you have other support team members here with you as well, and we welcome them to the chambers. It's such a wonderful opportunity to have discussions in person rather than virtually. I am very thankful that we're able to accommodate that today especially. Kindly proceed with reading your testimony into the record thank you senator morning Senator Collard Joseph chairman of the 34th Legislature's Committee on Government Operations and Consumer Protection Senator Novell E Francis vice-chair committee members other senators in attendance fellow testifiers lawyers, legislative staff, media, viewing and listening public, good morning.
- 0:36:03 I am Anthony Otley, President and CEO of the West Indian Company Limited. With me today is Mr. Mark Sabino, the Company's Director of Marine and Cruise Services and Mr. Avery Williams, our Financial Advisor. Thank you for the invitation to update the Legislature and the public on WICO in the wake of the COVID-19 global pandemic, and to share the company's organizational challenges and any plan of action to resolve them. As for your request for information about our enabling legislation, the Government of the U.S. Virgin Islands purchased WICO in 1993 through a stock purchase agreement authorized by Act No. 5826. Chartered in 1912 as the Caribbean subsidiary of a global shipping company, WICO currently operates as a private cruise ship dock owner and management company. As our financials attest, the past two years have been the most challenging in WICO's 110-year history.
- 0:37:06 Three days after the World Health Organization declared SARS-CoV-2 a global pandemic, the Centers for Disease Control and Prevention imposed a no-sale order on all vessels with a passenger capacity of 250 or more. WICO was in the final days of terminating our 26-year tenure as managers of Havenside Mall at the request of the Government Employees Retirement System. Both our \$10 million budget and our 78-member staff had been cut by more than half, and we were prepared to move forward with income generated from passenger arrival fees and associated charges. Nothing could have prepared us for the 18 months of inactivity between March 2020 and September 2021.
- 0:37:55 In fiscal year 2020 alone, WICO lost 34% of its projected revenues. We lost 113 ships, an estimated 388,000 passengers, and more than \$2.6 million in anticipated revenue. This translates to more than \$64 million in economic losses to the U.S. Virgin Islands in cruise tourism contributions from Waiko alone. The 241 ship calls booked at Waiko for fiscal year 2021 also were canceled at a loss of roughly \$7.5 million to the company and over \$181 million to the territory. In the absence of cruise ships, Waiko explored other possible ventures with shipping and ferry companies to operate from our dock to diversify our revenue stream with mixed results due to our obligations to the cruise lines.
- 0:38:54 To ensure the company's continued financial viability, our Board of Directors imposed unprecedented austerity measures. These included ceasing community contributions, suspending board stipends, and non-essential contracts, renegotiating costs for essential services, and implementing a reduced workweek. Some of these measures will remain in place until passenger arrivals return to their pre-pandemic levels, and are able once again to sustain company operations independently. WICO sought and received \$717,000 in federal funds from the Paycheck Protection Program. Additionally, \$4 million was allocated to WICO from the American Rescue Plan Act to support salaries and day-to-day operations as part of Governor Albert Bryan Jr.'s commitment to rejuvenate the decimated cruise tourism sector. Due to this assistance of federal funds, WICO survived the COVID-19 disruption and is poised to capitalize on rejuvenating cruise industry. As we look forward to the 2022 cruise season and beyond, WICO is focused on ensuring the USVI stays as one of the top cruise destinations in the world.
- 0:40:15 Here is but a few agenda items to that end. As an update to Governor Bryan's intent to transfer ownership of WICO to the Virgin Islands Port Authority, WICO has executed a mutual non-disclosure agreement with WICOPA, and we continue to work on the terms of the transaction, including the potential structure. In addition to the COVID recovery challenges facing the company, WICO has a substantial bank loan that comes due in June of this year. We are actively engaged with several entities to refinance the balance on this loan and hope to wrap this up within the next 45 days.

- 0:40:53 Discussions with Banco Popular resulted in a forbearance and later for loan payments to be made from one of the loan's reserve funds, which improved our cash flow. Our most pressing operational needs are for the St. Thomas Harbor channel dredging and a reduction in the pilot. The dredging has a direct bearing on cruise ship arrivals as the newer ships deploying to the region are getting larger. Once the channel, turning basin, and berthing area along the Waiko dock are dredged, we will be able to receive the Oasis class and larger ships.
- 0:41:30 This will increase WICO's revenues and bring more revenue to the territory. It will also reduce the turning away of ships that want to berth in St. Thomas but can't because of berthing limitations in the territory. Until this dredging is done, the lost revenue from the larger ships passing us by will continue to persist. We are anxiously awaiting finalization of a \$23 million grant from the Department of Housing and Urban Development's CDBG-DR funds that will support the joint VIPA-WICO dredging project, which is being spearheaded by the Virgin Islands Housing Finance Authority. Turning now to our annual payment in lieu of taxes, the pilot, WICO's total pilot liability now exceeds \$9 million. It has been a major concern in our audits for several years now, and it is an expense we cannot afford to continue to accrue.
- 0:42:31 Furthermore, it causes significant strain on our lender relationships and ability to expand our operations to bring in new revenues. Act No. 8053 offers some relief in that it authorizes the government to purchase a state catherine burr from WICO, thereby reducing the amount owed. The historic property's appraisal value was \$3.5 million prior to Hurricanes Irma and Maria. Today's valuation is expected to be higher once we are able to secure FEMA disaster relief funding and repair damages sustained during Hurricanes Irma and Maria. However, even with the transfer of ownership, WICO still would be burdened with a \$700,000 annual obligation.
- 0:43:19 We have requested on numerous occasions a reduction in the pilot to a more manageable and proportionate amount as compared to other pilot amounts. We believe a reduction in the pilot is equitable given the unprecedented shutdown of the cruise industry in 2021, the 30% loss in revenue directly resulting from the opening of the Crown Bay facility, and the loss of significant management revenues and shared expenses resulting from GERS deciding to self-manage Haven Site Mall, all of which have occurred since the last iteration of the pilot. Before concluding, I must publicly commend the men and women of the West Indian Company Limited for their professionalism, patience, flexibility, understanding, resilience and strength in the face of so much uncertainty. Today, I have a deeper respect and appreciation for each and every one of them and their role in the company's success. Madam Chair, I must highlight the loyalty of the employees in honouring the fact that though we operated at a reduced work week for 10 months, none of them, some of them found alternate employment to augment their reduced income, but not one employee resigned. To each and every one on the WICO team, on behalf of the board and myself, I offer a heartfelt and sincere thank you. Madam Chair, I hope I have addressed your, your and the committee's concern. I remain available to address any questions you may have.
- 0:44:54 Thank you so much, Mr. Otley. Colleagues, before we proceed with one five-minute round, we are neglected to read into the record another correspondence. Madam Clerk, kindly read into the record the correspondence that you have in your possession. The Honorable Carla J. Joseph, Chairwoman, Committee on Government Operations and Consumer Protection. There, Madam Chair, I will be late in attending today's March 29, 2022 Committee on Government Operations and Consumer Protection meeting scheduled to begin at 10 a.m. in the Earl be at League Legislative Hall on the island of St. Thomas due to my travel arrangements.
- 0:45:48 My sincere apologies for any inconvenience my delayed arrival may cause. Sincerely, Franklin D. Johnson, Senator. Thank you so much, Madam Clerk. Colleagues, we will proceed with a one five-minute round of questioning to the team of WICO, headed by, of course, Mr. Otley. Mr. Otley, do you have any other person joining us from your team, maybe virtually? Yes, I do. We have Mr. Avery Williams, who is one of our financial advisors. He should be queued up right now.
- 0:46:29 yes mr avery williams i see that you're there if you could be so kind to turn on your camera and then we'll do a microphone check as well before we proceed with the one round of questioning okay there you are mr williams and then we could see you uh yeah let me apologize i'm in transit for a previous engagement, so I am all mashed up.
- 0:47:04 It's always good to be safe. It's always good to be safe. Safety first. Okay. Colleagues, we will begin with Senator Marvin A. Blyden. You are recognized for your first five minutes. Thank you so much, Madam Chair. Good morning to my colleagues, viewing listening, listening audiences, staff, central staff. Good morning, President Atlee, and thank you so much for your testimonies, and also good morning to your supporting staff there with you. Been some time. Good to see you. I know in your testimony you spoke to the impact as a result of COVID-19 to your operations, and especially to employees. I know you stated in your testimony that you received some funds from the American Rescue Plan to assist with salaries, but did you reach out OMB to assist those employees also with a premium pay for individuals that work during the COVID-19 pandemic? Yes, we have, Senator. As a matter of fact, we reached out to OMB and they also returned response on our request. So we anticipate that we would be able to assist our employees with that. Good to hear.

So you spoke to diversifying the operation in terms of mixed different opportunities when it came to ventures with shipping and ferry companies. You mentioned that, but you did not mention it in terms of dollars and cents. What amount are we looking at in terms of a return on that investment in terms of being creative? Well, the issue that we had with having those conversations with the shipping companies was the fact that because of our obligations and agreements with the cruise lines, it would not be able

0:48:56 to come to fruition due to the fact that we have agreements with the cruise lines where we have to guarantee them berthing spaces. So there would not be an opportunity to, let's say, use the other shipping companies for that space because once we're notified that a ship is on its way, that those ships would have to be removed, which doesn't work for their operation. Also we had challenges with the crane, the integrity of our dock to be able to utilize those 250-ton cranes, et cetera. So with the challenges, are you augmenting those?

0:49:42 Are you working on finding a way to deal with those challenges? And in addition to that, based on your testimony also, you spoke to focusing on ensuring that USVI stays as one of the premier destinations in the world. So what does the plan look like for that goal? Okay. So based on the fact that we have these obligations with the cruise lines and WICOs, number one intent at this particular time is to increase ships to the territory, and by that increase the amount of passengers that do visit the territory, which basically gives people the opportunity, a snippet of what the US Virgin Islands has to share, which basically drives the overnight stay we are looking at ways of increasing cruise ship arrivals reaching out to new cruise lines and also to diversification of our upland resources which is we have seven and a half acres in estate liverpool and estate thomas undeveloped land that we're looking at doing some development on that with so we're having conversations with the potential investors for that property. So we're looking at developing that and also doing some change in our warehousing that we have at the dock. So we're exploring different ways to diversify the product so that in the event we have another unfortunate situation where we have no cruise ships, we do have something to fall back on. And I'm sure you're looking forward to

0:51:29 C-Trade this year to see exactly what's going on and how you can operate within the space, correct? Most definitely, most definitely. Definitely, and finally, from my time, you also mentioned a substantial bank loan with Banco Popular, and you were speaking to forbearance, etc. What amount are we speaking to in terms of that loan in order to access your cash flow? Currently, our loan stands at a little over \$42 million. dollars yes so we're looking and um at looking at refinancing that loan and uh at uh different avenues to whether it's through the bank or uh bond issuance to to get the best rate locked in uh so that's what we're looking at right now what in terms of looking at that you know as you know the rates are climbing up slowly yes so if you're gonna move on that you to move on expeditiously because the rates was very, very favorable, but they're going up again. So it's important that you move on expeditiously in order to assist and secure that loan and create some savings moving forward, so it can be easier for you to pay that loan. That's a substantial amount for real. Yes. Okay, very well. And finally, before my few seconds this call, lastly, you spoke to the pilot. And you say you spoke, you have been asking, who have you spoken to in terms of assisting in bringing on the amount because I think it's fair based on the atmosphere and the COVID-19 etc and your revenue that's coming in who have you spoken to to assist you with um getting that amount changed have you spoken speaking to anyone in this body um I mentioned it to a couple senators not formally offline um I've spoken to We have spoken on that, and I'd like to give a little bit more information on that. We have spoken with the Office of the Governor and charting a way so that we can address that issue, because as I mentioned in my testimony, it is something that definitely affects us and our audit. So hopefully it doesn't continue to be a going concern.

0:53:43 is something that we definitely uh need to to get addressed okay thank you so much um president adli thank you for your responses madam chair thank you so much for the time you're welcome senator blyton uh senator milton i'm sorry senator novel francis you are recognized for your five minutes thank you very much madam chair good morning to you my colleagues good morning to to the people of the Virgin Islands, of course, good morning to the testifiers from Waiko, and also a special good morning to our seniors, those that are sick and shut in, and continue to watch legit TV. I want to say a special good morning to you.

0:54:23 Also, thank you for your testimony, the CEO Atlee, and continuing along the line of your conversation with the previous senator, when was the last time you have paid the pilot to the government of the Virgin Islands? We made a payment in 2019. For how much? I think that one was \$700,000. \$700,000. And in respect to asking that it be reduced, what is the number you're looking at? We're looking at somewhere in the neighborhood of between \$125,000 to \$200,000. OK.

0:54:59 And would you be able to make that payment? Because obviously, you have not made a payment outside of the 2019 payment. You have not made any attempt to make, well, you have not been able to make any of the payment thus far. Yes, Senator, barring another shutdown of the industry, once we're able to be able to go out there and market our birthing position, hopefully increase some birthing capacity in the Virgin Islands, a rate at the one that I just mentioned would be

a lot more manageable. How about \$300,000? Are you able to make a \$300,000 payment?

0:55:39 It'll definitely be a challenge. There's no question about it. And how long are you asking for this relief? As far as going forward, we're looking for the relief on a continual basis. What I'm not verse two is re and of course hopefully i don't get in trouble for this but i do not mind looking uh further in into the future when we are probably getting back to the numbers that we were making back in the 90s and the 80s when when this amount was uh i think that amount was determined at that time and of course uh that was before we had the opening of crown bay and and uh waiko was flourishing you know we we had a lot of uh donations to the to our budget in donations to the territory was extremely high uh we did sponsored carnival events and of course we were making money at that time but at this particular moment especially with the cruise sector being split between two um ports you know it has become a lot challenging for us at that rate very well understood in respect to your ppp program the paycheck protection program um have you expended the seven hundred and seventeen thousand dollars that you have received yes we have sent it totally totally and that has gone towards paying salaries correct anything else or just um salaries no it was more concentrated on salaries okay and also you said you received some um four million dollars from the american rescue plan act correct is that money expended uh no we're utilizing that right now okay so you have access to the full four million dollars at

0:57:27 this time we do very well um what is the in terms of sharpening your competitiveness what is the status of the long bay landing um proposal long bay landing right now uh we have since uh kovid uh we have i i wouldn't say tabled it it is something that is definitely on the radar of waiko uh moving forward the additional birthing it is something that has been requested by the industry. It is something that continues to be warranted that we are actively still having conversations with many of the partners that were willing to invest in the project. Of course, what stymied the whole process would be COVID-19. So it has made us step back a bit to pretty much regroup and see how we can utilize something like a long bay landing also diversifying so for using it for other alternate uses also so it is something that we have not uh put on the back burner but it is something that we have tabled for the meantime especially going forward being that uh the ships coming in are that more limited capacity more limited capacity sorry okay i know that my time is running real quickly i wanted to get in um the dredgen what is your what is the current status of the dredgen have you already applied for the army corps of engineers um have you gotten your permits what is the status of the dredgen okay the status of the dredgen and i'll be quick um right now housing finance authority is spearheading it uh we have run into some stumbling blocks but we're We're at a point now where the Port Authority has requested, based on our meeting with Army Corps of Engineers, they have agreed to take the lead.

