

FISCAL YEAR 2020

ANNUAL OPERATING BUDGET

U.S. Virgin
Islands
Economic
Development
Authority

Promoting
Economic
Growth, Job
Creation, and
Wealth
Generation



U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY

**FISCAL YEAR 2020 BUDGET
OCTOBER 1, 2019 – SEPTEMBER 30, 2020**

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



U.S.VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY

FISCAL YEAR 2020 BUDGET October 1, 2019 – September 30, 2020

TABLE OF CONTENTS

I. Introductory Section

Chief Executive Officer 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
Financial Structure.....	7
Accounting System and Financial Reporting Roles and Responsibilities.....	8
USVIEDA Direct and Indirect Cost Allocations.....	9
Goals, Objectives, Performance Measurements, and Performance Evaluations.....	11
Annual Budget Processes.....	12

II. Departments and Divisions

1.0 Departments.....	14
1.1 Board of Directors.....	14
1.2 Executive Office.....	16
1.3 Administration and Finance Department.....	18
1.4 Human Resources (“HR”) Department.....	20
1.5 Legal Department.....	22
1.6 Marketing / Public Relations Department.....	24
1.7 Economic Development Management (“EDM”).....	26

U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY

FISCAL YEAR 2020 BUDGET
October 1, 2019 – September 30, 2020

TABLE OF CONTENTS

2.0 Divisions.....	27
2.1 V.I. Economic Development Commission (“EDC”)	27
2.1.1 EDC Applications	27
2.1.2 EDC Compliance.....	29
2.2 Economic Development Bank (“EDB”)	31
2.2.1 Incubator Program.....	33
2.3 Enterprise Zone Commission (“EZC”).....	35
2.4 Economic Development Park Corporation (“EDPC”).....	37

III. Financial Information

3.1 Revenues	38
3.2 Expenditure Comparisons for FY18, FY19 Projected, and FY20 Budgeted	39
3.3 Budget Summary.....	40

IV. Supplemental Information

Professional Services Breakdown in Detail.....	42
Personnel Service Cost Breakdown by Department and Classification	43
Vehicle Listing for USVIEDA.....	44
Real Property Leased by the USVIEDA.....	44
FY 2020 Budget Detail by Department.....	45
Appropriation and Allotment Comparison.....	46
Glossary of Selected Terms	47



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

www.USVIEDA.org



MESSAGE FROM THE CEO

July 18, 2019

The Honorable Kurt A. Violet
Chairman, Committee on Finance
33rd 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 2020 Budget Submission

Dear Senator Violet:

It gives me great pleasure to present the U.S. Virgin Islands Economic Development Authority's ("USVIEDA" or "Authority") Fiscal Year 2020 budget for consideration by the Committee on Finance. The Authority is a public corporation and semi-autonomous instrumentality of the Government of the U.S. Virgin Islands.

The USVIEDA Fiscal Year 2020 budget is \$6,882,865, an increase of \$1,000,000 or 16.9% compared to last year's appropriation.

The core mission at the USVIEDA is to promote economic growth, job creation, and wealth generation, and this budget will help create the momentum to build the most resilient island economy within the next two to three years.

This year's budget request is intended to meet our objective of recruiting fifty (50) new companies over the next two (2) years, potentially contributing:

- 250 new jobs to the local workforce
- \$12 – \$27.4 million in wages and salaries
- \$6 million in capital investments
- \$2.5 million in charitable contributions

All of these promote a long-term impact on our economy. Our best days are yet to come.



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

www.USVIEDA.org

USVIEDA FY 2020 Budget Submission
July 18, 2019
Page 2 -

We look forward to further discuss the budget submission with you and the rest of your colleagues during the budget hearing.

Respectfully,

Kamal I. Latham

Kamal I. Latham
Chief Executive Officer





**U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
FISCAL YEAR BEGINNING OCTOBER 1, 2019**

Principal Officials

Governing Board¹

<u>Board Member</u>	<u>Position</u>
Kevin A. Rodriguez	Chairman
Gary Molloy	Vice Chairman
Haldane Davies, Ph.D.	Secretary
Positive T. A. Nelson	Member
Philip Payne	Member
José A. Penn	Member
Vacant	Member

Executive Team

Kamal I. Latham, MPP, Chief Executive Officer
Wayne L. Biggs, Jr., Assistant Chief Executive Officer
Tracy Lynch Bhola, Esq., General Counsel
Ernest Halliday, CPA, CGMA, Chief Financial Officer

Senior Management Team

Margarita Benjamin, Managing Director, Economic Development
Nadine Marchena Kean, Managing Director, Enterprise Zone Commission
Shanell Petersen, Managing Director, Marketing and 2040 Vision
Monique Samuel, Acting Director, Economic Development Bank

¹ Seven Member Board has one vacancy as of March 31, 2019.

Mission Statement

The U.S. Virgin Islands Economic Development Authority (“USVIEDA”) 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

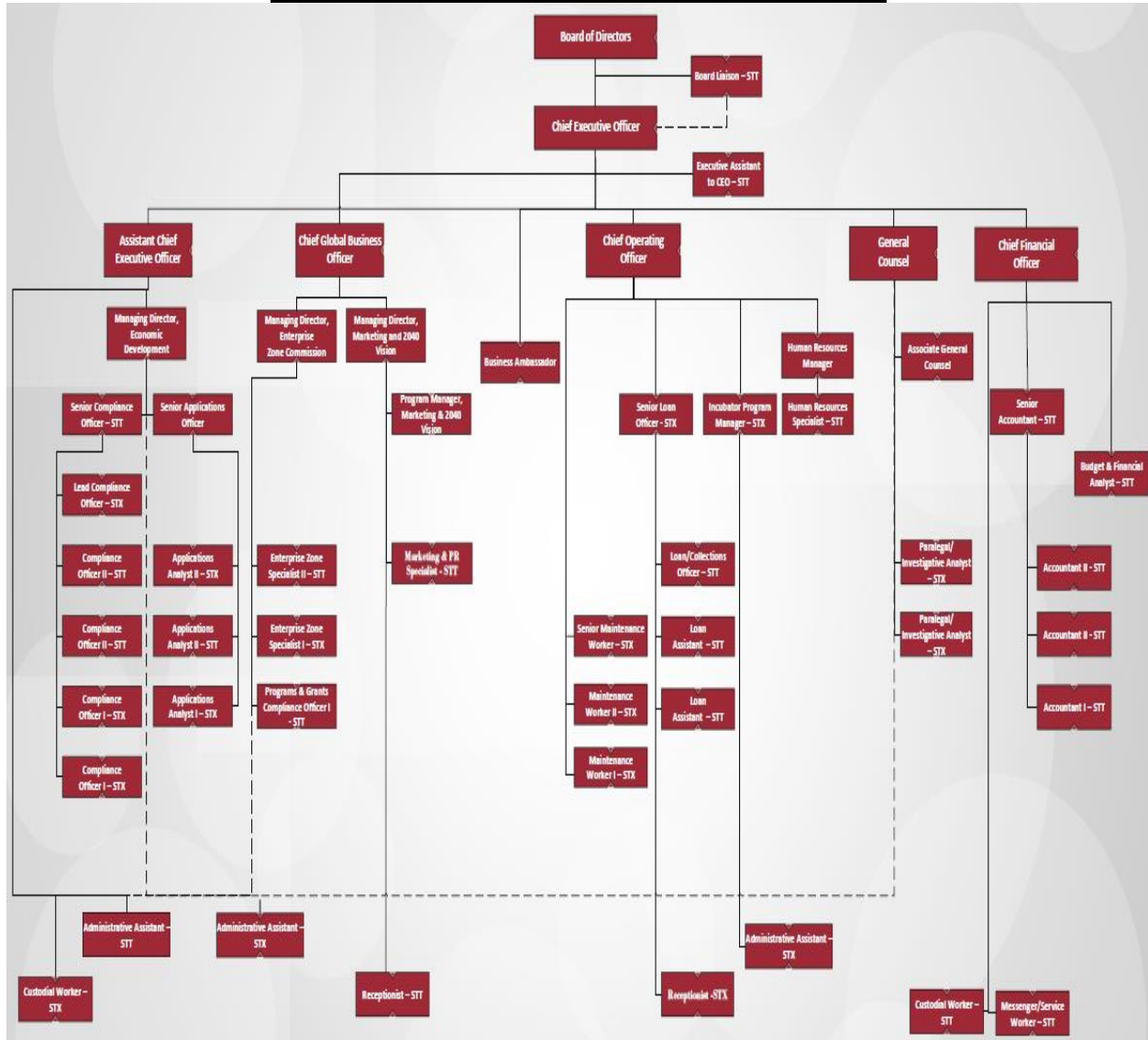
The USVIEDA is the unification of four (4) separate entities: the Economic Development Bank for the United States Virgin Islands (“EDB”), the Economic Development Commission (“EDC”), the Economic Development Park Corporation (“EDPC”), and the Enterprise Zone Commission (“EZC”). The functions of each 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.

