"BUILDING A MORE RESILIENT ECONOMY"

FISCAL YEAR 2019 ANNUAL OPERATING BUDGET

U.S. Virgin Islands Economic Development Authority



U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY

FISCAL YEAR 2019 BUDGET OCTOBER 1, 2018 – SEPTEMBER 30, 2019

St. Thomas: 8000 Nisky Shopping Center, Suite 620 St. Thomas, U.S. Virgin Islands 00803 (340) 714-1700 www.usvieda.org St. Croix: 116 King Street, Frederiksted St. Croix, U.S. Virgin Islands 00840 (340) 773-6499 www.usvieda.org Economic Development Authority

U.S.VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY

FISCAL YEAR 2019 BUDGET October 1, 2018 – September 30, 2019

TABLE OF CONTENTS

I. Introductory Section

| Acting CEO's Budget Message to Chairman of the Legislature's Committee on Finance | 1 |
|---|-----|
| Principal Officials | .3 |
| Mission Statement | .4 |
| Scope and Overview | .5 |
| Organizational Chart | .6 |
| Accounting System and Financial Reporting Roles and Responsibilities | . 7 |
| USVIEDA Direct and Indirect Cost Allocations | . 8 |
| Goals, Objectives, Performance Measurements, and Performance Evaluations | 10 |
| Annual Budget Processes1 | 1 |

II. Departmental Goals and Objectives

| 1.0 USVIEDA Administrative Departments | 14 |
|---|----|
| 1.1 Board of Directors | 14 |
| 1.2 Executive Office | 16 |
| 1.3 Administration and Finance Department | 19 |
| 1.4 Human Resources ("HR") Department | 22 |
| 1.5 Legal Department | 25 |
| 1.6 Marketing / Public Relations Department | 28 |
| 1.7 Economic Development Management ("EDM") | |

U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY

FISCAL YEAR 2018 BUDGET October 1, 2018 – September 30, 2019

TABLE OF CONTENTS

| 2.0 US | VIEDA Operational Department | .33 |
|--------|---|------|
| | 2.1 V.I. Economic Development Commission | . 33 |
| | 2.1.1 Applications Department | .33 |
| | 2.1.2 Compliance Department | . 37 |
| | 2.2 Economic Development Bank (EDB) | .40 |
| | 2.2.1 Incubator Program | .45 |
| | 2.3 Enterprise Zone Commission | .47 |
| | 2.4 Economic Development Park Corporation | . 50 |

III. Financial Information

| 3.1 Revenues | 52 |
|---|----|
| 3.2 Expenditure Comparisons for FY17, FY18 Projected, and FY19 Budgeted | 53 |
| 3.3 Professional Services Breakdown in Detail | 54 |
| 3.4 Personnel Service Cost Breakdown by Department and Classification | 55 |
| 3.5 Budget Summary | 56 |

IV. Supplemental Information

| Vehicle Listing for USVIEDA | 58 |
|--|----|
| Real Property Leased by the USVIEDA | 58 |
| Personnel Statistics | 59 |
| Appropriation and Allotment Comparison | 61 |
| Glossary of Selected Terms | 62 |



ST. CROIX 116 King Street, Frederiksted, VI 00840 (340) 773-6499 FAX (340) 773-7701 ST. THOMAS 8000 Nisky Shopping Center, Suite 620, St. Thomas, VI 00802 (340) 714-1700 FAX (340) 777-1103

Economic Development Authority www.USVIEDA.org

July 10, 2018

The Honorable Kurt A. Vialet Chairman, Committee on Finance 32nd Legislature of the U.S. Virgin Islands Capital Building, P.O. Box 1690 St. Thomas, U.S. Virgin Islands 00804

Re: U.S. Virgin Islands Economic Development Authority's FY 2019 Budget Submission

Dear Senator Vialet:

It gives me great pleasure to present the U.S. Virgin Islands Economic Development Authority's ("USVIEDA" or "Authority") Fiscal Year 2019 budget for consideration by the Committee on Finance.

The USVIEDA Fiscal Year 2019 budget request is \$5,882,865. This amount is the same level requested in Fiscal Year 2018.

We arrived at this request by analyzing the level of appropriations and allotment releases in Fiscal Year 2017 and 2018 as follows:

Fiscal Year 2017

| Use of Funds | Appropriation | Allotment | Difference (\$) | Reduction (%) |
|-----------------------|----------------------|-------------|-----------------|---------------|
| General Operations | \$5,482,865 | \$4,875,163 | \$607,702 | 11% |
| Supp. Marketing Funds | 500,000 | 485,000 | 15,000 | 3% |
| Economic Impact Study | 150,000 | 95,000 | 55,000 | 37% |
| Supp. Incubator Funds | 150,000 | - | 150,000 | 100% |
| Total | \$6,282,865 | \$5,455,163 | \$827,702 | 13% |

Fiscal Year 2018 (Roll Over Budget)

| Use of Funds | Appropriation | Allotment | Difference (\$) | Reduction (%) |
|-----------------------|----------------------|-------------|-----------------|---------------|
| General Operations | \$5,482,865 | \$4,797,507 | \$685,358 | 12.5% |
| Supp. Marketing Funds | - | - | - | |
| Economic Impact Study | - | - | - | |
| Supp. Incubator Funds | - | - | - | |
| Total | \$5,482,865 | \$4,797,507 | \$685,358 | 12.5% |



ST. CROIX 116 King Street, Frederiksted, VI 00840 (340) 773-6499 FAX (340) 773-7701 ST. THOMAS 8000 Nisky Shopping Center, Suite 620, St. Thomas, VI 00802 (340) 714-1700 FAX (340) 777-1103

Economic Development Authority www.USVIEDA.org

The Honorable Kurt Vialet USVIEDA FY 2019 Budget Request July 10, 2018 Page 2-

Fiscal Year 2019 Budget Request

| Use of Funds | Appropriation |
|-----------------------|---------------|
| General Operations | \$5,482,865 |
| Supp. Marketing Funds | 300,000 |
| Economic Impact Study | - |
| Supp. Incubator Funds | 100,000 |
| Total | \$5,882,865 |

The supplemental marketing funding that we are requesting is even more critical now since the storms, as our aim is to attract more investors by spreading the good news around that the Territory is recovering and steadily rebuilding its infrastructure much better than ever before.

It has been said that small business is the backbone of an economy, and we believe that the supplemental funding request for the Incubator Program will help to ensure that this sector receives the level of support it needs to grow into mainstream businesses creating new jobs for our citizens.

We are aware that a budget is just what it is - a plan. Therefore, our aim is to maximize the limited resources available to us to achieve the greatest return on our investment, that is, to create new jobs paying decent wages to our citizens.

We look forward to dialogue with you and the rest of your colleagues during the budget hearing process.

Respectfully,

Wayne L. Biggs, Jr.

Wayne L. Biggs, Jr. Acting Chief Executive Officer





U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY FISCAL YEAR BEGINNING OCTOBER 1, 2018

Principal Officials

Governing Board1¹

Board Member

Position

José A. Penn Philip Payne Avery Lewis Haldane Davies, PhD. Eugene Farrell Juan Figueroa, Sr.

Chairman Vice Chairman Secretary Member

Member

Member

Senior Management Team

Kamal Latham, Chief Executive Officer

Wayne L. Biggs, Jr., Assistant Chief Executive Officer / Chief Operating Officer

Tracy Lynch Bhola, Esq., General Counsel

Ernest Halliday, CPA, CGMA, Director, Administration & Finance

Margarita Benjamin, Director, Economic Development Commission, Applications Department

Claude S.M. Gerard, Director, Economic Development Commission, Compliance Department

Nadine Marchena Kean, Director, Enterprise Zone Commission

Shanell Petersen, Director, Marketing Department

Monique Samuel, Acting Director, Economic Development Bank

Mark Finch, Industrial Park Superintendent, Economic Development Park Corporation

¹ Seven Member Board has one vacancy as of June 25, 2018

Mission Statement

The U.S. Virgin Islands Economic Development Authority ("USVIEDA" or "Authority") is a semi-autonomous governmental agency responsible for promoting and enhancing economic development, and fostering positive public/private sector partnerships to improve the standard of living for residents of the United States Virgin Islands.



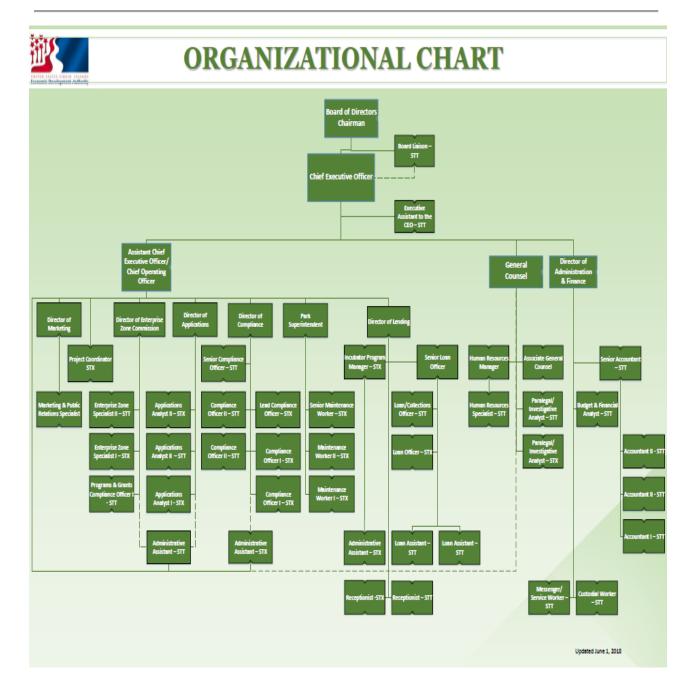
SCOPE AND OVERVIEW

The USVIEDA is the unification of four (4) separate entities: the Economic Development Bank for the United States Virgin Islands ("EDB"), the Economic Development Commission ("EDC"), the Economic Development Park Corporation ("EDPC"), and the Enterprise Zone Commission ("EZC"). The functions of each entity have been unified under one Governing Board ("Board").

The Board is comprised of seven (7) members. Three (3) members are employees of the Government of the Virgin Islands or the Government of the United States and are appointed by the Governor, with the advice and consent of the Legislature for a term of three (3) years. Three (3) members must be non-government employees, one must be a resident of St. Thomas, another a resident of St. John, and the other a resident of St. Croix. One (1) member shall be appointed from either the Board or executive staff of the Employees Retirement System of the Government of the Virgin Islands, or the Virgin Islands Port Authority, or the University of the Virgin Islands.



USVIEDA ORGANIZATIONAL CHART



ACCOUNTING SYSTEM AND FINANCIAL REPORTING ROLES AND RESPONSIBILITIES

The USVIEDA is a component unit of the U.S. Virgin Islands Government and follows enterprise fund accounting and reporting. The financial statements are presented in a manner similar to that of a private business, using the economic resources measurement focus and the accrual basis of accounting.

Management prepares a number of financial and statistical reports, including the Financial Statements with Supplementary Information to support the annual audit, and is responsible for the integrity and objectivity of management and financial reporting. Financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in the United States of America, applying certain estimates and judgments as required.

The USVIEDA employs internal controls designed to provide reasonable assurance of integrity and reliability of financial reporting and to safeguard, verify, and maintain accountability of assets. Such controls are derived from established written policies and procedures that are implemented by trained and skilled personnel. The USVIEDA's employment policy prescribes that all employees maintain the highest ethical standards and conduct business practices in a manner above reproach.

The USVIEDA engages the services of outside auditors on an annual basis to perform an independent audit of its financial statements, the objective of which is to express an opinion on the financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

The Governing Board of the USVIEDA formulates the overall vision of the entity and fulfills its responsibilities of the oversight and administration of the Authority's practices and governance through actions of the full Board.

USVIEDA DIRECT AND INDIRECT COST ALLOCATIONS

The USVIEDA's activities can be classified into two (2) distinct categories – operational units' activities and administrative units' activities.

The definition of an operational unit is one that is charged with the responsibility of carrying out the organizational mandates. These operational units also known as divisions, include the Economic Development Bank ("EDB"), the Economic Development Commission ("EDC"), the Enterprise Zone Commission ("EZC") and the Economic Development Park Corporation ("EDPC").

The definition of an administrative unit is one that provides support to the operational units in fulfilling the organizational mandates. These administrative units, also known as departments, include the Governing Board, the Executive Office, Administration and Finance, Human Resources ("HR"), Legal, Marketing/Public Relations, and Economic Development Management ("EDM").

The operating costs of the USVIEDA are classified as either direct or indirect.

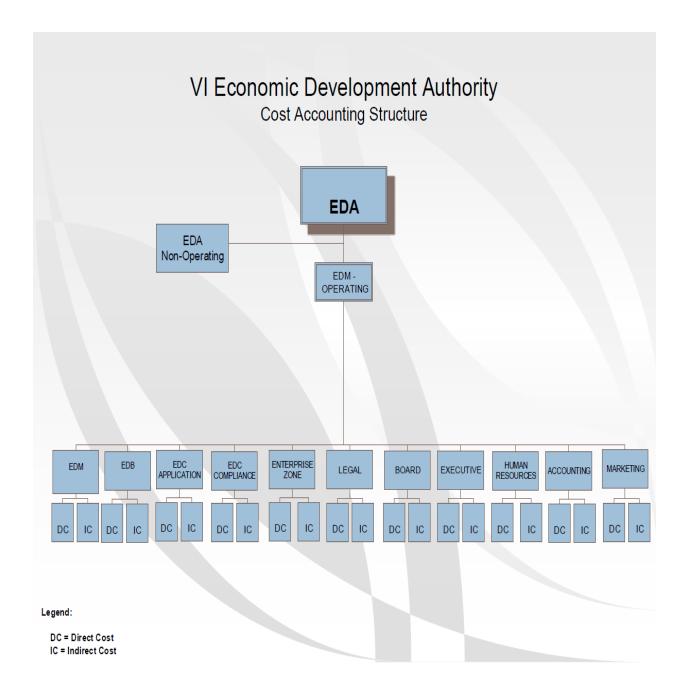
A direct cost is a cost that can be identified specifically with a unit and can be traced with relative ease and a high degree of accuracy to that unit. An indirect cost is a cost that is incurred in common with other units and cannot be traced to any specific unit. The indirect costs are then distributed to both the operational and administrative units through an internal indirect cost allocation process.

For ease and convenience, operating indirect costs are budgeted and expensed in the Economic Development Management (EDM) unit. At the end of a given period, the indirect costs accumulated in the EDM unit are distributed to all operational and administrative units based on a pre-determined allocation rate.

By the end of a fiscal period all direct costs would have been posted to both the operational and administrative units and all indirect costs would have been allocated from the EDM unit to both the operational and the other administrative units, thus, the total cost to operate each operational and administrative unit can be determined.

The total cost (direct and indirect) for each administrative unit is indirect to the operational units and are then further allocated to the operational units using a pre-determined allocation method.

By the end of a fiscal period, the total cost of operating each operational unit within the USVIEDA can be determined and so can the total cost to operate the USVIEDA, which will be the sum total of each operating cost expense.



