

BUDGET



ANNUAL



VI ECONOMIC DEVELOPMENT
AUTHORITY

2016

**“BUILDING AN ECONOMY THAT DRIVES
ECONOMIC GROWTH AND PROSPERITY”**

V.I. ECONOMIC DEVELOPMENT AUTHORITY

**FISCAL YEAR 2016 BUDGET
October 1, 2015 – September 30, 2016**

St. Thomas:

8000 Nisky Shopping Center, Suite 620
St. Thomas, U.S. Virgin Islands 00803
Phone: (340) 714-1700
www.usvieda.org

St. Croix:

116 King Street, Frederiksted
St. Croix, U.S. Virgin Islands 00840
Phone: (340) 773-6499
www.usvieda.org



V.I. ECONOMIC DEVELOPMENT AUTHORITY

FISCAL YEAR 2016 BUDGET October 1, 2015 – September 30, 2016

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May 30, 2015

The Honorable Clifford F. Graham
Chairman, Committee on Finance
Legislature of the Virgin Islands
Capital Building, P.O. Box 1690
St. Thomas, U.S. Virgin Islands 00804

Dear Senator Graham:

It is my privilege to present the Virgin Islands Economic Development Authority's ("VIEDA" or "Authority") Fiscal Year 2016 Budget for your consideration and that of your honorable colleagues.

The budget request of \$4,800,000 is \$56,000 or 1% less than the amount appropriated in Fiscal Year 2015. Despite a reduced budget, we are committed to delivering a high level of performance to build an economy that supports an expansion of the tax base.

We intend to accomplish this objective by building partnerships with both public and private entities that, over time, can improve the standard of living for our residents.

The EDC program remains a viable means of attracting new investments to the Territory. For example, within the last 6 months, thirteen (13) new companies have filed applications for EDC benefits. These applications, if approved, are expected to create 81 full time jobs and generate approximately \$14.4 million in direct investments.

We intend to sustain the momentum. To do so, adequate funding must be in place to compete with other jurisdictions in attracting new companies regionally, nationally and globally.

This budget is designed to use a targeted market approach to attract new investments and to help local entrepreneurs start and grow their businesses. At the same time, we continue the push towards establishing an EB-5 center for the Territory, proceeding with Tax Increment Financing development, drafting the appropriate rules and regulations relative to the Hotel Development Act and the STARS Act, and remaining steadfast in efforts to resuscitate the marine industry. All these initiatives will help strengthen and diversify the economy.



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Honorable Clifford F. Graham
May 30, 2014
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We are aware of the financial challenges the Territory faces, and the EDA is fully committed to building an economy that drives economic growth and prosperity now and into the future.

My staff and I are available to answer questions or provide additional information that you or the Post-Audit Division may have with respect to this submission.

Respectfully,

Wayne Biggs Jr.

Wayne Biggs, Jr.
Acting Chief Executive Officer



V.I. ECONOMIC DEVELOPMENT AUTHORITY
FISCAL YEAR BEGINNING OCTOBER 1, 2016
Principal Officials

Governing Board

<u>Board Member</u>	<u>Position</u>
José A. Penn	Interim Chairman
Philip Payne	Interim Vice Chairman
Avery Lewis	Interim Secretary
Haldane Davies, PhD.	Member
Juan Figueroa, Sr.	Member
Catherine Hendry, Esq.	Member
Simon B. Jones-Hendrickson, PhD.	Member

Senior Management Team

Wayne Biggs, Jr., Acting Chief Executive Officer
Assistant Chief Executive Officer/Chief Operating Officer
Tracy Lynch Bhola, Esq., Legal Counsel
Ernest Halliday, Director, Administration & Finance
Margarita Benjamin, Director, EDC, Applications Unit
Claude Gerard, Director, EDC, Compliance Unit
Nadine Marchena Kean, Director, Enterprise & Commercial Zone Commission
Sharmane Brookes, Director, Economic Development Bank



Mission Statement

The Virgin Islands Economic Development Authority is a semi-autonomous governmental agency responsible for the promotion and enhancement of economic development in the United States Virgin Islands. The VIEDA strives to foster positive public/private sector partnerships for the enhancement of economic growth and development.

Scope and Overview

The Virgin Islands Economic Development Authority (“VIEDA” or “Authority”) is a semi-autonomous governmental instrumentality responsible for the development, promotion and enhancement of the economy of the U.S. Virgin Islands.

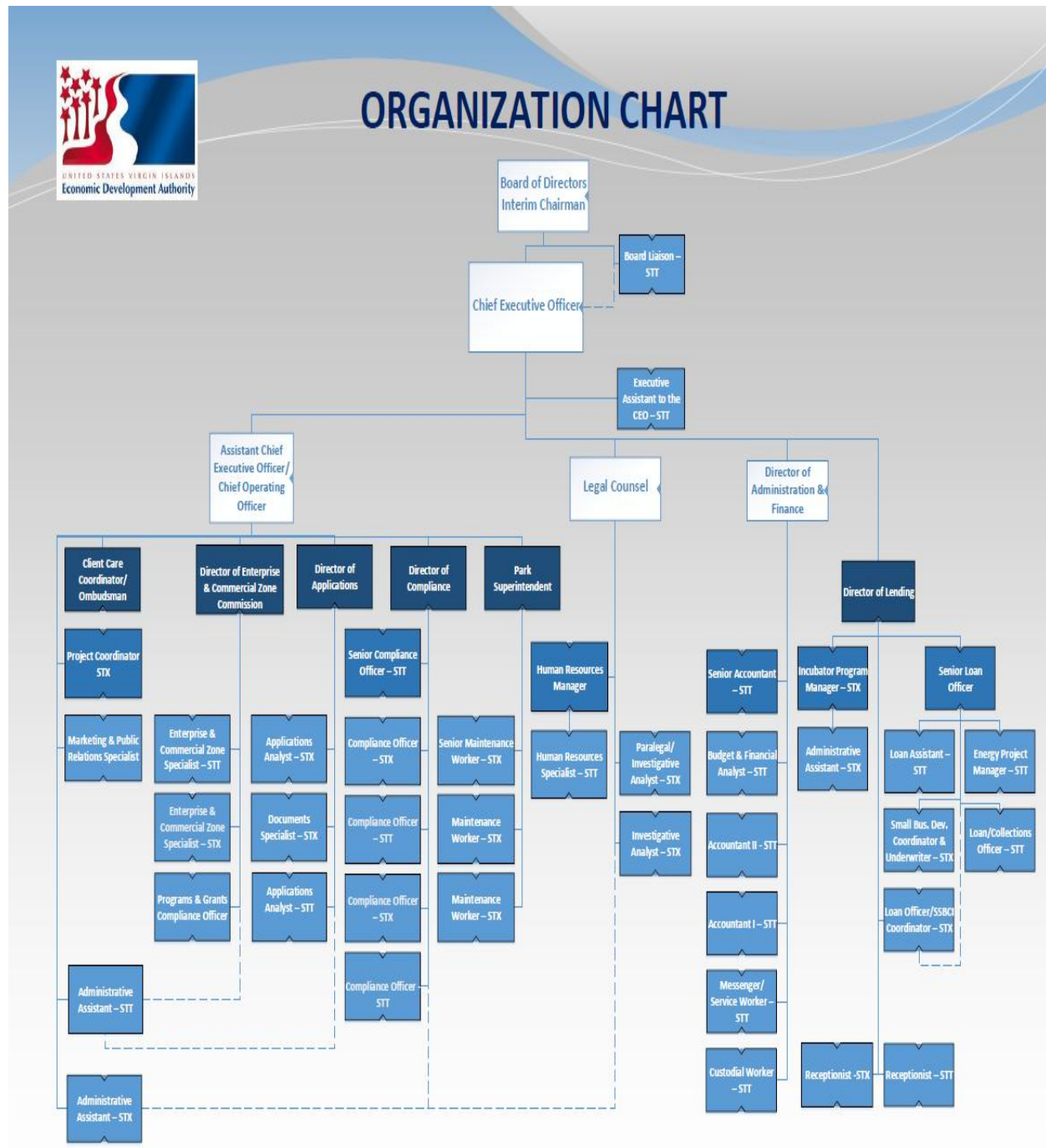
The VIEDA is the umbrella organization which assumes, integrates, and unifies the functions of the following subsidiary entities: the Economic Development Bank (“EDB”), the Economic Development Commission (“EDC”), the Economic Development Park Corporation (“EDPC”), and the Enterprise and Commercial Zone Commission (“ECZC”).

The VIEDA operates under one Governing Board (“Board”) in order to achieve maximum efficiency of operation by avoiding duplication of services, positions, and responsibilities; to reduce expenses of personnel, physical plant and operations; and to develop comprehensive programs for the economic development of the U.S. Virgin Islands.