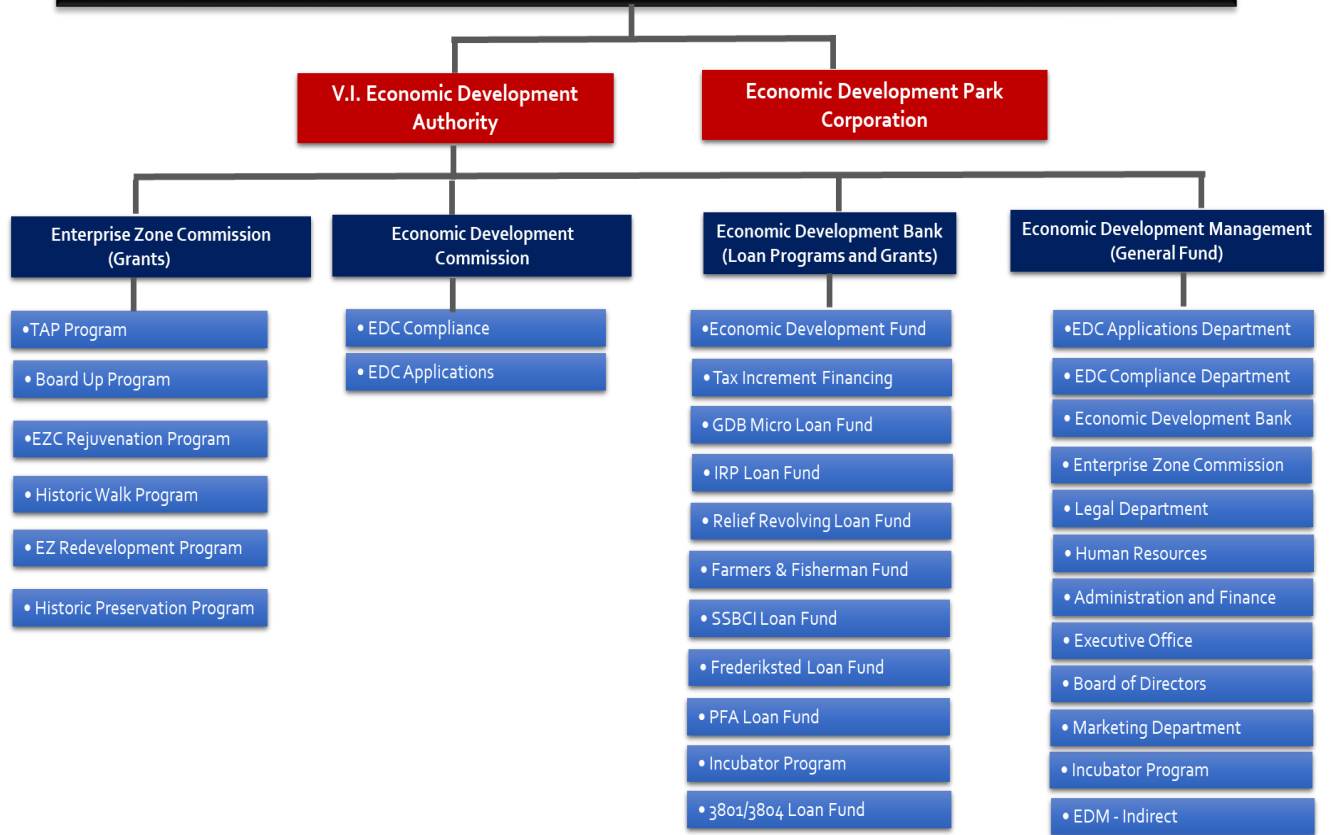


USVIEDA ORGANIZATIONAL CHART

FISCAL YEAR 2019 ORGANIZATIONAL CHART



USVIEDA FINANCIAL AND ACCOUNTING STRUCTURE



LEGEND

*Explains the colors on the USVIEDA Financial and Accounting Structure Chart.

- Company**
- Division**
- Department**

ACCOUNTING SYSTEM AND FINANCIAL REPORTING ROLES AND RESPONSIBILITIES

The USVIEDA is a public corporation and semi-autonomous instrumentality of the U.S. Virgin Islands 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 oversight and administration of the Authority’s practices and governance through the actions of the full Board.

USVIEDA DIRECT AND INDIRECT COST ALLOCATIONS

The USVIEDA's activities can be classified into two (2) distinct categories – the divisional and departmental activities.

A division is charged with the responsibility of carrying out the organizational mandates and includes the Economic Development Bank (“EDB”), the Economic Development Commission (“EDC”), the Enterprise Zone Commission (“EZC”) and the Economic Development Park Corporation (“EDPC”).

A department provides support to the divisions in fulfilling the organizational mandates and includes the Governing Board, the Executive Office, Administration and Finance, Human Resources (“HR”), Legal, Marketing/Public Relations, and Economic Development Management (“EDM”).

The total cost to operate the USVIEDA are classified into two (2) groups, that is, each cost that is incurred is either a direct or indirect cost.

A direct cost is a cost that can be identified specifically with a division or department and can be traced with relative ease and a high degree of accuracy to that division or department. An indirect cost is a cost that is incurred in common with other departments and divisions and cannot be traced to any specific division or department. An example of an indirect cost will be rent expense, which a cost incurred together by all divisions and departments. The indirect costs are then distributed to each division and department through an internal indirect cost allocation process.

For ease and convenience, total indirect costs are budgeted and expensed in the Economic Development Management (EDM) department. At the end of a given period, the indirect costs accumulated in the EDM department are distributed to the divisions and departments based on a pre-determined indirect cost allocation rate.

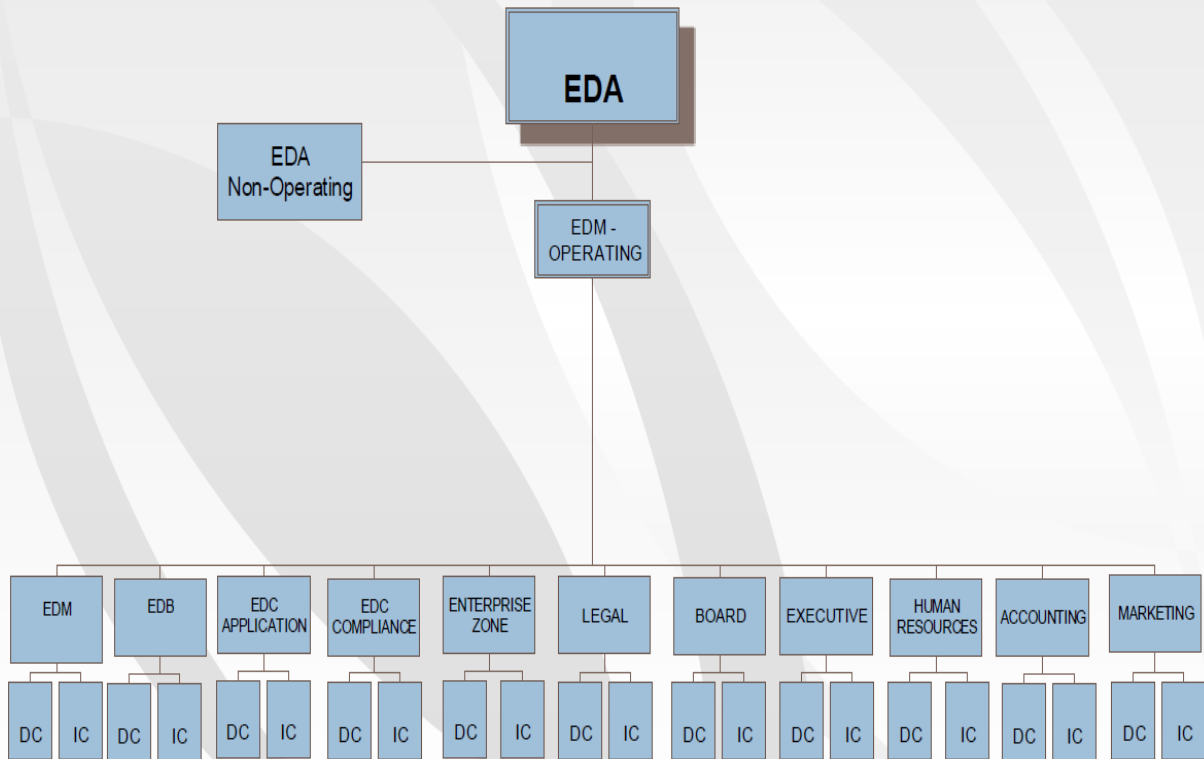
At the end of a fiscal period, all direct costs would have been posted to each division and department, and all indirect costs would have been allocated from the EDM unit to each division and department, and therefore, the total cost to operate each division and department can be determined.

Note that the total cost (direct and indirect) for each department is indirect to the divisions and thus the total departmental costs are then further allocated to the divisions using a pre-determined allocation method.