0:59:27 So right now we're pursuing from Housing Finance a letter or agreement in transferring the lead to Army Corps of Engineers. And as a matter of fact, I had a meeting yesterday, not a meeting, but a conversation with Army Corps, where they are anxious to take the lead and be able to act as the liaison, which would, I think, would get us to the home plate a lot faster. Okay. And, Mauden, Chair, thank you for the opportunity.

0:59:57 I just wanted to ask if you would allow for him to respond to the question of stipend savings, if he could put it on record, how much have he been able to save consequential to the stoppage of the stipends to board members, if you could just put it on the record. I appreciate it. Thank you very much. Thank you. You may proceed in answering the question, Mr. Oddly. Okay. So I'd probably ask Mr. Williams to back me up on this, but we have been looking, based on the amount of meetings that the board has, which outside of COVID normally we're somewhere between five to six meetings a year. that depends so it's a bit difficult to say in actuality how much we would actually save we can give that information based on a meeting but as far as annually it would be a bit difficult since COVID-19 we have been meeting a bit more often to pretty much address a lot more items that come up on a whim. But like I said, you know, basically those have not been to any expense to those stipends because of the fact that the board decided to pretty much suspend that.

1:01:18 Avery, can you provide the information on the permitting savings for the stipends? yeah okay so on the from meeting savings for the stipends we only have um uh currently we have what currently i think we have five okay members we save approximately eight thousand yeah so we have five members and that's assuming each member is at the meeting uh thank you so much so i just want to follow up on a question and the last question from the vice chair of the committee are relative to the stipends the board members stipends were suspended based on your testimony in uh what what time frame those were suspended i think it was the beginning of 2020 okay they were suspended in 2020 and if each you have five board members and each board member receive a stipend of what fifteen hundred dollars per meeting 15 correct so that's 75 plus the it would be 95 I i apologize yes i was just trying to do something mr williams you are online oh and also before just a bit of housekeeping uh before you respond kindly state into the record your name so that our stenographer who is diligently recording and taking the record can put it into the record accurately mr williams you want to be recognized to further update us on the total amount

- 1:03:20 Yes, Avery Williams, the chair gets 3,000 and the individuals get 1,500. And how many? Can you repeat that, please? Yeah, so the chair gets 3,000 and individual board members get 1,500 for a meeting. I'm sorry let me let me correct that the chair gets 2,000 and the board members and by the way that was prior to suspension 2,000 and the regular board members get 1,500 okay so let us understand clearly the chairperson at each meeting receives and it's only when they meet correct or is it also when the chairs have a discussion with you well no let me let me say this one of the parameters okay the official meetings sometimes meetings are called where we pulled the the board and stipends are not issued then it is only for the regularly scheduled meetings so okay and so in fact you have two thousand how times did you meet in official capacity for 2000 the year 2000 because you said you had no meetings you had suspended their stipend for that time period for year 2000 yes when did you suspend it again 2000 2020 2020 I'm sorry mr. 20 so So, how many times did your board meet?
- 1:05:11 Your board has been meeting regularly, and how many times did they meet? Senator Offhand, I don't have that exact amount, how much they met in 2020. Okay, if you could send through the chair, because that would help us calculate accurately the savings you derived from the suspension. If you could send that through the chair, that would be perfect. many times you have met us since you've suspended the site then to present a senator Milton E Potter you are recognized for your five minutes thank you very much madam chair good morning colleagues good morning to the people of the Virgin Islands good morning to mr. Otley mr. Sabino and his supporting team from WICO. Mr. Atlee, you mentioned in your testimony that Governor Bryan intends to transfer WICO to the Virgin Islands Port Authority. Where does this process currently stand? Well currently we we have a non-disclosure agreement assigned with Viper. We continue to work on terms concerning the transaction and the potential structure, but of course, because of negotiations and that NDA is in effect, you know, it'd be pretty much inappropriate for me to discuss it any further than that. I was curious about the non-disclosure agreement because I know that the Third Circuit Court ruled that WICO is a public entity. So I'm thinking in my mind you have two public entities, Virgin Islands, Port Authority and the West Indian Company. So I was curious as to why the need for a non-disclosure agreement given the circumstances that we're negotiating with two public entities.
- 1:07:12 Well, Senator, I understand your question. Thanks for your question. Under Section 4 of Act 5826, you know, WICO was permitted to act as a general business corporation under the company charter and general corporation laws of the Virgin Islands. According to what you referenced, you know, currently we are appealing that decision. So, you know, I can't really discuss that. It's under appeal. It's in litigation. Fair enough. But in your view, what would the greatest advantage, and I don't know if this is something that would be outside that you'd be able to talk about, just in your professional view as the president and the CEO of Waiko, what would be the greatest advantage of this proposed merger, in your view? Well, depending on the structure and not to breach an NDA, it would give an opportunity for waiko to manage all of cruising to the virgin islands which more than likely would help with with um scheduling uh you know potential loss of ships you know we would be able to curtail that in that capacity as what may be happening now you know introduction of newer i mean more ships to the territory so you know there are advantages to that okay the dredging you said that's the biggest thing for you right now the most pressing operational need is a dredging project and the goal is for you to be able to accommodate the oasis class ships have you guys done any projections to determine what the financial impact of being able to accommodate these oasis class ships will be once the dredging is completed um what sort of revenues are you looking at
- 1:09:15 once you're able to accommodate them okay i'll let uh mr sabino speak a little bit on that let me just say uh currently initially as you know uh the oasis class ships are we're talking about a royal caribbean class ship uh which has a birthing agreement with uh port authority but of course you know, we have been in talks with all the cruise lines and inclusive of Royal Caribbean, where they would love to see, you know, days where they have multiple ships in the territory. So they have explained they'd like to see two or three Oasis-class ships in the Virgin Islands. And because we cannot accommodate that, and because the current agreement with Port Authority, due to constraints of the harbor down there and the setup, they are not able to accommodate, at this time, more than one Oasis-class ship, those are opportunities that we lose as a territory for these 6,000-plus passenger ships to actually pass us by. What we also need to take into consideration, and not to take up too much of your time, but I'll wrap it up by saying, you know, with the ships going to these larger dimensions and them pretty much phasing out the smaller ships, it does bring opportunity for boutique ships but if we're talking about numbers and revenues to the virgin islands you know we we're not in a position to let any ships bypass us so it is extremely critical where we have ultimately before we had our extension and i'll end with this before we had both of ours extensions to our dock we have pictures going back where we had five ships on our dock without our two extensions Right now we're looking at, with the ships going, getting larger and larger, we're looking at potentially at a two-berth port, inclusive of our additions. So we need to, in order to remain competitive and to be able to not be bypassed because of other Plan Bs with other destinations in the Caribbean, we need to step up our game and be able to accommodate these ships. and nothing should be stopping us such as, you know, dredging or whatever. We need to do

whatever we need to do. And that is how WAICO operates.

- 1:11:37 We need to do what we need to do because we cannot afford to lose one ship. Fair enough. I know Mr. Sabino was going to mention, was going to talk about the potential revenues as a result of us being able to accommodate these Oasis-class ships. Thank you, Senator. Mark Sabino, Director of Marine and Cruise Operations West Senior Company. Well, Mr. Hadley, he basically covered most of everything that applies to the need to dredge. It's obvious that increased passenger capacity will equally increase revenue. The frustration of the desperate asset at Waiko, which is to bring ships in, has been that you know we're an island and our ports our channels or harbors we depend wholly and solely on these for our revenue for our food for everything right and what has frustrated me over the years is that the fact that we have not dredged we continue to seem to have to struggle to dredge ever since I came back home from the navy in 1981 it appears to me it seems obvious to me that for some reason the government governs with a back to the ocean not accepting or not embracing the fact that we're an island solely and wholly dependent on these channels is us waiko who are in the private sector that look out to see because from the sea is where money comes from you know during the 18 months that we were down just like the private sector we didn't get any money so we appreciate what we got but being responsible for the the infrastructure waiko has done everything possible to keep up with the growth of the industry right now we are right up to the channel we can't do anything else if we were in control of
- 1:13:38 the channel we would have dredged it already but for various reasons we were stopped we were stopped several times from dredging we don't want to get into that but the ships are passing us right now and as an island everyone downstream and upstream of us have done everything that they can do with what they have to keep up with it with the infrastructure where we have done nothing other than what waiko have done with expanding the dock itself point well taken where do you see what sort of time frame are you looking at with regards to this dredging project well the situation where it's at right now is sitting in the in the desk of HUD and we waiting for HUD to release it to army call like Mr. Hathley just explained once that gets done then we have to go through the process of army corps then we have to get the you know the it's a joint venture between us and the Virginia support authority you know who uh controls the channels and we only have control of our birth.
- 1:14:37 So we've done everything that we could do to get to where we need to. The ball is in somebody else's court at this point with HUD. Mr. Arthur, you wanted something else? And I'll just add to that, not taking up too much of your time, Senator, but as far as the actual losses, we can provide you with some of the ship requests that we've had that we were not able to accommodate, and we could give you that information. But as we continue to move on, it gets worse. So we'll provide that information to you. Okay, I appreciate that. Through the chair. I appreciate that. I don't think my time is called, right? I still have some time. With regards to the pilot, and I wanted to know, what are you typically required to pay on an annual basis regarding the pilot?
- 1:15:28 based on the last last iteration we're required to pay seven hundred thousand dollars annually okay and that's why you're seeking a reduction to you said like one hundred thousand definitely so definitely there's no way we're able to like I mentioned you know uh when those when that determination was made uh that was when waiko received all the ships coming into the territory and crown bay used to be a spillover there so you know those are the days when we had you know seven ships in you know three and four in the harbor you know everything would come to waiko so waiko had that steady flow of three ships at our dock at all times so with that being said of course you know at one point our pilot was a million dollars and we used to pay it every year and on top of that to give a little bit more information as a subsidiary of the PFA we used to pay dividends it was not a problem but starting in 2006 and I'll not go back into it but when you know we had um the opening of crown bay that is where immediately we lost 30 to 35 percent of our revenues but yet there was never a consideration of or a reduction in the in our expenses so you know thank you thank you very much Mr. Atlee this is Sabino thank you madam chair for the time and you're welcome Senator Potter I want to follow up on several questions asked from previous senators it's noted in your testimony that you receive \$717,000 through the PPE program, the Paycheck Protection Program. I had an opportunity to really digest your testimony, and I wanna go on record with thanking you for meeting your deadline in submitting your testimony. I really appreciate that. It tells and speaks of a level of professionalism and interest in the work.
- 1:17:40 So I really want to appreciate that. All right, I also want to take the opportunity and recognize Senator Kenneth Gittins from the Big Island, Kenneth L. Gittins. He's gonna be joining us virtually from the Legislative Hall in St. Croix. I just want to, conference room in St. Croix, I want to ask you, you also received, based on your interim balance sheet, another set of monies outside of the \$717,000.
- 1:18:17 How much was that from the PPP program? What you may have seen was initially we applied for PPP funding, and that was to the tune of \$464,000. We received that money, we held it, we restricted it, we self-restricted that funding because we were notified by PFA that we may not have been eligible for it based on our status. Ultimately we returned that

money and during the second tranche, the HEALS Act, we were eligible for the \$717,000 so that is the only amount of money in PPP funding that we received that we were able to utilize.

1:19:00 okay because you have it here on your balance sheet though so that's once it's on your balance sheet it means that you've spent it and you've looked at have you looked at using that to balance your account maybe mr. Williams could talk about that because I did have another concern that you don't have a CFO mr. Williams functions as Avery Williams functions as your financial advisor do you have any um and he's a contract worker he's not a uh a uh employee he's a contract worker so my question would be um this 464 400 that you have on your interim balance sheet you You have it as of September 30th, 2020, and you still have that money from the PPP loan. Senator? I wanted to know if you had received money, and that's why that is here in your balance sheet.

1:20:05 Okay. So I'll give Mr. Williams a chance to respond after I respond. On September 30th, we had not yet returned the money, so it was still on our balance sheet at that particular moment. It was returned after September 30th concerning the CFO comment that you made We were actually in the process of hiring somebody now and we in we expect that position to be filled in the next 30 to 60 days Okay, thank you kindly for that I would like to proceed with our Point of inquiry Senator Novell Francis you're recognized Thank you, Madam Chair. In respect to your, through the chair, to CEO Otley, in respect to the PPP, \$717,000, have you requested for that amount to actually be written off? Or has it been written off thus far?

1:21:02 Senator Anthony Otley, Wyko, it has not been written off as yet we are actually in the process of submitting for forgiveness. And thank you so much, President Otley, for answering the question. Senator Javon E. James, Sr., you are recognized for your five minutes. Good morning to the people of the U.S., Virgin Islands.

1:21:31 Good morning, testifiers. My question to Wyco, I see here for your PTD actual versus PTD budget document, the references, consultant services. So I'm just inquiring, can you just provide the names of the consultants and purpose of services? The consultants, financial consultants, SCA, Sustainable Capital, we have AdiUvo, LLC.