The VIEDA is a vehicle by which the Virgin Islands Government develops and nurtures the economic growth of the Territory. According to the legislation which governs the VIEDA, the Authority shall be governed by a seven (7) member board. Of the seven (7) members, three (3) shall not be employees of the Government of the Virgin Islands or the Government of the United States and shall be appointed by the Governor, with the advice and consent of the Legislature, for a term of three (3) years. Of the three (3) non-governmental employees, one must be a resident of St. Thomas, one must be a resident of St. John, and one must be a resident of St. Croix. Three (3) members shall be cabinet-level appointees. 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, Virgin Islands Port Authority, or the University of the Virgin Islands.



VIDEA Organizational Chart



Accounting System and Financial Reporting Roles and Responsibilities



The VIEDA 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 plethora of financial and statistical reports, including the Financial Statements with Supplementary Information (annual audit), and is responsible for the integrity and objectivity of management and financial reporting. Management prepares Reports in accordance with Generally Accepted Accounting Principles (“GAAP”) in the United States of America, applying certain estimates and judgments as required.

The VIEDA 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 derive from established written policies and procedures and are implemented by trained, skilled personnel. The VIEDA’s employment policy prescribes that all employees maintain the highest ethical standards and conduct business practices in a manner above reproach.

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

The VIEDA Board of Directors formulates the vision and fulfills its responsibility for oversight and administration of the Authority’s practices and governance through actions of the full Board as well as through its committees. The Board’s Finance Committee is responsible for reviewing the annual budgets, making recommendations, and advising the full Board on major financial issues and decisions.

VIDEA Direct and Indirect Cost Allocations

The VIEDA activities are classified into two categories – operational and administrative – and all expenses of the Authority are attributed to both Operational and Administrative Units, either as direct or indirect costs.

An Operational Unit is a division within the VIEDA with the responsibility of carrying out organizational mandates. These Operational Units include the Economic Development Bank (EDB); the Applications and Compliance Units, which make up the Economic Development Commission (EDC) Division; the Enterprise and Commercial Zone Commission (ECZC) Division; and the Economic Development Park Corporation (EDPC).

An Administrative Unit is a department within the VIEDA that provides support to the Operational Units in fulfilling their mandates. The administrative departments are the VIEDA Board of Directors, Executive Office, Accounting and Finance, Human Resources (HR), Legal, and Marketing.

A direct cost is a cost that can be identified specifically with a Unit and can be directly traced with relative ease and a high degree of accuracy. An indirect cost, on the other hand, is a cost that is incurred in common with other Units and cannot be traced to any specific Unit. Those costs, therefore, are distributed to both the Operational and Administrative Units through an internal allocation process or indirect cost rate.

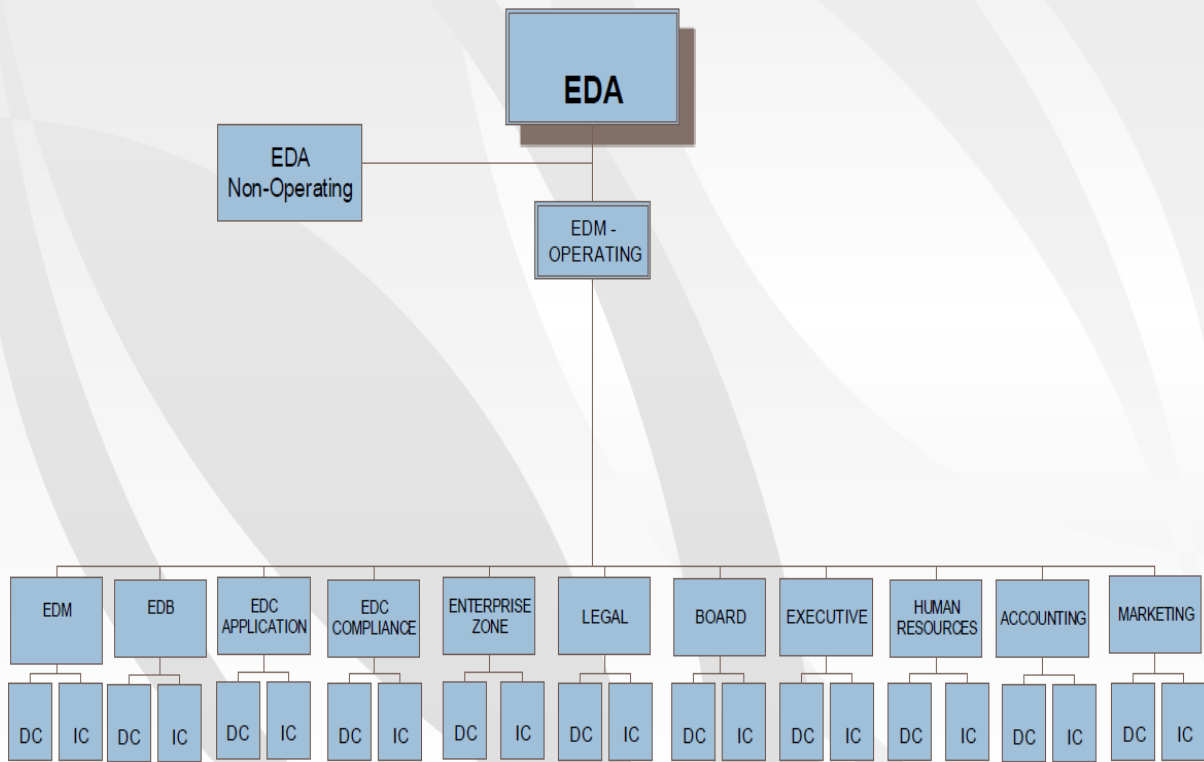
All operating indirect costs are budgeted and expensed in a temporary department within the administrative grouping referred to as Economic Development Management (“EDM”). At the end of a period, the indirect costs accumulated in the EDM department are allocated to all operational and administrative units based on a pre-determined rate.

At the end of a fiscal period when all direct costs are posted and all indirect costs are allocated from the EDM department, each operational and administrative unit will be able to determine its total operating cost.

The total direct and indirect costs for each administrative unit are considered indirect costs to the operational units and are allocated to the operational units using a pre-determined allocation method.

VI Economic Development Authority

Cost Accounting Structure



Legend:

DC = Direct Cost
IC = Indirect Cost

Goals, Objectives, Performance Measurement, and Performance Evaluation

Goals, objectives, performance measurements, and performance evaluations establish the strategic framework for the Authority's economic development operations.

A goal is the end result to be accomplished and answers this question: "What is the purpose in the big picture?" For the VIEDA, the purpose is the creation of good jobs to improve the standard of living for residents and the expansion of the tax base of the government.

Objectives are the action steps taken to fill out the big picture and serve as benchmarks to measure performance. Each objective has these fundamental characteristics.

- Be measurable.
- Identify a target of program activity.
- Set a timeframe for completion.
- 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. We recognize that the development of performance measurements requires careful thought and planning and includes 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.

- 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 VIEDA goals and the fulfillment of objectives rest with supervisors and their subordinates, and the budget provides the financial resources to do so. Most importantly, however, is the execution of the measurement and evaluation functions in ensuring that scarce resources are used in the most efficient manner for the benefit of residents.

Annual Budget Process

The Virgin Islands Economic Development Authority's budget formulation process is designed to allow the Authority to fulfill its mission; align goals, priorities, and objectives with financial resources; and 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 VIEDA Governing Board's Finance Committee with a comparison and analysis of past trends (i.e. appropriations, allotments and expenditure levels) in addition to other financial data to justify and support the budget recommendation.

During this period, the VIEDA Governing Board outlines the priorities, goals and objectives of the Authority for the upcoming fiscal year. This forms the basis for the development of the budget and determines the final budget amount to be submitted to the Office of Management & Budget for inclusion in the Government's annual operating budget.

February

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

March – April

The budget staff holds individual budget review discussions with all division and department heads to discuss areas of concerns, goals, and new initiatives, or programs the departments desire to implement for the upcoming year. At this meeting, each division or department has the opportunity to justify its needs before the Chief Executive Officer and Assistant Chief Executive Officer. After discussions, revisions may be made and budget schedules updated accordingly.

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

April – June

Communication is maintained with the Post-Audit Division in its analysis of the budget while the VIEDA budget staff researches and gathers data and conducts round-table sessions with the internal department and division heads before drafting the final version of the CEO's budget presentation to the Finance Committee of the Legislature.

Annual Budget Process, continued

July – August

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

October

Once the Legislature approves the budget, the VIEDA is legally authorized to request quarterly allotments from the Department of Finance through the Office of Management and Budget.