GOALS, OBJECTIVES, PERFORMANCE MEASUREMENTS, AND PERFORMANCE EVALUATIONS

Goals, objectives, performance measurements, and performance evaluations establish the strategic operational framework for the USVIEDA.

A goal is the end result to be accomplished and answers this question: "What is the purpose in the big picture?" For the USVIEDA, its purpose is to help facilitate the creation of good paying jobs to improve the standard of living for residents.

Objectives are the action steps taken to carry out the big picture and serve as benchmarks to measure performance. Each objective has four (4) fundamental characteristics. An objective must:

- Be measurable;
- Identify a target of program activity;
- Set a timeframe for completion; and
- Provide an expected direction of change.

Performance measurement is the ongoing monitoring and reporting on program accomplishments compared to the pre-established goals and objectives as outlined by each unit. The development of performance measurements requires careful thought and planning and must include the following basic ingredients: objectivity, relevance, reliability, validity, and indicators of degrees of success.

Performance Evaluations are critical, especially in periods of scarce resources, and provide a means of assessing how well a unit is performing. Evaluations answer key goal-related questions, such as:

- 1) Are stakeholders getting what they deserve?
- 2) Are taxpayers getting their money's worth?
- 3) Are those we serve better off?
- 4) Can the service we provide be improved?

The achievability of the USVIEDA's goals and the fulfillment of objectives rest with supervisors and their subordinates, and the budget provides the financial resources to do so. The execution of performance measurement and evaluation functions in ensuring that scarce resources are used in the most efficient manner for the benefit of residents.

ANNUAL BUDGET CALENDAR AND PROCESSES

The budget formulation process is designed to allow the USVIEDA to fulfill its mission by aligning goals, priorities, and objectives with financial resources and to evaluate actual achievements relative to anticipated outcomes.

DECEMBER – JANUARY

The budget formulation process begins with the development of revenue and expenditure projections for the upcoming fiscal year. These projections are presented to the USVIEDA Governing Board with comparisons and analyses of past trends (i.e. appropriations, allotments, revenues, and expenditures) in addition to other financial data to justify and support management's budget recommendations.

During this process, the USVIEDA's Governing Board outlines its priorities, goals and objectives for the Authority for the upcoming fiscal year. This process forms the basis for the development of the budget and determines the final budget amount to be submitted to the Office of Management and Budget for consideration and inclusion in the Government of the Virgin Islands' annual operating budget submission to the Legislature.

FEBRUARY

The USVIEDA's budget staff establishes budget ceilings for each division and department consistent with the priorities, goals, and objectives as outlined by the USVIEDA Governing Board. This information is communicated to each division or department head through a budget call that provides instructions and guidance for preparing each division's and department's budget. The budget staff conducts budget orientation sessions with lead members of each division and department in order to provide guidance and present an overview of the budgeting priorities and to address other budgetary concerns.

MARCH – APRIL

The budget staff conducts budget review discussions with division and department heads on a one-onone basis to discuss areas of concerns, goals, new initiatives, or programs each division or department desires to implement for the upcoming fiscal year. During this meeting, each division or department has the opportunity to justify its needs before the Chief Executive Officer and Assistant Chief Executive Officer/Chief Operating Officer. By the end of this process, revisions may be made to individual division or department budgets and budget schedules are updated accordingly. The final budget is presented to the USVIEDA Governing Board for consideration and approval before submission to the Legislature's Post-Audit Division.

APRIL – JUNE

Communication is maintained with the Post-Audit Division as it analyzes the USVIEDA budget while at the same time the USVIEDA's budget staff researches, gathers data and conducts round-table sessions with the internal division and department heads in preparing drafts of the Chief Executive Officer's budget presentation to the Committee on Finance of the Legislature.

ANNUAL BUDGET CALENDAR AND PROCESSES, CONTINUED

JULY – AUGUST

The Chief Executive Officer, accompanied by the Assistant Chief Executive Officer/Chief Operating Officer, and the Director of Administration and Finance, defends the USVIEDA budget recommendation before the Committee on Finance of the Legislature.

OCTOBER

Once the budget is passed by the Legislature and approved by the Governor, the USVIEDA is legally authorized to request quarterly allotments from the Department of Finance through the Office of Management and Budget.

TWELVE (12) MONTHS MONITORING (OCTOBER – SEPTEMBER)

Actual revenues and expenditures are monitored throughout the year and are compared and analyzed against the budget to ensure that resources are managed in accordance with the budget plan and are consistent with the goals and objectives of the Authority. At the end of each quarter, financial analyses are performed, and financial presentations are made to the Governing Board. These presentations show sources and uses of resources compared to the budget as well as comparisons within the same period the previous fiscal year. The budget staff offers recommendations to division and department heads in addition to the Governing Board to improve operational efficiencies.

ANNUAL BUDGET CALENDAR AND PROCESSES, CONTINUED

BUDGET CALENDAR OVERVIEW



1.0 USVIEDA ADMINISTRATIVE DEPARTMENTS

The administrative departments within the USVIEDA provide support to the operational departments in ensuring that the USVIEDA meets its statutory and legal mandates and requirements.

1.1 USVIEDA'S BOARD OF DIRECTORS

FUNCTIONAL STATEMENT

The powers of the USVIEDA rest in the hands of the Governing Board, which sets the vision and acts on behalf of the organization. The Board is responsible for establishing all operating policies, hiring the Chief Executive Officer ("CEO"), approving all major contracts, making policy decisions, and providing oversight. Most importantly, the Board ensures that the organization complies with all applicable laws.

OPERATIONAL GOAL(S)

Work collaboratively with the USVIEDA's management team to explore opportunities for economic growth by adapting to the challenges and changes in the global environment.

FISCAL YEAR 2018 OBJECTIVES

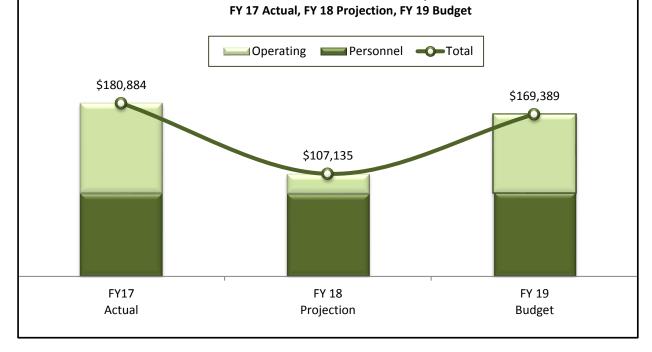
- Select the CEO of the USVIEDA by the end of the first quarter;
- Develop a comprehensive strategic 5 10-year plan for the USVIEDA; and
- Implement strategies to help retain, expand, and attract businesses.

FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

- Selected the CEO of the USVIEDA (May 2018);
- Held six (6) board and decision meetings and conducted six (6) public hearings;
- Promoted economic development by representing the Authority at numerous events and community group meetings; and
- Attended International Economic Development Council (IEDC) training seminars.

- Conduct performance evaluation of CEO;
- Hold annual board retreat to review practices and implement recommendations;
- Develop a comprehensive strategic 5 10-year plan for the USVIEDA; and
- Review and approve annual operating budget and evaluate progress toward current year objectives.

| | ear | ard of Directors (00: End Financial Sumr Y 18 Projected, and | nar | • | |
|---|-----|--|-----|--------------------------------------|-----------------------------------|
| | | FY 2017 Actual | | FY 2018 Projected 10/1/17-9/30/18 | FY 2019 Budget 10/1/18-9/30/19 |
| Personnel Expenses | | | | | |
| Salaries - Unclassified | \$ | 61,005 | \$ | 62,225 | \$ 63,469 |
| Fica | \$ | 4,087 | \$ | 3,858 | \$ 3,935 |
| Medicare | \$ | 956 | \$ | 902 | \$ 920 |
| Group Insurance | \$ | 22 | \$ | 6,207 | \$ 6,206 |
| Annual Leave Expense | \$ | 3,121 | \$ | - | \$ - |
| Retirement | \$ | 12,506 | \$ | 12,756 | \$ 13,01 <i>°</i> |
| All Other | \$ | 4,915 | \$ | - | \$ - |
| Total Personnel Expense | \$ | 86,612 | \$ | 85,948 | \$ 87,542 |
| Operating Expenses | | | | | |
| Board Attendance Fee | \$ | 7,500 | \$ | 2,650 | \$ 10,800 |
| Communication | \$ | 3,986 | \$ | 2,940 | \$ 4,500 |
| Dues & Subscriptions | \$ | 1,110 | \$ | 1,295 | \$ 1,29 |
| Employee Relations | \$ | 899 | \$ | 500 | \$ 1,000 |
| Miscellaneous | \$ | 969 | \$ | 461 | \$ 500 |
| Professional Development | \$ | 42,376 | \$ | (9) | \$ 35,000 |
| Software Agreement | \$ | 3,252 | \$ | 3,252 | \$ 3,252 |
| Supplies | \$ | 721 | \$ | 500 | \$ 500 |
| Travel | \$ | 33,459 | \$ | 9,598 | \$ 25,000 |
| Total Operating Expense | \$ | 94,272 | \$ | 21,186 | \$ 81,847 |
| Total Department Expense (Direct Cost Only) | \$ | 180,884 | \$ | 107,135 | \$ 169,389 |



1.2 EXECUTIVE OFFICE

FUNCTIONAL STATEMENT

The Chief Executive Officer ("CEO") and the Assistant Chief Executive Officer ("ACEO")/Chief Operating Officer ("COO") provide overall leadership and direction in the planning, development and administration of policies governing the operation of the USVIEDA. This department ensures that those responsibilities established by statute and other policy directives are executed at the highest level.

OPERATIONAL GOAL(S)

Direct and monitor the activities of the USVIEDA to ensure assets are safeguarded and optimized, and to maintain a positive work climate conducive to attracting, retaining, and motivating a diverse group of top quality performers in achieving the goals of the organization.

FISCAL YEAR 2018 OBJECTIVES

- Finalize rules and regulations for the Hotel Development Act, International Financial Services Entities Program, the Economic Development Commission, the Enterprise Zone Commission, the Economic Development Bank, and the Youth Recreational Incentive Act;
- Continue to strengthen relationships with the local community by increasing the awareness and understanding of programs and services through public education initiatives;
- Employ strategies to support and attract financial sector entities; and
- Promote the Sustainable Tourism Through Arts-Based Revenue Streams ("STARS") Program to internal and external stakeholders.

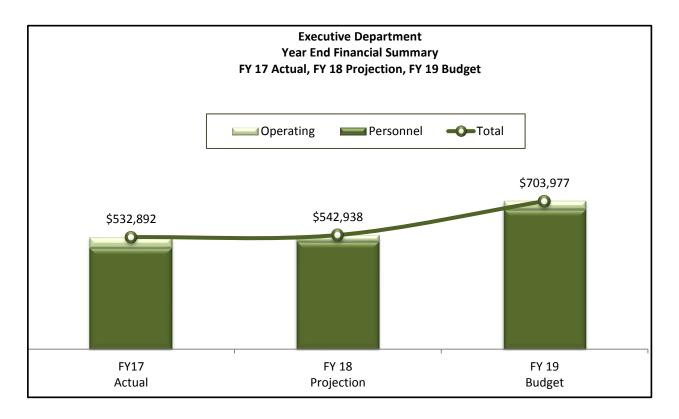
FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

- Drafted rules and regulations for the Hotel Development Act;
- Collaborated with the Department of Tourism in promoting the STARS Program;
- Leveraged new and existing relationships with local and federal agencies in executing the Authority's mandates;
- Assisted stakeholders in their economic recovery efforts after the storms; and
- Continued devising strategies in promoting the Authority's programs to the local community and potential investors.

- Make revisions and update rules and regulations for the Hotel Development Act;
- Amend rules and regulations for the STARS Program;
- Continue working on formulating rules and regulations for the International Financial Services Entities Program, Economic Development Commission, Enterprise Zone Commission, Economic Development Bank, and the Youth Recreational Incentive Act; and
- Devise strategies to attract new investment to the Territory focusing on the financial and high value manufacturing sectors.

| | Actual | Target | Actual FY 18 | Planned |
|---|--------|--------|-----------------|---------|
| 2-Key Performance Indicators (KPI) | FY 17 | FY 18 | (as of 3/31/18) | FY 19 |
| Number of partnership collaborations formed | 19 | 15 | 11 | 10 |
| Number of economic development initiatives | | | | |
| undertaken | 5 | 8 | 3 | 5 |

| Ŷ | E ear | s Economic Develop xecutive Office (020 End Financial Sumr Y 18 Projected, and |) nar | ry | |
|---|----------|---|----------|--------------------------------------|-----------------------------------|
| | | FY 2017 Actual 10/1/16-9/30/17 | | FY 2018 Projected 10/1/17-9/30/18 | FY 2019 Budget 10/1/18-9/30/19 |
| Personnel Expenses | | | | | |
| Salaries - Classified | \$ | 131,326 | \$ | 133,990 | \$ 136,702 |
| Salaries - Unclassified | \$ | 215,250 | \$ | 249,800 | \$ 373,565 |
| Fica | \$ | 22,257 | \$ | 23,795 | \$ 31,637 |
| Medicare | \$ | 5,321 | \$ | 5,565 | \$ 7,399 |
| Group Insurance | \$ | 18,096 | \$ | 31,586 | \$ 34,423 |
| Annual Leave Expense | \$ | 19,570 | \$ | - | \$ - |
| Retirement | \$ | 50,012 | \$ | 67,063 | \$ 79,326 |
| All Other | \$ | 20,420 | \$ | - | \$ - |
| Total Personnel Expense | \$ | 482,252 | \$ | 511,800 | \$ 663,052 |
| Operating Expenses | | | | | |
| Business Relations | \$ | 481 | \$ | 4,413 | \$ 5,000 |
| Communication | \$ | 3,478 | \$ | 3,122 | \$ 4,800 |
| Dues & Subscriptions | \$ | 665 | \$ | 1,260 | \$ 1,370 |
| Employee Relations | \$ | - | \$ | 317 | \$ 400 |
| Professional Development | \$ | 29,835 | \$ | 11,275 | \$ 15,000 |
| Supplies | \$ | 1,610 | \$ | 889 | \$ 855 |
| Travel | \$ | 14,571 | \$ | 9,862 | \$ 13,500 |
| Total Operating Expense | \$ | 50,640 | \$ | 31,138 | \$ 40,925 |
| Total Department Expense (Direct Cost Only) | \$ | 532,892 | \$ | 542,938 | \$ 703,977 |



1.3 ADMINISTRATION AND FINANCE DEPARTMENT

FUNCTIONAL STATEMENT

The Administration and Finance Department provides financial planning, accounting, and reporting for both external and internal users. It is responsible for establishing relationships with auditors, financial institutions, Post-Audit Division of the Legislature, and others within the financial community. It takes a leading role in developing proposals and policies on strategic issues that affect the long-term financial integrity and competitiveness of the USVIEDA. Financial policies, procedures, and the establishment of financial and management controls are formulated and executed within this department.

OPERATIONAL GOAL(S)

Provide quality customer and stakeholder services, and practice responsible stewardship of financial resources, while aspiring to excellence in financial and administrative practices to improve the overall efficiency of the organization.