1:22:11 Those are the two financial consultants. So they're providing financial consulting services. Okay, cool. And then in accounting, I know there are several divisions within WICO. We have the accounting division, so I'm assuming that they work hand-in-hand with the accounting division to help with some of your financial challenges that you're facing. Correct. Okay, and as we speak about your financial challenges, I know that the CLM division manages the Haven site, Mal, and congratulations, it was voted as one of the best shopping centers in St. Thomas, right? Actually the retirement system made a comment at the last hearing where the Havenside Mall was their best performing asset and I'd just like to take the congratulatory comments as that was under the management of the West Indian Company Limited. Thanks. So once again congratulations which speaks to protecting our assets and our visitors and workers at the Waiko dock. Without getting into too many details I know there's also a security division and you know recently we had a situation there I don't want to really place it on the record because we all know what we're talking about but moving forward with the increase in activity at the facility and within the area can you speak to some of the things that you plan to do to heighten security knowing that we're going to have a next project, which is the hotel project for GRS in that era?

1:23:43 Thanks for the question, Senator. Actually, in 2020, when the retirement system took back over control of the Havenside Mall, and that's, Wyco no longer manages the mall, effective the end of March of 2020. So right now, the management of security for the mall is conducted by GERS themselves. So our security personnel is a much more smaller unit. We deal with the dock and our properties, which is not heavily entails much restaurants and tenants as far as retail and whatnot. So your question concerning heightened security and stepping up, we have done so on our side as much as we can but of course for the crux of what I think you're alluding to that would be the responsibility of the retirement system. Okay thank you you know every year we have members of this body and even an executive branch who attends C-Trade and you know C-Trade is like several weeks from now so that's a simple yes or no question you're someone from Waiko be there right? Most definitely senator and i'm assuming that in the process of going in the process of going there you do have a plan to basically sell virgin islands to the world that's correct senator the reason why i'm asking that because during kobe 19 we were so fortunate just it seems like the virgin islands do better during a crisis situation or we always get some kind of opportunity during COVID-19 most of the other islands they were closed and we took advantage of you know no passport required to travel to the U.S Virgin Islands so the airlines was like the next cruise ship of the U.S Virgin Islands but moving forward I know that our competitors are watching what we're doing and we don't have to go in details here because that should be whole hell to our chest but I just want to make sure that we place an edge and have an edge in the market because I know there There was an old Virgin Islands Daily News article that referenced that X, Y, and Z said that our product is, I don't want to say it on the record, but it said our product is going down. So my question as far as with WICO and meeting with the Department of Tourism, can you just speak to some of the major things that we should expect in 2023?

- 1:26:07 okay that's a that's a great question um let me just say uh the and based on your question that you asked before about selling the virgin islands uh that is one thing that i must say and of course i don't speak for the port authority or the tourism department but that is one thing that both that waiko port authority and the department of tourism does highly concerning crews and whenever we go to Sea Trade. Now, as far as the who takes the helm at doing that and whose first response, it is definitely the Department of Tourism. What we do at Sea Trade also is we have meetings with the cruise lines concerning any issues that we have, our board, we include them in our meetings, so that we can make sure whatever issues that we have, challenges that we have whatever issues that the cruise line has they're able to meet with us explain to us how important it is so that our board is able to know so that when we do make those operational or policy decisions in the board meetings they know exactly what it would how it would affect the cruise the cruise industry and to make sure that you know affecting the cruise industry has to be uh something that that is is on the priority list because what we don't want is for a cruise line based on a decision that is made that may not be in the best interest of the cruise lines or the territory uh to be to lose ships because of it and and that's always a possibility so so madam chair this would wrap up by saying that listening to
- 1:27:55 white coast testimony one of the biggest projects that you are working on is a dredging and I'm just calling on you and your team to let the body know indirectly or directly anything that we can do to expedite a process because as a first branch of government we take care of the finances of the government appropriating the funds and in this time we definitely need to be able to diversify our economy so we need those revenues so let us know what we can do write letters make phone calls lobby whatever we need to get that up and running to make sure that those revenues comes into the government office and like I tell individuals it doesn't matter which island the revenue comes from it goes into one kitty jar and we are responsible for that in the first branch of government so I look forward to collaborating thank you madam chair for time i appreciate that senator thanks uh thank you so much senator james uh well said we are one virgin islands definitely all of us are one thank you kindly for that senator kenneth l gittins from our big sister island you're recognized for your five minutes thank you uh madam chair and good morning to all morning the uh what's your ultimate uh backup plan if the pandemic or anything else hampers the cruise line industry here to the territory?
- 1:29:36 Well, we're looking at diversifying our upland properties, which includes seven acres of undeveloped land in state Liverpool and state Thomas. We're also looking at ways of diversifying our upland that's right next to the dock so we're actively looking at those opportunities and we actually have our architect slash engineer working on possible scenarios for consideration by our board so let let me go straight down to asking you about the what's being done with the old Waiko headquarters.
- 1:30:29 I believe that's supposed to be another historic site or something here, but this headquarters has been sitting empty for quite a number of years. What's the plan for that? This is a great spot for maybe a museum or a restaurant, something. What is being done with that location? Um, you're talking about the White House above the property at the dock, Senator? Yeah, I think that's where your offices used to be. uh exactly um right yeah what uh senator let me say that uh that is one building that waiko has not had access to that is ger s's property uh though it has the west indian company limited on the building that is an asset of ger s and they have full control of that so i cannot speak to the use of the building that is something that we have not managed okay thank you so i'll check with uh grs and that and and can you possibly tell us um what's taking this conversation so long with regards to the uh merger of waiko and the virgin house port authority i think that uh we're we're letting our golden opportunity I'll go by, whereas in the last two years with the limited number of ships to the territory, that would have been an ideal time to have these heavy discussions and possibly put this into play. What's taking it so long?
- 1:32:19 Senator, basically I mentioned before, actually we have a non-disclosure agreement with VIPA. The parties, we continue to work on the terms of the transaction and the potential structure. And of course, because we're negotiating terms and that non-disclosure continues to be in effect, I really can't go into further details right now. I would hate to prejudice Wyco's position on that. So I apologize, but I'm not able to get into the specifics on that.
- 1:32:57 thank you um and what's being done for young people in the territory with regards to this industry and and uh coming in i couldn't help but to um hear the the great stipends uh being given to board members are we do you have any uh internship programs or scholarship programs for young people getting them involved in the uh cruising industry uh well let me just adjust the first part of that question um senator we the board stipends have been uh pretty much well not pretty much but the board stipends have been suspended for the past two years and concerned not not to cut you off but the first part wasn't about the stipends really The first part was what is being done for young people in the territory with regards to getting them involved in the cruise line industry.
- 1:34:00 Okay, so what I'll say to that is the good news, we see an increase in that happening. It was just stated that the Virgin Islands through the Department of Tourism has just partnered with FCCA to bring that exactly what you're talking about.

added revenues to the island, opportunities for the FCCA to partner with tourism to do community outreach to local vendors so that they can get a bit more acclimated in the cruise industry and present opportunities where they may be able to partner with cruise lines also, giving them the ability to be able to tap into that market of the cruise industry so that is something that it's that has just occurred um and we anticipate this year we'll see uh big things for the virgin islands partnering with the fcca great let's have let's have this uh conversation further um even while at uh sea trade because i was going to even ask you about your partners but you just uh spoke about the fcca so that's good madam chair i just had one more question if i may i know time was called yes uh senator giddens you may proceed with your wrap-up question my last inquiry is about the uh pollution uh by cruise ships uh in our waters and uh in our harbor and how it's being monitored how how is this being being monitored by waiko well senator i'll give sabino an opportunity to mention that uh one of the things that we have as a protective measure

1:35:53 is excuse me uh we do not allow any of the ships to do any um they they may be able to request a solid waste uh bin uh to some of the smaller yachts but those uh larger cruise lines they do not dump any of their trash uh at waiko um and i think it's it's similar it's the same down at crown bay but of course i can't i i'm not sure but currently sabino you want to add anything to that yes good day mark sabino west indian company director marine and crew services senator um the the word you use pollution is something that we don't uh tolerate at the west indian company We don't tolerate us for the laws of the U.S. Virgin Islands. To my knowledge, I don't know of any pollution that the ships excrete in the waters or in a port.

1:36:55 Every now and then you might see some smoke come out. But as for dumping of oil or anything over the side into the water, we are very, very vigilant about that. If we catch them at any time doing anything that results in stuff going into the water, we shut them down immediately. As for waste, the ships may request, and sometimes they do request, local vendors to come by and collect dry garbage, such as paper and stuff like that. Nothing wet, no chemicals, just dry garbage. And as well, they may request, the smaller ships may request a sewage truck or oil and sludge trucks to come by. And these are all local vendors, commercial vendors that do the same services, shoreside. But when it comes to pollution, it is absolutely not tolerated at Weico. The only thing you might see is that when a ship come in and go in, the disturbance of the harbor or the seafloor. And as we discussed, it's due to the dredging that is needed. The ships are getting larger, and they're getting closer to the seafloor, and we need to really dredge.

1:38:18 I've always said, people have heard me say it before, that if the channel was a human being, it would be up in ICU right now. That's how bad we need to dredge. I know the chair was grateful to give me the opportunity, but I must say that I heard the two responses and the question still hasn't been answered as to who is monitoring this, so I'm not comfortable with it. And I'm close by saying, you know, these non-disclosures with government affairs and whatnot seems a bit shady when it comes to the secrecy of negotiations. So we got to do better on that while we're handling the people's business. Madam Chair, thank you so much for the time.

1:39:10 You're welcome, Senator Gittins. As Senator Gittins and members of the committee, I would like you to know that I did call down to our legal counsel to investigate that non-disclosure because, of course, that raised my concern regarding two public entities having a non-disclosure agreement. That's very concerning for me, because knowing that they are both public entities and we have the Sunshine Act.

1:39:45 In addition, senators, we're going to have another round so you could drill down more on the West Indian Company Limited, because this is the first time they've been here in a long time, and we are thankful that they're here in person. At this time, the chair would like to recognize Senator Genevieve Whitaker, our secretary, as well as committee member Franklin D. Johnson. Senator Genevieve Whitaker, non-member, you are recognized for your five minutes. Good morning, Chairwoman. Of course, I want to commend you for this hearing today, without question. and speaks to your leadership and to good morning to your colleagues, good morning to the listening of the audience and good morning to the testifiers.

1:40:39 I wanna start off and as I was listening throughout and even just to highlight what you as testifiers, President Otley and your team were called here today was to really talk about a plan of action. President Otley, do you in fact have a written plan action with respect to the current um you know just from the jurisdiction of waiko that could be sent to to the chairman into the tell us the members and non-members of the legislature do you have an actual written plan of action with respect to waiko a strategic plan we we can send the plan of action to to the chair thank you for that i want to dive into the the matter of in 1993 right that's when your entity was formed do you present oddly feel that in 2022 we have the same needs we had back in 1993 by which it is necessary to continue to have the entity as it is and to do we do we still need waiko um in comparison to the need back in 1993 most definitely senator well I don't need to qualify that a bit more right do you have any so your testimony included figures on where are the financials to support the various figures both the loss of income expenditures you know where is that information do you have where's that regularly reported is that on

white coast website the people the PFA website is it where can we get that information as members of the public on a regular basis well uh senator waiko is uh required to submit our audited financials to this body uh so that's uh something that we do um and of course you know you know what other whatever other financial information you would want then

1:42:37 we definitely can provide that president oddly not just what i want as a senator and we want us senators what the public would need we talk about transparency so what is the public reporting mechanism used by waiko at this time well senator concerning the requirements of waiko to submit to this body the required financials audited financials that is what we have been doing and that that is what we will continue to do that is the requirement of the legislature of the virgin islands and that is something that we intend to continue to do your receipt of federal funds am i correct as you testified earlier today yes senator and do you understand that the federal government requires a level of reporting yes senator okay and currently in addition to reporting directly back to the federal entity do you where do you also submit your financial information Again, to the legislature, where is the information reported so that we can get it easily as senators, members of the public can receive that information?

1:43:49 Concerning those federal funds, we report to the Office of Management and Budget. And you've been keeping up to date with submitting those financials in a quarterly, annual, how often do you submit those reports to Office of Management and Budget? We submit monthly. you for that to follow up on my colleague's question the previous speaker about workforce development which which stakeholder education entities have you engaged with with respect to workforce development you mentioned of course you all have a obviously a strong relationship with the housing finance authority who received you know 10 million dollars towards workforce development um any how how you've engaged department education board education virgin the Virgin Islands Board of Granted Education, other stakeholders for education.

1:44:38 Have you all endeavored any kind of education initiatives? You mentioned something about us receiving \$10 million in education, I don't know. No, no, no, no, no. I said that the Virgin Islands Housing Finance Authority is an example dedicated about \$10 million for workforce development. I gave an example of just an allocation of monies and I'm just indicating how has WICO worked with, of any of our public education stakeholders with respect to workforce development? Concerning the workforce development, we have not engaged with the Housing Finance Authority.

1:45:16 What I mentioned earlier with the relationship between tourism and the FCCA, that is an opportunity for us for that workforce development. As far as Housing Finance Authority goes, we are in, we partnered with Vipa for the dredging project and the Housing Finance Authority happens to be the entity that the government is using to facilitate those funds from HUD. so in that capacity that is our relationship with housing finance uh the housing finance authority for that particular um appropriation or sorry for that particular project for the dredging i think i know my time was called if i just wouldn't wrap up you may proceed with your wrap up yeah i just wanted to disclose and just saying um thank you for your testimony uh also to just that you know that i will be following up with you on the board um because i really think you all need to kind of we have to dive into real workforce elements um and because we really want to see that our young people get an opportunity in the marine industry we're going to really move forward in that regard all the stakeholders have to work together um and to make this you know effective thank you chairman uh thank you so much senator whitaker senator franklin d johnson you are recognized for your five minutes good morning thank you very much madam chair good morning to the testifiers good morning to the viewing listening audience and good morning to all my colleagues i beg your pardon if i ask some questions that have been asked before you know these airlines is when you're traveling from one island to the next um there was some issues with the carnival cruise line has that been revolve resolving it if there it is or if it isn't what is the issues

1:47:17 that they haven't returned back yet well actually we're in the process of having those discussions with carnival um and working out our differences as far as um you know wording in our contract but they are uh vibrant in getting back to us and we anticipate with our meetings coming up at sea trade that we'll be in a uh be able to to get to the uh amicable solution between both of of us so did you had a contract that expired or or no actually we have a contract that was just uh they just exercised their option that contract ends at the end of 2026 and normally about how many ships come through here from from canova um normally and sabino can correct me if i'm wrong i'm thinking somewhere in the neighborhood of and i'll give you the numbers as far as passengers We look at more so around between 500,000 to 575,000 passengers on pre-pandemic.