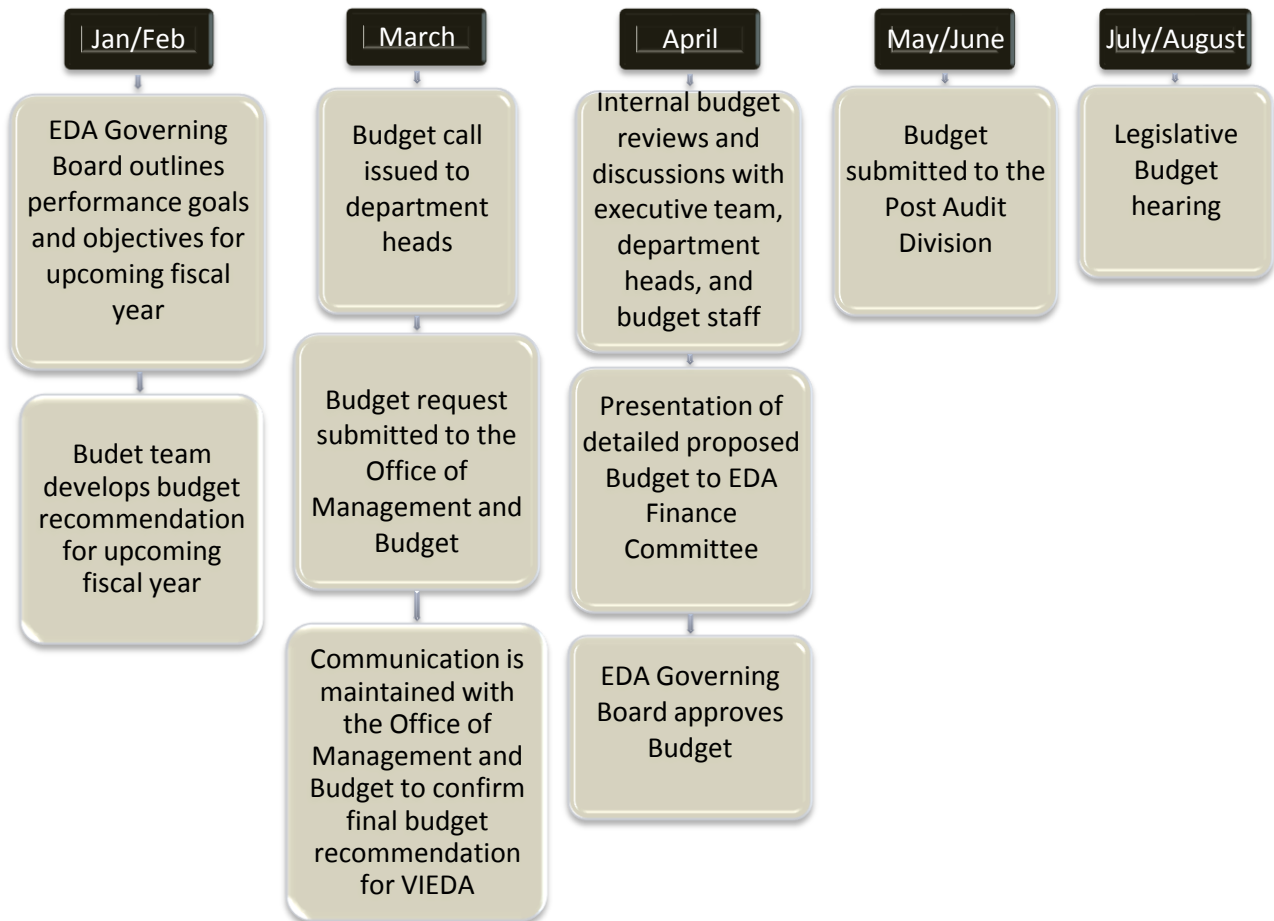
12-Month Monitoring (October – September)

At the end of each quarter, actual expenditures 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 organization. On a quarterly basis, financial reports and analyses are presented to the Finance Committee of the EDA Governing Board detailing the sources and uses of funds compared to the budget and to the same period in the previous fiscal year.

When necessary, the budget staff offers recommendations for policy review to senior staff and management to improve overall financial integrity and efficiency.

Annual Budget Process, continued

Budget Calendar Overview



1.0 VIEDA ADMINISTRATIVE DEPARTMENTS

The administrative departments within the VIEDA provide support to the operational divisions in ensuring that the VIEDA adheres to and meets statutory and legal requirements.

1.1 BOARD OF DIRECTORS

Functional Statement

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

Operational Goal(s)

Collaborate with management in exploring opportunities for the VIEDA and assist management in grasping the complexities of adapting to the changing global environment.

Fiscal Year 2015 Objectives

- Participate in Marketing Events and Activities
- Participate in Professional Development Training (Best Practices in Board Governance)
- Develop policies towards the implementation of various strategic financing tools (i.e. U.S. Government's Employment Based (EB-5) program, New Market Tax Credit program, Tax Increment Financing Expansion, Hotel Development Act)
- Review and approve annual operating budget
- Review and evaluate 3-, 6-, 9-, and 12- month financial performances
- Conduct performance review of Chief Executive Officer and Board Assessment

Fiscal Year 2015 Accomplishment as of March 31, 2015

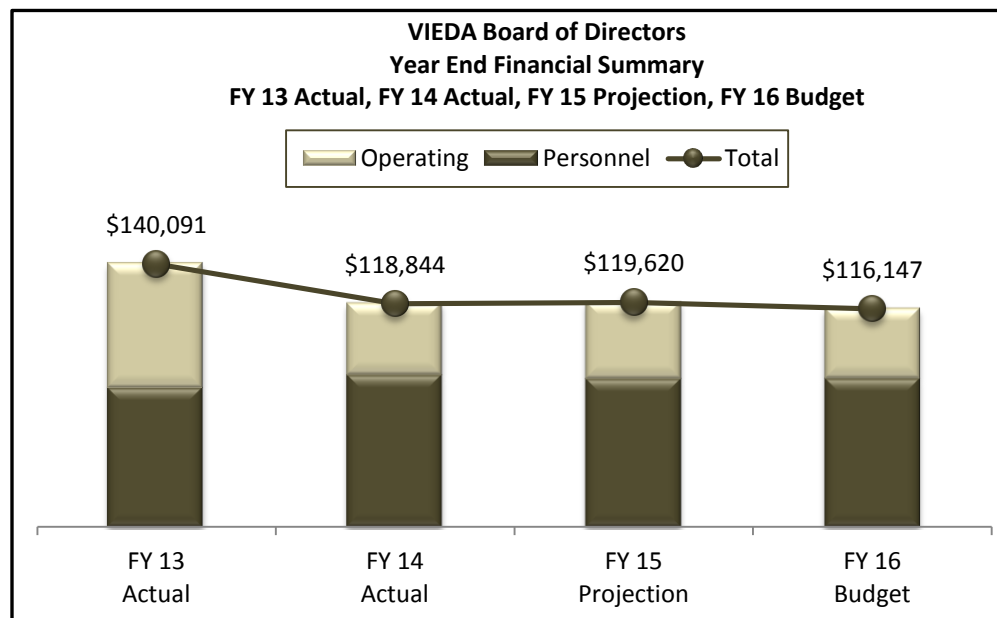
- Participated in the Territory's first Investor Advisor Forum
- Conducted performance review of the CEO
- Attended Internal Economic Development Council Seminars

Fiscal Year 2016 Objectives

- Participate in Marketing Events and Activities
- Develop policies towards the implementation of various strategic financing tools (i.e. U.S. Government's Employment Based (EB-5) program, New Market Tax Credit program, Tax Increment Financing Expansion, Hotel Development Act)
- Review and approve annual operating budget
- Review and evaluate 3-, 6-, 9-, and 12- month financial performances
- Conduct performance review of Chief Executive Officer and Board Assessment

Key Performance Indicators (KPI)	Actual FY 14	Target FY15	Actual FY 15 (as of 3/31/15)	Planned FY 2016
Number of Board Meetings	30	28	12	28
Number of Policies Reviewed and/or Developed	6	5	4	10
Review/Approve Annual Budget	4/2014	3/2014	6/2015	4/2016
CEO Performance Evaluation	6/2014	6/2015	12/2014	3/2016

VIEDA Board of Directors Year End Financial Summary FY 13 Actual, FY 14 Actual, FY 15 Projected, and FY 16 Budget by Expense Category				
Expenditures	FY 13 Actual	FY 14 Actual	FY 15 Projection	FY 16 Budget
Personnel Services	55,460	64,733	57,000	57,000
Fringe Benefits	18,302	15,895	21,575	21,575
Supplies	5,441	2,126	850	1,000
Other Services & Charges	45,304	29,096	33,695	26,572
Professional Services	4,595	1,168	-	-
Inter-Island Travel	7,756	2,242	2,500	5,000
Utilities	3,233	3,584	4,000	5,000
Total Expenditures (Direct Cost Only)	140,091	118,844	119,620	116,147



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 VIEDA. This office ensures that responsibilities established by statute and policy directives are executed at the highest level.