FISCAL YEAR 2018 OBJECTIVES

- Modify accounting structure to meet the financial reporting needs of the organization;
- Submit 100% of financial reports on time to appropriate local and federal entities;
- Close Fiscal Year 2017 financial statements by November 15, 2017;
- Complete Fiscal Year 2017 audit by February 28, 2018;
- Conduct at least ten (10) internal site visits and/or provide management/financial assistance to help managers meet objectives;
- Develop a long-term plan for EDA self-sufficiency for Board consideration; and
- Reduce outstanding accounts receivables by at least 50% compared to Fiscal Year 2017.

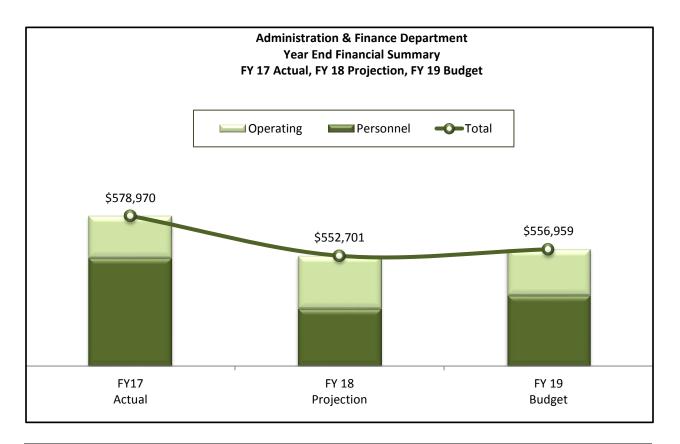
FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

- Submitted all financial reports on time to appropriate local and federal entities;
- Closed Fiscal Year 2017 financial statements on December 31, 2017, due to hurricanes;
- Completed Fiscal Year 2017 audit on June 29, 2018, because of extension granted due to hurricanes;
- Conducted four (4) site visits and/or collaborated with department managers in meeting objectives;
- Reduced outstanding accounts receivables by more than 50% compared to last year; and
- Modified the accounting structure to meet the financial and management reporting needs of the organizations;

- Develop a long-term plan for USVIEDA self-sufficiency;
- Update the Authority's Fixed Asset Schedule;
- Complete the Authority's Procurement Policy Handbook for Board approval;
- Update the Authority's Accounting Manual; and
- Provide BizNet and MAS 500 training for all staff members.

| 2-Key Performance Indicators (KPI) | Actual FY17 | Target FY18 | Actual FY 18 (as of 3/31/18) | Planned FY 19 |
|---|----------------|----------------|---------------------------------|------------------|
| Percentage of self-sufficiency plan completed | n/a | n/a | n/a | 100% |
| Percentage of fixed asset schedule completed | n/a | n/a | n/a | 100% |

| US Virgin Islands Economic Development Authority Administration & Finance (030) Year End Financial Summary FY 17 Actual, FY 18 Projected, and FY 19 Budget | | | | | | | | |
|---|----|--------------------------------|----|--------------------------------------|----|-----------------------------------|--|--|
| | | FY 2017 Actual 10/1/16-9/30/17 | | FY 2018 Projected 10/1/17-9/30/18 | | FY 2019 Budget 10/1/18-9/30/19 | | |
| Personnel Expenses | | | | | | | | |
| Salaries - Classified | \$ | 271,242 | \$ | 271,208 | \$ | 276,632 | | |
| Salaries - Unclassified | \$ | 94,500 | \$ | 96,390 | \$ | 98,318 | | |
| Fica | \$ | 23,825 | \$ | 22,791 | \$ | 23,247 | | |
| Medicare | \$ | 5,572 | \$ | 5,330 | \$ | 5,437 | | |
| Group Insurance | \$ | 52,080 | \$ | 56,257 | \$ | 56,257 | | |
| Annual Leave Expense | \$ | 18,943 | \$ | - | \$ | - | | |
| Retirement | \$ | 66,643 | \$ | 65,982 | \$ | 66,768 | | |
| All Other | \$ | 18,528 | \$ | - | \$ | - | | |
| Total Personnel Expense | \$ | 551,333 | \$ | 517,957 | \$ | 526,659 | | |
| | | | | | | | | |
| Operating Expenses | | | | | | | | |
| Business Relations | \$ | 288 | \$ | - | \$ | - | | |
| Communication | \$ | 978 | \$ | 664 | \$ | 850 | | |
| Dues & Subscriptions | \$ | 699 | \$ | 986 | \$ | 700 | | |
| Employee Relations | \$ | 229 | \$ | 100 | \$ | 250 | | |
| Postage & Delivery | \$ | 192 | \$ | 41 | \$ | 250 | | |
| Professional Development | \$ | 13,158 | \$ | - | \$ | 10,750 | | |
| Professional Services | \$ | 653 | \$ | 18,364 | \$ | 2,500 | | |
| Software Agreement | \$ | 6,915 | \$ | 9,973 | \$ | 12,000 | | |
| Supplies | \$ | 321 | \$ | 1,649 | \$ | 500 | | |
| Travel | \$ | 4,204 | \$ | 2,967 | \$ | 2,500 | | |
| Total Operating Expense | \$ | 27,636 | \$ | 34,743 | \$ | 30,300 | | |
| Total Department Expense (Direct Cost Only) | \$ | 578,970 | \$ | 552,701 | \$ | 556,959 | | |



1.4 HUMAN RESOURCES ("HR") DEPARTMENT

FUNCTIONAL STATEMENT

The Human Resources ("HR") Department is responsible for talent management and workforce development to include staff recruitment, position classification, benefits counseling, and employee and labor relations.

OPERATIONAL GOAL(S)

Provide an organizational framework to strategically develop and retain a workforce capable of supporting the economic development initiatives of the organization.

FISCAL YEAR 2018 OBJECTIVES

- Continue to measure employee satisfaction through the use of surveys;
- Work with managers in developing specific, measurable, achievable, relevant and time-based ("SMART") performance objectives for their subordinates;
- Provide professional development trainings to improve leadership and teambuilding skills;
- Implement a performance management system that will include goal setting, performance appraisal, and performance improvement plans;
- Continue health and wellness workplace programs to encourage healthy lifestyles; and
- Develop a compensation plan for non-union and management staff.

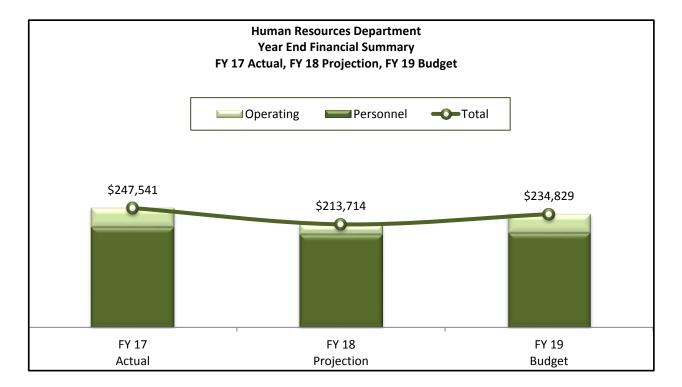
FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

- Scheduled employees' annual biometric health screenings for both Districts;
- Conducted employees' assessment survey to determine employment satisfaction levels;
- Continued publishing and distributing the HR seasonal newsletter providing staff with information on leadership, communication, and wellness;
- Provided general and specialized training for all staff members;
- Organized the annual Employee Appreciation Day activities that included recognition awards and team building exercises;
- Provided managers with the tools needed to complete performance evaluations and improvement plans; and
- Presented Critical Incident Training offered by the Maryland Critical Incident Support team to assist staff with coping with post-hurricane related stress.

- Continue to measure and gauge employee satisfaction through the use of online surveys;
- Provide professional development trainings to improve leadership, teambuilding, and communication skills;
- Monitor the performance management system; and
- Continue to promote health and wellness workplace programs to encourage healthy lifestyles.

| 2-Key Performance Indicators (KPI) | Actual FY 17 | Target FY18 | Actual FY 18 (as of 3/31/18) | Planned FY 19 |
|---|-----------------|----------------|---------------------------------|------------------|
| Level of employee satisfaction (Percentage) | n/a | 76% | 81% | 80% |
| Percentage of managers using SMART performance objectives | n/a | 100% | 45% | 100% |

| US Virgin Islands Economic Development Authority Human Resources Department (040) Year End Financial Summary FY 17 Actual, FY 18 Projected, and FY 19 Budget | | | | | | | | |
|---|----|--------------------------------|----|--------------------------------------|----|-----------------------------------|--|--|
| | | FY 2017 Actual 10/1/16-9/30/17 | I | FY 2018 Projected 10/1/17-9/30/18 | | FY 2019 Budget 10/1/18-9/30/19 | | |
| Personnel Expenses | | | | | | | | |
| Salaries - Classified | \$ | 63,815 | \$ | 65,092 | \$ | 66,394 | | |
| Salaries - Unclassified | \$ | 76,125 | \$ | 77,647 | \$ | 79,200 | | |
| Fica | \$ | 9,212 | \$ | 8,850 | \$ | 9,027 | | |
| Medicare | \$ | 2,157 | \$ | 2,070 | \$ | 2,111 | | |
| Group Insurance | \$ | 11,799 | \$ | 12,413 | \$ | 12,413 | | |
| Annual Leave Expense | \$ | 9,012 | \$ | - | \$ | - | | |
| Retirement | \$ | 26,874 | \$ | 26,650 | \$ | 26,650 | | |
| All Other | \$ | 8,832 | \$ | - | \$ | - | | |
| Total Personnel Expense | \$ | 207,826 | \$ | 192,722 | \$ | 195,795 | | |
| Operating Expenses | | | | | | | | |
| Advertising & Promotion | \$ | 3,819 | \$ | 2,500 | \$ | 4,000 | | |
| Communication | \$ | 517 | \$ | 500 | \$ | 500 | | |
| Dues & Subscriptions | \$ | 898 | \$ | 818 | \$ | 1,284 | | |
| Employee Relations | \$ | 18,415 | \$ | 14,861 | \$ | 20,000 | | |
| Parking | \$ | 30 | \$ | 30 | \$ | 50 | | |
| Postage & Delivery | \$ | 95 | \$ | 330 | \$ | 200 | | |
| Professional Development | \$ | 12,990 | \$ | - | \$ | 10,000 | | |
| Supplies | \$ | 450 | \$ | 224 | \$ | 500 | | |
| Travel | \$ | 2,499 | \$ | 1,729 | \$ | 2,500 | | |
| Total Operating Expense | \$ | 39,714 | \$ | 20,992 | \$ | 39,034 | | |
| Total Department Expense (Direct Cost Only) | \$ | 247,541 | \$ | 213,714 | \$ | 234,829 | | |



1.5 LEGAL DEPARTMENT

FUNCTIONAL STATEMENT

The Legal Department provides a broad range of legal services that include providing legal analyses, preparing and reviewing legal documents, and conducting background investigations on prospective employees and EDC and EDB applicants. This department also provides legal and policy guidance to the USVIEDA's Governing Board, drafts legislations, and develops rules and regulations consistent with legislative mandates.

OPERATIONAL GOAL(S)

Ensure that the organization is in compliance with all applicable laws, institute measures to prevent litigation and loss of assets, and to maintain the USVIEDA's legal image of integrity, professionalism, and fairness.

FISCAL YEAR 2018 OBJECTIVES

- Coordinate the drafting of rules and regulations;
- Provide staff training in investigative analysis, contract management, and legal best practices;
- Draft and amend USVIEDA internal policies and procedures;
- Draft and amend USVIEDA Governing Board resolutions, motions, and orders;
- Review and draft statutory agreements necessary to accomplish the mandates of the USVIEDA; and
- Draft professional service contracts, leases, and show cause orders for the USVIEDA and its subsidiary entities.

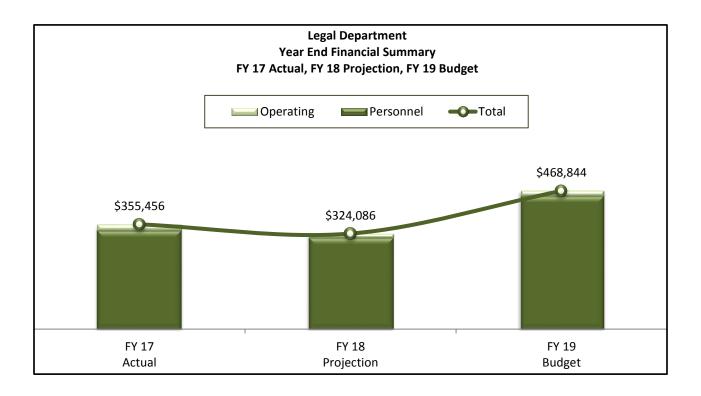
FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

- Drafted and fully executed a wide range of professional service contracts and lease agreements;
- Drafted and amended USVIEDA internal policies and procedures;
- Drafted and amended USVIEDA Governing Board resolutions, motions and orders; and
- Prepared and reviewed statutory agreements necessary to accomplish the mandates of the USVIEDA.

- Coordinate the drafting of rules and regulations;
- Draft and amend USVIEDA internal policies and procedures;
- Draft and amend USVIEDA Governing Board resolutions, motions, and orders;
- Review and draft statutory agreements necessary to accomplish the mandates of the USVIEDA, and
- Draft professional service contracts, leases, and show cause orders for the USVIEDA and its subsidiary entities.

| | Actual | Target | Actual FY 18 | Planned |
|--|--------|--------|--------------|---------|
| 2-Key Performance Indicators (KPI) | FY 17 | FY18 | (3/31/18) | FY 19 |
| Number of rules and regulations drafted and/or | | | | |
| promulgated | 2 | 1 | 1 | 1 |
| Number of professional contracts and leases | | | | |
| reviewed, drafted and/or executed | 26 | 17 | 20 | 17 |

| US Virgin Islands Economic Development Authority Legal Department (035) Year End Financial Summary FY 17 Actual, FY 18 Projected, and FY 19 Budget | | | | | | | | |
|---|----|-----------------------------------|----|---------|----|-----------------------------------|--|--|
| | | FY 2017 Actual 10/1/16-9/30/17 | | | | FY 2019 Budget 10/1/18-9/30/19 | | |
| Personnel Expenses | | | | | | | | |
| Salaries - Classified | \$ | 114,113 | \$ | 114,903 | \$ | 118,723 | | |
| Salaries - Unclassified | \$ | 115,500 | \$ | 117,810 | \$ | 211,966 | | |
| Fica | \$ | 15,023 | \$ | 14,428 | \$ | 20,503 | | |
| Medicare | \$ | 3,514 | \$ | 3,374 | \$ | 4,795 | | |
| Group Insurance | \$ | 26,718 | \$ | 28,468 | \$ | 43,844 | | |
| Annual Leave Expense | \$ | 10,343 | \$ | - | \$ | - | | |
| Retirement | \$ | 36,718 | \$ | 31,082 | \$ | 50,988 | | |
| All Other | \$ | 12,701 | \$ | - | \$ | - | | |
| Total Personnel Expense | \$ | 334,630 | \$ | 310,065 | \$ | 450,819 | | |
| Operating Expenses | | | | | | | | |
| Communication | \$ | 1,090 | \$ | 500 | \$ | 1,000 | | |
| Dues & Subscriptions | \$ | 14,113 | \$ | 13,405 | \$ | 12,500 | | |
| Employee Relations | \$ | - | \$ | 200 | \$ | 225 | | |
| Postage & Delivery | \$ | 38 | \$ | 98 | \$ | 200 | | |
| Professional Development | \$ | 4,957 | \$ | (2,816) | \$ | 3,000 | | |
| Supplies | \$ | - | \$ | 203 | \$ | 250 | | |
| Travel | \$ | 628 | \$ | 2,430 | \$ | 850 | | |
| Total Operating Expense | \$ | 20,825 | \$ | 14,020 | \$ | 18,025 | | |
| Total Department Expense (Direct Cost Only) | \$ | 355,456 | \$ | 324,086 | \$ | 468,844 | | |



1.6 MARKETING / PUBLIC RELATIONS DEPARTMENT

FUNCTIONAL STATEMENT

The key responsibilities of this department are to promote the U.S. Virgin Islands as the best place for businesses to relocate and to promote the many services that are being offered by the USVIEDA to local businesses and the general public.