1:48:24 And that's the entire territory, not just St. Thomas? No, that's the entire territory. And by the way, that is Carnival Corp. So that includes Princess Holland, America, and yeah. So we haven't received none of those ships thus far? No, no, no. We have been getting those ships. we have received carnival ships also okay um but we have been getting princess and holland america um and we have been getting uh some of the carnival brand now keep in mind also i don't want to make it sound like it's just specific to the virgin islands but carnival has limited their uh travel in the region so um you know it's not uh not us we're not at a standstill where the Virgin Islands is getting punished or they're you know definitely not

coming to us I think within the last two to three weeks is where they came out stating that all of their ships are now back sailing because they as an entity scaled back a bit but their sister companies such as Princess and Holland America have been a lot more intent on you know getting back in the groove of things. Let's talk a little bit about Katrin Berg. What seems to be the breakdown in communication or if there is communication with the disaster recovery, what's the status on that? Well, concerning Katrin Berg, initially, and I'll try to put it in a nutshell for you. We, after the hurricanes, we had an analysis of the damages to the property. FEMA came, FEMA did their analysis. We fought with them. Well, not fought, but we had differences in opinion on the amount of cost.

1:50:09 It would be to, excuse me, bring the property back up to where pre-hurricane condition. And ultimately, by the time we went and got, and this is outside of getting the estimates, When we got the estimates to repair the mansion, those were way over the amounts that FEMA agreed to. But of course, in getting those done, the contractors that provided those estimates found a lot more damages that FEMA didn't recognize on their report. So we're, through the Office of Disaster Recovery, we're trying to get FEMA to come back so that we can have those, you know, added to our requests for payments.

1:51:03 When was the last discussion you guys had with FEMA as far as them coming back and if there's a time frame in place as to when they will be back to have those discussions based on what the contractor found that FEMA might have had an oversight? The last meeting we had, and I think it was probably about three weeks ago, so we have a follow-up meeting, I think, next week, so we'll get a little bit more information as to where we are with that. it just you know what the frustrating part is uh this process takes so long uh with fema and to add insult to injury the fact that you know they went through the entire process and because they missed a considerable amount of stuff getting them back um just seems to be a bit more of a challenge for us and and during the pandemic have you guys lose any employees and if you did how much uh during the pandemic we have not lost any employees we had one employee that retired time um but you know our employees stuck with us so you know i i commend them as i i did in my testimony yes our guys are awesome thank you thanks thank you very much thank you very much madam chair uh you're welcome senator johnson senator giddens you're recognized for your point of inquiry yes yes madam chair I'm trying to inquire whether or not I can't recall what you stated is legal counsel coming to the floor to address our concerns or we have to wait for a legal opinion after the meeting I did make the call senator Gittins to legal counsel to do that research because I too was concern and based on our discussion and legal counsel is monitoring the proceedings today and she should be up shortly based on her findings okay so

1:53:05 give us a few minutes and she'll be up shortly thank you thank you Thank you so much Senator Gittins for that point of inquiry. The chair will now proceed with asking some questions. I know my colleagues asked several probing questions and I have my questioning but my questioning of course is going to be along the line of your budget. I mentioned to you already that I did take a look, a deep dive into your interim balance sheet.

1:53:43 And my concern was the representation of the \$464,000 that was represented in your PPP, as your PPP loan, Paycheck Protection Program loan, as of September 30th, 2020. and it doesn't show that it was sent back. And I needed to find out when was that money returned back and if this \$717,000 is the only PPP loan you received and have used. Okay, Senator, Avery probably could give the exact date. It was after September 30th. That's why you see it on the- September 30th of which year?

1:54:34 2021. Okay. So we did return the 464 to Bank of Popular subsequent to that. And since then with the second tranche under the Heals Act, we were able to get the 717. So the 400 was the 464 was returned and we retained the 717,000. Okay. Additionally, kindly indicate for us when you receive the ARPA funding what's what's the time frame that you received it we received the ARPA funding at the end of November in November okay and so I'm just wondering what has transpired that your financials couldn't be up to date as far as the end of before I go into that what is your fiscal year it ends at September 30th oh similar to the government correct okay so I my thoughts were that your financials at least that you would have submitted to us would have been up to date at least for the end of the year I could understand financials being updated every quarter that's typically industry standards to have your financials up to date every quarter and even your bank accounts and reconcile so this at the end of the year we need to do a little better but I understand your challenge because you don't have a CFO in place and when did your CFO leave the previous CFO vacate the position that was she left at the end of January okay January so go ahead let me just clarify we do our Our accounting team does our balance sheets. We still do reconciling of bank accounts. We still have the information that can be provided. I know it's a bit more difficult to discuss mid-year numbers than it is at the end of fiscal year,

1:56:43 but it is something that we can do and we can provide that information to you. I would like an updated balance sheet because I'm really concerned that some of these monies aren't reflected here. You had this PPE money that came in in September 30th of 2020 and that's almost a whole year that you had it and it was returned before September 30th of 2021.

So that's one of my concerns. it's just a minor accounting issue. Now let's go to your personnel at Waiko. I noted in your comments, you indicated that some austerity measures were done.

1:57:31 You mentioned that your workers who you lauded are very committed and loyal, had reduced work week because of the COVID pandemic. kindly indicate to us how many hours they worked per week or biweekly with the reduced hours. It was reduced to 32 hours. Okay, and then how were they paid for the remaining hours to make up for the, this is 32 hours per week?

1:58:06 Correct. Okay, so that's a total of 64 hours. So they are missing a number of hours. What is that? 16? 16 hours? About 16 hours they're missing in pay? Correct. Okay. So how has WICO treated those hours, those 16 hours? How were the employees able to make, you know, get any additional support? Were there any additional support?

1:58:37 Because you mentioned that the ARPA funds came in in November, November of last year, 2021. So how did the employees during that time, and what is the time frame that they worked these reduced hours? That was from April through November. And currently we're... April 2021 or 2020? Correct, 2021.

1:59:04 April 2021? 21? Correct. To November 2021? Correct. Okay. And we're currently working with our financial advisors in trying to find a way to be able to make the employees whole. Okay. Were your employees receiving any unemployment benefits for those hours that they were not paid? Yes, we met with the Department of Labor to give access to the employees to submit for unemployment. We did get some complaints from some employees that though they submitted all the paperwork to Labor, they have yet to hear from Labor on it.

1:59:49 Okay, so kindly share that we have, well, she's no longer there in St. Croix, but the chairperson of the committee on education and workforce development we would be interested and I'm a member of that committee as well we would be interested in getting that information because these are hard-working people by your representation and they are loyal to the West Indian Company and they haven't left we need to try to see how we could retain people and it seems that you're doing a really good job at Waico doing that I do have some other follow-up questions relative to this issue because paying people is very important especially when all of us we're all in it together with this COVID pandemic we had no control over the pandemic and we try and that's why the federal government is sending this large amount of money to us if I make colleagues I want to ask one question one more question and then we'll have a lightning two-minute round they are so gracious now my my question is regarding the ARPA funding that you received in November how much of that have you expended thus far every would have to every can you give that in information please in every world is financial advisor we have we have um spent five five hundred thousand dollars of the offer funds currently uh currently we've only used that money to pay salaries are there any other um type of payments that you're looking to utilize the money for outside of salaries

2:01:43 Mr. Williams, kindly mute your mic. Yeah, we have pretty much earmarked that \$4 million for salaries. All of it? All of it is for, the \$4 million is for salaries only? That is the plan. The ARPA funds can be used for operational also. We anticipate, you know, with the heading back into the cruise season in October, that should not be an issue. But the ARPA funds are able to be used for operational and salaries.

2:02:26 But we do, we are planning on using them primarily for salaries. So there is some wiggle room that you may use them also to cover your operational cost. Correct. cash flow is concerned yes cash flow okay thank you colleague a senator Marvin Blyton you are recognized for your two minutes thank you so much madam chair let me ask um to oddly the 23 million dollar the CDB GTR funds that you are waiting from HUD I know the critical need for those funds when it comes to the dredging, which would help in extra ships, et cetera, revenues, go on and on.

2:03:16 Let me ask the new interim director, Ms. Brendan, have you met with her? Have you spoken to her? What's going on in that space? Because you know it's critical that you get an update, you know what's going on with those funds where they're at because there's someone new. What has been going on as far as communication with the new director?

2:03:45 Well we together with VIPA we have requested a meeting on these funds and we anticipate a response from, well actually we did receive a response from Housing Finance and we anticipate that we should be having a meeting with Ms. Glendin in very shortly. It was considered very shortly, time frame. I'm hoping within a week.

2:04:12 Okay, very well. Let me also put on the record, I'm pleased to see that your employees, not one of them have left. Not one. During these difficult times. You said that during the last 10 months, they have been working, the hours have been cut. How drastically have their hours been cut? In terms of hours, 30 hours a week, 20? Oh, no. It was cut eight hours a week. Oh, eight hours by eight hours, OK.

2:04:41 And I also hope that the Department of Labor can do right by those employees. Because when you have hardworking, dedicated folks, it's hard to replace them. And that's hard to find, basically. And the work they do show that they do care

about the territory as a whole. And that's commendable. I want to commend them and commend you for the job you're doing this for. Just ask for more urgency when it comes to many of these projects and follow up and follow through because, you know, we are in a difficult time that is going to basically pave the way forward based on what happened now. And now is the time for action. And now is the time for things to happen. So thank you so much.

- 2:05:19 Thank you, Madam Chair, for the time. I appreciate that, Senator. Thanks. And thank you so kindly, Senator Blyton. Senator Novo E. Francis, Jr., you're recognized your two minutes thank you madam chair um president atlee are you under any specific goals or tasking from the board is there anything that you need to that you are specifically tasked with accomplishing uh the most immediate thing that i'm tasked with is a couple things uh the the most important one right now is getting our uh bank loan refinanced uh so i've been concentrating for the past three to four weeks on, you know, having conversations with the bank, having conversations with alternate investors to make sure that we're able to lock in, you know, a long-term savings to the company. And that is extremely crucial at this particular moment. Very well. I need some quick responses on this transparency.
- 2:06:22 Transparency, where are you documenting and accounting for the responsibilities, the finances of everything for WICO? Is that available on your website? Are you part of the transparency.com? Where is your transparency for your finances? It's not available on our website. We submit that to the board and we submit our audited financials to the legislature. How is that viewed by the public?
- 2:06:52 um i'm not certain uh senator all right work on that so we could know the next time around i think it's critical that we're able to provide some transparency to the public properties under your portfolio um what is what is those what are the properties under your portfolio right now um right now we have uh the 25 acres of waiko property inclusive of the seven undeveloped acres um which consists of Estate Liverpool and Estate Thomas, an undeveloped section of Estate Thomas. We also own a little over seven acres of developed land that is currently being leased to the Yacht Haven Grand, and that is upland. We also have submerged land that is also being leased to the Yacht Haven Grand. I think that's in excess of 12 acres, and the Catherine Burke property, which is a little over six acres.
- 2:07:54 Okay, thank you. Time. Mr. Sabino, Madam Chair, if I may just conclude? You may. Sabino, you mentioned about, and I have always taken that position as well, in terms of that we seem to invest with our box to the water. Tell me, as the director of the marine and crews, what are some of your recommendations? how do we start to posture ourself? And I know that the Caribbean islands have really come and benefit from, I've seen some of your presentation on the cruise, what do you call that stuff again? Sea trade? Well, how are we positioned some of the recommendations that you have made to take advantage, again, taking our box away from the water and really facing it?
- 2:08:42 Well, Senator, thank you for the question. Mark Savino, Marine Director of Senior Company, Director of Cruise Services. It's a very sensitive and a very subject that's close to my heart, you know, and as you know, me over the years. WICO, along with the private industry, we work, the money comes to the sea from us. Government employees like yourself, you know, you're caught up in your day-to-day government services and even right through the pandemic, you know, you guys had no interruption in your money, in your payroll, which we did, as we discussed right here.
- 2:09:26 As we go to sea trade next week, and you've been to sea trade before, right, I interact with my colleagues in the other islands, and they look at us and say, man, Sabina, we had what you have, you know, what we could do, what we would do, you know, and they're puzzled that we haven't done what is obvious to not only them, but to the cruise lines, to the private industry here, to us at Waiko, to everyone else. It's obvious what we need to do, or should do. And why have we not done it?
- 2:09:59 And I guess that's where it is apparent that when I make the statement that it seems like we govern with our back to the, or the government governs that are back to the ocean. You know, we're an island. If we were a castle and dependent on a bridge to bring our stuff across, and you say this bridge is crumbling, we would jump on it and fix the bridge, right? But here are our channels, our harbors, our ports, our docks, our broads, that's our bridge.
- 2:10:33 The airport is there, but 90% of what we do or what we receive in money and food and so on comes from the sea and when it comes to the west indian company historically and looking at the record there's no other entity in the territory that brings in more money directly or indirectly than the west indian company you have all these other people bringing in food bringing in oil bringing in gas whatever they're selling it what we do at west indian company we maintain the gate we have done everything that we can do but we can't go any further because we don't control the channel we don't control that gateway right now we are bleeding ships ships are passing by us all the time i do whatever i can do when it comes to my relationship with the captains with the professional harbor pilots of the virginia port authority to get certain ships in that were questionable such as the carnival mardi gras that we got in but that's because of relationships with the specific captain of that specific ship and that's what it comes down to you might have a captain that no no no i'm not going to do

that but once you know the captain and you get the right pilots you will get the ship inside this this harbor our channel is the ships have to do a weave to to get around it you know and as you know that we don't keep everything we make right i don't want to go down that road but the channel isn't ours so i i guess we rent the channel i don't know but it's hard for me to sit there at my desk right in front of me here and keep walking in front of me right here and see the ships that we are bleeding going by when our neighbors before us and the neighbors downstream have done it all years ago to prepare

2:12:29 for the increase in size and numbers of the ships that were coming and and and you know before mr atli were there it was it was uh graham and then it was mr bushelter you know we warned you even for shelter we warned you said listen if we don't do this we're gonna start losing and there we are we've lost we we behind now it's for us to say hey we're going to do it we need to do it because if we go up to see church and say we're going to dredge we're going to judge you know our our history even the army call how many how many times we've been to the army call and they say okay we're ready for you and then like oh it changed okay you know so i mean i must say i thank the senate every time we come up here you guys are in favor agree with us that that it needs to be done, but your hands are only, you can only go so far. We can only go so far, you understand me? And I appreciate and I thank you for that, for receiving that.