At the end of a fiscal period, the total cost of operating each division within the USVIEDA can be determined, and so is the total cost to operate the USVIEDA, which will be the sum total of all the divisional costs combined.

VI Economic Development Authority

Cost Accounting Structure



Legend:

DC = Direct Cost
IC = Indirect Cost

GOALS, OBJECTIVES, PERFORMANCE MEASUREMENTS, AND PERFORMANCE EVALUATIONS

The establishment of goals, objectives, performance measurements, and performance evaluations provide 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 promote economic growth, job creation, and wealth generation.

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. Using the S.M.A.R.T approach, an objective must be:

- Specific: State exactly what is to be achieved;
- Measurable: Identify a target or quantifiable outcome;
- Achievable: Ensure that sufficient resources are available;
- Relevant: Provide an expected direction of change; and
- Time-bound: Set a timeframe for completion.

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 the objectives are being met. 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 direct reports, and the budget provides the financial resources to do so. The execution of performance measurement and evaluation functions ensure 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.

JANUARY - FEBRUARY

The budget formulation process begins with the development of revenue and expenditure projections for the upcoming fiscal year. These projections are combined 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. 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.

MARCH

The USVIEDA's budget staff establishes budget ceilings for each division and department consistent with the priorities, goals, and objectives of the agency. 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, present an overview of the budgeting priorities and to address other budgetary concerns.

APRIL - JUNE

The budget staff conducts budget review discussions with division and department heads on a one-on-one 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. By the end of this process, revisions may be made to individual division or department budgets and budget schedules are updated accordingly.

JULY

The final budget is presented to the USVIEDA Governing Board for consideration and approval before submission to the Legislature's Post-Audit Division. 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.

The Chief Executive Officer, accompanied by the Assistant Chief Executive Officer, General Counsel, Chief Financial Officer, and other Division and Department Managers, defend the USVIEDA budget recommendation before the Committee on Finance of the Legislature.

ANNUAL BUDGET CALENDAR AND PROCESSES, CONTINUED

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. Financial analyses are performed and financial presentations are made to the Governing Board. The budget staff offers recommendations to division and department heads in addition to the Governing Board to improve operational efficiencies.

1.0 USVIEDA DEPARTMENTS

The departments within the USVIEDA provide support to the divisions in ensuring that the USVIEDA meets its statutory, regulatory, and legal mandates as required.

1.1 BOARD OF DIRECTORS

FUNCTIONAL STATEMENT

The powers of the USVIEDA rest in the hands of the Governing Board (“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 2019 OBJECTIVES

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

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Conducted fifteen (15) board and decision meetings and two (2) public hearings; and
- Promoted economic development by representing the Authority at numerous events and community meetings.

FISCAL YEAR 2020 OBJECTIVES

- Develop policies to increase access to advanced education, workforce development, and tailored job-training opportunities;
- Participate in at least four (4) marketing events and activities to enhance business recruitment, and retention/expansion efforts; and
- Conduct performance evaluation of CEO and Board Self-Assessment.

2-Key Performance Indicators (KPI)	Actual FY 18	Target FY 19	Actual FY 19 (as of 3/31/19)	Planned FY 20
Number of marketing events participated in to enhance business recruitment	n/a	6	3	10
Number of policies developed tailored to job-training opportunities for residents	n/a	2	0	5

Board of Directors Year End Financial Summary FY 18 Actual, FY 19 Projected, and FY 20 Budget by Expense Category			
Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	62,225	63,469	64,739
Fringe Benefits	24,389	24,072	24,429
Supplies	513	500	500
Other Services & Charges	-1,435	30,462	46,347
Professional Services	0	0	0
Inter-Island Travel	7,658	10,000	25,000
Utilities	3,039	4,000	4,500
Total Expenditures (Direct Cost Only)	96,387	132,503	165,515

1.2 EXECUTIVE OFFICE

FUNCTIONAL STATEMENT

The Chief Executive Officer (“CEO”) and the Assistant Chief Executive Officer (“ACEO”) 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 that human and capital assets are safeguarded and optimized. Maintain a positive work climate conducive to attracting, retaining, and motivating a diverse group of top-quality performers to achieve the goals of the organization.

FISCAL YEAR 2019 OBJECTIVES

- Draft 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 hotel and resort, financial, and high-value manufacturing sectors.

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Marketed the Territory to private equity and venture capital funds at a conference in New York;
- Conducted multiple EDC beneficiary site visits;
- Launched discussions with a non-profit organization that could provide a small business development program focusing on women entrepreneurs;
- Submitted economic recovery grant proposals to the U.S. Economic Development Administration (EDA);
- Signed a Strategic Alliance Memorandum with the U.S. Small Business Administration to foster small-business entrepreneurship in the US Virgin Islands;
- Launched discussions with a business mentoring organization that could provide loans and mentorship opportunities to local small businesses and entrepreneurs;
- Received the 2018 Disaster Recovery Advocate of the Year Award by Florida’s Minority Business Development Agency for providing economic services and resources to small and minority-owned business in the U.S. Virgin Islands following Hurricanes Irma and Maria;

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019, CONTINUED

- Launched the Governor's Vision 2040 initiative, a 20-year Economic Development Plan for the Territory;
- Worked on revisions to the STARS, TIF, and Hotel Development Act legislation;
- Testified before the Senate to provide an update on the USVIEDA; and
- Submitted Community Development Block Grant – Disaster Recovery ("CDBG-DR") grant proposal to the V.I. Housing Finance Authority.

FISCAL YEAR 2020 OBJECTIVES

- Launch the Qualified Opportunity Zone Program in the USVI;
- Increase the number of EDC beneficiaries in the EDC Program by twenty-five (25);
- Renew interest in the EB-5 Investor Program as an economic development tool to finance job-creating projects;
- Continue to devise and execute strategies to attract new investments focusing on hotels and resorts, financial services, and high-value manufacturing;
- 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;
- Promote the USVI to Ultra High Net Worth and High Net Worth Individuals; and
- Launch a global trade and investment program targeting Europe, Asia, and Africa.

2-Key Performance Indicators (KPI)	Actual FY 18	Target FY 19	Actual FY 19 (as of 3/31/19)	Planned FY 20
Number of partnership collaborations formed	11	10	2	5
Number of economic development initiatives undertaken	3	3	2	6

Executive Office Year End Financial Summary FY 18 Actual, FY 19 Projected, and FY 20 Budget by Expense Category			
Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	350,932	534,285	804,709
Fringe Benefits	110,973	161,722	236,964
Supplies	1,253	600	855
Other Services & Charges	15,723	25,654	15,770
Professional Services	0	0	0
Inter-Island Travel	17,699	15,419	15,000
Utilities	5,004	3,500	4,800
Total Expenditures (Direct Cost Only)	501,585	741,180	1,078,098

1.3 ADMINISTRATION AND FINANCE DEPARTMENT

FUNCTIONAL STATEMENT

The Administration and Finance Department performs financial planning, accounting, and reporting functions 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 2019 OBJECTIVES

- Develop a long-term plan for USVIEDA financial self-sufficiency;
- Facilitate the financial audit of the USVIEDA;
- 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.

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Facilitated the financial audit of the USVIEDA and received an unqualified audit opinion for the ninth consecutive year;
- Drafted new USVIEDA Procurement Policy;
- Updated the USVIEDA Accounting and Financial Structure; and
- Continued updating the USVIEDA Fixed Asset Schedules by departments and programs.

FISCAL YEAR 2020 OBJECTIVES

- Explore the feasibility of the USVIEDA constructing a Class A office space on St. Thomas;
- Explore relocating the USVIEDA's St. Croix Office;
- Begin processing vendor payments via ACH; and
- Explore revenue generating strategies to enhance the USVIEDA's operating budget to meet current and future needs.

2-Key Performance Indicators (KPI)	Actual FY 18	Target FY 19	Actual FY 19 (as of 3/31/19)	Planned FY 20
Number of feasibility studies completed	n/a	n/a	n/a	2
Number of revenue generating strategies explored	n/a	n/a	n/a	5

Administration and Finance Year End Financial Summary FY 18 Actual, FY 19 Projected, and FY 20 Budget by Expense Category			
Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	364,332	356,840	487,429
Fringe Benefits	147,945	159,729	211,478
Supplies	1,325	500	500
Other Services & Charges	17,698	18,921	19,175
Professional Services	8,444	2,500	0
Inter-Island Travel	3,772	1,000	2,500
Utilities	656	850	850
Total Expenditures (Direct Cost Only)	544,173	540,339	721,932

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 objectives of the USVIEDA.

FISCAL YEAR 2019 OBJECTIVES

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

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Provided leadership and guidance to re-establish the USVIEDA Employee Relations Committee (“ERC”), which is a “bottom-up” initiative to improve employee morale;
- Coordinated Fire Safety and Extinguisher training;
- Coordinated the annual biometric screening in the St. Thomas/St. John district;
- Began recruitment efforts for the hiring of the Chief Operating Officer, Chief Global Business Officer, Associate General Counsel, Accountant I, and Custodial Workers; and
- Planned and executed the annual Employee Appreciation Day activities that involved employee recognition awards and team-building exercises.