OPERATIONAL GOAL(S)

Utilize various marketing tools to attract new businesses to the Territory, and to grow and expand local businesses operating in the Territory.

FISCAL YEAR 2018 OBJECTIVES

- Restructure the marketing department within the USVIEDA;
- Use data mining techniques to help make marketing decisions; and
- Re-evaluate the USVIEDA's Marketing and Strategic Plan.

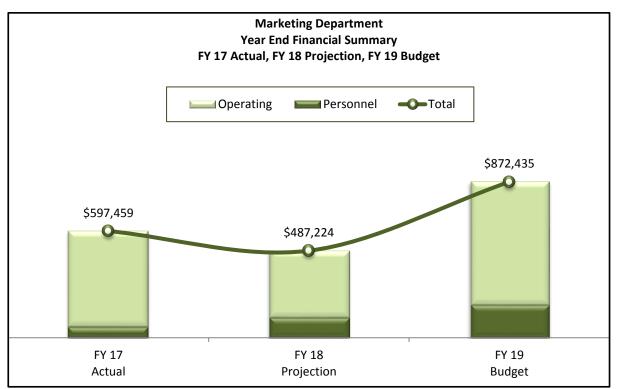
FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

- Promoted the Territory in eight (8) marketing missions;
- Continued the local marketing campaign to educate the community about USVIEDA's programs and services;
- Published the 2016 Annual Report;
- Featured USVIEDA in articles in national and industry publications;
- Contracted with Money Matters radio program, which broadcasts on fourteen (14) radio stations in the New England area, providing targeted advertisement and interviews;
- Contracted with MultiView, Inc. to run a targeted digital advertising campaign; and
- Hired a new Director of Marketing for the USVIEDA.

- Provide additional marketing exposure locally of USVIEDA's programs and services;
- Continue promoting the VIEDC program nationally to attract prospective investors and advisors;
- Use data mining techniques to help make marketing decisions by allocating resources in areas that provide the greatest return on investments; and
- Re-evaluate and update the USVIEDA's Marketing and Strategic Plan to better serve the current objectives of the USVIEDA.

| 2-Key Performance Indicators (KPI) | Actual FY 17 | Target FY 18 | Actual FY 18 (as 3/31/18) | Planned FY 19 |
|---|-----------------|-----------------|------------------------------|------------------|
| Number of targeted marketing events completed | 8 | 12 | 8 | 12 |
| Number of site visits made by potential EDC | | | | |
| beneficiaries and/or advisors | 8 | 20 | 8 | 20 |

| US Virgin Islands Economic Development Authority Marketing Department (070) Year End Financial Summary FY 17 Actual, FY 18 Projected, and FY 19 Budget | | | | | | | | |
|---|----|-----------------------------------|----|--------------------------------------|----|-----------------------------------|--|--|
| | | FY 2017 Actual 10/1/16-9/30/17 | | FY 2018 Projected 10/1/17-9/30/18 | | FY 2019 Budget 10/1/18-9/30/19 | | |
| Personnel Expenses | | | | | | | | |
| Salaries - Classified | \$ | 49,626 | \$ | 42,892 | \$ | 51,631 | | |
| Salaries - Unclassified | \$ | - | \$ | 36,647 | \$ | 79,560 | | |
| Fica | \$ | 3,344 | \$ | 4,931 | \$ | 8,134 | | |
| Medicare | \$ | 782 | \$ | 1,153 | \$ | 1,902 | | |
| Group Insurance | \$ | 5,900 | \$ | 11,170 | \$ | 17,167 | | |
| Annual Leave Expense | \$ | (12,733) | \$ | - | \$ | - | | |
| Retirement | \$ | 10,173 | \$ | 15,768 | \$ | 23,909 | | |
| All Other | \$ | 4,302 | \$ | - | | | | |
| Total Personnel Expense | \$ | 61,393 | \$ | 112,562 | \$ | 182,304 | | |
| Operating Expenses | | | | | | | | |
| Advertising & Promotion | \$ | 210,109 | \$ | 137,515 | \$ | 450,000 | | |
| Bank Charges | \$ | 375 | \$ | 75 | \$ | 300 | | |
| Communication | \$ | 158 | \$ | 250 | \$ | 500 | | |
| Dues & Subscription | \$ | 7,566 | \$ | (503) | \$ | 3,532 | | |
| Employee Relations | \$ | 31 | \$ | 250 | \$ | 200 | | |
| Postage & Delivery | \$ | 3,138 | \$ | 2,500 | \$ | 5,000 | | |
| Printing & Publication | \$ | 6,125 | \$ | 5,000 | \$ | 10,000 | | |
| Professional Services | \$ | 303,539 | \$ | 225,000 | \$ | 215,000 | | |
| Supplies | \$ | 246 | \$ | 662 | \$ | 600 | | |
| Travel | \$ | 4,779 | \$ | 3,913 | \$ | 5,000 | | |
| Total Operating Expense | \$ | 536,066 | \$ | 374,662 | \$ | 690,132 | | |
| Total Department Expense (Direct Cost Only) | \$ | 597,459 | \$ | 487,224 | \$ | 872,435 | | |



1.7 ECONOMIC DEVELOPMENT MANAGEMENT (EDM)

FUNCTIONAL STATEMENT

This department acts as the general fund for the organization, and as such, operating revenues and all indirect costs are accounted here. The full-time personnel costs for the custodial and messenger service employees are also budgeted and accounted for within this department.

OPERATIONAL GOAL(S)

Allows for the efficient management and proper analysis of revenues and expenses to assist management in making financial decisions.

FISCAL YEAR 2018 OBJECTIVES

• Continue to improve budget and accounting relations by properly matching and comparing financial data to assist management in the decision-making processes.

FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

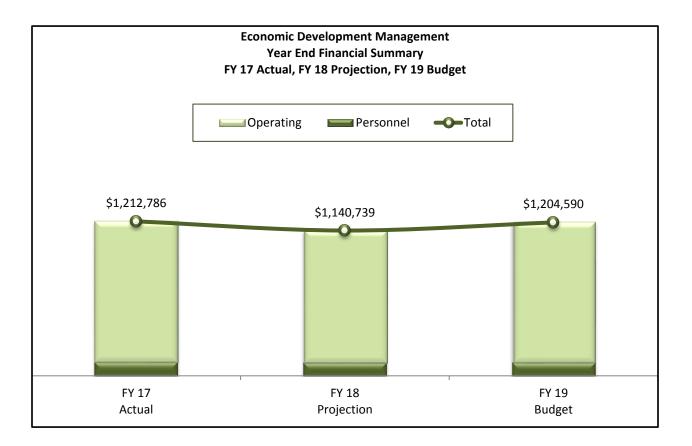
• Held numerous discussions and implemented new processes to better improve internal financial reporting and management decisions.

FISCAL YEAR 2019 OBJECTIVES

• Rely more on financial data to help support management decision.

| 2-Key Performance Indicators (KPI) | Actual FY 17 | Target FY 18 | Actual FY 18 (as of 3/31/2018) | Planned FY 19 |
|---|-----------------|-----------------|-----------------------------------|------------------|
| Percentage of times expenses are posted correctly | | | | |
| to general ledger accounts | - | - | - | 100% |
| Percentage of indirect cost to overall cost in | | | | |
| operating the USVIEDA | 20% | 20% | 23% | 20% |

| US Virgin Islands Economic Development Authority Indirect Cost (000) | | | | | | | | |
|---|----------|--------------------------------|---------|-------------------------------------|----|--------------------------------|--|--|
| | | End Financial Sumr | nar | V | | | | |
| EV 17 A | | 18 Projected, and | | | | | | |
| | stual, F | r to Projected, and | | T9 Budgel | 1 | | | |
| | | FY16-Actual 10/1/16-9/30/17 | | Total Proj. Exp. 10/1/17-9/30/18 | | FY18-Budget 10/1/18-9/30/19 | | |
| Personnel Expenses | | | | | | | | |
| Salaries - Classified | \$ | 59,366 | \$ | 60,553 | \$ | 61,764 | | |
| Fica | \$ | 4,004 | \$ | 3,754 | \$ | 3,829 | | |
| Medicare | \$ | 936 | \$ | 878 | \$ | 896 | | |
| Group Insurance | \$ | 20,818 | \$ | 21,922 | \$ | 21,922 | | |
| Annual Leave Expense | \$ | 2,617 | \$ | , | \$ | , | | |
| Retirement | \$ | 12,170 | \$ | 12,413 | \$ | 12,662 | | |
| All Other | \$ | 5,514 | \$ | 204 | \$ | - | | |
| Total Personnel Expense | \$ | 105,425 | \$ | 99,724 | \$ | 101,073 | | |
| | ¥ | 100,120 | ¥ | 00,124 | Ψ | 101,010 | | |
| Operating Expenses | | | | | | | | |
| Advertising & Promotion | \$ | 7,583 | \$ | 26,415 | \$ | 10,000 | | |
| Auto Expense | \$ | 12,143 | \$ | 23,133 | \$ | 14,098 | | |
| Bank Charges | \$ | 5,427 | \$ | 5,047 | \$ | 7,000 | | |
| Capital Outlay | \$ | 110,676 | \$ | 99,941 | \$ | 50,000 | | |
| Catering Services | \$ | 17,494 | \$ | 18,850 | \$ | 25,000 | | |
| Communication | \$ | 51,063 | \$ | 48,404 | \$ | 50,000 | | |
| Custodial Services | \$ | 32,457 | \$ | 39,023 | \$ | 35,000 | | |
| Donations & Contributions | \$ | 15,475 | \$ | 15,055 | \$ | 15,000 | | |
| Drinking Water | \$ | 1,634 | \$ | 1,670 | \$ | 1,200 | | |
| Dues & Subscription | \$ | 1,840 | \$ | 2,591 | \$ | 2,500 | | |
| Electrical | \$ | 57,202 | \$ | 47,058 | \$ | 75,000 | | |
| Employee Incentive Program | \$ | - | \$ | - | \$ | 25,000 | | |
| Employee Relations | \$ | 14,480 | \$ | 49,128 | \$ | 15,000 | | |
| Garbage Removal | \$ | 825 | \$ | 900 | \$ | 900 | | |
| Insurance | \$ | 56,884 | \$ | 57,000 | \$ | 57,000 | | |
| Labor | \$ | 7,155 | \$ | 2,035 | \$ | 7,500 | | |
| Miscellaneous | \$ | 2,798 | \$ | 9,427 | \$ | 5,000 | | |
| Postage & Delivery | \$ | 15,513 | \$ | 9,901 | \$ | 8,500 | | |
| Printing & Publication | \$ | 336 | \$ | 7,976 | \$ | 10,000 | | |
| Professional Development | \$ | 13,354 | \$ | 4,465 | \$ | 5,000 | | |
| Professional Services | \$ | 312,358 | \$ | 243,797 | \$ | 274,000 | | |
| Rent | \$ | 246,998 | \$ | 240,499 | \$ | 287,219 | | |
| Repairs | \$ | 75,120 | \$ | 55,559 | \$ | 75,000 | | |
| Software Agreement | \$ | 4,155 | \$ | 4,977 | \$ | - | | |
| Supplies | \$ | 30,433 | \$ | 23,328 | \$ | 30,000 | | |
| Travel | \$ | 9,073 | \$ | 781 | \$ | 15,000 | | |
| Unemployment Insurance | \$ | 3,018 | \$ | 2,979 | \$ | 2,000 | | |
| Water | \$ | 1,868 | \$ | 1,077 | \$ | 1,600 | | |
| Total Operating Expense | \$ | 1,107,361 | \$ | 1,041,015 | \$ | 1,103,517 | | |
| Total Department Expense (Direct Cost On | | 1,212,786 | Ψ \$ | 1,140,739 | \$ | 1,204,590 | | |



2.0 USVIEDA OPERATIONAL DEPARTMENTS

The Operational Departments within the USVIEDA are charged with the responsibility of fulfilling the mandates for which the organization was established.

2.1 V.I. ECONOMIC DEVELOPMENT COMMISSION

FUNCTIONAL STATEMENT

The Economic Development Commission ("EDC") is charged with promoting the growth, development, and diversification of the economy of the United States Virgin Islands. The EDC is comprised of the Applications Department, which is the first point of contact for a business seeking to apply for economic development benefits, and the Compliance Department, which monitors and provides customer care services to beneficiaries in ensuring that these businesses are in compliance with the terms and conditions of their agreements and other requirements of law.

2.1.1 APPLICATIONS DEPARTMENT

OPERATIONAL GOAL(S)

Review and analyze EDC applications and to provide support and advice to the USVIEDA's Governing Board in the Board's consideration of applicants' requests for EDC benefits.

FISCAL YEAR 2018 OBJECTIVES

- Process a "completed" application for EDC benefits within thirty (30) working days of receipt;
- Review EDC applications within five (5) working days for completeness and notify applicant within ten (10) working days of application status;
- Submit notice to EDC applicants within five (5) working days of Board decision meetings;
- Participate in community outreach programs, informational and other marketing initiatives; and
- Implement EDC Online Application Program.

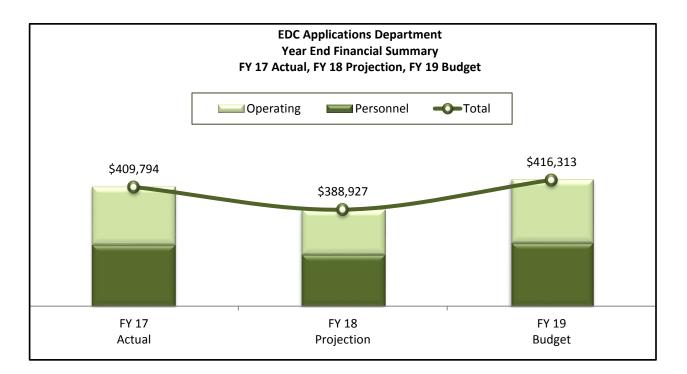
FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

- Reviewed and analyzed three (3) applications for economic development benefits: two (2) new and one (1) extension/modification;
- Processed eight (8) Eligible VI Supplier applications;
- Reviewed and presented six (6) applications to the Governing Board in consideration of granting EDC tax-incentive benefits;
- Reviewed and presented two (2) petitions for reconsideration of commencement date and eligibility of term for tax incentive benefits; and
- Participated in Post Irma/Maria informational forums and other workshops on the EDC Program.