2:13:28 And I apologize for me being so passionate about the situation, about where we're at. You know, I don't like to lose. You know, I'm in a situation where I just keep hitting a wall. You know, here we are on the bottom of the hill again for the third time and say, okay, we're going up the hill this time. When we reach the hill, we're going to stay, or we're going to get close to the top and say, oh, no, no, we're going to come back. And that's what the Army Corps looks at us as that, you know? We are, you know, listen, you know what? The other islands don't have the federal government. They don't have all this money. They depend. They look out to sea. They know that they're an island. The United States of America bought these islands because of its geographical location. We are in a perfect spot. We have more than any other island in the entire Eastern Caribbean have.

2:14:29 We have the protected harbor, the mountain, the shopping, the beaches, two hours, I mean a two-day sale from the, or two hours flight from the United States under the US flag. We have it all. We have it all, and we're an island. But our channels, that feeds us as an island, why haven't we done it? Every time I go up there, what's going on? The other islands, like I said, they got ships turned away because of weather. We've never had a ship turn away because of weather other than hurricanes.

2:15:03 Mr. Sabino, I am so sorry to interrupt you. I can hear your passion, I can see your passion is emanating from you. But this good senator's time was cold. Well, blame Mr. Hartley, because he normally kick me under the table. And he ain't kick me, he ain't touch me, he do nothing. It's no need for apologies when you're having passion. We can sense it, we can see it. That's one of the reasons I was relentless in requesting that White could come before us. because we know that things are happening there and we need to get at least an assessment and an update of where WICO is and the like. So it was relentless that Mr. Adley can tell you. Senator Francis, you're good with your wrap-up? Thank you kindly. We will now move on to Senator Milton E. Potter. You're recognized for your two minutes. Thank you very much, Madam Chair, and we definitely appreciate your passion, Mr. Salino. I wanted to ask you, Mr. Atlee, I don't want to put goat mouth on you, as my mother would say, but what would happen if WICO were to default on the Bank of Popular, I believe it's Bank of Popular loan that you mentioned earlier. In theory, would the bank be able to seize the DAC? What would happen?

2:16:33 Well, actually, the PFA is a guarantor on the loan, so they would go to the PFA for the money. And of course, you know, the PFA has a lot more leverage than WICU does as far as funding. So definitely, you know, one of the, you know, conversations that we do have is the intent by the governor and personally the executive director of the PFA that, you know, losing our dock to the bank is, is, is, will never happen, you know. Okay. Okay. You've allayed my concern.

2:17:12 Is WICO still interested in having the additional pair constructed at the waterfront? I heard some talk about that back in the day. Is that still something that WICO is still interested in? Let me approach that one cautiously. I will say we have gotten pushback, but it is WICO's passion to increase our birthing And we find in the waterfront area, as you know, next to our property, the most ideal spot based on that lovely promenade we have coming from Waiko into the heart of town. We find that to be the best place for Waiko to pretty much get additional berthing to the cruise lines regarding the the mall situation with grs is there any potential for waco to regain that contract is there an interest is there any potential down the line for wapa to regain that for waco to regain that contract senator i cannot speak for the government employees retirement system. The last conversations we had about WICO managing or continuing to manage the mall, which it was WICO's hope to manage the mall was us trying to work out something where, you know, it can be to the benefit of both the GERS and WICO, WICO's position

2:19:08 was to listen to what exactly the retirement system would want in going forward and see how we can acquiesce or make it work. But GERS decided that that was not the route they wanted to go and they decided to manage them all themselves. So I can't speak to anything other than that. Okay. I know you can't speak for what GERS would do, but

would there be any interest on the part of WICO to once again broach that subject, or is that door, in your view, has that door been shut as far as GERS is concerned?

2:19:55 I can't, once again, on behalf of WICO, we are definitely in the business of promoting the Virgin Islands and making sure that we do what we can to bring more revenue, to make more money for the government. All of us, you know, we're in it together. As far as, so we would be willing if GERS was to say, hey, let's have a conversation. definitely would be willing to sit down and listen but I can't speak for the last indication we've had from GRS was that they were not that they were going a different route fair enough I'm curious about the PPP loan and why in 2020 you were deemed ineligible but in 2021 you were deemed eligible can you explain that that discrepancy okay and then then every can expound if necessary back in 2020 with the first tranche of PPP funding it was pretty much a work in progress so there were many entities across the board that were found ultimately the federal government gave gave out a lot of money and then after After the fact, because different decisions or different requirements, they were changing along the way, we ended up, initially when we submitted, you know, we were, based on the financial advisors and our attorney, we were eligible. After the fact, when we went back now with certain changes that they made and certain clarifications that they made, it ended up where we were ineligible. Because of that fact, we were able to hold off on the money, and just so that we can have a determination, we reached out to the delegate to Congress, and of course she was working on that front.

2:21:51 Ultimately, when they started to talk about the HEALS Act, and they changed some of the requirements, we were definitely eligible for that. The bank acknowledged it, our attorneys acknowledged it, PFA acknowledged it. So at that point, you know, just to be able to go ahead and capitalize on that money, we definitely had to return the first set of money to Banco, and they were also in agreement that we were eligible the second time.

2:22:19 Fair enough. Madam Chair, if I may just ask one final wrap-up question. You may proceed. Thank you very much for your generosity. I wanted to ask, I know you're functioning on a reduced level. was layoffs, I think you said that 50% of your staff were possibly laid off, and I wanted to know if there was some kind of, some sort of recall listing or if you are still in contact with those individuals who were laid off in the event when, you know, WICO resumes to, you know, it's normal operational strength, and there's a need for these employees. Is there a recall list or something that is there available so that these individuals would have an opportunity, at least force crack at, you know, securing employment? Thanks for the question, Anthony Oddly-Waiko.

2:23:20 I will say that we still have our listing of all of our employees. We still have a good relationship, I would say, holistically with them. The good thing, when we had the separation, ultimately several of those employees were able to gain employment with GERS. So many of those employees now work for GERS. But if we do get, and keep in mind, just to give a little bit more information, back at At that particular time, we did have the construction, leasing and maintenance section which dealt directly with the mall. So a lot of our employees at that particular moment spent 100% of the time in the mall. So though we did have to lay off many, unless we go back to, let's say, managing the mall or managing, you know, a large, you know, shopping center, or we do do the development that we decide to manage ourselves, it will be a bit challenging to come, to make it back to those numbers of employees that we had prior to not managing them all.

2:24:36 Understood. Thank you very much for your response, Mr. Atlee. Thank you very much for your generosity, Madam Chair. You're most welcome, Senator Potter. Before we go on to the next senator, we do have legal counsel present to answer the burning question raised by several senators relative to the non-disclosure agreement between WICO and the Port Authority. Legal counsel, senators have inquired whether that non-disclosure agreement violates any Sunshine Law, because this is two public entities having a non-disclosure agreement, and we are to be transparent in our actions.

2:25:27 Media kindly recognized the mic of legal counsel. Good morning, Madam Chair. To answer the question that was asked whether two public entities can in fact have a non-disclosure agreement, the short answer is no. However, both the WICO and Porth Authority are, although they're governmental agencies, they are also set up as corporate entities.

2:26:02 For instance, WIPO, which was founded in 1912 prior to the U.S. acquisition of the Virgin Islands, was set up as a public corporation, and therefore that corporation can sue and has the right to be sued and does not enjoy the same immunity as other central government agencies, except to the extent where the legislature gives the entities that clear immunity. So, therefore, these entities that are set up as corporate entities under the VI code or in the case of WICO, where the government have purchased certain shares under the GRS to also make that a public corporation, they are afforded certain privacy provisions.

2:27:02 The case, I know there was one case with the St. Croix Avis where the court basically stated that the WICO, in a sense, has, you know, two identities that it enjoys, the status and authority of a public corporation and it's also a governmental entity. So to that extent, yes, the records can be examined pursuant to the 3VIC Section 8.8A. However, it is, you know, dependent on those records. they do have the right to protect any type of proprietary information or information that they

may be using to negotiate. Additionally, in the 24th legislature, they did pass legislation which was vetoed by the governor then and then overridden by the legislature that the WICO has to provide quarterly financial information to this body so that is also part of the statutory requirements that waico has to follow i thank you so much legal counsel uh colleagues we're going to stand in recess for about three minutes the committee on government operations stands in in recess for three minutes.

2:29:07 Thank you. so so ¶¶ I'll see you next time [2 such phrases repeated 9 times · standby audio before the proceeding, transcribed by the recogniser as speech]

2:35:07 Thank you. Thank you.

2:36:07 Thank you. Thank you.

2:37:07 Thank you. We'll be right back.

2:38:07 Colleagues, we are back on record. Senator Javon E. James Sr., you are recognized for your two minutes. Thank you, Madam Chair. When it comes to the mastership schedules, can you just give me a little idea of how that goes what role you play in the master ship schedules or is that determined by another entity or agency? Are you involved in those discussions, Waiko?

2:38:43 Go ahead, Mark. Mark Sabino, Senior Company, Director of Marine and Crew Services. Senator, Waiko in the beginning was the agent, the primary ship agent in the beginning, even under the Danes. And as a As a result, all the requests for birthing came to the West Indian Company. And once we took it over in 1993, we continued to be the agent and we continued to manage the schedule and issue the birthing.

2:39:16 Now we have since released Godfell of being the agent. It's another company that's doing the agency, but we retain management of the schedule simply because the birthing at Waiko, Waiko is a complex dock. It is not just like Crown Bay where the ship goes in one side to the other side. It's very complex up there on how the ships are birthed and how you plot the position in arrival, departure, that sort of thing. So as a result, it is up to us to decide how and when ships and what ships can come in and come out the times coordination and and so forth because the reason why i asked that i know it was made reference that you had to diversify during kobe 19 and you started to um get involved with um the freight and shipping of um certain ships that's correct we are we opened ourselves to to handle anyone that's looking for a birth whether it be yachts or even cargo where we can take them Providing that a cruise ship doesn't want the birth, we will take, even now, in between the cruise industry, we manage and schedule. So is that something you plan to do in the long term? Of course. Absolutely.

2:40:35 All right, so I'm happy to know that you're diversifying your economy. Like I said, crisis do bring up opportunities. It's up for us to have the bright minds. And I must say that that was very smart of the Waiko group. But I saw here where you took some austerity measures, and you said some of these measures will remain in place until passenger arrivals return to their pre-pandemic levels. Can you speak to those austerity measures that are no longer in place and those that are in place? Okay, Senator.

2:41:10 Sure. Concerning that, definitely what we have curtailed is, as I mentioned before, we're not, as of right now, doing any contributions. You know, back in the day when we were really thriving, you know, Waiko had a very vibrant donation or where we would give back to the community. At this particular time, we're not able to. So that is something that we're not able to get back to at this particular moment.

2:41:49 And the others? In the others, non-essential contracts, we still have not gone back with any of those. Much of those are being handled by our employees. The board stipends, we still have not revisited that, and we are, well, we have renegotiated those essential services, and we are no longer in the reduced work week, and we don't intend go back to that okay so because what i was trying to get at is just to get an idea of which ones you're no longer having in place and which ones you plan to have until you see those numbers get back up my time was called and i try not to abuse my time so um in in respect for my other colleagues i will wrap up um all i would say is continue to do the great job that you're doing and i'm like you say we in the first branch of government we always look forward to seeing those revenues and hopefully those austerity measures once and for all can be um be reversed so we can see some normalcy but i understand you have to make those tough calls so it proves that you take care or do your due diligence when it comes to the finances of the government thank you madam chair for the time senator javon james senator kenneth l gittins you're recognized for your point of inquiry is is legal counsel still on the floor madam chair she is not on the floor however she has the ability to join us virtually and like i mentioned she is monitoring the proceedings legal counsel i note that you are logged in on teams

2:43:37 can you kindly open up your mic and camera and be recognized yes she can hear you senator gittins kindly proceed with your point of inquiry to the chair well if if we would can't view her then it wouldn't make sense for me to go forward

because the rules calls for us to be able to see and hear the individuals participating via teams however i was left still in the wind with what she stated and wanted further explanation at some point please thank you legal counsel i know you're attempting to get viewed and let us see you on the camera Yes, Madam Chair, the camera is on. You're not seeing me? No, we're not.