FISCAL YEAR 2020 OBJECTIVES

- Work with the Legal Department to review and update personnel policies and procedures;
- Launch a new performance management and appraisal system;
- Create a Train, Empower, Accountable (“TEA”) Leadership Program by June 30, 2019;
- Coordinate at least one (1) training per quarter at a minimum; and
- Conduct an employee satisfaction survey to determine the training levels and requirements of employees.

2-Key Performance Indicators (KPI)	Actual FY 18	Target FY 19	Actual FY 19 (as of 3/31/19)	Planned FY 20
Number of internal personnel policies and procedures updated	1	1	0	1
Number of employee trainings conducted	10	10	4	10

Human Resources Year End Financial Summary FY 18 Actual, FY 19 Projected, and FY 20 Budget by Expense Category			
Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	142,739	145,594	148,506
Fringe Benefits	56,609	50,201	50,424
Supplies	241	1,000	500
Other Services & Charges	22,194	31,087	35,292
Professional Services	0	0	0
Inter-Island Travel	2,733	2,500	2,500
Utilities	884	500	500
Total Expenditures (Direct Cost Only)	225,401	230,882	237,722

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 legislation, and develops rules and regulations consistent with legislative mandates.

OPERATIONAL GOAL(S)

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

FISCAL YEAR 2019 OBJECTIVES

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

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- 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.

FISCAL YEAR 2020 OBJECTIVES

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

2-Key Performance Indicators (KPI)	Actual FY 18	Target FY 19	Actual FY 19 (as of 3/31/19)	Planned FY 20
Number of rules and regulations drafted and/or promulgated	8	12	6	12
Number of professional contracts and leases reviewed, drafted and/or executed	10	17	8	17

Legal Department Year End Financial Summary FY 18 Actual, FY 19 Projected, and FY 20 Budget by Expense Category			
Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	229,311	252,436	328,679
Fringe Benefits	73,591	114,768	118,519
Supplies	163	1,200	250
Other Services & Charges	7,596	16,675	13,950
Professional Services	0	0	0
Inter-Island Travel	3,731	600	850
Utilities	620	800	1,000
Total Expenditures (Direct Cost Only)	315,011	386,479	463,248

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 promote the many services that are being offered to local businesses and the general public to promote economic growth, job creation, and wealth generation.

OPERATIONAL GOAL(S)

Utilize various marketing tools in order to attract new businesses to relocate to the Territory, and to grow and expand businesses that currently exist in the Territory.

FISCAL YEAR 2019 OBJECTIVES

- Provide additional local marketing activities to expose USVIEDA's programs and services to businesses;
- Continue promoting the EDC program nationally to attract prospective investors and advisors;
- Use data mining techniques to help make marketing decisions thus 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.

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Redesigned the USVIEDA's website to send the message that the U.S. Virgin Islands is "open for business";
- Created jump sites to measure the return on investment (ROI) on marketing activities;
- Attended three (3) marketing missions: Private Wealth Latin America and Caribbean Forum (Miami, Florida), Americas Lodging and Investment Summit (Los Angeles, California), EXPO Puerto Rico 2019 (San Juan, Puerto Rico);
- Drafted a media relations policy and strategic marketing plan to better communicate the products and services offered by the USVIEDA;
- Conducted focus group interviews to ensure the new website design and promotional campaigns are received positively by internal and external stakeholders;
- Ran a 3-month ad on the Super Screen in Time Square, New York, highlighting the USVIEDA Tax Incentive Program;

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019, CONTINUED

- Strategically marketed the USVIEDA's products and services nationally and internationally through print and digital media;
- Updated the USVIEDA Marketing and Strategic Plan;
- Engaged the community and public about the USVIEDA program and services through a diverse social media campaign; and
- Boosted local event sponsorship and presence at Paradise Jam, St. Croix Crucian Christmas Carnival, Taste of Two Islands, and Agriculture and Food Fair "AgriFest".

FISCAL YEAR 2020 OBJECTIVES

- Increase the number of EDC beneficiaries in the EDC Program by twenty-five (25);
- Update the USVIEDA Strategic Marketing Plan to align with current market trends;
- Expand promotion of the EDC Tax Incentive Program to Europe, Asia, and Africa;
- Promote USVI to Ultra High Net Worth and High Net Worth Individuals; and
- Build community awareness through a USVIEDA podcast, sponsorship of community events, and radio advertisements.

2-Key Performance Indicators (KPI)	Actual FY 18	Target FY 19	Actual FY 19 (as of 3/31/19)	Planned FY 20
Number of targeted marketing events completed	6	12	7	12
Number of external site visits made by potential EDC beneficiaries and/or advisors	0	20	5	30

Marketing and Public Relations Year End Financial Summary FY 18 Actual, FY 19 Projected, and FY 20 Budget by Expense Category			
Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	70,366	180,524	256,271
Fringe Benefits	28,685	60,479	97,170
Supplies	884	600	600
Other Services & Charges	241,573	375,385	1,478,772
Professional Services	246,381	47,017	0
Inter-Island Travel	1,767	5,000	3,000
Utilities	69	500	500
Total Expenditures (Direct Cost Only)	589,725	669,505	1,836,313

1.7 ECONOMIC DEVELOPMENT MANAGEMENT (EDM)

FUNCTIONAL STATEMENT

The EDM acts as the general fund for the organization, and as such, operating revenues are recorded and all indirect costs are budgeted and expensed in this department.

OPERATIONAL GOAL(S)

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

FISCAL YEAR 2019 OBJECTIVES

- Rely more on financial data to help support management decisions

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Realigned cost structure to provide better information for reporting and management analysis

FISCAL YEAR 2020 OBJECTIVES

- Reduce the level of indirect cost through analysis of expenditures to improve the efficiency of the organization.

2-Key Performance Indicators (KPI)	Actual FY 18	Target FY 19	Actual FY 19 (as of 3/31/19)	Planned FY 20
Percentage of times expenses are posted correctly to general ledger accounts	80%	95%	90%	100%
Percentage of indirect cost to overall cost in operating the USVIEDA	30%	20%	21%	18%

EDM - Indirect Cost Year End Financial Summary FY 18 Actual, FY 19 Projected, and FY 20 Budget by Expense Category			
Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	60,553	59,041	0
Fringe Benefits	38,372	38,549	0
Supplies	26,826	19,328	27,500
Other Services & Charges	797,753	661,154	705,551
Professional Services	313,481	261,500	261,500
Inter-Island Travel	11,925	15,000	15,000
Utilities	130,955	126,086	126,600
Total Expenditures (Direct Cost Only)	1,379,866	1,180,657	1,136,151

2.0 USVIEDA DIVISIONS

The divisions 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 EDC APPLICATIONS DEPARTMENT

OPERATIONAL GOAL(S)

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

FISCAL YEAR 2019 OBJECTIVES

- Begin accepting 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.

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Reviewed and analyzed three (3) applications for economic development benefits: one (1) new, one (1) extension/modification, and one (1) transfer;
- Processed twelve (12) Eligible VI Supplier applications;
- Presented nine (9) applications and eight (8) petitions to the EDC Governing Board for consideration; and
- Continued developing the EDC online application.

FISCAL YEAR 2020 OBJECTIVES

- Begin processing EDC Applications through the EDC online application portal;
- Participate in community outreach programs, informational, and other marketing initiatives; and
- Continue to meet and/or exceed the required number of days to process EDC Applications.

2-Key Performance Indicators (KPI)	Actual FY 18	Target FY 19	Actual FY 19 (as of 3/31/19)	Planned FY 20
Average number of days to complete analysis of an EDC application for Public Hearing	29 days	30 days	23 days	30 days
Number of community outreach programs participated in	5	6	2	8

EDC Applications Department Year End Financial Summary FY 18 Actual, FY 19 Projected, and FY 20 Budget by Expense Category			
Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	243,902	283,593	353,863
Fringe Benefits	100,198	107,995	138,334
Supplies	511	500	500
Other Services & Charges	26,192	29,183	29,173
Professional Services	20,818	15,000	10,000
Inter-Island Travel	4,638	1,500	2,500
Utilities	911	700	700
Total Expenditures (Direct Cost Only)	397,171	438,470	535,070

2.1.2 EDC COMPLIANCE DIVISION

FUNCTIONAL STATEMENT

The Compliance Department provides customer care services to EDC beneficiaries to maintain 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 or penalties, and to terminate benefits.

OPERATIONAL GOAL(S)

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

FISCAL YEAR 2019 OBJECTIVES

- 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.

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Completed seven (7) compliance reviews;
- Presented two (2) beneficiary petitions to the EDC Governing Board for public hearing;
- Presented twelve (12) beneficiary petitions to the EDC Governing Board for consideration;
- Performed fifteen (15) beneficiary site visits and thirteen (13) beneficiary orientations; and
- Had one (1) beneficiary appear before the EDC Board to show cause for why its incentives should not be revoked, suspended, or modified.