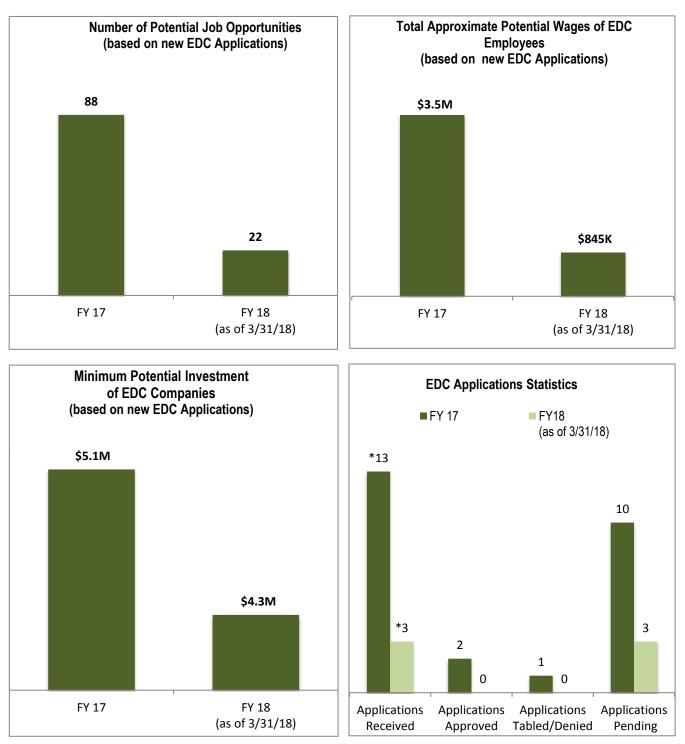
- Begin taking EDC Applications electronically by the first quarter of the fiscal year;
- Coordinate and host USVIEDA Town Hall Meetings relative to the EDC Program;
- Evaluate Client Survey responses to improve customer services;
- Engage stakeholders by facilitating Workforce Development Initiatives; and
- Participate in community outreach programs and seminars, such as: EDC Career Fair, Beneficiary Summit, and Consultants' Seminar to educate the public on the EDC Program.

| 2-Key Performance Indicators (KPI) | Actual FY 17 | Target FY 18 | Actual FY 2018 (as of 3/31/18) | Planned FY 2019 |
|---|-----------------|-----------------|-----------------------------------|--------------------|
| Average number of days to complete analysis of an EDC application for Public Hearing | 29 days | 30 days | 39 days | 30 days |
| Average number of days to complete analysis of an EDC application for EDC Decision Meetings | 18 days | 30 days | 28 days | 30 days |

| US Virgin Islands Economic Development Authority EDC Applications Department (050) Year End Financial Summary FY 17 Actual, FY 18 Projected, and FY 19 Budget | | | | | | | | | |
|--|----|---------|----|---------|----|---------|--|--|--|
| FY 2017 ActualFY 2018 ProjectedFY 2019 B10/1/16-9/30/1710/1/17-9/30/1810/1/18-9/ | | | | | | | | | |
| Personnel Expenses | | | | | | | | | |
| Salaries - Classified | \$ | 148,154 | \$ | | \$ | 165,292 | | | |
| Salaries - Unclassified | \$ | 84,000 | \$ | | \$ | 87,394 | | | |
| Fica | \$ | 15,173 | \$ | | \$ | 15,666 | | | |
| Medicare | \$ | 3,584 | \$ | | \$ | 3,664 | | | |
| Group Insurance | \$ | 38,595 | \$ | | \$ | 39,090 | | | |
| Annual Leave | \$ | 5,011 | \$ | - | \$ | - | | | |
| Retirement | \$ | 47,151 | \$ | 44,349 | \$ | 47,210 | | | |
| All Other | \$ | 14,995 | \$ | - | | | | | |
| Total Personnel Expense | \$ | 356,664 | \$ | 347,669 | \$ | 358,315 | | | |
| Operating Expenses | | | | | | | | | |
| Advertising & Promotion | \$ | 17,616 | \$ | 9,234 | \$ | 16,000 | | | |
| Catering | \$ | - | \$ | | \$ | 600 | | | |
| Communication | \$ | 675 | \$ | | \$ | 700 | | | |
| Dues & Subscription | \$ | 5,239 | \$ | | \$ | 12,298 | | | |
| Employee Relations | \$ | 93 | \$ | | \$ | 200 | | | |
| Meeting Space Rental | \$ | - | \$ | - | \$ | 1,600 | | | |
| Postage & Delivery | \$ | - | \$ | | \$ | 100 | | | |
| Printing & Publication | \$ | - | \$ | | \$ | 500 | | | |
| Professional Development | \$ | 1,409 | \$ | | \$ | 3,000 | | | |
| Professional Services | \$ | 24,547 | \$ | | \$ | 20,000 | | | |
| Supplies | \$ | 125 | \$ | 559 | \$ | 500 | | | |
| Travel | \$ | 3,426 | \$ | 3,591 | \$ | 2,500 | | | |
| Total Operating Expense | \$ | 53,130 | \$ | | \$ | 57,998 | | | |
| Total Department Expense (Direct Cost Only) | \$ | 409,794 | \$ | 388,927 | \$ | 416,313 | | | |



U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY EDC APPLICATIONS DEPARTMENT STATISTICAL DATA



*Two (2) of the three (3) applications received for Fiscal Year 2018, as of March 31, were new applicants. *Seven (7) of the 13 applications received for Fiscal Year 2017 were new applicants.

2.1.2 COMPLIANCE DEPARTMENT

FUNCTIONAL STATEMENT

The Compliance Department provides customer care services to EDC beneficiaries to ensure the integrity of the Economic Development Program. Beneficiaries that are not in compliance with their Certificates are brought before the EDC Governing Board, which has the legal authority to assess fines and/or penalties.

OPERATIONAL GOAL(S)

Build and maintain good relations with the EDC beneficiaries by assisting them to be in good standing and to remain a vital part of the community.

FISCAL YEAR 2018 OBJECTIVES

- Complete EDC Compliance Handbook for Beneficiaries;
- Conduct triennial beneficiary compliance reviews; and
- Close-out forty (40) inactive beneficiary cases.

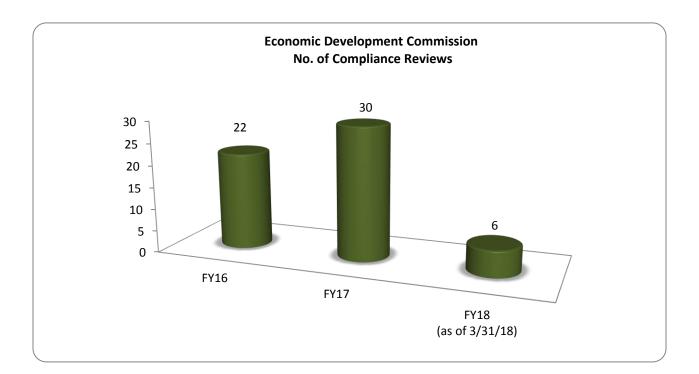
FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

- Performed nineteen (19) Beneficiary site visits;
- Conducted damage assessments of all major hotels under the EDC tax incentive program;
- Presented nineteen (19) beneficiary petitions to the EDC Governing Board for decision; and
- Commenced first phase of compliance officer training.

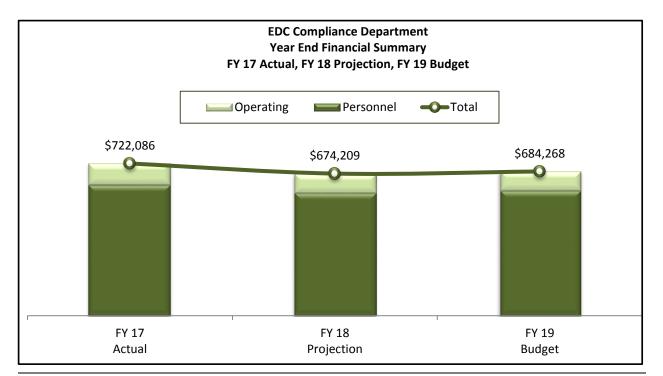
- Continue towards bringing all Beneficiaries to three (3) year review cycles;
- Implement the use of a "Contract Compliance Officer Pool" to expedite the review process;
- Monitor the rehabilitation/reconstruction of all major Hotels affiliated with the EDC; and
- Provide compliance officer training in both districts.

| 2-KEY PERFORMANCE INDICATORS (KPI) | Actual FY 17 | Target FY18 | Actual FY 2018 (as of 3/31/18) | Planned FY 19 |
|--|-----------------|----------------|-----------------------------------|------------------|
| Number of Compliance Reviews Completed | 30 | 48 | 6 | 30 |
| EDC Beneficiary Retention Rate | 99% | 100% | 100% | 100% |

U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY EDC COMPLIANCE DEPARTMENT STATISTICAL DATA



| US Virgin Islands Economic Development Authority EDC Compliance Department (060) Year End Financial Summary FY 17 Actual, FY 18 Projected, and FY 19 Budget | | | | | | | | | |
|--|--------------------------------------|---------|-----------------------------------|-------------|----|---------|--|--|--|
| | FY 2018 Projected 10/1/17-9/30/18 | | FY 2019 Budget 10/1/18-9/30/19 | | | | | | |
| Personnel Expenses | | | | | | | | | |
| Salaries - Classified | \$ | 342,023 | 9 | 336,613 | \$ | 343,346 | | | |
| Salaries - Unclassified | \$ | 78,750 | 9 | 80,325 | \$ | 81,932 | | | |
| Fica | \$ | 27,496 | 9 | 5 25,850 | \$ | 26,367 | | | |
| Medicare | \$ | 6,430 | 9 | 6,046 | \$ | 6,167 | | | |
| Group Insurance | \$ | 46,176 | 9 | 53,473 | \$ | 51,524 | | | |
| Annual Leave Expense | \$ | 11,621 | 9 | - 6 | \$ | - | | | |
| Retirement | \$ | 83,835 | 9 | 5 79,407 | \$ | 82,303 | | | |
| All Other | \$ | 22,710 | 9 | - 6 | \$ | - | | | |
| Total Personnel Expense | \$ | 619,041 | \$ | 581,714 | \$ | 591,638 | | | |
| Operating Expenses | | | | | | | | | |
| Advertising & Promotion | \$ | 44,057 | 9 | | \$ | 40,000 | | | |
| Communication | \$ | 278 | 1 | | \$ | 350 | | | |
| Dues & Subscription | \$ | 1,250 | 9 | | \$ | 1,250 | | | |
| Employee Relations | \$ | - | 9 | | \$ | 400 | | | |
| Labor | \$ | 28,607 | 9 | | \$ | 30,000 | | | |
| Parking | \$ | 30 | 9 | | \$ | 50 | | | |
| Postage & Delivery | \$ | 80 | 9 | | \$ | 80 | | | |
| Printing & Publication | \$ | 1,105 | 9 | | \$ | 500 | | | |
| Professional Development | \$ | 2,291 | 9 | | \$ | 6,000 | | | |
| Professional Services | \$ | 13,545 | 9 | | \$ | 8,500 | | | |
| Software Agreement | \$ | 2,561 | 9 | | \$ | - | | | |
| Supplies | \$ | 597 | 1 | | \$ | 500 | | | |
| Travel | \$ | 8,644 | 9 | · · · · · · | \$ | 5,000 | | | |
| Total Operating Expense | \$ | 103,044 | \$ | , | \$ | 92,630 | | | |
| Total Department Expense (Direct Cost Only) | \$ | 722,086 | \$ | 674,209 | \$ | 684,268 | | | |



2.2 ECONOMIC DEVELOPMENT BANK ("EDB")

FUNCTIONAL STATEMENT

The Economic Development Bank ("EDB") provides loan guarantees and equity infusion to help minority, small, and medium-sized businesses to maintain economic stability and grow into mainstream commercial banking customers. The EDB also works with local commercial banks by providing loan guarantees, thereby, reducing the risks to the banks.

OPERATIONAL GOAL(S)

Assist small and medium sized businesses by providing capital, technical, and managerial assistance to help ensure their viability, thereby, facilitating employment growth and opportunities.

FISCAL YEAR 2018 OBJECTIVES

- Reduce the delinquency rate to at least 47% of the loan portfolio;
- Increase the loan portfolio at least by \$1.8M in credit quality loans and guarantees;
- Provide professional development training for staff in credit administration and collections;
- Continue partnering with local banks to promote the State Small Business Credit Initiative ("SSBCI") Loan Program; and
- Continue collaborating with other related government agencies to promote loan programs and services.

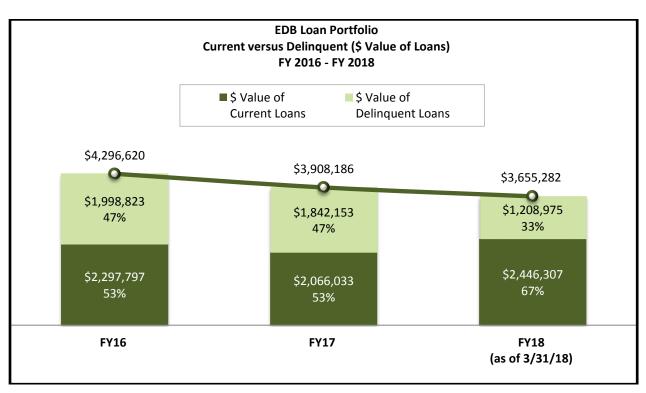
FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

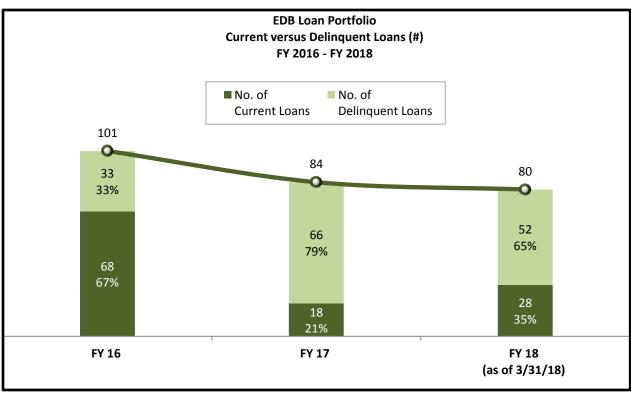
- Reduced the delinquency rate to 33% of the loan portfolio;
- Worked with delinquent borrowers to restructure loans; and
- Re-possessed and sold two (2) properties used as collateral for delinquent loans.

- Reduce the delinquency rate to at least 30% of the loan portfolio;
- Increase the loan portfolio at least by \$1.8M in credit quality loans and guarantees;
- Provide professional development training for staff in credit administration and collections;
- Continue partnering with local banks to promote the SSBCI Loan Program; and
- Continue collaborating with other related government agencies to promote loan programs and services.