Operational Goal(s)

Direct and monitor the activities of the VIEDA in a manner that ensures assets of the organization are safeguarded and optimized, and maintain a positive work climate that is conducive to attracting, retaining, and motivating a diverse group of top quality performers.

Fiscal Year 2015 Objectives

- Concentrate recruitment efforts on designated services businesses, high value manufacturers, healthcare suppliers and EB5 candidates to catalyze business development opportunities
- Support economic diversification initiatives in the Broadband, Maritime and Marine industries
- Establish VIEDA as the premier driver of economic development and policy in the Territory

Fiscal Year 2015 Accomplishment as of March 31, 2015

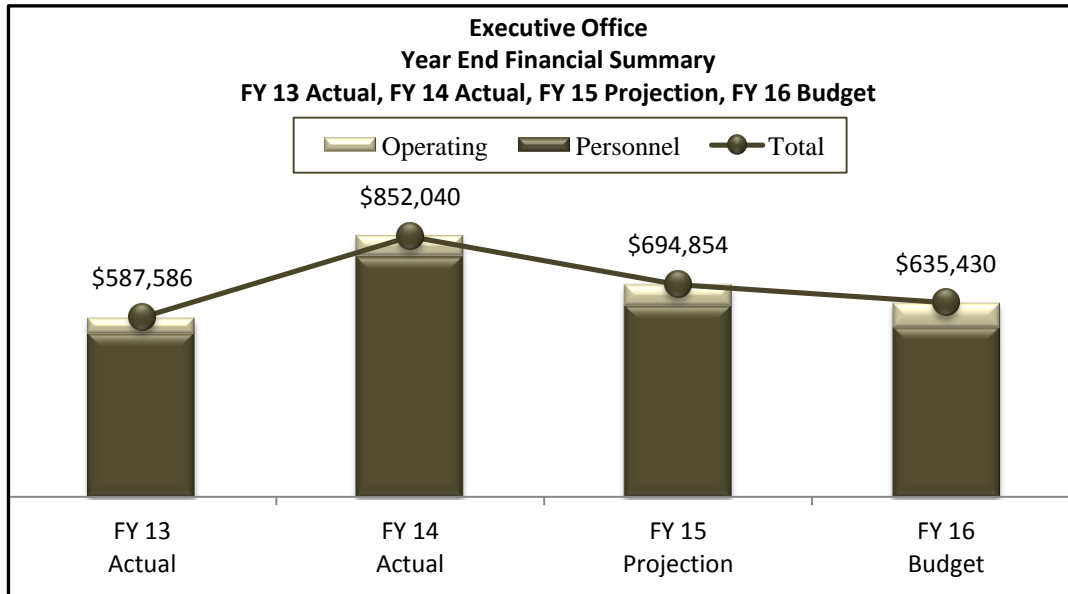
- Hosted the Virgin Islands’ first Caribbean Clean Energy Technology (CCET) Symposium
- Hosted the Virgin Islands’ first Investor Advisor Forum
- Reviewed and developed legislative proposals in support of economic development
- Conduct executive sessions to discuss and shape policies and procedures for organizational effectiveness

Fiscal Year 2016 Objectives

- Initiate and strengthen existing partnership collaborations
- Update the rules and regulations for the Sustainable Tourism Through Arts-Based Revenue Streams Act (“STARS Act”), Economic Development Bank (“EDB”), Economic Development Commission (“EDC”), Enterprise and Commercial Zone Commission (“ECZC”), Hotel Development Act, and Youth Recreational Incentive Act
- Develop legislative proposals in support of economic development
- Continue to support economic diversification initiatives in the Broadband, Maritime, Marine, and Arts-Based industry

Key Performance Indicators (KPI)	Actual FY 14	Target FY 15	Actual FY 15	Planned FY16
New industry partnerships Formed	3	6	2	4
Existing partnership collaborations	2	8	1	3
New initiatives	2	8	2	4
Legislative proposals in support of economic development	3	4	5	3

Executive Office Year End Financial Summary FY 13 Actual, FY 14 Actual, FY 15 Projected, and FY 16 Budget by Expense Category				
Expenditures	FY 13 Actual	FY 14 Actual	FY 15 Projection	FY 16 Budget
Personnel Services	418,564	609,147	472,000	457,000
Fringe Benefits	116,732	175,534	153,027	154,525
Supplies	2,243	2,717	2,000	1,000
Other Services & Charges	29,843	20,266	35,527	7,905
Professional Services	-	1,168	2,300	-
Inter-Island Travel	16,704	26,659	25,000	12,500
Utilities	3,500	16,549	5,000	2,500
Total Expenditures (Direct Cost Only)	587,586	852,040	694,854	635,430



1.3 ACCOUNTING AND FINANCE DEPARTMENT

Functional Statement

The Accounting and Finance Department provides financial planning, accounting, and reporting for the VIEDA. It is primarily responsible for relationships with auditors, financial institutions, the Post-Audit Division of the Legislature, rating agencies, and others within the financial community. It provides leadership in developing proposals and policies on strategic issues that affect the VIEDA's long-term financial integrity and competitiveness. The responsibility for the establishment of financial policies and procedures for organization-wide guidance and internal control falls within this unit.

Operational Goal(s)

Provide quality customer service to the VIEDA departments and divisions while practicing responsible stewardship of VIEDA resources and aspire to excellence in financial and administrative practices, including taking measures to reduce costs and improve overall efficiency.

Fiscal Year 2015 Objectives

- Conduct at least six (6) site visits to EDA units and program locations
- Draft for Board approval an accounting policy manual for the VIEDA by December 2014
- Finalize the Fiscal Year 2014 Financial Audit by March 2015
- Computerize the acquisition and disposal of all VIEDA assets
- Provide staff training in accounting, budgeting, finance and procurement practices
- Continue to work with the banks in facilitating payments to/from vendors, EDC Beneficiaries and IP Tenants

Fiscal Year 2015 Accomplishments as of March 31, 2015

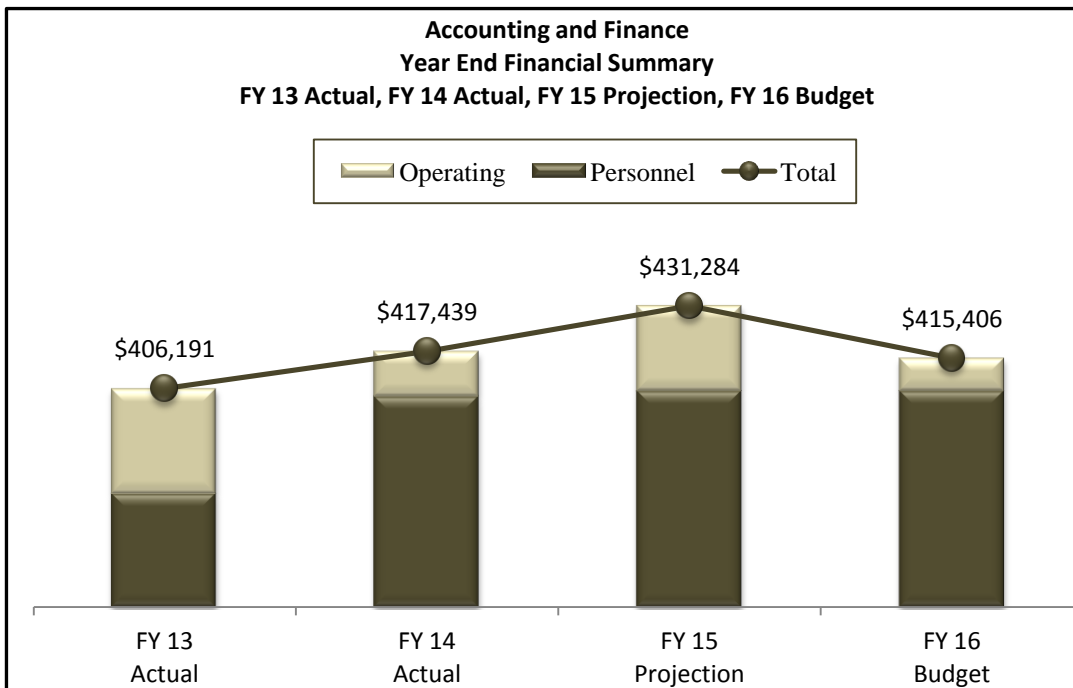
- Submitted corrective action plans/written procedures as part of STEP 1 audit and close-out
- Provided Incubator financial and reporting support to meet grantor agency requirements
- Provided SSBCI financial and reporting support to meet grantor agency requirements
- FY 2014 financial audit fieldwork completed. Final report due by April 30, 2015