FISCAL YEAR 2020 OBJECTIVES

- Complete the EDC Beneficiary Compliance Handbook;
- Update the EDC Compliance Standard Operating Procedural Manual;
- Monitor the rehabilitation/reconstruction of all major hotels affiliated with the EDC Program;
- Continue towards bringing all Beneficiaries to three (3) year review cycles; and
- Provide “Compliance Best Practice” trainings for staff to enhance efficiency and timeliness of compliance review process.

2-Key Performance Indicators (KPI)	Actual FY 18	Target FY 19	Actual FY 19 (as of 3/31/19)	Planned FY 20
Number of Compliance Reviews Completed	16	30	7	30
Number of Site Visits	18	45	15	71

**EDC Compliance Department
Year End Financial Summary
FY 18 Actual, FY 19 Projected, and FY 20 Budget
by Expense Category**

Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	416,938	414,663	359,461
Fringe Benefits	174,636	152,733	149,092
Supplies	567	500	500
Other Services & Charges	82,205	83,110	97,230
Professional Services	17,619	8,500	8,500
Inter-Island Travel	9,862	2,500	2,000
Utilities	269	350	350
Total Expenditures (Direct Cost Only)	702,095	662,356	617,133

2.2 ECONOMIC DEVELOPMENT BANK

FUNCTIONAL STATEMENT

The Economic Development Bank (“EDB”) provides equity infusion to help new minority, small, and medium-sized, and other existing businesses, to grow into mainstream commercial banking customers. The EDB also works with local commercial banks by providing loan guarantees to reduce the risks to the banks.

OPERATIONAL GOAL(S)

Helps to grow small and medium sized businesses by providing capital, technical, and managerial assistance to facilitate employment growth and opportunities.

FISCAL YEAR 2019 OBJECTIVES

- Reduce the loan delinquency rate to at least 30%;
- Increase the loan portfolio by a minimum of \$1.8M;
- 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 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Reduced the delinquency rate to two percent (2%) of the loan portfolio after restructuring and refinancing of troubled loans;
- Approved six (6) new loans totaling approx. \$1.3M; and
- Reviewed seven (7) loan applications totaling \$1.6M.

FISCAL YEAR 2020 OBJECTIVES

- Increase the loan portfolio by a minimum of \$2.5M;
- Continue partnering with local banks to promote the SSBCI loan program;
- Administer Phase II of the V.I. Energy Office’s Solar Energy Program, which provides financing to homeowners and businesses to reduce energy consumption costs;
- Continue collaborating with other related government agencies and private organizations to promote the EDB’s loan programs and services; and
- Partner with the V.I. Housing Finance Authority to administer a bonding program for small businesses.

2-Key Performance Indicators (KPI)	Actual FY 18	Target FY 19	Actual FY 19 (as of 3/31/19)	Planned FY 20
Loan Delinquency Rate	21%	30%	2%	2%
Dollar value of loans and guarantees approved	0	\$2.5M	\$1.3M	\$2.5M

Economic Development Bank Year End Financial Summary FY 18 Actual, FY 19 Projected, and FY 20 Budget by Expense Category			
Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	324,835	259,723	274,441
Fringe Benefits	119,020	81,321	96,385
Supplies	755	500	500
Other Services & Charges	21,132	32,586	34,056
Professional Services	106,885	150,000	90,000
Inter-Island Travel	3,042	3,500	3,000
Utilities	909	800	800
Total Expenditures (Direct Cost Only)	576,578	528,430	499,183

2.2.1 INCUBATOR PROGRAM

FUNCTIONAL STATEMENT

The Incubator Program is designed to help new companies and start-ups develop into full-fledged businesses by providing management training and other assistance that will enable 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 2019 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 and modernization projects.

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Awarded a \$50,000 grant from the USDA – Rural Business Development Program;
- Applied for a \$100,000 grant to conduct a feasibility study for a food incubator on St. Croix;
- Assisted and referred four (4) clients to EDB for possible financing; and
- Assisted and referred one (1) client to the EDC for possible approval of Small Business benefits.

FISCAL YEAR 2020 OBJECTIVES

- Apply for grants to supplement the Incubator Program's operations and initiatives;
- Conduct new seminars and workshops every quarter geared toward business industry sectors, to include Aquaponics, Food Production, Manufacturing, and Technology;
- Assist and refer at least eight (8) clients to the EDB for funding;
- Assist and refer at least one (1) client to EDC for the small business program;
- Conduct surveys of EDC Eligible Supplier companies to offer assistance of support services;
- Attract and refer at least five (5) clients to the SBA Emerging Leaders Program; and
- Integration of Minority Business Development Agency program and services into USVIEDA agency.

KEY PERFORMANCE INDICATORS (KPI)	Actual FY 18	Target FY19	Actual FY 2019 (as of 3/31/19)	Planned FY 20
Number of entrepreneurs assisted	30	20	20	20
Number of new seminars and workshops conducted	0	4	1	4

Incubator Program Year End Financial Summary FY 18 Actual, FY 19 Projected, and FY 20 Budget by Expense Category			
Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	105,261	82,675	116,484
Fringe Benefits	37,992	36,763	53,010
Supplies	0	2,500	2,500
Other Services & Charges	0	24,500	24,500
Professional Services	0	65,000	65,000
Inter-Island Travel	0	7,000	7,000
Utilities	0	1,000	1,000
Total Expenditures (Direct Cost Only)	143,253	219,438	269,494

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 2019 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 events.

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Partnered with the V.I. Council on the Arts to launch a “Made in the USVI” Pop Up Shop showcasing local vendors’ products to tourists and residents;
- Continued to broaden awareness of the Enterprise Zone Program through a targeted marketing campaign focusing on the 18-35 year old demographic;
- Completed the Agro Processing Feasibility Study;
- Hosted EZC Beneficiary and Stakeholder Conferences; and
- Continued to strengthen ties with potential financial donors from Denmark.

FISCAL YEAR 2020 OBJECTIVES

- Survey approximately 1,200 buildings throughout the zones;
- Graduate at least twelve (12) new Gentlemen of EntrepreNow;
- Assist approximately fifty (50) businesses/residents with Enterprise Zone related services; and
- Host two (2) Estate Planning Conferences to inform the public of the responsibilities associated with multiple-ownership of real estate.

2-KEY PERFORMANCE INDICATORS (KPI)	Actual FY 18	Target FY 19	Actual FY 2019 (as of 3/31/19)	Planned FY 20
Number of Gentlemen of EntrepreNow Graduated	6	10	6	12
Number of individuals/businesses assisted with EZC related services	40	50	30	60

Enterprise Zone Commission Year End Financial Summary FY 18 Actual, FY 19 Projected, and FY 20 Budget by Expense Category			
Expenditures	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Personnel Services	244,485	254,804	261,633
Fringe Benefits	88,547	91,645	92,780
Supplies	2,795	3,146	3,000
Other Services & Charges	23,021	41,201	36,750
Professional Services	1,179	4,400	15,000
Inter-Island Travel	5,649	2,000	2,000
Utilities	1,180	500	500
Total Expenditures (Direct Cost Only)	366,856	397,695	411,663

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, and complements the activities of the Economic Development Commission (“EDC”). The EDPC is supported by revenues it generates from 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 2019 OBJECTIVES

- 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.

FISCAL YEAR 2019 ACCOMPLISHMENTS AS OF MARCH 31, 2019

- Installed energy efficient lighting at the William D. Roebuck Industrial Park;
- Repaired hurricane damaged roof at Bay #3 in the St. Thomas location; and
- Entered into lease agreements with two (2) tenants at the St. Thomas location.

FISCAL YEAR 2020 OBJECTIVES

- Rent 100% of available space at the William D. Roebuck Industrial Park; and
- Completely repair all hurricane damaged roofs, install electronic entrance gates, and re-paint all buildings on both William D. Roebuck and St. Thomas Industrial Parks.