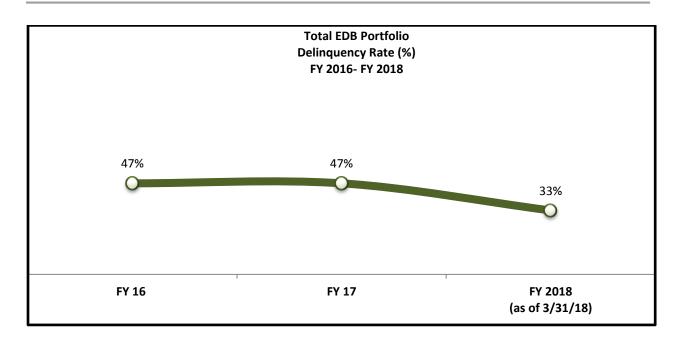
| | Actual | Target | Actual FY 18 | Planned |
|---|--------|--------|-----------------|---------|
| 2-Key Performance Indicators (KPI) | FY 17 | FY 18 | (as of 3/31/18) | FY 19 |
| Loan Delinquency Rate (%) | 47% | 47% | 33% | 30% |
| Dollar value of loans and guarantees approved | \$2M | \$3.9M | \$365K | \$2.5M |

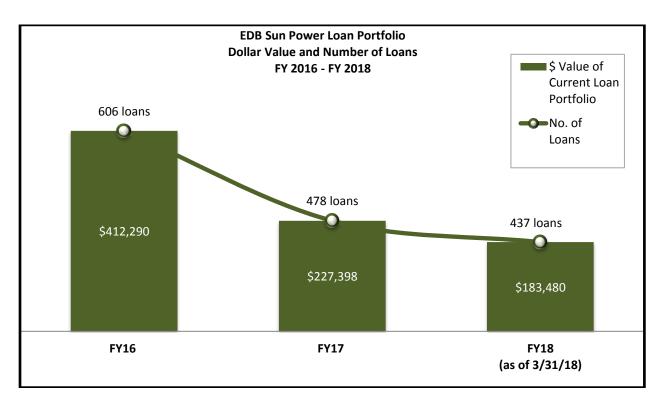
U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT BANK (EDB) STATISTICAL DATA



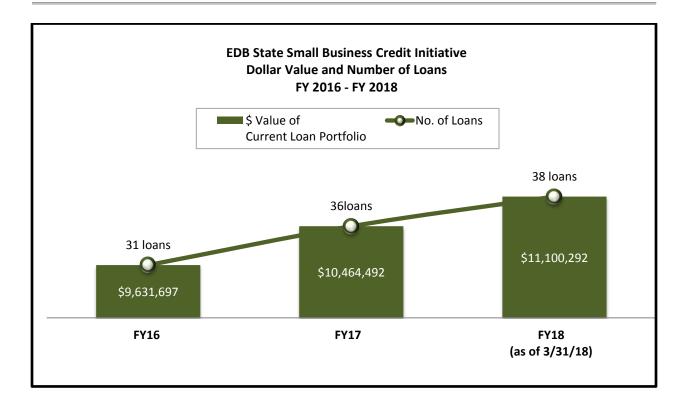


U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT BANK (EDB) STATISTICAL DATA

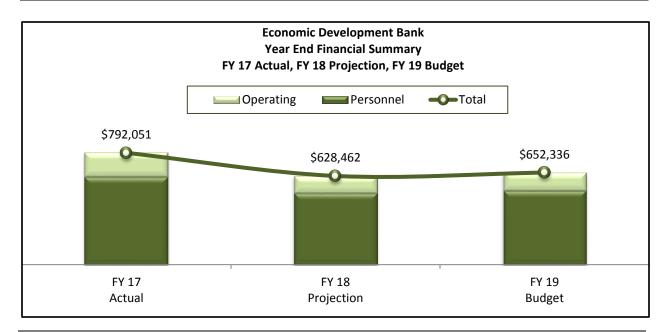




U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT BANK (EDB) STATISTICAL DATA



| US Virgin Islands Economic Development Authority Economic Development Bank Year End Financial Summary FY 17 Actual, FY 18 Projected, and FY 19 Budget | | | | | | | | | |
|--|----|-----------------------------------|----|--------------------------------------|----|-----------------------------------|--|--|--|
| Personnel Expenses | | FY 2017 Actual 10/1/16-9/30/17 | | FY 2018 Projected 10/1/17-9/30/18 | | FY 2019 Budget 10/1/18-9/30/19 | | | |
| | | | | | | | | | |
| Salaries - Classified | \$ | 271,560 | \$ | 257,034 | \$ | 286,131 | | | |
| Salaries - Unclassified | \$ | 151,925 | \$ | 107,475 | \$ | 87,394 | | | |
| Fica | \$ | 28,142 | \$ | 22,600 | \$ | 23,159 | | | |
| Medicare | \$ | 6,582 | \$ | 5,285 | \$ | 5,416 | | | |
| Group Insurance | \$ | 51,399 | \$ | 47,727 | \$ | 50,073 | | | |
| Annual Leave Expense | \$ | 1,058 | \$ | - | \$ | - | | | |
| Retirement | \$ | 78,123 | \$ | 66,108 | \$ | 70,574 | | | |
| All Other | \$ | 30,409 | \$ | - | \$ | - | | | |
| Total Personnel Expense | \$ | 619,199 | \$ | 506,230 | \$ | 522,746 | | | |
| Operating Expenses | | | | | | | | | |
| Advertising & Promotion | \$ | 19,388 | \$ | 1,152 | \$ | 5,000 | | | |
| Communication | \$ | 808 | \$ | 745 | \$ | 800 | | | |
| Courier Service | \$ | 9,355 | \$ | 9,360 | \$ | 9,360 | | | |
| Credit Report | \$ | 1,684 | \$ | 1,120 | \$ | 1,680 | | | |
| Dues & Subscriptions | \$ | - | \$ | - | \$ | 300 | | | |
| Employee Relations | \$ | 186 | \$ | 200 | \$ | 500 | | | |
| Insurance | \$ | - | \$ | | \$ | - | | | |
| Miscellaneous | \$ | 494 | \$ | - | \$ | - | | | |
| Parking | \$ | - | \$ | 50 | \$ | 50 | | | |
| Postage & Delivery | \$ | 7 | \$ | 50 | \$ | 600 | | | |
| Professional Development | \$ | 8,140 | \$ | 575 | \$ | 6,000 | | | |
| Professional Services | \$ | 121,184 | \$ | 94,118 | \$ | 90,000 | | | |
| Software Agreement | \$ | 5,775 | \$ | 9,375 | \$ | 11,300 | | | |
| Supplies | \$ | 1,082 | \$ | 1,154 | \$ | 500 | | | |
| Travel | \$ | 4,750 | \$ | 4,334 | \$ | 3,500 | | | |
| Total Operating Expense | \$ | 172,852 | \$ | 122,232 | \$ | 129,590 | | | |
| Total Department Expense (Direct Cost Only) | \$ | 792,051 | \$ | 628,462 | \$ | 652,336 | | | |



2.2.1 INCUBATOR PROGRAM

FUNCTIONAL STATEMENT

The Incubator Program is designed to help new and start-up businesses develop into full-fledged businesses by providing management training and other assistance enabling these businesses to grow and contribute to the economic development of the Territory.

OPERATIONAL GOAL(S)

Engage, support, and assist entrepreneurs to develop sustainable businesses within the Territory.

FISCAL YEAR 2018 OBJECTIVES

- Host a Young CEO Camp in both the St. Thomas-St. John and St. Croix districts;
- Assist and refer at least ten (10) clients to EDB financing;
- Assist and refer at least two (2) clients to EDC for EDC benefits; and
- Apply for grants to supplement the Incubator Program.

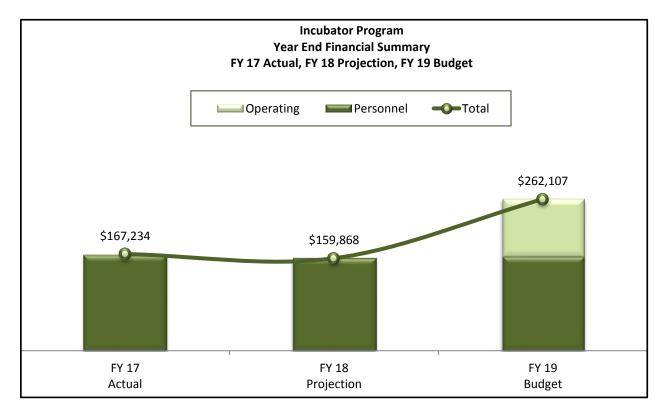
FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

- Applied and received grant to purchase generator due to Hurricane Maria;
- Assisted over twenty (20) entrepreneurs in the following sectors: manufacturing, consumable products, engineering, aquaponics, and hydroponics;
- Partnered with various federal and local entities to provide information on available resources and assistance available after the storms; and
- Referred ten (10) clients to the Economic Development Bank ("EDB") for financing.

- Host a Young CEO Camp in both the St. Thomas-St. John and St. Croix districts;
- Assist and refer at least ten (10) clients to EDB financing;
- Assist and refer at least two (2) clients to EDC for EDC benefits; and
- Apply for grants to supplement the Incubator Program and modernization projects.

| | Actual | Target | Actual FY 2018 | Planned |
|-------------------------------------|--------|--------|-----------------|---------|
| KEY PERFORMANCE INDICATORS (KPI) | FY 17 | FY18 | (as of 3/31/18) | FY 19 |
| Number of entrepreneurs assisted | 30 | 20 | 20 | 20 |
| Number of businesses developed into | | | | |
| full fledged businesses | 0 | 4 | 0 | 4 |

| US Virgin Islands Economic Development Authority | | | | | | | | | |
|---|----|-----------------|----|-------------------|----|-----------------|--|--|--|
| Incubator Program (110) Year End Financial Summary | | | | | | | | | |
| FY 17 Actual, FY 18 Projected, and FY 19 Budget | | | | | | | | | |
| | | FY 2017 Actual | | FY 2018 Projected | | FY 2019 Budget | | | |
| | | 10/1/16-9/30/17 | | 10/1/17-9/30/18 | | 10/1/18-9/30/19 | | | |
| | | 10/1/10-5/50/11 | | 10/1/11-5/50/10 | | 10/1/10-5/50/15 | | | |
| Personnel Expenses | | | | | | | | | |
| Salaries - Classified | \$ | 40,690 | \$ | 41,503 | \$ | 42,334 | | | |
| Salaries - Unclassified | \$ | 69,076 | \$ | 70,457 | \$ | 71,867 | | | |
| Fica | \$ | 7,334 | \$ | 6,942 | \$ | 7,080 | | | |
| Medicare | \$ | 1,715 | \$ | 1,623 | \$ | 1,656 | | | |
| Group Insurance | \$ | 16,309 | \$ | 17,883 | \$ | 17,167 | | | |
| Annual Leave Expense | \$ | (666) | \$ | - | \$ | - | | | |
| Retirement | \$ | 22,144 | \$ | 21,460 | \$ | 22,003 | | | |
| All Other | \$ | 8,527 | \$ | - | \$ | - | | | |
| Total Personnel Expense | \$ | 165,129 | \$ | 159,868 | \$ | 162,107 | | | |
| | | | | | | | | | |
| Operating Expenses | | | | | | | | | |
| Advertising & Promotion | \$ | 480 | \$ | - | \$ | 12,000 | | | |
| Catering | \$ | - | \$ | - | \$ | 7,000 | | | |
| Meeting Space Rental | \$ | - | \$ | - | \$ | 5,000 | | | |
| Postage & Delivery | \$ | - | \$ | - | \$ | 500 | | | |
| Professional Services | \$ | - | \$ | - | \$ | 65,000 | | | |
| Supplies | \$ | 1,162 | \$ | - | \$ | 2,500 | | | |
| Travel | \$ | 463 | \$ | - | \$ | 7,000 | | | |
| Utilities | \$ | - | \$ | - | \$ | 1,000 | | | |
| Total Operating Expense | \$ | 2,105 | \$ | - | \$ | 100,000 | | | |
| Total Department Expense (Direct Cost Only) | \$ | 167,234 | \$ | 159,868 | \$ | 262,107 | | | |



2.3 ENTERPRISE ZONE COMMISSION

FUNCTIONAL STATEMENT

The Enterprise Zone Commission ("EZC") is responsible for the revitalization of designated blighted and severely distressed areas in the U.S. Virgin Islands that were once social and economically vibrant communities. The EZC provides tax incentives and economic development benefits and helps to reduce fiscal and regulatory constraints that hinder economic growth. In addition, the EZC encourages collaboration between public, private, and non-profit entities in support of economic growth and development.

OPERATIONAL GOAL(S)

Promote economic growth through revitalizations and business expansion opportunities utilizing public/private partnerships to create jobs, sustain community self-sufficiency and involvement.

FISCAL YEAR 2018 OBJECTIVES

- Complete eight (8) scrape and paint, two (2) rehabilitation, and four (4) board-up projects;
- Conduct the EntrepreNow Program and a community building presentation within each of the schools in the zones;
- Conduct an Estate Planning Seminar to provide the latest trends in estate and long-term care planning;
- Conduct open house events to provide information about the resources available through the EZC, its partners and stakeholders;
- Actively promote the EZC tax incentive program and strengthen the compliance component; and
- Conduct a beneficiary conference, USVIEDA Expo, and Business-to-Business event.

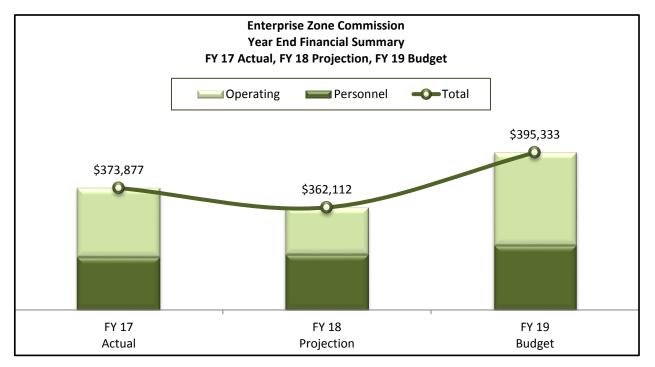
FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

- Conducted a rapid assessment survey of two hundred-fifty (250) hurricane damaged buildings within the Enterprise Zones;
- Appeared on six (6) radio talk shows and various public forums Territory-wide to promote the EZC Tax-Incentive Program and provide updates on the activities of the USVIEDA immediately following the storms;
- Provided information about the programs offered by the Enterprise Zone Commission, its partners, and stakeholders to over three hundred fifty (350) individuals, entrepreneurs, and businesses at the USVIEDA Open Houses;
- Hosted EZC Beneficiary and Stakeholder Seminars in collaboration with the Small Business Administration and Federal Emergency Management Agency that focused on Client Disaster Recovery; and
- Held the 4th annual Business-to-Business event focusing on Bed and Breakfasts businesses within the Territory.