2:44:37 Maybe you need to log off and then log right back on. Okay, I'll do that. Okay, and then we could then again, Senator Gittins, recognize your point of inquiry. Once that is accomplished. thank you senator javon e james senior senator gittins you are recognized for your two minutes thank you madam chair however i will use my two minutes to have this conversation with legal council once she logs on or once she comes back to the floor but i must state that i was left even more confused uh hearing uh what she stated before i'm not certain whether or not uh these government entities if she's saying that they can be secretive in their affairs or not because she began by stating that they cannot and then went into explanations of other reasons sounding as if why they can't so I just want to be clear not only for me but the people of this territory to be clear on what's being said thank you based on my understanding and legal counsel we are still not seeing you I would recommend that you come up yes come upstairs but based on my understanding what our legal counsel indicated on the record is that these two entities the Virgin Islands Port Authority who will be hearing from later in the proceedings today as well as WICO have the ability to act either as a private entity based and law or as a public entity and it in the it's really dependent on the

2:46:45 proprietary information that they are sharing and they're using it depends on the circumstances of of that so those are some of the peripherals and circumstances wherein those two entities can act I know for for where I used to work the Virgin Islands Housing Authority there were times when it was beneficial to the agency they acted as a federal agency when it was to their benefit and to the people who they serve benefit and then there were instances when they acted as a state agency all of it the is dependent on the benefit to the people who they serve while we await legal counsel to arrive and to allow senator Gittins to ask his inquiry and get clarification on his time I'll proceed with senator Franklin D Johnson you are recognized for your two minutes thank you very much madam chair you know I I want to say to mr. Sabino I really appreciate your passion so my two minutes gonna be with you and you could take all of it when was the last time the harbor was dredge so I'm gonna tell the last time the harbor was dredged was over 50 years ago when they created cancrine the the um the sand fell down there so i i've been listening to some of your explanations so you're saying that this and what's going on with the harbor now the ship pretty much have to use its computer device to see where they can navigate and come in the channel as as uh as channels go we have a range which is up by catherine bork you got the two red things at night there's flashing lights

2:48:30 the ships have to line up on that that's a center range of all the channels in the united states most of most of them all they have a range once you line up on a range boat it's electronically or visually it comes straight down the channel in our channel the ship cannot line up on the range if the ship comes down the range is going to run aground so it has to weave and adjust its heading down as it comes down it the there there's in there's the there's intrusions from the side into the channel where the ship has to do like an s-shape or angle its its approach cannot follow the range you know it's it's sad to hear that because we had two years there's more than two years i mean when i said two years the pandemic gave us a a big window where where nothing wasn't coming and and we should have capitalized greatly on that opportunity so now we're talking about ships starting to move again and and we're in a quagmire with this i mean it's sad hearing it and i i really appreciate your passion and and you know feelings about your job and what we're trying to do here in the virgin and as we want to compete are we in serious i i i appreciate um you you know bringing that to attention and and um and understand that you could finish you could complete uh so that you're aware mr sabino uh you may do a brief wrap up because we do have other testifiers who are here in the chambers and we are running a little bit behind time i think i made my point okay thank you very much i really appreciate i really appreciate what you bring to

2:50:17 the table and what you explained because it's important it's important to us as a community as a territory if we're going to say we're competing in the tourism industry we have to do everything to make sure that these ships could come in and most of all safely that's the most important thing here and based on what you explained excuse me i'm so sorry thank you very Senator and Mr. Sabino your time has been called thank you kindly point of inquiry senator Novel Francis thank you very much madam chair I just wanted to add to that conversation and respect to that we have to be strategic in our approach with this I know that the port authority sometime back had a dredging done a lot of times the cost of mobilization of the dredgers becomes an issue of concern and in fact when we have them here that's the perfect opportunity for us then to utilize them in that dual role um you know so have there been any discussion and i guess the whole conversation about the the merger or us working collectively as a government to make sure that we're getting the best bang for our buck is that when they come for other projects that then there should be an opportunity for us to try to exhaust um their ability by having them here and minimizing the cost associated with getting them to do the dredging here so my inquiry is whether or not there have been a conversation when Port Authority had the dredging company here

for you to be able to do a dredging at that time or if you had the permits necessary to do it at that time. Well Senator I'm glad you asked that question because the issue of dredging is it's

2:52:06 spoils right now it's uh something around the 255 000 cubic yards of sand that have to come out of that channel you're looking at possibly approximately one football field 10 stories high so where are you going to put that spoils from back in 2007 when we tried at the first uh attempt to dredge um it was told that and we and we tried to tell them that that the virginalas need to establish an offshore dump site to put spoils the issues with with dredging is where are you going to put all this sand when you dredge it up and that's what halted the dredging back in 2007 and uh the dredging that we was going to do for long bill landing the long bill landing upland would have taken that that that spoils we had somewhere to put the spoils. The spoils for this dredgen is supposed to go down on the concrete field. We'll see how that works out. But the Limburg Bay is where the federal government would love us to put it because Limburg Bay was Megan's Bay when I was a child and it is not that today. Thank you. If I could just chime in on this because I recall the whole struggle with Waiko and a non-profit environmental entity that I used to be the president of East Environmental Association of St. Thomas and St. John relative to the dredging and actually where to place the sand. I know that at one time there was discussion about the Limburg Bay area because there is way far out a really like hole a big hole it's a big hole created by the by the federal government right and they had

2:54:00 discussed putting in in there the the byproducts which is a sand in that area I think there was issues surrounding environmental was misguided wait wait for me wait for me okay whether it was misguided or not the documentation and also the studies didn't necessarily shore that up to say that it was misguiding and as a result the the byproduct was placed at the University of the Virgin Islands and their property some of it was placed there but I want to go on thank you mr. Sabino and maybe that may be something that needs to be revisited but I do know that that was some of the challenges as as you have indicated on record. At this time, I would like to recognize Senator Kenneth Gittins for his two minutes. Senator Gittins, our legal counsel is in the chambers. You may proceed with your two minutes.

2:55:06 Thank you, thank you, Madam Chair. I'd just like clarity to know whether or not these two entities can be secretive in the people's affairs or not. Madam Chair, to Senator Gittins, whether these two entities can be secretive. Okay, so let me make sure I state clearly what I said before. These two entities are considered public corporations. They're also governmental entities.

2:55:41 They have the right to sue and to be sued, so they're considered corporate political entities pursuant to Title III, Section 881, which has to do with the examination of public records, yes, these entities, their documents are subject to public examination for those documents that are considered public records. However, in terms of a non-disclosure agreement, these agreements contain all sorts of information.

2:56:17 For instance, it may contain information such as trade secrets, proprietary information, non-compete clauses, marketing strategies, and to that extent, the entities can keep that agreement private until that agreement is executed. Senator Giddens, your time is running, do you have a follow-up question for our legal counsel? No, no, no, I'll just simply state then, so as government entities as well, they have a right to let the people know what's going on uh with their affairs we're talking about uh public funds here and there should be uh no secret to that extent that the people can't know what's going on behind the scenes i'll i'll just uh leave it there but this is exactly why people lose faith in government thank you uh madam chair uh legal counsel you would like to add something through the chair you are recognized um through the chair to senator gittins uh these these do not enjoy the same sovereign immunity as the governmental agencies that are in the executive branch or even this branch or the judicial branch these are set up as public corporations. So their immunity only extends to the extent that the legislature grants them certain immunities, and this is why they're afforded certain privacies when it comes to negotiating certain agreements, because they can, in fact, be sued for certain information if that is released to the public. So they don't have the sovereign immunity that

2:58:21 our regular government agencies have okay I think it is clear I will then start with my questioning my two minutes round of questioning I want to go back again president CEO oddly to my questions relative to the employees and the time they were placed on I would say furlough I got a call during our break I don't know if it's from my employee or whomever but they indicated that they actually work 24 hours not 32 when they were on furlough and I believe the time period you had indicated was from July no April 2021 to November 2021 and I do know that you have to have not worked less than 32 hours to be eligible for unemployment benefits so the question is now they didn't work they only work 24 hours for one pay week kindly indicate how are you going to are you and your team going to be able to make whole and of course you have already agreed to provide us with a listing of those persons as well as the time they worked and those hours because they are missing to be placed whole and we have all of this COVID funding, that we should be taking advantage of. So is it correct, first of all, that they actually worked 24 hours instead of the 32 hours a week?

- 3:00:24 Or was it some employees worked that amount of time and some others didn't? Like I mentioned, my office was fielding calls. We got a lot of calls regarding this hearing. Yeah, no problem. In clarifying, when I mentioned from April to November, all employees, and when you mention about a listing, I mean all employees, inclusive of management and the employees below them or under their management, worked at 32 hours for that time, and prior to that time, for two months, all employees were paid 40 hours. And then there was a short stint, I think it was two months, where they did work for 24 hours during the week. okay and like i mentioned you said it best um the demonstration of your team members your fellow team members as waiko is that they have remained and they haven't looked for any other opportunity will you try to make them whole with some of the funding that you've received or you're looking strategically at bringing them up to power even talking to the governors office regarding the paycheck well not a paycheck the premium pay to actually supplement what they lost knowing that some of them may not have been eligible for unemployment insurance because they worked above the the the line of demarcation to be eligible for unemployment insurance yes yes senator
- 3:02:18 I confirm we have spoken and the financial advisors are looking at ways how we can try our best to make the employees hold. Those are conversations that I'm having with the office of the governor to see how we can get that done also. Okay. And so do you have a time frame to do that and to really finalize those discussion and to put it in action? Well, as soon as we can identify the funding and make sure that we're eligible to do that, whether it be because of additional ARPA funding, we definitely will be doing it immediately. As soon as we can, once we're eligible to utilize those funds, that's what we intend to do.
- 3:03:01 Okay, so even though I am not a member of the Committee on Finance, I follow in a big brother's footsteps and I attend the meetings. If you could get in contact and give us a listing as well as all of the funding that you needed to make those hardworking, dedicated and loyal employees of Wycoho for the time frame that they did not receive any unemployment insurance, one. and also they did not get paid that would be great you know so we could fill the gaps what we want to try to do especially with a lot of our federal funding here is spend it spend it where it can be spent legitimately and utilize all of it because our people who have stayed here for two back-to-back back hurricanes as well as the pandemic they deserve nothing less and especially when you are here um stating how how loyal they have been and i appreciate you um and your team now i have another question to to ask you regarding i just want to say for the record i really appreciate what you just said we will definitely be back in touch with you or any assistance that you can yes and it's not me alone we work as a team yeah so it's the we gotcha okay thanks all right thank you now uh also i want to to mention uh to ask you regarding leased properties we haven't talked about it and i didn't really focus too much on your balance sheet and i'm hoping that we will be able to get your balance sheet information up-to-date but tell us how many lease properties do you have we know that of course the GRS has now reclaimed the properties that you managed previously for the past 26 years but kindly indicate to us how many lease properties do you have within your your inventory
- 3:05:15 sorry currently we have four lease properties and that it that is made up of uh estate catherine berg which we have leased to the office of the governor uh annually uh we have the yacht haven grand property uh that's leased to yacht haven grand we have the submerged land property that's leased the yacht haven grant and we have two warehouses that we lease on our property okay now these two warehouses which which entities have a lease with you with the two warehouses we have a lease with vngn our sister company vngn and then we have a lease with a couple other tenants who were tenants with the retirement system okay so I so they are no longer tenants with the retirement system they are now directly no no no they had retail space with in the mall and then they have some warehouse space with us okay so they have warehouse space with you now I was trying to locate it on your your financials that you have submitted you see the financials is really turning my head because I'm accustomed to you to money going in and clearly with the object cost category the budgetary cost category to be able to to pull those things out and seeing how much money you are deriving your income coming out of your leased properties and I can't locate it here on your spreadsheet that you sent to us maybe mr. Williams could assist me in in looking at it it has rental of land is that where is located
- 3:07:14 for some of these rental properties and the rental of warehouses that's correct senator okay now how much how much do you receive the do you receive from Yacht Haven grant annually for the rental properties and then to where you look for that information kindly indicate for us if all your lease properties are up to date or have any of the lease properties been expired any of the leases been expired no we do we do have a couple vacancies um we're in a month-to-month lease with uh two of our tenants and that was due to us exploring uh additional uh diversification in a particular warehouse um with the yacht haven grand property i would venture to say uh we're looking at somewhere probably a little below uh somewhere around 400 000. okay that's and that's fine um what about the submerged property what i would like to you and you could submit it through the chair okay okay i need to get a listing of the monthly rent collected for all your lease properties and then also who the entity you're leasing them with the agreements are made with and also when these leases expire to make sure that we have all of the leases them up to date and we are operating and I I don't have any other

burning questions to ask you.

- 3:09:11 My time has been called, but I will ask any other senator if they have any burning questions. Going once. Going twice. Certainly, Senator Milton E. Potter, you are recognized. I just have a quick question, Mr. President. I know that historically, Waiko has paid the housing costs for the chief executive when he comes over to St. Thomas. That's just the way it's been over the last several administrations. Is this still the case?
- 3:09:47 Yes, Senator. Okay. And I ask because just understanding the plight of the West Indian company right now with the challenges with COVID and lack of ships and all of that, if there has been any conversation about possibly shifting at Borden during this period of time. Well, Senator, let me say this. Right now, prior to, I think it was with Governor Turnbull, Governor Turnbull resided at Katerinburg. So a lot was done at Katerinburg to accommodate residential, ongoing, you know, residents as a residence. Subsequent to that, Governor DeYoung opted to stay at his home. So it has been shared with me that initially, and I think he's still, you know, planning on it or considering it for Katerinburg to be a resident. Based on the fact that we, Katerinburg, was not in, you know, tenantable or able to be lived in, we provided housing for the governor. We have been able to pretty much save quite a bit of money on that lease.
- 3:11:17 So right now we continue to provide housing for the governor while he's over here. Thank you very much. Thank you so much, Senator Potter. The chair would like to recognize the presence of Senator Alma Francis Heiliger. Senator Francis Heiliger, you're recognized for your point of inquiry. How are you? I'm trying to just get a little bit of clarity. I was under the impression that since we had received quite a bit of funding to repair government house, that something would have been done to accommodate the governor at some point, because I know over the years, the property has been transitioned depending on who was there. um so has there been any discussion as to how the property was renovated and this burden be taken off of waiko because we did spend quite a bit to fix it back and i was under the impression they because we have a governor with a wife and children that it was going to be fixed in a way that that would now become the residence after spending millions of dollars so i'm i'm a little bit confused that this conversation with you guys still paying is still going on. Could you explain a little bit more? Thank you. Yes, Senator. When you mentioned the millions of dollars to repair the residents, are you speaking about with Governor Turnbull or are you speaking as of late?
- 3:12:51 I am speaking about the White House up there. Government House. Yes, Government House. So has Has there been any conversations with that being completed? Because we did spend quite a bit to renovate it after the hurricanes. Has there been any conversation about them potentially going there and then this additional burden being taken off of you guys? We have not been speaking with the Office of the Governor about Government House. We're not involved in that.
- 3:13:26 I suspect, and this is just a suspicion, where the line of questioning was coming from the good senator before. Wycle was acquired by the government of the Virgin Islands. The governor's residence was in government house on the third floor, if my memory serves me correct. I've been around a long time, I may look a little young, but I've been around a long time, I'm just well preserved. and so that is the question whether or not they are going to use the third floor as before as the governor's residence which we you can't answer that um and and so you don't have to worry about paying for the governor's residence out of waiko funds because katherine berg is no longer are usable because it still needs to be repaired. I think that's what, I suspect that's what the good Senator was trying to get at. Okay, since we have no other burning questions and we do have a long agenda before us, I would like to allow our testifier, President CEO Atlee, to do a 30 seconds wrap up.
- 3:14:49 you senator I would like to thank you for affording us the ability to come before the Senate I know and as you said you know you've been behind of us to come here I think we missed probably two or three sessions but of course due to your grace you understood the reasons why I was not able to make it but I was intent on making sure we come so that we can present our situation where we're at what we need as a company to continue to keep the Virgin Islands in the forefront of the cruise industry. So I appreciate you. I appreciate all the senators today. I appreciate the questions. We definitely will be back to you with many of the items that you requested. And I, you know, Many of the Senators do attend C-Trade, which I think is amazing, and of course, we will avail ourselves to do any one-offs with any of you, any questions that you may have, please feel free. So I'd like to thank you once again for having us here. I'd like to thank Sabino and my support staff over at WICO, and Joe Francis, he didn't get a chance to come up here with us.
- 3:16:07 But I want to thank you guys for giving us that opportunity and we will continue to be partners and come before you for any questions that you may have. And don't be a stranger. Feel free to reach out. Thanks so much. Thank you so much, Mr. Atlee. Again, I want to commend you on submitting your testimony timely as based on our request. and thank you for your team and all of those persons who are here today representing and supporting you on behalf of the West Indian Company Limited. The Committee on Government Operations and Consumer Protection stands in recess for five minutes.