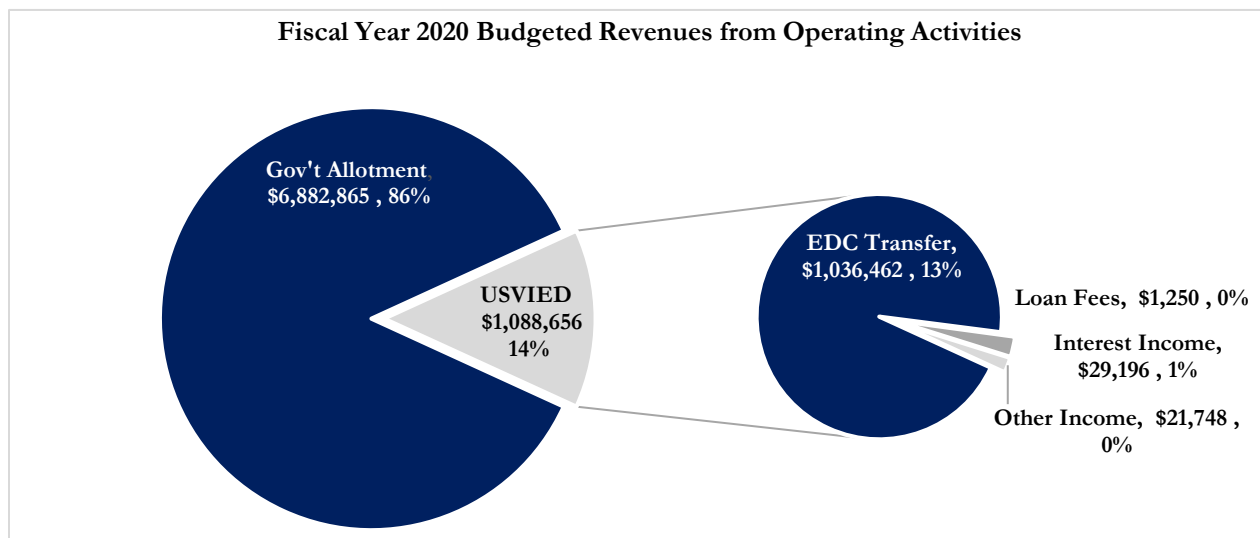
Key Performance Indicators (KPI)	Actual FY 18	Target FY 19	Actual FY 19 (as of 3/31/19)	Planned FY 20
Number of capital projects completed	3	4	1	10
Percentage of rentable space occupied	87%	100%	81%	95%

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.



Revenues	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Interest Income	\$ 39,633	\$ 29,196	\$ 29,196
Transfer: EDC Industrial Promotion Fund	703,515	703,515	1,036,462
Loan Application / Processing Fee	150	1,550	1,250
Other	297,097	10,810	21,748
Total USVIEDA Revenue	\$ 1,040,395	\$ 745,071	\$ 1,088,656
Plus:			
Government Allotment	4,797,707	5,382,865	6,882,865
Total Revenues	\$ 5,838,102	\$ 6,127,936	\$ 7,971,521

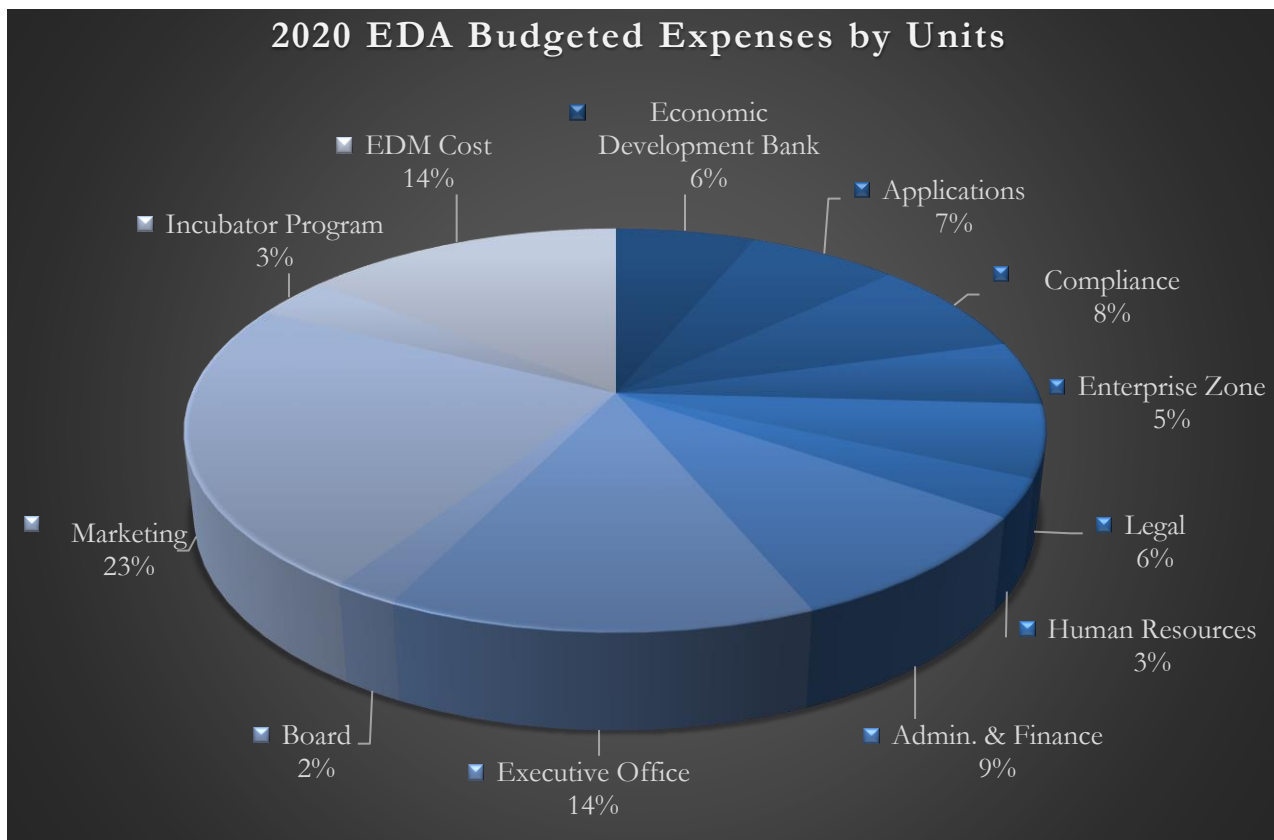
3.2 EXPENDITURE COMPARISONS FOR FY18 ACTUAL, FY19 PROJECTED, AND FY20 BUDGETED

VI Economic Development Authority General Fund Comparative Expenditure Analysis Financial Summary (FY 2018-FY 2020)					
Accounts	Actual FY 2018	Actual 10/1/18-3/31/19	Projected 4/1-9/30/19	Projected FY 2019	Budget FY 2020
Personnel Services					
Classified Employees	1,595,685	741,524	894,237	1,635,761	1,704,441
Unclassified Employees	1,020,196	542,294	709,591	1,251,884	1,751,774
Lump Sum Payment	-	7,500	-	7,500	-
All Other	674	2,915	-	2,915	-
Total Personnel Services	2,616,555	1,294,232	1,603,828	2,898,060	3,456,215
Capital Outlay					
Machinery & Equipment	129,043	1,769	53,231	55,000	55,000
Total Capital Outlay	129,043	1,769	53,231	55,000	55,000
Fringe Benefits					
Employer Contribution Retirement	478,037	217,449	308,462	525,911	577,372
FICA	162,310	80,061	98,771	178,833	214,285
Medicare	37,960	18,724	23,100	41,824	50,114
Health Insurance Premiums	321,977	142,434	180,560	322,994	426,814
Total Fringe Benefits	1,000,284	458,669	610,892	1,069,561	1,268,586
Supplies					
Office Supplies	35,833	12,004	18,870	30,874	37,705
Total Supplies	35,833	12,004	18,870	30,874	37,705
Other Services & Charges					
Professional Services	714,807	150,069	403,847	553,917	450,000
Communication	53,052	26,965	35,535	62,500	64,500
Travel	72,476	26,092	39,927	66,019	80,350
Advertising and Promotion	307,226	142,132	288,301	430,432	1,542,822
Printing and Binding	6,855	1,298	11,007	12,305	12,300
Insurance	48,795	-	62,800	62,800	62,800
Repairs and Maintenance	102,562	36,398	38,602	75,000	75,000
Rental - Land/Building	270,996	130,941	142,185	273,126	273,126
Training	25,221	12,988	109,500	122,488	127,000
All Other	362,953	170,027	168,740	338,767	388,518
Total Other Services and Charges	1,964,942	696,910	1,300,444	1,997,354	3,076,416
Utility					
Electricity	88,230	38,757	37,243	76,000	76,000
Water	3,213	486	600	1,086	1,600
Total Other Services and Charges	91,444	39,243	37,843	77,086	77,600
Total Expense	5,838,102	2,502,828	3,625,108	6,127,936	7,971,521
Appropriation/Allotment	4,797,707	3,141,433	2,241,432	5,382,865	6,882,865
USVIED Revenues	1,040,395	709,270	35,801	745,071	1,088,656
Total Projected (Actual) Revenues	5,838,102	3,850,702	2,277,233	6,127,936	7,971,521

3.3 BUDGET SUMMARY

- ◆ FY 2020 budgeted revenue is \$7,971,521.
 - Internally generated revenue is \$1,088,656.
 - Recommended appropriation is \$6,882,865.
- ◆ FY 2020 budgeted expenses total \$7,971,521.