- Complete eight (8) scrape and paint, two (2) rehabilitation, and four (4) board-up projects;
- Conduct the EntrepreNow Program and a community building presentation within each of the schools in the zones;
- Conduct an Estate Planning Seminar to provide the latest trends in estate and long-term care planning;
- Conduct open house events to provide information about the resources available through the EZC, its partners and stakeholders;
- Actively promote the EZC tax incentive program and strengthen the compliance component; and
- Conduct a beneficiary conference, USVIEDA Expo, and Business-to-Business events.

| 2-KEY PERFORMANCE INDICATORS (KPI) | Actual FY 17 | Target FY18 | Actual FY 2018 (as of 3/31/18) | Planned FY 19 |
|--|-----------------|----------------|-----------------------------------|------------------|
| Number of collaborative events held | 5 | 12 | 4 | 8 |
| Number of rehabilitated properties completed | 3 | 10 | 1 | 7 |
| Number of properties boarded up (for safety | | | | |
| concerns) | 1 | 4 | 0 | 4 |
| Number of public meetings held towards | | | | |
| revitalization | 7 | 3 | 4 | 8 |

| US Virgin Islands Economic Development Authority Enterprise Zone Commission (003) Year End Financial Summary FY 17 Actual, FY 18 Projected, and FY 19 Budget | | | | | | | | | |
|---|--|---------|----|-----------|----|---------|--|--|--|
| | FY 2017 Actual FY 2018 Projected FY 2019 Budg 10/1/16-9/30/17 10/1/17-9/30/18 10/1/18-9/30/1 | | | | | | | | |
| Personnel Expenses | | | | | | | | | |
| Salaries - Classified | \$ | 139,503 | \$ | 5 146,706 | \$ | 149,640 | | | |
| Salaries - Unclassified | \$ | 94,500 | \$ | 96,390 | \$ | 98,318 | | | |
| Fica | \$ | 15,098 | \$ | 5 15,072 | \$ | 15,373 | | | |
| Medicare | \$ | 3,531 | \$ | 3,525 | \$ | 3,595 | | | |
| Group Insurance | \$ | 25,439 | \$ | 29,324 | \$ | 28,151 | | | |
| Annual Leave | \$ | 2,505 | \$ | | \$ | - | | | |
| Retirement | \$ | 41,923 | \$ | 42,570 | \$ | 44,001 | | | |
| All Other | \$ | 9,515 | \$ | · - | \$ | - | | | |
| Total Personnel Expense | \$ | 332,013 | \$ | 333,586 | \$ | 339,079 | | | |
| Operating Expenses | | | | | | | | | |
| Advertising & Promotion | \$ | 3,534 | \$ | 2,500 | \$ | 4,734 | | | |
| Capital Outlay | \$ | - | \$ | | \$ | 5,000 | | | |
| Catering Services | \$ | 14,355 | \$ | | \$ | 17,000 | | | |
| Communication | \$ | 545 | \$ | | \$ | 500 | | | |
| Dues & Subscription | \$ | 432 | 9 | | \$ | 400 | | | |
| Employee Relations | \$ | 265 | \$ | | \$ | 500 | | | |
| Labor | \$ | 3,330 | \$ | | \$ | 7,000 | | | |
| Miscellaneous | \$ | 399 | \$ | | \$ | - | | | |
| Postage and Delivery | \$ | - | \$ | | \$ | 120 | | | |
| Printing & Publication | \$ | 258 | \$ | | \$ | 2,000 | | | |
| Professional Development | \$ | 749 | \$ | | \$ | 6,000 | | | |
| Professional Services | \$ | 9,265 | \$ | | \$ | 10,000 | | | |
| Supplies | \$ | 3,448 | \$ | | \$ | 500 | | | |
| Travel | \$ | 5,283 | \$ | | \$ | 2,500 | | | |
| Total Operating Expense | \$ | 41,863 | \$ | | \$ | 56,254 | | | |
| Total Department Expense (Direct Cost Only) | \$ | 373,877 | \$ | 1 | \$ | 395,333 | | | |



U.S. Virgin Islands Economic Development Authority – Fiscal Year 2019

2.4 ECONOMIC DEVELOPMENT PARK CORPORATION

FUNCTIONAL STATEMENT

The Economic Development Park Corporation ("EDPC") is chartered as a public corporation to acquire and operate industrial parks in the U.S. Virgin Islands to complement activities of the Economic Development Commission ("EDC"). The EDPC is self-supported by revenues it generates from its tenants. The EDPC has two locations, one on St. Croix known as William D. Roebuck Industrial Park and the other on St. Thomas located in Estate Contant.

OPERATIONAL GOAL(S)

Support economic development by offering rental space for commercial use, and to maintain and upgrade the facilities to retain and attract new tenants.

FISCAL YEAR 2018 OBJECTIVES

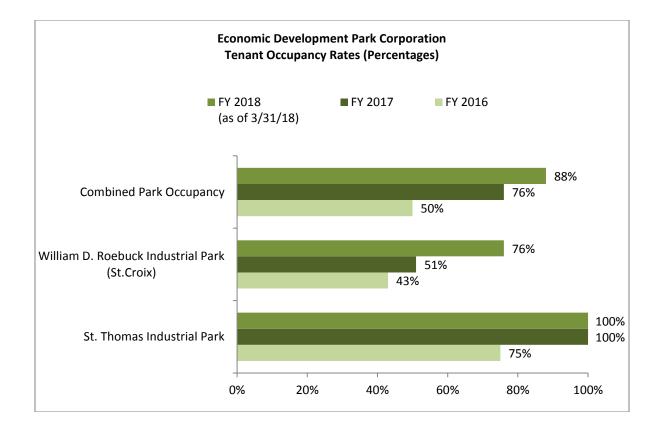
- Complete a micro-grid investment audit of the William D. Roebuck Industrial Park;
- Lease 75% of rentable space; and
- Work with tenants in fostering good relations.

FISCAL YEAR 2018 ACCOMPLISHMENTS AS OF MARCH 31, 2018

- Completed the micro-grid audit and received a proposal for a Solar PV-based micro-grid facility;
- Received an appropriation of \$500K for the energy retrofitting of the William D. Roebuck Park;
- Leased 88% of rentable space and project 100% occupancy by August 2018;
- Reduced the outstanding rent receivables by 20% percent;
- Applied for a \$2M grant to assist with the maintenance and upkeep of the Park's infrastructure; and
- Improved customer care services to enhance relationship with tenants.

- Install and have fully operational, the micro-grid at the William D. Roebuck Industrial Park;
- Complete the construction of the main entrance to the William D. Roebuck Industrial Park;
- Install generators at both Industrial Park facilities;
- Complete the energy efficiency upgrades to the William D. Roebuck Industrial Park;
- Complete the reconditioning of the Frederiksted office building;
- Install PV street lighting at both Industrial Park facilities; and
- Install chlorine injection systems in all Industrial Park building water supply systems on St. Thomas and St. Croix to help meet federal clean water requirements.

| 2-Key Performance Indicators (KPI) | Actual FY 17 | Target FY 18 | Actual FY 18 (as of 3/31/18) | Planned FY 19 |
|---------------------------------------|-----------------|-----------------|---------------------------------|------------------|
| Number of capital projects completed | 3 | 3 | (as 01 3/31/18) 0 | 4 |
| Percentage of rentable space occupied | 76% | 75% | 88% | 100% |

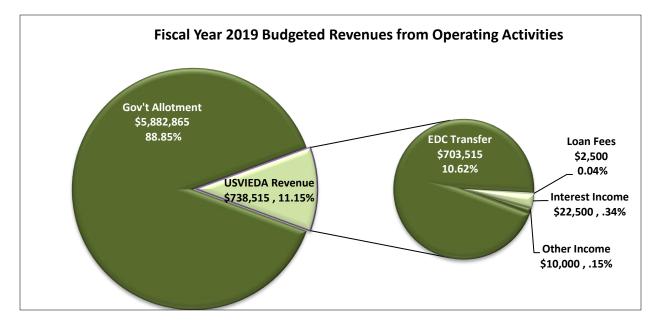


3.0 FINANCIAL INFORMATION

3.1 REVENUES

The USVIEDA's operating revenue is derived from two (2) primary sources: government allotments and those generated internally by the USVIEDA.

Internally generated revenues include EDC activation, application, and compliance fees received from beneficiaries. The amounts collected are deposited into the EDC Industrial Promotion Fund and annually, an amount is transferred from this fund to help support the EDC budget. Other internally generated revenues consist of non-restricted interests from interest bearing accounts and amounts collected in loan originating and loan application fees.

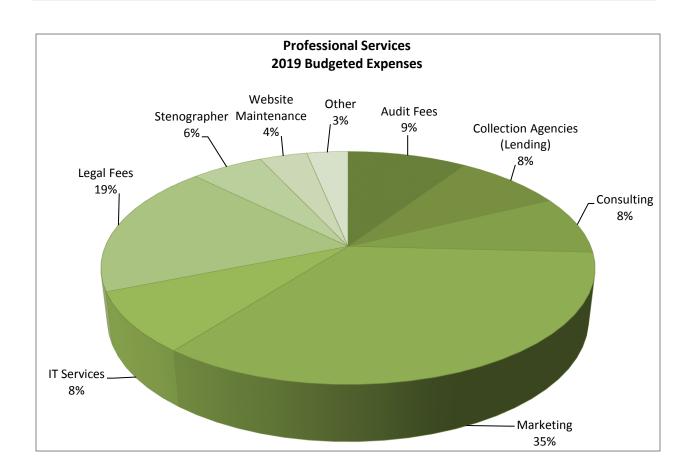


| | Actual FY17 | Actual 17-3/31/18 | | Projected /1-9/30/18 | Т | otal Proj. <u>FY18</u> | Budgeted <u>FY19</u> |
|--------------------------|-----------------|----------------------|------|-------------------------|----|---------------------------|-------------------------|
| Revenues | | | | | | | |
| Interest Income | \$ 31,708 | \$ 620 | \$ | 30,000 | \$ | 30,620 | \$ 22,500 |
| Loan Fees | \$ 10,808 | \$ - | \$ | - | \$ | - | \$ 2,500 |
| Transfer: Promotion Fund | \$ 703,515 | \$ 703,515 | \$ | - | \$ | 703,515 | \$ 703,515 |
| Other | \$ 9,047 | \$ 30,473 | \$ | 20,000 | \$ | 50,473 | \$ 10,000 |
| Total | \$ 755,078 | \$ 734,608 | \$ | 50,000 | \$ | 784,608 | \$ 738,515 |
| | | | | | | | |
| Plus: | | | | | | | |
| Government Allotment | \$ 5,455,163 | \$ 2,398,658 | \$ 2 | 2,398,849 | \$ | 4,797,507 | \$ 5,882,865 |
| Total Budgeted Revenue | \$ 6,210,241 | \$ 3,133,265 | \$ 2 | 2,448,849 | \$ | 5,582,115 | \$ 6,621,380 |

3.2 EXPENDITURE COMPARISONS FOR FY17, FY18 PROJECTED, AND FY19 BUDGETED

| DEPARTMENT/AGENCY/OFFICE NAME: | Actual | Actual Expenditures | Proj. Expenditures | Total Proj. Expenditures | PROJECTED |
|----------------------------------|----------------------|----------------------|---------------------|--------------------------|----------------------|
| Fiscal Period | FY 2017 | 10/1/17-3/31/18 | 4/1-9/30/18 | FY 2018 | Budget 2019 |
| PERSONNEL SERVICES | | | | | |
| | 1,631,418 | 735,551 | 893,216 | 1,628,767 | 1,698,588 |
| JNCLASSIFIED EMPL. SALARIES | 1,040,631 | 469,828 | 611,018 | 1,028,707 | 1,332,982 |
| | 161,369 | 405,828 | 011,010 | 1,000,040 | 1,552,562 |
| | 70,401 | 204 | | 204 | |
| SUB-TOTAL | 2,903,819 | 1,205,583 | 1,504,234 | 2,709,817 | 3,031,570 |
| | 2,903,819 | 1,205,585 | 1,504,234 | 2,709,817 | 3,031,570 |
| APITAL OUTLAYS | | | | | |
| IACHINIERY & EQUIPMENT | 110,676 | 8,828 | 91,114 | 99,941 | 55,000 |
| EHICLES | | | | | |
| LL OTHER | | | | | |
| SUB-TOTAL | 110,676 | 8,828 | 91,114 | 99,941 | 55,000 |
| RINGE BENEFITS | | | | | |
| MPLOYER CONTR. RETIREMENT | 488,273 | 209,409 | 276,200 | 485.609 | 539,406 |
| I.C.A. | 174,995 | 74,733 | 93,263 | 167,996 | 187,957 |
| EDICARE | 41,081 | 17,478 | 21,811 | 39,289 | 43,958 |
| | 313,351 | 148,095 | 209,041 | 357,135 | 378,238 |
| ORKERS COMP. PREMIUMS | 515,551 | 140,095 | 205,041 | 557,135 | 570,230 |
| NIFORM ALLOWANCE | | | | | |
| LL OTHER | | | | | |
| SUB-TOTAL | 1,017,700 | 449,714 | 600,315 | 1,050,029 | 1,149,559 |
| | | | , | | |
| JPPLIES | | | | | |
| FFICE SUPPLIES | 40,194 | 16,170 | 15,660 | 31,830 | 37,705 |
| PERATING SUPPLIES | | | | | |
| MALL TOOLS/MINOR EQUIPMENT | | | | | |
| LL OTHER | | | | | |
| SUB-TOTAL | 40,194 | 16,170 | 15,660 | 31,830 | 37,705 |
| THER SERVICES & CHARGES | | | | | |
| ROFESSIONAL SERVICES | 785,090 | 345,287 | 264,713 | 610,000 | 685,000 |
| OMMUNICATION | 63,576 | 13,522 | 45,404 | 58,926 | 65,500 |
| RAVEL | 91,779 | 25,042 | 25,500 | 50,542 | 84,850 |
| DVERTISING AND PROMOTION | 306,586 | 174,285 | 44,741 | 219,026 | 541,734 |
| | 7,824 | 6,101 | 8,080 | 14,181 | 23,000 |
| ISURANCE | 56,884 | 891 | 56,109 | 57,000 | 57,000 |
| EPAIRS AND MAINTENANCE | 75,120 | 35,559 | 20,000 | 55,559 | 75,000 |
| ENTAL- LAND/BUILDING | 246,998 | 140,860 | 99,639 | 240,499 | 287,219 |
| ENTAL - MACHINES/EQUIPMENT | 240,330 | 140,000 | 33,035 | 240,499 | 207,213 |
| RAINING | 129,259 | (2,656) | 18,000 | 15,344 | 99,750 |
| LL OTHER | 276,454 | 206,269 | 115,016 | 321,285 | 351,893 |
| SUB-TOTAL | 2,039,569 | 945,160 | 697,202 | 1,642,362 | 2,270,947 |
| | | | , | | |
| TILITY SERVICES | | | | | |
| LECTRICITY | 57,202 | 17,058 | 30,000 | 47,058 | 75,000 |
| /ATER | 1,868 | 177 | 900 | 1,077 | 1,600 |
| SUB-TOTAL | 59,070 | 17,235 | 30,900 | 48,135 | 76,600 |
| OTAL EXPENSES | 6,171,028 | 2,642,690 | 2,939,425 | 5,582,114 | 6,621,380 |
| | | | 2 2 2 2 2 2 2 | | F 000 C |
| Appropriation/Allotment | 5,455,163 755,078 | 2,398,658 734,608 | 2,398,849 50,000 | 4,797,507 784,608 | 5,882,865 738,515 |
| otal Projected (Actual) Revenues | 6,210,241 | 3,133,265 | 2,448,849 | 5,582,115 | 6,621,380 |