Fiscal year 2016 Objectives

- Update accounting software to improve operational efficiencies
- Complete the Fiscal Year 2015 Financial Audit by March 2016
- Work collaboratively with Unit Heads and the Executive Team in the computerization of operational processes
- Evaluate existing EDA programs and offer recommendations to improve program delivery
- Reduce operating cost by 5 – 10% by developing strategies to improve operational efficiencies
- Work closely with Units that receive Federal funds to ensure adherence to operational and reporting requirements

Key Performance Indicators (KPI)	Actual FY14	Target FY15	Actual FY 15 (as of 3/31/15)	Planned FY16
Financial Audit Completed	6/2014	3/2015	6/2015	6/2016
Annual Budget submission to OMB	3/28/2015	5/2015	2/18/15	2/2016
Board Finance Committee Meetings	3	4	0	4

Accounting and Finance Year End Financial Summary FY 13 Actual, FY 14 Actual, FY 15 Projected, and FY 16 Budget by Expense Category				
Expenditures	FY 13 Actual	FY 14 Actual	FY 15 Projection	FY 16 Budget
Personnel Services	275,978	293,979	298,370	298,370
Fringe Benefits	98,484	109,747	107,009	107,009
Supplies	1,663	890	500	500
Other Services & Charges	19,749	1,970	15,000	8,327
Professional Services	6,913	6,218	5,000	-
Inter-Island Travel	2,750	880	905	700
Utilities	654	3,755	4,500	500
Total Expenditures (Direct Cost Only)	406,191	417,439	431,284	415,406



1.4 HUMAN RESOURCES DEPARTMENT

Functional Statement

The Human Resources (HR) Department is responsible for talent management and workforce development, which includes staffing/recruitment, position classification, benefits counseling, and employee and labor relations. It is also responsible for providing a cost-effective and coordinated strategy for the delivery of professional development training. It identifies talent and provides training to manage, improve and retain a high functioning workforce.

Operational Goal(s)

Provide an organizational framework to strategically develop and retain the VIEDA's workforce for the promotion of economic development initiatives in the U.S. Virgin Islands.

Fiscal Year 2015 Objectives

- Analyze the results of the desk audit and comprehensive compensation study and pursue appropriate recommendations
- Review and amend employee appraisal procedure form to reflect proper job descriptions and provide greater efficiency
- Conduct mandatory Sexual Harassment Awareness training for all staff
- Conduct Conflict Resolution training for all staff and Contract Administration training for managers
- Update and incorporate all HR policies into one comprehensive document
- Offer employee professional development training to improve leadership and team building skills, productivity, and workplace etiquette

Fiscal Year 2015 Accomplishments as of March 31, 2015

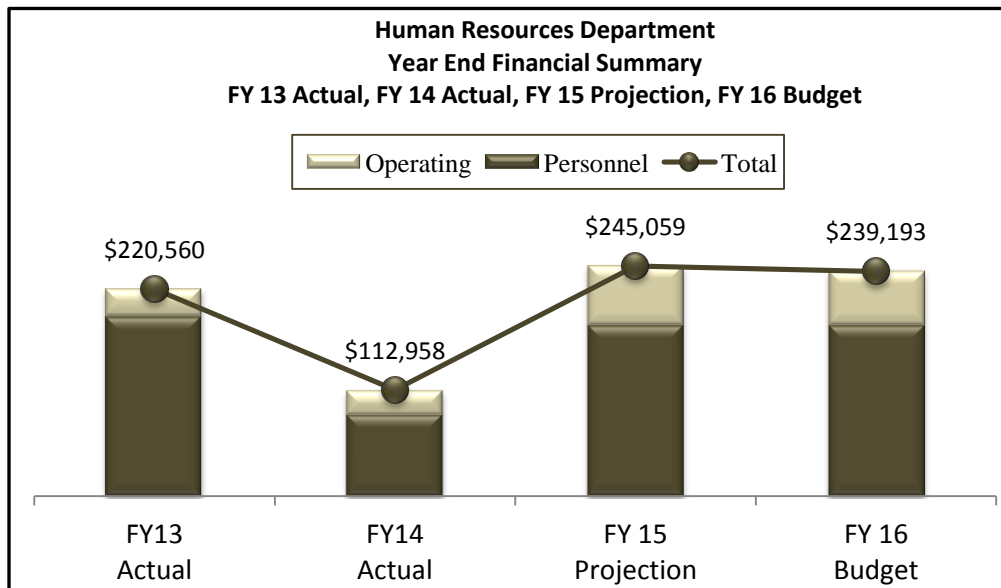
- Provided general and specialized trainings and workshops for the entire staff on topics covering employee rights and responsibilities, time management, sexual harassment and fire safety
- Encouraged staff participation in the CIGNA Employee Assistance Wellness Seminars, which resulted in eighty-five percent (85%) staff participation
- Attended the American with Disabilities Act (ADA) seminar presented by the Northeast ADA Center in collaboration with Cornell University Employment and Disability Institute
- Coordinated routine biometric screenings by CIGNA Health Care Coaches
- Completed Phase I, Position Description Questionnaires, of the Comprehensive Compensation Study
- Organized employee appreciation activities and service awards ceremony

Fiscal Year 2016 Objectives

- Cultivate a high performance organizational culture that enhances productivity and efficiency, supports team building and promotes employee retention, development and advancement
- Provide professional develop trainings in team building, progressive discipline, and leadership development
- Implement a wellness program that encourages employees to focus on key health behaviors such as increasing physical activity, improving eating habits and reducing stress

Key Performance Indicators (KPI)	Actual FY 14	Target FY15	Actual FY 15 (as of 3/31/15)	Planned FY 16
Employee evaluations completed	53%	100%	0%	100%
HR Trainings provided	3	6	5	6
Employee relations initiatives undertaken	6	6	3	6
Professional development training completed	5	-	12	13

Human Resources Department Year End Financial Summary FY 13 Actual, FY 14 Actual, FY 15 Projected, and FY 16 Budget by Expense Category				
Expenditures	FY 13 Actual	FY 14 Actual	FY 15 Projection	FY 16 Budget
Personnel Services	141,395	61,518	132,920	132,920
Fringe Benefits	49,488	25,421	48,773	48,773
Supplies	2,531	1,300	1,500	-
Other Services & Charges	22,242	22,446	59,866	54,500
Professional Services	-	845	-	-
Inter-Island Travel	2,030	1,428	1,500	2,500
Utilities	2,874	-	500	500
Total Expenditures (Direct Cost Only)	220,560	112,958	245,059	239,193



1.5 LEGAL DEPARTMENT

Functional Statement

The Legal Department provides a broad range of legal services to the four (4) component entities of the Virgin Islands Economic Development Authority (VIDEA). This Department provides legal analysis, preparation and review of legal documents and legislative policy, reviews proposal of amendments to rules and regulations, guides special projects, and oversees litigation, offering general legal guidance to executive staff and the Board of Governors.

Operational Goal(s)

A primary focus of the Legal Department is to understand the intricacies of each entity within the VIEDA and how those entities link together with a shared goal of promoting economic development in the U.S. Virgin Islands. In providing legal advice, this Department must be knowledgeable of changes in federal and territorial laws and must integrate legal with economic development objectives.