Division / Department	Personnel Costs	Operating Expense	Total FY 2020 Budget
Economic Development Bank	\$ 370,827	\$ 128,356	\$ 499,183
EDC Applications Department	\$ 492,197	\$ 42,873	\$ 535,070
EDC Compliance Department	\$ 508,553	\$ 108,580	\$ 617,133
Enterprise Zone Commission	\$ 354,413	\$ 57,250	\$ 411,663
Legal Department	\$ 447,198	\$ 16,050	\$ 463,248
Human Resources	\$ 198,930	\$ 38,792	\$ 237,722
Administration & Finance	\$ 698,907	\$ 23,025	\$ 721,932
Executive Office	\$ 1,041,673	\$ 36,425	\$ 1,078,098
Board of Directors	\$ 89,168	\$ 76,347	\$ 165,515
Marketing Department	\$ 353,441	\$ 1,482,872	\$ 1,836,313
Incubator Program	\$ 169,494	\$ 100,000	\$ 269,494
EDM - Indirect Cost	\$ -	\$ 1,136,151	\$ 1,136,151
TOTAL	\$ 4,724,801	\$ 3,246,721	\$ 7,971,521

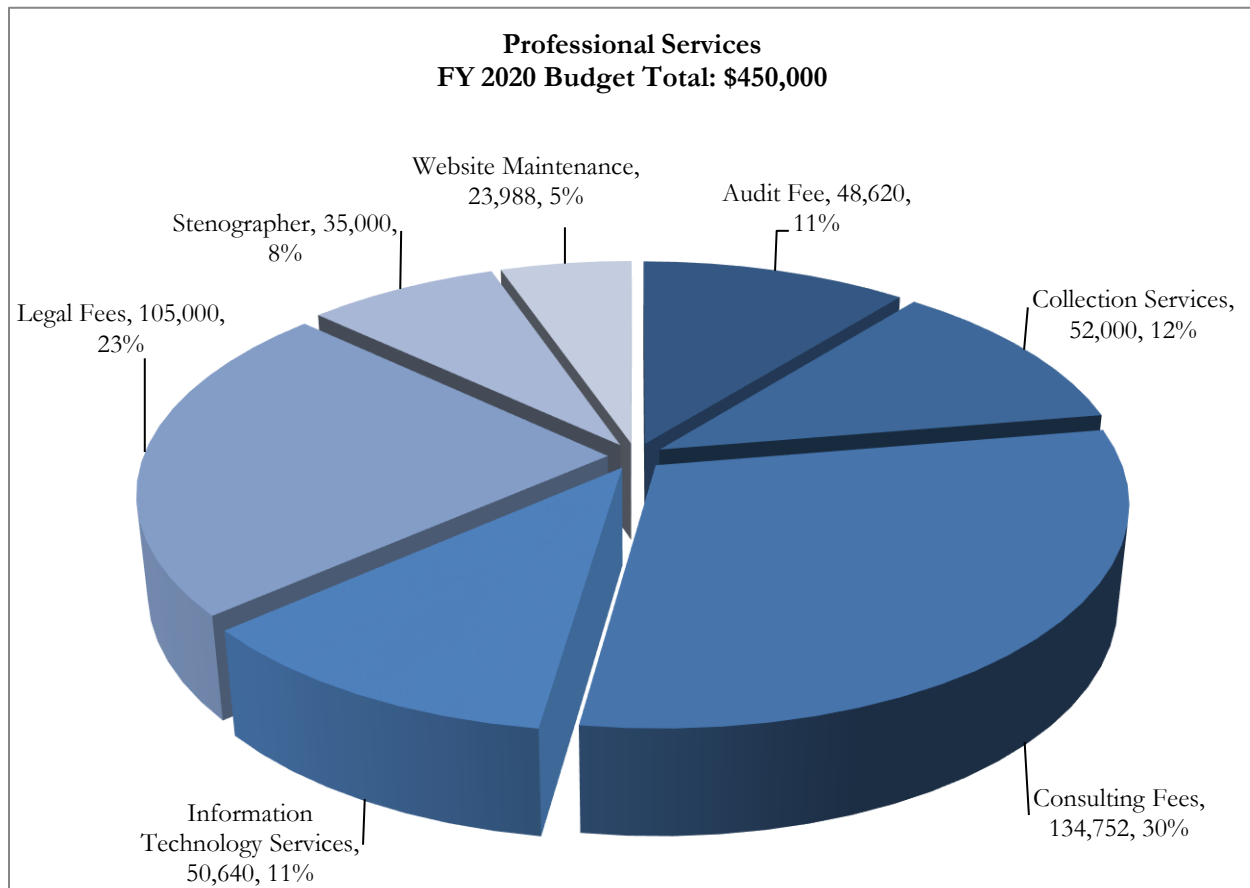


A background image showing a hand holding a small green seedling with several leaves. The background is a soft-focus view of trees and foliage. The title 'IV. SUPPLEMENTAL INFORMATION' is centered over the image.

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.

3.3 PROFESSIONAL SERVICES BREAKDOWN IN DETAIL

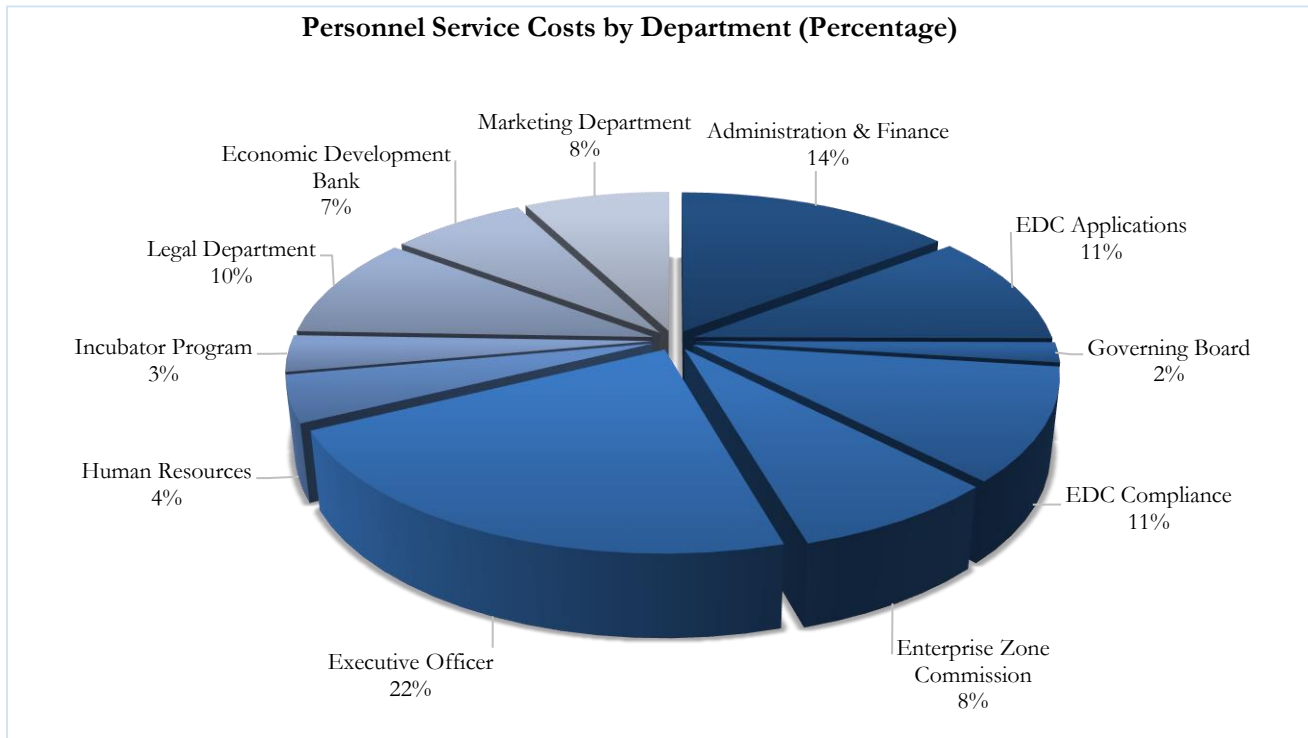


Professional Services	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Audit Fee	44,100	46,305	48,620
Collection Services	52,431	150,000	52,000
Consulting	369,991	130,972	134,752
Information Technology Services	59,053	50,640	50,640
Legal Fees	137,589	120,000	105,000
Stenographer	27,433	20,000	35,000
Website Maintenance	24,210	36,000	23,988
Total Professional Services	714,807	553,917	450,000

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 fifty-nine percent (59%) of the total operating expenses.

Department	Unclassified Positions (#)	Unclassified (\$)	Classified Positions (#)	Classified Positions (\$)	Total Positions (#)	Total Salary Expense
Admin. & Finance	1	120,000	8	367,429	9	487,429
Application	1	109,000	4	244,863	5	353,863
Board	1	64,739	0	-	1	64,739
Compliance	0	-	6	359,461	6	359,461
EZC	1	109,000	3	152,633	4	261,633
Executive	7	693,487	3	111,222	10	804,709
HR	1	80,784	1	67,722	2	148,506
Incubator	1	73,304	1	43,180	2	116,484
Legal	2	217,066	2	111,613	4	328,679
EDB	1	109,000	3	165,441	4	274,441
Marketing	1	175,393	3	80,878	4	256,271
Total	17	1,751,774	34	1,704,441	51	3,456,215



VEHICLE LISTING FOR USVIEDA

Presently, the USVIEDA has nine (9) vehicles. All of which were purchased with USVIEDA funds.