3.3 PROFESSIONAL SERVICES BREAKDOWN IN DETAIL

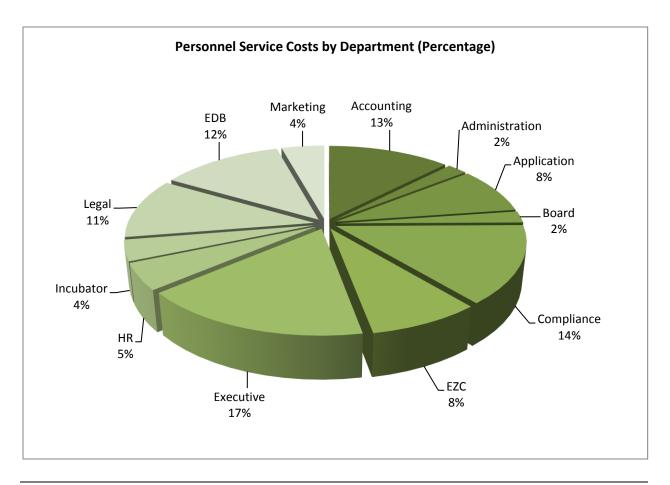


| | Actual | | Р | Projected | | udgeted |
|-----------------------------|-------------|---------|----|-------------|----|--------------|
| | <u>FY17</u> | | | <u>FY18</u> | | <u>FY 19</u> |
| Professional Services | | | | | | |
| Audit Fees | \$ | 40,000 | \$ | 40,000 | \$ | 58,000 |
| Collection Agencies | \$ | 50,423 | \$ | 50,000 | \$ | 52,000 |
| Consulting | \$ | 123,453 | \$ | 45,000 | \$ | 115,000 |
| IT Services | \$ | 66,662 | \$ | 52,000 | \$ | 52,000 |
| Legal | \$ | 160,910 | \$ | 120,000 | \$ | 115,000 |
| Marketing | \$ | 266,893 | \$ | 225,000 | \$ | 215,000 |
| Stenographer | \$ | 34,800 | \$ | 35,000 | \$ | 35,000 |
| Website | \$ | 22,869 | \$ | 23,000 | \$ | 23,000 |
| Other | \$ | 19,080 | \$ | 20,000 | \$ | 20,000 |
| Total Professional Services | \$ | 785,090 | \$ | 610,000 | \$ | 685,000 |

3.4 PERSONNEL SERVICE COST BREAKDOWN BY DEPARTMENT AND CLASSIFICATION

| Personnel cost is the single largest component of the Authority's operating budget, | , representing |
|---|----------------|
| approximately sixty-three percent (63%) of the total operating expenses. | |

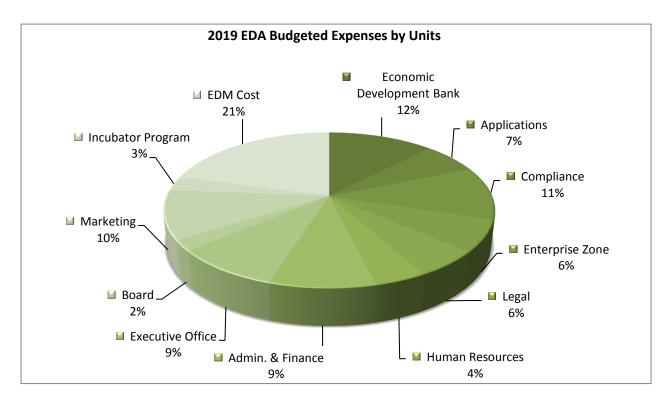
| FY 2019 Personnel Cost by Department | | | | | | | | |
|--------------------------------------|--------------|--------------|------------|------------------------------|-----|-------------|--|--|
| Department | Unclassified | Unclassified | Classified | d Classified Total Positions | | Total | | |
| | Positions | (\$) | Positions | (\$) | (#) | Salary (\$) | | |
| | (#) | | (#) | | | | | |
| Accounting | 1 | 98,317 | 5 | 276,631 | 6 | 374,950 | | |
| Administration | 0 | 0 | 2 | 61,764 | 2 | 61,764 | | |
| Application | 1 | 87,394 | 3 | 165,292 | 4 | 252,685 | | |
| Board | 1 | 63,469 | 0 | 0 | 1 | 63,469 | | |
| Compliance | 1 | 81,932 | 6 | 343,346 | 7 | 425,278 | | |
| EZC | 1 | 98,318 | 3 | 149,640 | 4 | 247,958 | | |
| Executive | 4 | 373,565 | 4 | 136,702 | 8 | 510,267 | | |
| HR | 1 | 79,200 | 1 | 66,394 | 2 | 145,594 | | |
| Incubator | 1 | 71,867 | 1 | 42,333 | 2 | 114,200 | | |
| Legal | 2 | 211,966 | 2 | 118,723 | 4 | 330,689 | | |
| EDB | 1 | 87,394 | 5 | 286,131 | 6 | 373,525 | | |
| Marketing | 1 | 79,560 | 1 | 51,631 | 2 | 131,191 | | |
| Total | 15 | 1,332,982 | 33 | 1,698,587 | 48 | 3,031,570 | | |



3.5 BUDGET SUMMARY

- FY 2019 budgeted revenue is \$6,621,380.
 - Internally generated revenue is \$738,515.
 - Recommended appropriation is \$5,882,865.
- FY 2019 budgeted expenses total \$6,612,380.

| Division / Department | Personnel Costs | C | Operating Expense | Total |
|---|-----------------|----|-------------------|-----------------|
| Economic Development Bank | \$ 522,746 | \$ | 129,590 | \$ 652,336 |
| EDC Applications Department | \$ 358,315 | \$ | 57,998 | \$ 416,313 |
| EDC Compliance Department | \$ 591,638 | \$ | 92,630 | \$ 684,268 |
| Enterprise Zone Commission | \$ 339,079 | \$ | 56,254 | \$ 395,333 |
| Legal Department | \$ 450,819 | \$ | 18,025 | \$ 468,844 |
| Human Resources | \$ 195,795 | \$ | 39,034 | \$ 234,829 |
| Administration & Finance | \$ 526,659 | \$ | 30,300 | \$ 556,959 |
| Executive Office | \$ 663,052 | \$ | 40,925 | \$ 703,977 |
| Board of Directors | \$ 87,542 | \$ | 81,847 | \$ 169,389 |
| Marketing Department | \$ 182,304 | \$ | 690,132 | \$ 872,435 |
| Incubator Program | \$ 162,107 | \$ | 100,000 | \$ 262,107 |
| EDM - Indirect Cost | \$ 101,073 | \$ | 1,103,517 | \$ 1,204,590 |
| Total Fiscal Year 2019 Budgeted Expense | \$ 4,181,128 | \$ | 2,440,252 | \$ 6,621,380 |



IV. SUPPLEMENTAL INFORMATION

This section of the budget presents additional information to assist management, the public, and outside users in gaining a better understanding of the operations of the organization and to provide selected historical data for comparisons. The major components of this section consist of charts, tables, and graphs presenting: revenue, expense, and operating information.

VEHICLE LISTING FOR USVIEDA

Presently, the USVIEDA has nine (9) vehicles. Eight (8) were purchased with USVIEDA funds and one (1) with Economic Development Park Corporation funds.

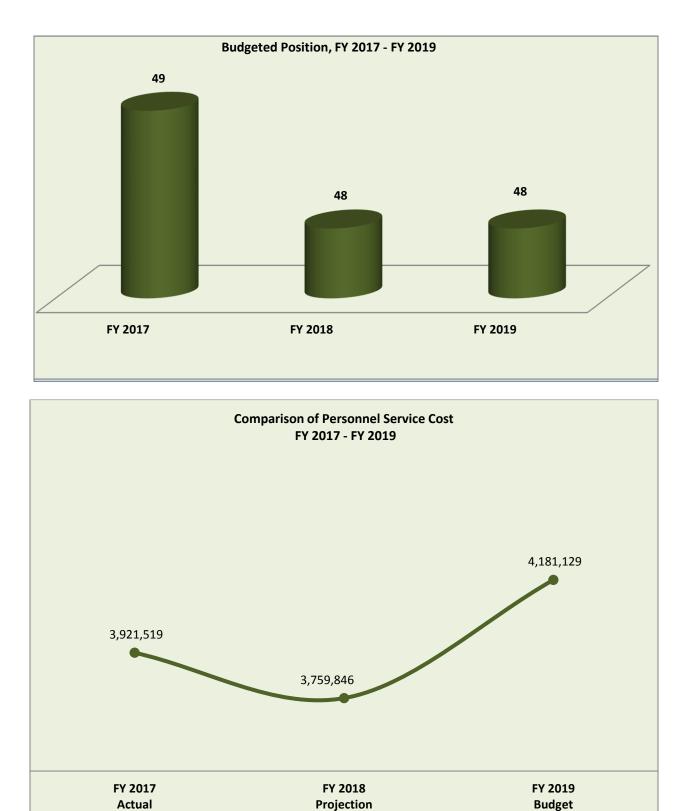
| Year | Make | Model | Assigned Use | Fund Source | Island |
|-------|-----------|----------|---------------------|---------------------|------------------------------|
| *2007 | Toyota | Rav4 | General | USVIEDA Fund | St. Croix District |
| *2007 | Toyota | Rav4 | General | USVIEDA Fund | St. Croix District |
| 2013 | Chevrolet | Traverse | Executive - USVIEDA | USVIEDA Fund | St. Thomas/St. John District |
| 2015 | Chevrolet | Colorado | General | USVIEDA Fund | St. Thomas/St. John District |
| 2015 | Chevrolet | Equinox | Park Superintendent | USVIEDA Fund | St. Croix District |
| 2016 | Chevrolet | Traverse | Executive - USVIEDA | USVIEDA Fund | St. Croix District |
| 2015 | Chevrolet | Colorado | General | EDPC Fund | St. Croix District |
| 2018 | Chevrolet | Equinox | General | USVIEDA Fund | St. Thomas/St. John District |
| 2018 | Chevrolet | Equinox | General | USVIEDA Fund | St. Croix District |

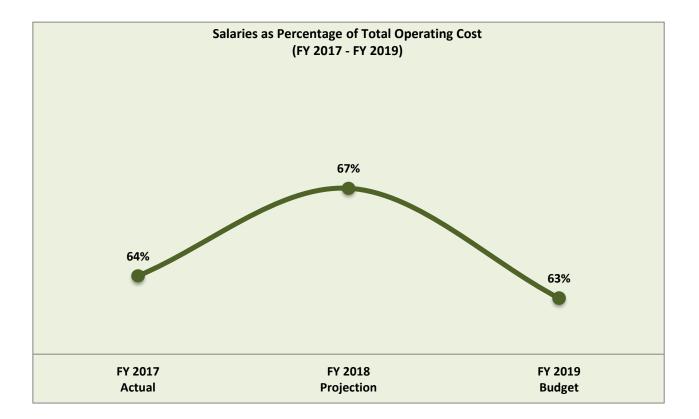
*Vehicle will remain in the USVIEDA's fleet until the Department of Property and Procurement's next vehicle auction on St. Croix.

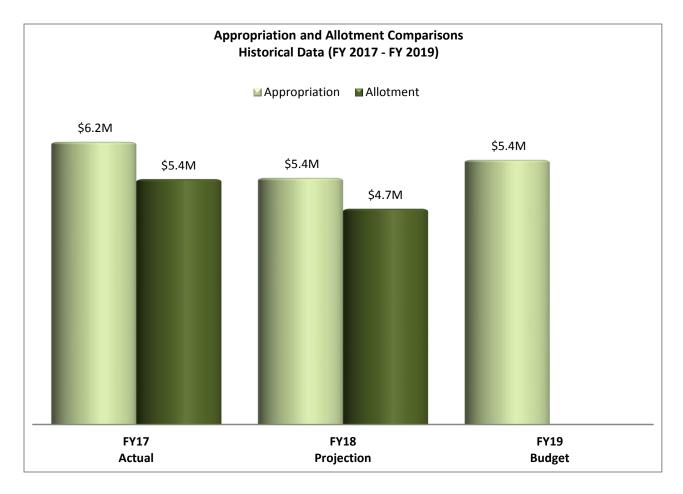
REAL PROPERTY LEASED BY USVIEDA

| | | | Annual | | |
|-------------------|-------------------------|---------|-------------------|----------------|---------------|
| Lessor | Address | Sq. Ft. | Rent | Lease Terms | Use |
| B&W Realty | Nisky Shopping Center | | | | |
| Investments, Ltd. | Second Floor, Suite 620 | | | | |
| | St. Thomas | 7,928 | \$200,000 | 5 Years | Office Space |
| VI Economic | 116 King Street | | | | |
| Development Park | Frederiksted, St. Croix | 12,400 | \$69 <i>,</i> 300 | Month to Month | Office Space |
| Corp. | | | | | |
| Crown Holdings | 18B-2 Lindberg Bay | | | | |
| | St. Thomas | 2,000 | \$17,919 | 5 Years | Storage Space |

PERSONNEL STATISTICS







APPROPRIATION AND ALLOTMENT COMPARISON

GLOSSARY OF SELECTED TERMS

Budget: An estimate of income and expenditure in the planning, monitoring, and evaluation of financial activities.

Capital Outlay: Expenditures made for the acquisition of assets that exceed \$500 in cost and has a service life of more than a year.

Direct Cost: A cost that can be identified or traced with relative ease and a high degree of accuracy to a particular Unit.

Fringe Benefits: The various types of non-wage compensations such as retirement contributions, F.I.C.A., health insurance, and uniform allowance provided to employees.

Insurance: Cost to cover the risk of a contingency or uncertain loss and include personal injury, directors' and officers' liability and auto.

Indirect Costs: A cost incurred in common with other Units that cannot be traced to any one particular Unit.

Key Performance Indicator (KPI): A quantitative or qualitative factor that measures program results against planned outcomes.

Personnel Service: The gross salary amounts paid to full-time, part-time, and temporary employees.

Professional Development: Employer sponsored training to improve or enhance employees' job-related skills. Costs include airfare, hotel accommodation, and registration fees.

Rent: Compensation paid for the use of office or storage space.

Repairs and Maintenance: Costs incurred to maintain or upkeep buildings and equipment in good working conditions.

Office Supplies: All materials required by employees to perform their daily tasks. Examples include pens, paper, and other stationery items.

Travel: Costs of airfare, ferry service, per diem, ground transportation, and hotel accommodations for employee travel between islands.

Utilities: This expense includes electricity, water, telephone, cell phones, and internet service costs.