3:17:00 Thank you. Thank you. Thank you. Thank you. guitar solo Thank you.

3:20:00 Thank you. ¶¶ I'm sorry Thank you. Thank you. Thank you.

3:23:00 Thank you. Thank you. Thank you.

3:24:30 Thank you. Thank you. Thank you.

3:26:00 Thank you. Thank you.

3:27:00 Thank you. Oh, my God.

3:28:00 Thank you. ¶¶ Thank you. Thank you.

3:30:00 We'll be right back. ¶¶ Thank you.

3:31:30 ¶¶ Thank you. ¶¶ so ¶¶ Thank you.

3:34:29 Thank you. Thank you.

3:35:29 Thank you. Thank you.

3:36:29 The Lone Ranger Thank you. Thank you. Thank you. Thank you. Thank you.

3:39:29 Thank you. Thank you. Thank you. Thank you. Thank you. Oh, my God.

3:42:29 Thank you. the committee on government operations and consumer protection meeting for Tuesday March 29th 2022 is back on the record madam clerk kindly read into the record block 2 of the agenda block 2 the committee will receive testimony on the Virgin Islands taxicab Commission to include but not limited to enabling law and jurisdiction current agency challenges and plan of action to resolve challenges the invited testifiers are miss Linda Smith acting director of the Virgin Islands taxicab and miss Loretta Lloyd chair of the Virgin Islands cab taxicab Commission board thank you so much madam clerk and for reading into the agenda into the records rather the block two we have before us testifiers from the taxicab Commission joining us here in the chambers is the acting director miss

3:44:36 Linda Smith and joining us virtually is the chairperson of the Virgin Islands Taxicab Commission aboard Ms. Loretta Lloyd and we also have joining us I believe if my memory serves correct Ms. Myrna George and Ms. George is the secretary for the Virgin Islands Taxicab Commission. What I will ask is to have Ms. Loretta Lloyd just to do a sound check because we can see you visually. Good afternoon Miss Lloyd. Okay so unmute your apparatus and you could say good afternoon once again. Good afternoon. Good afternoon. So your visual and plus your audio is operational. Good afternoon Miss Myrna George. We're doing just a check to assure that both wonderful good afternoon um how i would like to proceed because we did receive testimony from both the chair as well as the acting executive director as well as the executive director what i would do is is ask the chair to proceed with her testimony, and then we'll have the executive director proceed with hers. So Madam Chair, Loretta Lloyd, you are recognized to proceed with your testimony. Pleasant good afternoon.

3:46:21 Honorable Senator Carla Joseph, Chairperson of the Committee on Government Operations and Consumer Protection, members of the committee, non-members, non-members, individuals attending in person and listening public. My name is Loretta Lloyd, Chairperson of the Board of the Virgin Islands Taxi Cab Commission hearing referred to as the ITCC. I am supported by some hardworking board members who are attending virtually and perhaps listening in as well.

3:46:57 The Virgin Islands Taxi Cab Commission was reestablished by act number 69, 68 on October 10, 2007 as a semi-autonomous agency. The commission is comprised of nine members appointed by the governor and approved by the legislature. Our current board structure is as follows. Loretta Lloyd, chairperson, public at large, non-government, St. Thomas. Elizabeth Hansen-Whitley, vice chair, Department of Tourism, St. Croix. Morla George, Secretary, Department of Licensing and Consumer Affairs, St. Thomas.

3:47:40 Vincent A. George's, Retired Law Enforcement, St. Thomas. Franklin Bratwick, Active Taxi Operator, St. Thomas. Sweeney Toussaint Jr., Active Taxi Operator, St. Croix. Term has expired. Camille Paris, Jr., active taxi operator, St. John, term expired. There are two vacant positions, one on St. Croix and one on St. John. As for Act III, Section 274F and 11 of the Virgin Islands Code, the Commission may hire an executive director, taxi inspectors, who in addition to the powers granted elsewhere in this code, shall have the specific power to issue traffic citations for the unauthorized operation of a taxi and that such employees as the commission considers necessary to carry out the purpose of its duties.

3:48:43 And F-12, exercise such other incidental powers that may be necessary for the purposes of its establishment and operation as are not in conflict with the law, excuse me. On August 30th, 2021, the board hired Linda I. Smith as the new executive director. Director Smith is based on the island of St. Croix. On March 21st, 2022, the board by majority vote confirmed the employment of Ms. Vernice M. Goms as Assistant Executive Director effective April 4th, 2022 and will be

based on the island of St. Thomas to cover our constituents, both on St. Thomas and St. John. On March 21st, 2022, the board by majority vote, excuse me, agreed to enter into a contract for the legal services of attorney Ateam Abraham to solve a period of two years. This attorney will be on the direction of the board.

3:49:52 Immediate needs are to develop bylaws for the board, drop the standard operation procedures, SOP, for our enforcement officers, review Title 3, 274, and Title 20, Section 401, sequence of the Virgin Islands Code, and submit amendments where necessary for accuracy and consistency. This is of utmost importance in order to update the rules and regulations handbook for the Automobile for Hire Industry and submit for promulgation. Unfortunately, we have so many processes that had not been addressed under previous leadership, which contributed to the delays in driving a human resource manual for all administrative employees, Accompany Virgin Islands Taxi Cap Commission leadership at legislative hearings, attend taxi citation hearings, and the event of any appeals or legal matters filed in the Superior Court of the Virgin Islands. Said attorney will represent BITCC and any other legal matters.

3:51:05 The board has established the following committees, budget chaired by me, Loretta Lloyd, enforcement shared by Mr. Vincent A. Georges, rules and regulations shared by Mr. Sweeney Toussaint Jr. and human resources shared by Ms. Elizabeth Hanson-Whitley. We are in the process of formulating the guidelines for each committee. On July 6th, 2021, the Virgin Islands Taxi Cap Commission and the Bureau of Motor Vehicles have finalized, adopted and implemented the process of pertaining to the second stage manufacturer's certification of all modified vehicles, commonly known as Safaris.

3:51:48 The official tariff for automobiles for Hyo and St. Croix in Tamistan, Xinjiang has not been increased since 2005. In addition, the cost of living and the cost of fuel has risen extraordinarily. In fair consideration to our industry operators, on March 21st, 2022, the board voted to increase the tariff by 50% across the board. Once the document is completed, we intend to do a public service announcement so that all persons affected will become aware. We'll also notify the industry operators they need to come into the office and obtain the updated official tariff. VITCC continues to struggle with the challenges of the governor's executive orders and proclamation during the current COVID pandemic. Our enforcement officers continue to report to the Virgin Islands Police Department at the expense of the Virgin Islands Taxicab Commission.

3:52:55 We are bearing the burden of paying the salaries and fringe benefits of our enforcement officers and the fuel and the maintenance of VITCC enforcement vehicles. This is a tremendous strain on our financial resources and contributing to a major setback for the effective operation of an agency that relies on generating its own revenues to cover all its expenses, including payroll. Excuse me. Should be known, based on the governor's executive orders and proclamation, there's no value in hiring any additional taxi enforcement officers because once they have completed their training at a VA police academy, they would be required to report to the VIPD. As such, until the governor's executive orders and proclamations are lifted, whereby VITCC would then have full functionality of its enforcement officers, they are not in a position to employ covered salaries and benefits within the current budget the board of a taxi commission continues to be focused on improving the automobile for higher industry we are anticipating the return of limousines under the regulatory authority of the agency currently they are being licensed by the department of licenses and consumers affairs and to the best of our knowledge there are no standard policies and procedures being implemented by the enforcement officers of the LCA.

3:54:28 Tourism is on the rise while COVID and its virus, Delta, Delta Plus and Omicron are fluctuating up and down. However, during the period of March to August 2021, in the absence of the executive director, we had board members covering the day-to-day operations of the agency while committing to their daily applications. I want to personally thank the board members who answered the call ensuring the continuity of businesses on behalf of the automobile for higher industry. We also had a commitment of tenured enforcement officers on the island of St. Thomas and St. Croix who assisted our collection clocks with our processing of paperwork and document so that our constituents were able to conduct business as usual without interruption.

3:55:18 again i want to take this opportunity to express my humble gratitude to these individuals who maintain the operation of our agency on behalf of our constituents while we are happy to serve the people of virgin islands we encourage all those that serve in their capacity as lawmakers to be well informed of the laws that guide the board before questioning the integrity and merit of board members who have answered call to serve thank you for your invitation to appear before your committee to present an accurate account of the challenges the board faces continue to face and the steps that we are taking to correct them we are available to answer any questions you may have thank you thank you so much chairwoman lloyd will now ask the executive director miss linda smith to kindly read her testimony into the record good afternoon pull down the mic and speak directly into the mic it is your friend One moment, just a little bit of housekeeping, Chairwoman Lloyd, could you please mute your mic? It's still on.

- 3:56:47 And Ms. Smith, be sure to speak directly into the mic so that our stenographer could record these proceedings. Thank you so much. go ahead and proceed. Honorable Chairwoman Karla J. Joseph, distinguished members of the Committee on Government Operations and Consumer Protection and other members of the 34th Legislature, members of the media, and the viewing and listening audience, my name is Linda I. Smith, Executive Director of the Virgin Taxicab Commission, also known as VITCC. It is an honor to appear before you to testify on VITCC's overall operations within the District of St. Croix and the District of St. Thomas and St. John. After a panel interview, along with careful review and consideration of my educational qualifications, which includes a bachelor's degree in business administration, business management, and a master's degree in public administration, along with numerous certifications.
- 3:58:05 Over 25 years experience in both the public and private sectors would focus on public policy, revenue enhancements, and performance-based results. I was selected by the VITCC's Board as Executive Director and joined the Commission on August 31, 2021. VITCC's Executive Director serves as the Chief Executive Officer of the Commission, responsible for the administration and management of the operations to include mandates in conjunction with both local and federal laws, the rules and regulations approved by the Commission's board, and sound business practices. Duties include the planning, directing, and management of the administrative functions, the implementation of policies of the Taxi Cab Commission, monitoring of the industry to ensure compliance with the Virgin Islands Code, and makes recommendations to the Commission's regarding corrective actions and new policy initiatives.
- 3:59:16 Under the Virgin Islands Code Title 20, Chapter 37, subsections 401 through 413, known as automobile for hire, mandates how the Commission must regulate over 3,000 men and women of the industry through the registration and licenses, operators' badges, and identification cards, along with issuance of citations, tariff rates, and medallions. VITCC currently has a total of six full-time employees, also known as FTEs, which comprises of one administrative secretary and one enforcement officer in the District of St. Croix, one One collections clerk and two enforcement officers in the District of St. Thomas and St. John. The administrative team currently comprises of one administrative secretary who serves as collection clerk and processes over 600 clients per year in the District of St. Croix.
- 4:00:29 on one collections clerk in the St. John District Office who must process over 1,200 operators from the island of St. Thomas and over 170 operators from the island of St. John, all in accordance with the Virgin Islands Code. With the surge of visitors and guests to our beautiful shores, VITCC remains understaffed in meeting the needs of our Enforcement Division with one Peace Officer in St. Croix and two Peace Officers in the St. Thomas and St. John District. Our officers are also frontline personnel and are responsible for monitoring taxi and tour stands at all port of entry, beaches, historical sites, and patrol the territory's road and traffic. This does not include Governor Bryan's executive orders and proclamations where BITCC officers also serve as members of the COVID-19 Joint Task Force.
- 4:01:34 A resource assessment was conducted and due to the budgetary's constraint, BITCC is simply unable to hire additional personnel without additional funding. Technology, infrastructure, and enhancements. When I joined BITCC, at my request, the Bureau of Information Technology conducted a technology assessment on all equipment in both districts. The results showed that almost all computers and printers were in need of software upgrade and or needed to be replaced. Admit the COVID-19 pandemic and its numerous variants, the frontline personnel in the St.
- 4:02:20 McRoy office continues to serve clients in a very small office space which is limited to three employees. The shortage of manpower continues to be evident with the long lines of operators daily to be served by one person in the St. Thomas and St. Durant District. This requires the Executive Director to regularly provide her time to assist or solely serve our valued clients in both districts. This has allowed me, however, to gain full knowledge of processes, build relationships with our operators and provide comprehensive assessments to the Board.
- 4:03:02 These assessments include the streamlining of processes along with the rebranding, updating, annotating of all service forms used daily by our clients and partners such as the bureaus of Internal Revenue and Motor Vehicle. Most frequently used forms were identified and in collaboration with the teams at both the Bureau of Information Technology and the Property and Procurement Printing Office. These forms have been today fully digitized in time for the upcoming relaunch of TCC.VI.gov, which is the Virgin Islands Taxicab Commission's website slated for April 15, 2022.
- 4:03:53 This new website will allow for clients to make appointments via the QLS software, inform operators of documentation requirements for all services and upload documentation. And the VITCC personnel to process and store documentation on a cloud-based network and the capability to interface with an operator's file in real time via BIT's ServiceNow Contact Management software. As the case agency for the Bureau of Information Technology's latest initiative, this will create a repository which will significantly reduce the Commission's use of paper and printing products by the end of calendar year 2022.