Fiscal Year 2015 Objectives

- Enhance the quality of investigative reports by exploring collaborative agreements with government agencies that can provide criminal justice information using databases such as, the National Crime Information Center (“NCIC”), which operates under a shared management concept between the FBI and federal, state, and local users
- Manage the litigation of delinquent loan portfolios carried by the Economic Development Bank
- Coordinate staff training opportunities provided by the Public Employees Relations Board and other government agencies regarding common issues within the workplace, industry or profession and their legal ramifications
- Identify and analyze issues in the workplace to prevent or mitigate liability, and develop best practices, policies and procedures for legal compliance
- Improve the efficiency of legal research by cross training the Legal Department’s staff to perform background investigative analyses and paralegal duties
- Conduct ongoing assessments and implement measures to improve the security of information in the Legal Department
- Update computer software to enhance the processing of legal documents

Fiscal Year 2015 Accomplishments as of March 31, 2015

- Improved the quality of investigative reports including, but not limited to exploring collaborative agreements with government agencies
- Monitored, advised and collaborated, as needed, with retained counsel and the VIEDA team regarding the litigation of delinquent loan portfolios carried by the EDB
- Identified and reviewed with Human Resources common issues within the workplace and their legal ramifications and explored prevention or mitigation strategies to work on best practices, policies and procedures for legal compliance
- Improved the efficiency of the Legal Department by cross training staff to perform background investigative analyses and paralegal duties

Fiscal Year 2015 Accomplishments as of March 31, 2015, continued

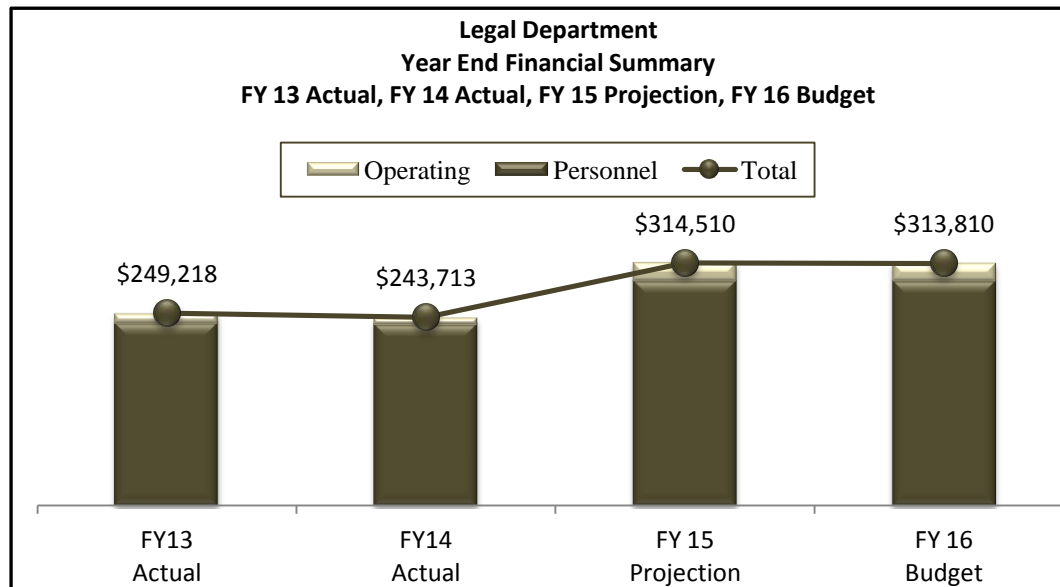
- Conducted ongoing assessments and improved procedures to ensure the security of sensitive information within the VIEDA
- Explored case management systems to assess the benefit to the Legal Department and VIEDA as a whole

Fiscal Year 2016 Objectives

- Continue to enhance the quality of investigative reports by way of legislation and collaborative agreements providing for such government-to-government sharing of criminal justice information using the NCIC database, which operates under a shared management concept between the FBI and federal, state, and local users
- Explore expanded access to the Department of Licensing and Consumer Affairs' database
- Update computer software to enhance the processing of legal documents
- Conduct ongoing assessments and implementation of measures to improve the security of sensitive information within the VIEDA
- Implement or amend internal VIEDA policies and procedures
- Review, draft or amend Board policies, motions and resolutions
- Prepare contracts, as needed, to accomplish the mandates of the VIEDA

Key Performance Indicators (KPI)	Actual FY 14	Target FY15	Actual FY 15 (3/31/15)	Planned FY 16
Standard Operating Procedures drafted	2	7	24	20
Contracts and leases drafted	23	30	26	25
Completed background investigations	60	n/a	52	70

Legal Department Year End Financial Summary FY 13 Actual, FY 14 Actual, FY 15 Projected, and FY 16 Budget by Expense Category				
Expenditures	FY 13 Actual	FY 14 Actual	FY 15 Projection	FY 16 Budget
Personnel Services	177,596	177,893	217,000	217,000
Fringe Benefits	58,607	56,390	72,910	72,910
Supplies	100	1,036	700	500
Other Services & Charges	610	2,240	18,650	20,400
Professional Services	6,262	-	-	-
Inter-Island Travel	5,025	4,937	4,600	2,500
Utilities	1,018	1,216	650	500
Total Expenditures (Direct Cost Only)	249,218	243,713	314,510	313,810



1.6 MARKETING / PUBLIC RELATIONS DEPARTMENT

Functional Statement

Our key responsibility is to help attract new investment opportunities to the Territory; retain existing companies, especially small and medium sized enterprises; create opportunities to expand businesses; and improve the Virgin Islands Economic Development Authority's image as it relates to the Authority's strengths, products, and services. The VIEDA's Four Pillars promote sound economic development policies and programs. Those pillars are the Enterprise & Commercial Zone Commission, Economic Development Commission, Economic Development Bank, and the Economic Development Park, along with our various programs including the Incubator, State Small Business Credit Initiative (SSBCI), Employment Based Immigration Fifth Preference (EB-5), and State Trade Export Promotion (STEP) Program. Our job is to get the message to the community, to our customers, and to prospective clients.

Operational Goal(s)

Our goal is to promote and position the U.S. Virgin Islands as the best place for businesses to invest, whether local, national or international. The Marketing Team will use promotional initiatives, including various marketing missions, targeted events, targeted advertising, messaging via social media, web presence, and other media outlets.

Fiscal Year 2015 Objectives

- Update the VIEDA's 5-year Marketing and Strategic Plan
- Implement a data-mining module to profile the Territory's assets and investment prospects
- Develop a Guide called "Doing Business in the U.S. Virgin Islands" for mass distribution
- Identify targeted firms and/or prospective investment leads in High-Value Manufacturing, IT Services, Captive Insurance, Back Office Support Services, and Hotel Development Industries
- Execute final phases of the VIEDA's website and other collateral material

Fiscal Year 2015 Accomplishments as of March 31, 2015

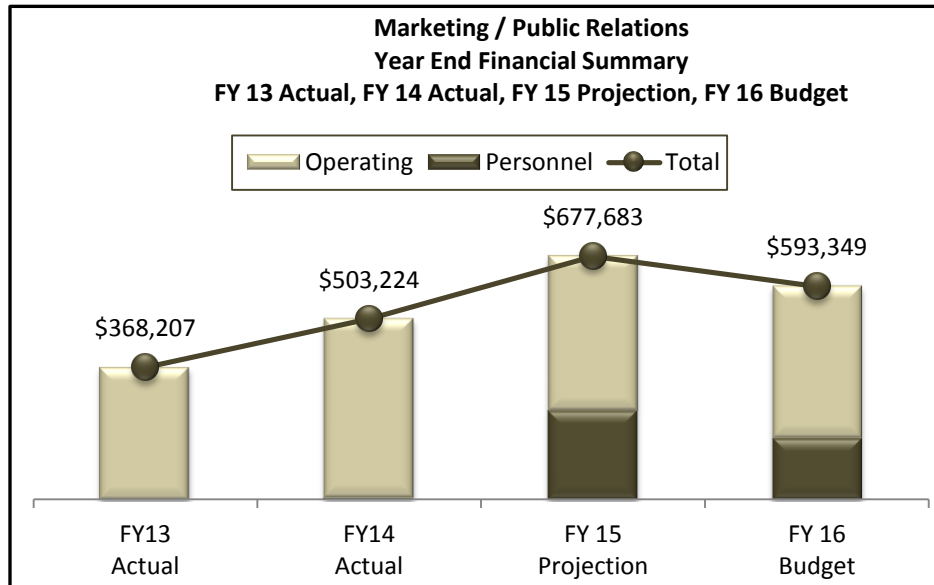
- Hosted the Territory's 1st Annual Investor Advisor Forum, which introduced industry leaders that play a pivotal role in aiding corporate owners in their decision to relocate or expand their operations to the attributes of "doing business" in the USVI
- Promoted the U.S. Virgin Islands as a business location full of "Promise, Opportunity and Prosperity" by engaging in three marketing missions: the Shared Services Week (Orlando, Florida), the Caribbean Hotel and Resort Investment Summit (Miami, Florida), and the Caribbean Clean Energy Technology Symposium (St. Thomas, Virgin Islands)
- Implemented a customer relationship management software program to track and record EDA's interactions with current and prospective EDC beneficiaries
- Continued the VIEDA's local public relations campaign through the radio show, "VIEDA Focus on the Marketplace"

Fiscal Year 2016 Objectives

- Increase media coverage for the Economic Development Commission program through a national public relations campaign
- Recruit EDC Ambassadors to help spread the word about the Virgin Islands and its tax-incentive program through their personal networks and peers
- Build partnerships with other government and semi-autonomous agencies to form marketing alliances that broaden EDA's outreach and build awareness of the Virgin Islands competitive tax-incentive program

Key Performance Indicators (KPI)	Actual FY 14	Target FY 15	Actual FY 15 - 3/31/15	Planned FY 16
Site visits made by potential EDC beneficiaries	12	20	8	20
Companies activated EDC Benefits	1	5	1	5
Targeted marketing events held and/or attended	7	13	3	10