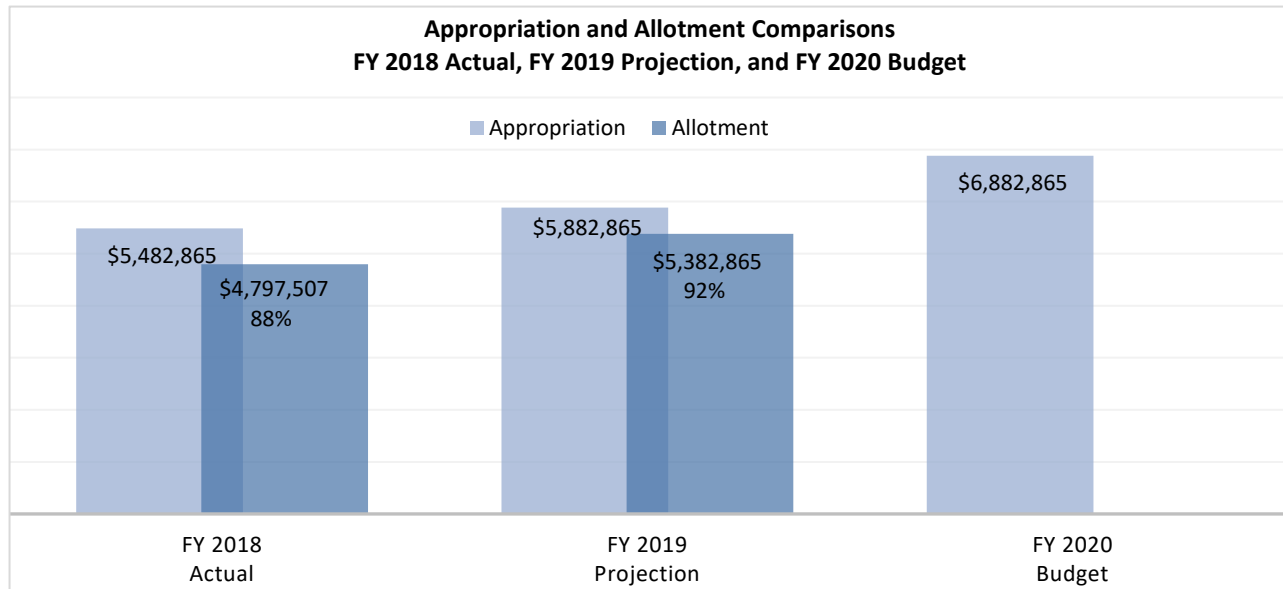
Year	Make	Model	Assigned Use	Fund Source	Island
2018	Chevrolet	Trax	CFO (EDA12)	USVIEDA Funds	STT
2018	Chevrolet	Equinox LT	General Use (EDA4)	USVIEDA Funds	STT
2015	Chevrolet	Colorado	General Use (EDA14)	USVIEDA Funds	STT
2013	Chevrolet	Traverse	CEO (EDA1)	USVIEDA Funds	STT
2018	Chevrolet	Trax	General Use (EDA13)	USVIEDA Funds	STX
2018	Chevrolet	Equinox LT	General Use (EDA10)	USVIEDA Funds	STX
2016	Chevrolet	Traverse	ACEO (EDA2)	USVIEDA Funds	STX
2015	Chevrolet	Colorado	General Use (EDA11)	USVIEDA Funds	STX
2013	Dodge	RAM	Industrial Park (EDA 9)	-	STX

REAL PROPERTY LEASED BY USVIEDA

Lessor	Address	Sq. Ft.	Annual Rent	Lease Terms	Use
St. Thomas Properties	Nisky Shopping Center Second Floor, Suite 620 St. Thomas	7,928	\$206,000	5 years	Office Space
VI Economic Development Park Corp.	116 King Street Frederiksted, St. Croix	12,400	\$49,465	Month to Month	Office Space
Crown Holdings	18B-2 Lindberg Bay St. Thomas	2,000	\$17,661	Month to Month	Storage Space

U.S. Virgin Islands Economic Development Authority														
Fiscal Year 2020 Budget														
by Department														
GL Account #		104	050	060	003	035	040	030	020	002	070	000	110	
		EDB	Application	Compliance	EZC	Legal	HR	Admin & Finance	EXEC OFF	Board	Marketing	EDM	Incubator	TOTAL
		4	5	6	4	4	2	9	9	1	4		2	50
	Personnel Services													
60000	Salaries - Classified	165,441	244,863	359,461	152,633	111,613	67,722	367,429	111,222	-	80,878	-	43,180	1,704,441
60001	Salaries - Unclassified	109,000	109,000		109,000	217,066	80,784	120,000	693,487	64,739	175,393		73,304	1,751,774
	Total Personnel Cost	274,441	353,863	359,461	261,633	328,679	148,506	487,429	804,709	64,739	256,271	-	116,484	3,456,215
	Fringe Benefit Cost													
60005	FICA	17,015	21,940	22,287	16,221	20,378	9,207	30,221	49,892	4,014	15,889	-	7,222	214,285
60006	Medicare	3,979	5,131	5,212	3,794	4,766	2,153	7,068	11,668	938	3,716	-	1,689	50,114
60020	Insurance	28,151	50,051	51,502	28,151	43,844	12,413	89,140	61,100	6,206	34,335	-	21,922	426,814
60010	Retirement	47,240	61,213	70,091	44,615	49,531	26,650	85,050	114,304	13,271	43,230	-	22,177	577,372
	Total Fringe Benefit Cost	96,385	138,334	149,092	92,780	118,519	50,424	211,478	236,964	24,429	97,170	-	53,010	1,268,586
	Total Personnel Cost	370,827	492,197	508,553	354,413	447,198	198,930	698,907	1,041,673	89,168	353,441	-	169,494	4,724,801
64550	Office Supplies	500	500	500	3,000	250	500	500	855	500	600	27,500	2,500	37,705
15000	Capital Outlay				-							55,000		55,000
	Other Services & Charges													
61000	Business Marketing	5,000	10,000	40,000	4,000		3,000				1,468,822		12,000	1,542,822
61020	Auto Expense											18,000		18,000
61050	Bank Service Charges										300	7,000		7,300
65020	Board Attendance Fee									10,800				10,800
-	Employee Bonus/Incentive Program											75,000		75,000
68510	Business Relations								3,000					3,000
61080	Catering	-	600		17,500							14,900	7,000	40,000
61110	Contributions / Donation											8,000		8,000
64735	Courier Service	9,840												9,840
61130	Custodial Services											4,000		4,000
68820	Drinking Water											1,800		1,800
61180	Dues & Subscriptions	796	13,123	1,250	1,000	10,500	1,042	1,225	2,370	1,295	500	2,000		35,101
61200	Employee Relations	250	250	350	500	250	26,000	400	400	1,000	150	35,525		65,075
62700	Garbage Disposal											900		900
63020	Insurance	-										62,800		62,800
61120	Labor			50,000	600							3,000		53,600
64545	Meeting Space Rental		1,600									-	5,000	6,600
64530	Miscellaneous	-			5,000					-		-		5,000
64600	Parking	50		50			50					500		650
64720	Postage & Delivery	600	100	80	150	200	200	250			3,000	8,000	500	13,080
64740	Printing & Publication		500	500	-			300			6,000	5,000		12,300
64800	Leadership and Prof. Development	4,000	3,000	5,000	8,000	3,000	5,000	5,000	10,000	30,000	-	54,000		127,000
65000	Professional Fees	90,000	10,000	8,500	15,000			-			-	261,500	65,000	450,000
65070	Credit Reports	2,220												2,220
66020	Rent											273,126		273,126
66530	Repairs											75,000		75,000
66720	Software Agreement	11,300						12,000		3,252				26,552
68521	Travel	3,000	2,500	2,000	2,000	850	2,500	2,500	15,000	25,000	3,000	15,000	7,000	80,350
	Unemployment											2,000		2,000
	Total Other Services & Charges	127,056	41,673	107,730	53,750	14,800	37,792	21,675	30,770	71,347	1,481,772	927,051	96,500	3,011,916
68800	Utility Services													
	Electricity											75,000		75,000
	Water											1,600		1,600
	Communication	800	700	350	500	1,000	500	850	4,800	4,500	500	50,000	1,000	65,500
	Total Utility Services	800	700	350	500	1,000	500	850	4,800	4,500	500	126,600	1,000	142,100
	Total FY 2020 Operating Budget	499,183	535,070	617,133	411,663	463,248	237,722	721,932	1,078,098	165,515	1,836,313	1,136,151	269,494	7,971,521

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.