- 4:04:39 Training. Executive personnel have completed all cybersecurity certification training provided by both the Bureau of Information Technology and Texas A&M University. As the Board Chair stated in her testimony to this body, with the absence of an Executive Director, the Board completed time and attendance reports on behalf of the staff. In November 2021, an in-house training module was developed and completed for the Department to finance STAT reporting system by key personnel and is now returned to our operation. Enforcement officers have completed all Peace Officer Standards and Training, also known as POST, and look forward to completing all in-service training requirements as outlined in the POST Manual. enhancements on February 23rd 2022, VITCC was awarded part 1 of 2 of the LEPC's 2020 Coronavirus Emergency Supplemental Funding also known as CESF program for the United States Virgin Islands. This sub-grant was successfully considered by the grantor without any findings or recommendations in the in-kind amount of \$26,076.78 with Part 2 to follow.
- 4:06:14 The Executive Director looked forward, this Executive Director looked forward to again partnering with LEPC and draft and submit required documentation for consideration in the upcoming JAG grant which is federally funded. Between December 2021 and January 2022 for a total of 27 days and with very limited personnel, using a strategic approach by implementing a modified service of appointments and drop off now and pick up later concept, VITCC generated a total of \$119,000 in revenues.
- 4:06:59 Good results showed that these services required after our document preparations for the next day had to be first completed and included evening return and or reminder call to our clients. It also demonstrated that although press releases were published, postage of signage, distribution of flyers and peer-to-peer advertisement were completed, the need for additional personnel is evident. Programs. With a wait list of over 1,300 names in the St. Thomas, St. John District, the Taxi and Tour Certification Program, in conjunction with the Department of Tourism, the University of the Virgin Islands CELL Program, which established under a Memorandum of Understanding in 2018, was revisited.
- 4:07:53 After numerous meetings held, this program now allows St. John its own classes and designated curriculum. Class sizes have been increased to 30 students with the following sessions offerings per year. St. Croix, two sessions, St. John, two sessions, and St. Thomas, four sessions. In our efforts to remain compliant with local and federal regulatory laws, the Executive Director recommended that the agency undergo an audit of all administrative processes and transactions.
- 4:08:33 This recommendation was approved by the Board and a formal request has been sent to the Office of the Virgin Islands Inspector General's Office in September of 2021. Tariff. Under the Virgin Islands Code Title 20, subsection 405, the Virgin Islands Taxicab Commission rate schedule and tariff rate schedule, also known as our tariff increase initiative proposal has been completed and submitted to the board for approval. This initiative contains a tri-island public awareness campaign and includes town hall meetings for the Automobile for Hire community, which is slated for April 4-6, 2022, in which formal invitations will be sent to all members of the 34th Legislature.
- 4:09:27 The campaign also features a radio and television appearances and print media. In our continued effort to raise awareness, public service announcements through radio and supported by our website will remain a key service standard. A draft amendment of the Virgin Islands Code Title 20, Section 259 which is our Rules and Regulations for Taxi and Tour Operators have been completed for a submittal to the Board for consideration and further approval. This is one instance as there are many other key parts of the statute which can be considered as ambiguous.
- 4:10:15 In conclusion, Pele, the great soccer player, once said, and I quote, success is no accident. It is hard work, perseverance, learning, studying, sacrifice, and most of all, love what you are doing, love what you are doing, end of quote. These are just a few of the accomplishments since my arrival, but due to time, I will stop here. I thank you, members of the Committee of Government Operations and other members of the 34th Legislature for inviting me to testify before you this afternoon. I'm prepared to respond to any questions you may have.
- 4:10:57 Thank you. Thank you so much, Ms. Smith, for your testimony. Colleagues, we will proceed with one round of five minutes questioning, beginning with Senator Marvin A. Blighton. Senator Blighton, you are recognized to proceed with your five minutes of questioning. Thank you, Madam Chair.
- 4:11:28 Good afternoon again to the people of the Virgin House. Good afternoon, Chairperson Lloyd and Edie Smith, and thank you so much for your testimonies. Edie Smith, I must say I'm happy to hear what you have done thus far. You just got on board and you have done a good much in terms of assessing the situation what you should do, and seeing what needs to be done and moving forward expeditiously to address many of the challenges that you face, and I commend you for that. I'm sure we're going to have a good relationship moving forward because I will be in contact with you. And anyone that looks over the taxi drivers, they're on my side, I got you, okay? Let me ask, in respect to the chairperson Lloyd's testimony, you spoke to a contract, a two-year contract with attorney Abraham. What's the amount of that contract, Max? You're muted, Chairperson Lloyd. Can you unmute your mic when you're speaking?

- 4:12:31 Yeah, yeah. It's going to be a two-year contract for \$60,000. Okay. Very well. Thank you for that. And let me ask you also, let me ask in respect to the tariff and the 50% increase. I have a problem with that. Let me tell you why. I do agree there needs to be an increase, but it does two things. It affects our taxi drivers, because many folks are not going to want to pay a 50% increase right away. You can do it, but do it on a graduating scale like within six months, or what have you. So I believe you should amend it to go over like six months period so folks can really catch themselves.
- 4:13:12 There's a lot going on. And yes, the drivers do deserve an increase. But 50% is a lot at the same time. So if you can do it on a graduated scale, that would be much appreciated by the drivers and those that need a service because you're going to affect both areas, and you don't want to do that. So you can get it done, but you'll do it in a different way, whereas both parties might not have the problem with that. That's my recommendation. Let me ask also, based on the testimony, It is Smith. You spoke to the issues you have with computers, et cetera, being outdated, et cetera, and you're correct.
- 4:13:56 I know there were funds as a result of COVID-19, whereas most folks do everything virtually. Do you know the department applied for any of those funds to assist with the operation because of the pandemic? Thank you for the question, Senator Blyton. I have knowledge of the ARPA funds and availability to do more than just the equipment, but also we will be exploring, as I stated in my testimony, the opportunity for even our enforcement officers to have equipment in their vehicles, in the enforcement vehicles under the JAG grant.
- 4:14:43 So yes, I'm aware of it, and I have reached out to the Commissioner of Finance already. But you have not received any response thus far? No, sir. Okay, very well. Let me ask also when it comes to the classes. I know an individual reached out to my office with respect to the classes and trying to take the class, and there were some challenges there, and upon further investigation, it seems like all 1,300 individuals have been waiting, et cetera, so you can, can you speak to me about what's going on in that space and what's being done to assist in terms of actually having this move forward because it's law?
- 4:15:25 Yes, sir. And I do remember getting a call from your office, so that's why I'm smiling. And I hope that I was able to answer that question at that time, but I'll try again today. As I stated in my testimony, The list has over 1,343 persons on it just for the St. Thomas, St. John District only. When I reviewed the list and I assessed the issue, the first thing I started doing because I started to account for all the queries per day and I came up with an aggregate which was about it averages between six if I don't get six queries before 10 o'clock in the morning I don't get any queries I get on the average at least 10 per day and that's I'm being very very conservative it is every single day so So seven days a week, it's not just five days a week for me. So what we did was, that caused me to go back to the institution and have meetings with them to ask, what can we do to assist with this painting problem?
- 4:16:54 And it's growing, it's not stopping, it's still continuing, even while I'm sitting here. We looked at the curriculum, we looked at the expansion. I met with the Department of Tourism Commissioner, Joe Besholti. We discussed it at length. What were the opportunities, because there is a need. What we decided was that maybe we need to increase the class offerings.
- 4:17:28 We did that, as I stated in my testimony. Before it was St. John and St. Thomas, the district having holding classes. So in essence, the district has now benefited because instead of having two sessions a year, for example, you're now having six sessions a year. The class offerings, the sizes, instead of having, let's say, 10 students per session, it's now expanded to 30. So that's one of the things in which we are doing, but even though I must be very honest with you that even though we have expanded the programs and St. John has its own classes now uh the the the that doesn't stop the the queries so the numbers continue to grow so right now we have closed off the list indefinitely until we try to get those numbers down okay thank you so much for that um in-depth explanation and i'm sure many of the um those individuals would have a better understanding now of why now before my time is called let me speak to you in your testimony This one you mentioned several times, staffing, short staff, short staff, short staff. What are the numbers you have observed with the assessment that's needed at this time? What are the numbers in terms of position and employees?
- 4:19:01 For the St. Thomas office, I would say that I would need at a minimum four additional personnel. St. John would need one, and St. Croix would need one for a total of seven. Okay, and in doing that, it would assist in customer service to your clients, and number two would assist in bringing more revenues to the department, correct? That's correct, Senator.
- 4:19:29 Okay. Definitely, and later on, I'd like to see an assessment of exactly what type of revenues we're looking at, and what type of budget you're looking at, and please submit that through the chair so we can assist you in your endeavors, okay? And lastly, with the enforcement officers also, I know you spoke to them still being working for, the board chair mentioned them still working under the COVID task force and still have to pay from your small budget. Board chairperson Lloyd, Can we get also a report in terms of how much you have been expending as a result of that so we can say we can be reimbursed through the COVID fund? Because I don't think such a small agency like you're that's barely

surviving should be paying for your enforcement officers and they are not actually doing work at the department. So through the chair, I'd like to have that information forwarded also. And I want to thank you guys for your testimony and your responses.

4 : 20 : 36 thank you so much madam chair for the time thank you so much senator blighted so just let me be clear you would like to get information relative to the number of employees who worked on the covet task force and the hours they worked and they were not come they're not being compensated out of their budget and they are being compensated out of the budget And so, Ms. Smith, you'll be sure to send that information through the chair and I will disseminate it to the members. Thank you so much, Senator Blyton, for your line of questioning. The chair will now recognize Senator Novel E. Francis Jr. for his five minutes.

4 : 21 : 22 Senator Francis, you may proceed. Thank you very much, Madam Chair, and good afternoon to the testifiers, Ms. Smith, the Executive Director, as well as Ms. Lloyd, the chair. the board let me say off the bat that I disagree with the assertion that um your enforcement officers oh no no no additional hires of enforcement officers at this time because of their current assignment oh is the how's your agency funded our agency is funded by the Virgin Islands government So, we don't receive any other funding from any other funding source to include grant funding. The first grant that we've ever gotten is the one that I stated in my testimony, Senator, and that was in kind.

4 : 22 : 18 Very well. So, the issue of budget and the issue of payment comes from the central government. That's correct. The functions of our law enforcement officer during the pandemic was consequential to an emergency situation. And obviously, it was being paid for by the central government. And so, again, just like the other lottery and just like the LCA and all the other law enforcement agencies, everybody came together to support and assist the Department of Health and the Virgin Islands Police Department in executing what was necessary for the joint COVID task force. So, you know, I believe that while there may be a need for additional funding, If, in fact, you believe that you have been overwhelmed by the overtime or other spending, then we will certainly entertain that. But I don't believe that the fact that they were utilizing that category was for naught. I believe that they were very beneficial in being able to support the police department and the Department of Health for carrying out their duties while they weren't depleting further of the Virgin Islands Police Department providing protection to this community. So I embrace the notion, and I always strongly encourage other law enforcement agencies to really come together in those emergency situations to assist and support the Virgin Islands Police Department.

4 : 23 : 46 In retrospect, you recently had a sale for taxi medallions? That's correct, Senator. I believe the, based on the Virgin Islands Code, we are mandated by law to hold an annual auction on behalf of our veterans, the men and women that gave of their self, served in the armed forces throughout the world. And we are supposed to have these auctions every December. I believe that it was December 13th through the 15th.

4 : 24 : 29 How did that go? How did the auction go? It went very well. By law, we can only auction up to two medallions per island, and we had a total of four. So it was pretty good this year as opposed to last year where it was a little due to covid the numbers were not that strong okay and um the veterans were satisfied the persons that was able to um garner these medallions are in fact veterans by law they have to be correct so they were satisfied with the auction process and everything that went well yes yes senator i believe they were have there been any complaints or any regarding the auction not as far as i'm aware sir okay let me extend congratulations to you assuming this position

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.

10x **Senator Kenneth L. Gittens**
heard in this transcript as: Giddens, Gittins, Kenneth Gittins

8x **Senator Novelle Francis**
heard in this transcript as: Francis, Francis Jr, Novel E. Francis Jr, Novell E. Francis Jr, Novell Francis, Novo E. Francis Jr.

7x **Senator Marvin Blyden**
heard in this transcript as: Blyden, Blyton, Marvin A. Blyden

7x **Senator Milton E. Potter**
heard in this transcript as: Potter

- 5x **Senator Alma Francis-Heyliger**
heard in this transcript as: Alma Francis Heiliger, Ama Francis Heiliger, Francis Heiliger
- 5x **Senator Carla Joseph**
the surname alone also matches: Clifford Joseph; Karla J. Joseph
heard in this transcript as: Carla J. Joseph, Joseph
- 4x **Senator Javan James**
heard in this transcript as: Javon E. James Sr, Javon E. James Sr.
- 3x **Governor Albert Bryan Jr**
heard in this transcript as: Bryan
- 3x **Senator Franklin D. Johnson**
heard in this transcript as: Johnson
- 3x **Senator Genevieve R. Whitaker**
heard in this transcript as: Genevieve Whitaker
- 3x **Senator Marvin A. Blighton**
heard in this transcript as: Blighton
- 2x **Senator Collar J. Joseph**
the surname alone also matches: Carla Joseph; Clifford Joseph
heard in this transcript as: Collard Joseph
- 2x **Chairwoman Karla J. Joseph**
the surname alone also matches: Carla Joseph; Clifford Joseph
- 2x **Senator Marise C. James**
the surname alone also matches: Javan James; Giovanni James Sr
heard in this transcript as: James Sr

Bills and acts referred to

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

Act 8053 Act 8053 · June 1, 2017 · An Act to authorize the Virgin Islands Government to purchase Estate Catherineberg from WICO and for other purposes

Referred to but not found in our acts corpus: Act 5826