Marketing / Public Relations Year End Financial Summary FY 13 Actual, FY 14 Actual, FY 15 Projected, and FY 16 Budget by Expense Category				
Expenditures	FY 13 Actual	FY 14 Actual	FY 15 Projection	FY 16 Budget
Personnel Services	-	4,175	181,350	126,350
Fringe Benefits	-	1,386	65,566	44,749
Supplies	926	2,509	6,000	2,000
Other Services & Charges	131,199	194,466	127,717	152,700
Professional Services	232,798	296,015	292,050	262,050
Inter-Island Travel	3,284	4,675	5,000	5,000
Utilities	-	-	-	500
Total Expenditures (Direct Cost Only)	368,207	503,224	677,683	593,349



2.0 VIEDA OPERATIONAL DIVISIONS

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, developing the human and economic resources of the Territory, preserving job opportunities for residents of the U.S. Virgin Islands, and promoting capital formation to support industrial development in the Territory. The EDC is comprised of the Applications Unit, which is the first point of contact by a business seeking to apply for economic development benefits, and the Compliance Unit, which monitors beneficiaries to ensure that they comply with the terms and conditions of their certificates and other requirements of law.

2.1.1 Applications Unit

Operational Goal(s)

Promote capital investment opportunities to support economic development.

Fiscal Year 2015 Objectives

- Re-implement Online Application within the first six (6) months of the fiscal year
- Host Eligible Supplier Seminar, open house and/or educational forum by May 2015
- Host EDC Job Fair to address employment gap by Summer 2015
- Host EDC Consultants Seminar within the first eight (8) months of the fiscal year
- Update Multiplier used for Cost Benefits Analysis Model

Fiscal Year 2015 Accomplishments as of March 31, 2015

- Responded to inquiries from fourteen (14) potential EDC applicants
- Received seventeen (17) applications, which included thirteen (13) new, two (2) modifications, and two (2) extensions
- Reviewed twenty (20) new applicants for Eligible Supplier Certification and eight (8) pending for the prior fiscal year of which eighteen (18) were approved, four (4) were denied, and four (4) are pending

Fiscal Year 2016 Objectives

- Create an EDC online public access portal on the VIEDA's website to provide information on job/internship opportunities, EDC Beneficiary Certificates, Eligible Supplier Beneficiary products and services
- Establish an EDC e-Hotline that provides an interactive link between the EDC, its stakeholders and the general public
- Process a minimum of 25 new applications for EDC benefits with anticipated job opportunities for 250 full-time employees

Fiscal Year 2016 Objectives continued

- Host semi-annual town hall meetings to educate the public on the benefits of the EDC program to the Virgin Islands
- Conduct semi-annual educational outreach seminars to inform high school students on career opportunities with the EDC Program
- Develop and implement an electronic compliance case management system which includes an online compliance reporting component to work in conjunction with other units within the organization

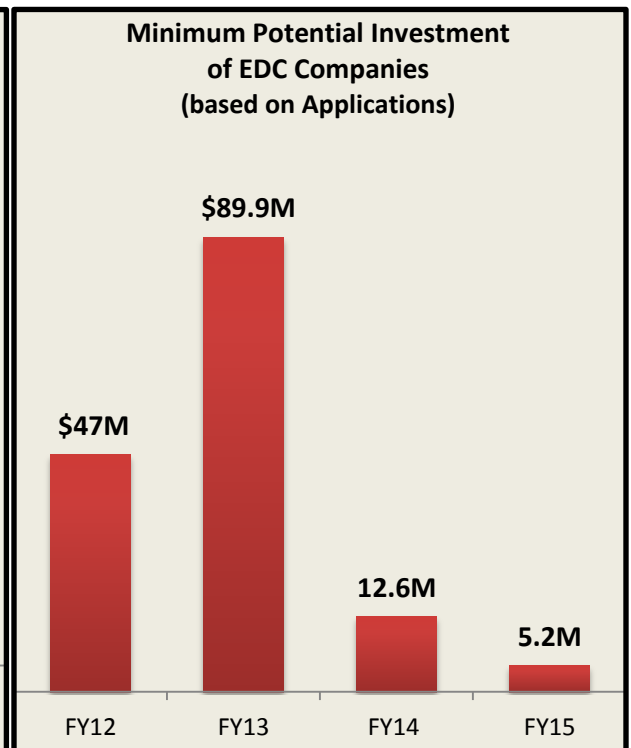
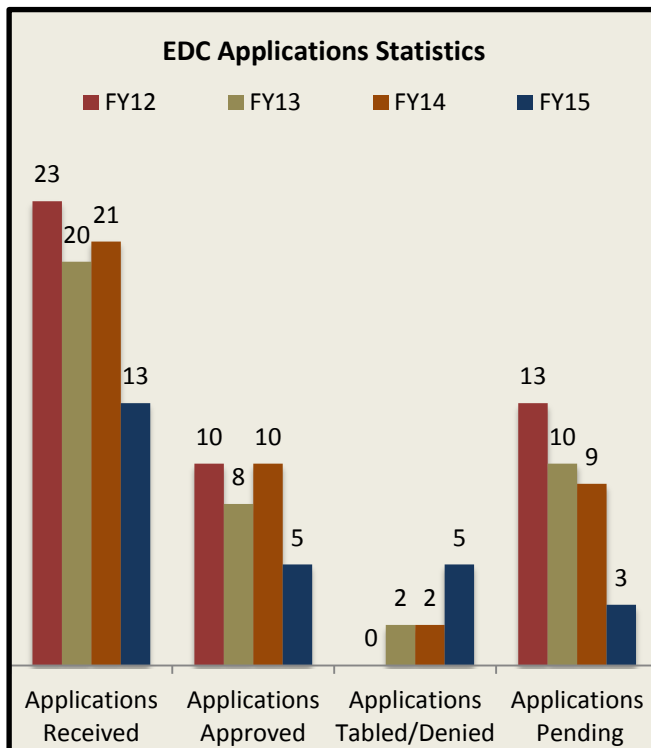
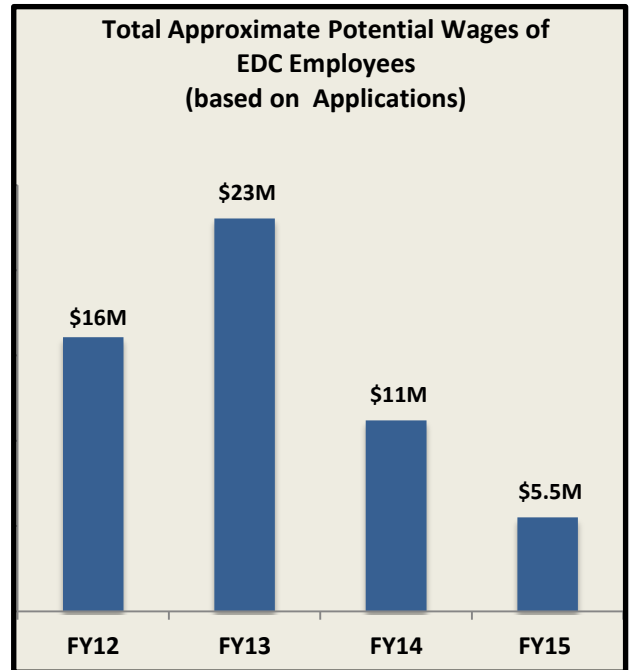
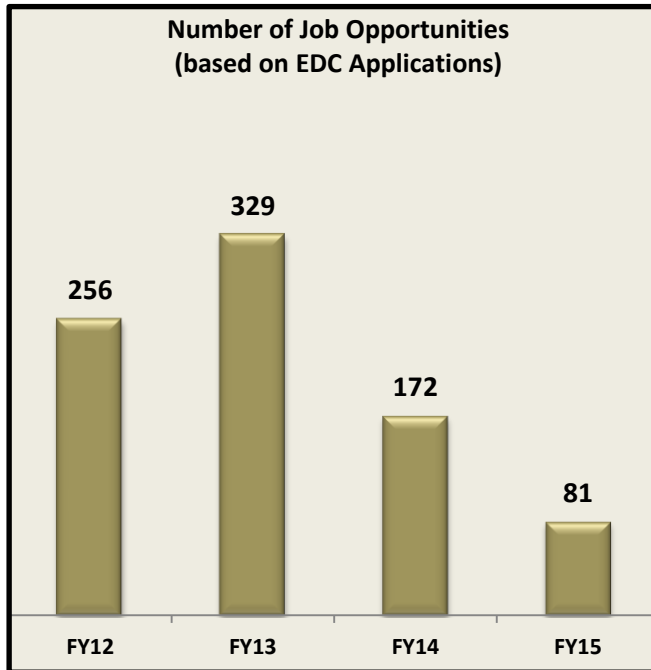
Key Performance Indicators (KPI)	Actual FY 14	Target FY 15	Actual FY 2015 (as of 3/31/15)	Planned FY 2016
New Applications Received	21	25	13	25
Potential New Job Opportunities	172	300	81	250 ¹
Approx. Wages of New Applications	\$11,203,420	\$6,000,000	\$5,510,888	\$12,500,000 ²
Min. Investment of New Applications	\$14,884,315	\$15,000,000	\$5,200,000	\$2,500,000 ³

¹ Minimum employment of 10 full-time employees

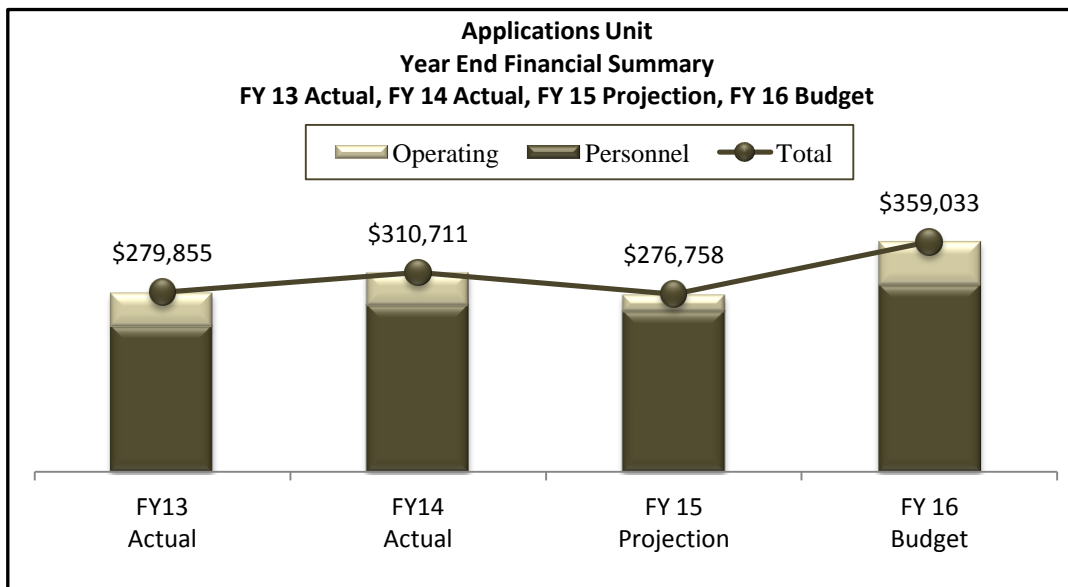
² Average salary of \$50,0000

³ Minimum Investment of \$100,0000

Economic Development Commission
Applications Unit
Statistical Data
as of March 31, 2015



Applications Unit Year End Financial Summary FY 13 Actual, FY 14 Actual, FY 15 Projected, and FY 16 Budget by Expense Category				
Expenditures	FY 13 Actual	FY 14 Actual	FY 15 Projection	FY 16 Budget
Personnel Services	170,670	184,263	183,557	243,557
Fringe Benefits	56,321	75,473	66,401	89,111
Supplies	1,101	-	300	850
Other Services & Charges	27,817	25,845	8,500	20,215
Professional Services	10,044	18,387	15,000	-
Inter-Island Travel	13,513	6,170	2,500	4,800
Utilities	389	575	500	500
Total Expenditures (Direct Cost Only)	279,855	310,711	276,758	359,033



2.1.2 COMPLIANCE UNIT

Functional Statement

The Compliance Unit ensures the integrity of the Economic Development Program and assists the beneficiaries in meeting the requirements outlined in their Certificates. The Compliance Unit reports its findings to the EDC Commission, which has the legal authority to assess fines and penalties for non-compliance. The funds derived from such penalties are used for workforce development and training programs within the Territory.

Operational Goal(s)

Ensure that beneficiaries adhere to the requirements of the EDC Program.

Fiscal Year 2015 Objectives

- Conduct annual beneficiary summits in August 2015 and Economic Development program's consultant forum in May 2015
- Increase beneficiary care initiatives to ensure retention and expansion while maintaining the integrity of the EDC Program
- Complete twenty (20) compliance reviews and eighty (80) outreach/beneficiary care visits by the end of the fiscal year
- Implement concise standard operating procedures to include quality assurance standards and code of ethics
- Analyze, design, develop and implement an electronic compliance case management system which includes an online compliance reporting component to work in conjunction with other units within the organization
- Evaluate and enhance the electronic Cost Benefit Analysis model and internal reporting on impact analysis

FY 2015 Accomplishments as of March 31, 2015

- Completed eleven (11) compliance reviews and seventeen (17) outreach/beneficiary care visits
- Reviewed and submitted thirty-four (34) petitions from beneficiaries to EDC Board
- Drafted standard operating procedures for the compliance unit, including code of conduct and ethics

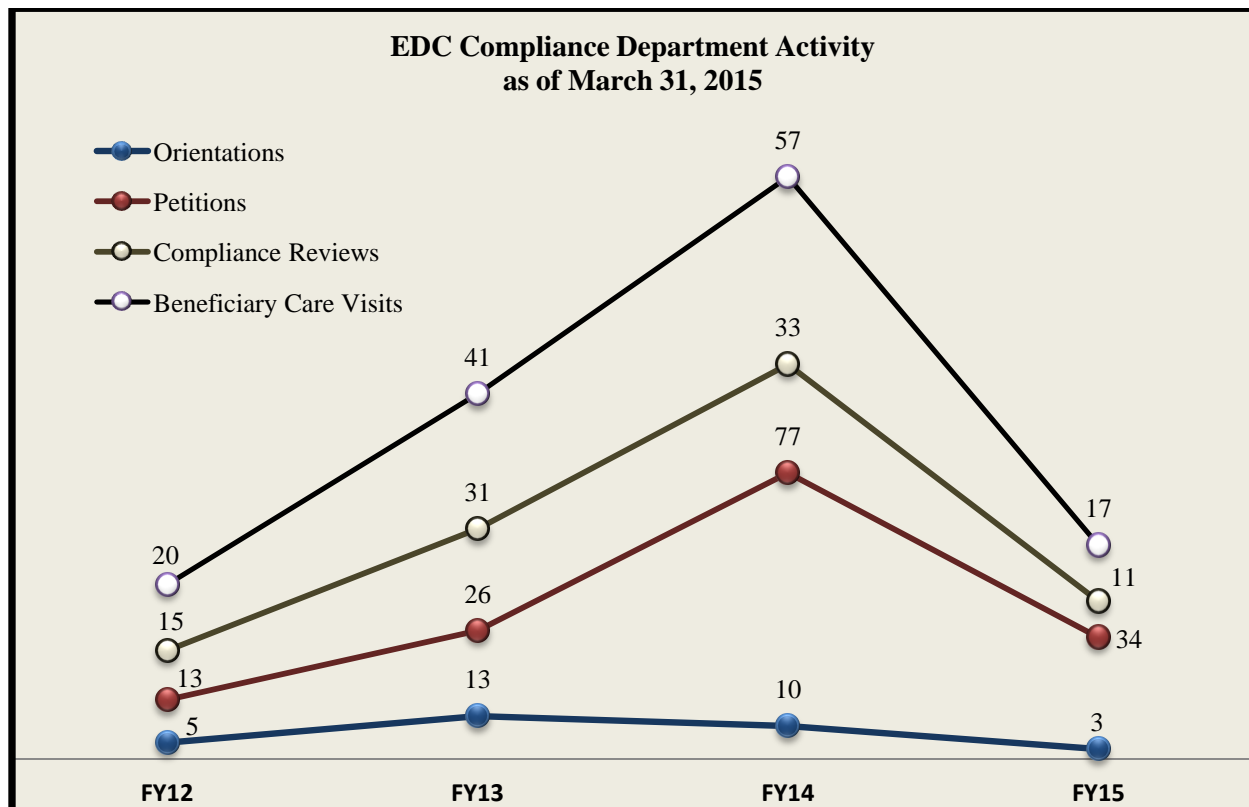
Fiscal Year 2016 Objectives

- Conduct annual beneficiary summits in August 2016 and Economic Development program's consultant forum in May 2016
- Complete twenty (20) compliance reviews and eighty (80) outreach/beneficiary care visits by the end of the fiscal year
- Implement a beneficiary care program to ensure retention and expansion while maintaining the integrity of the EDC Program (Compliance Officers/Ombudsman)

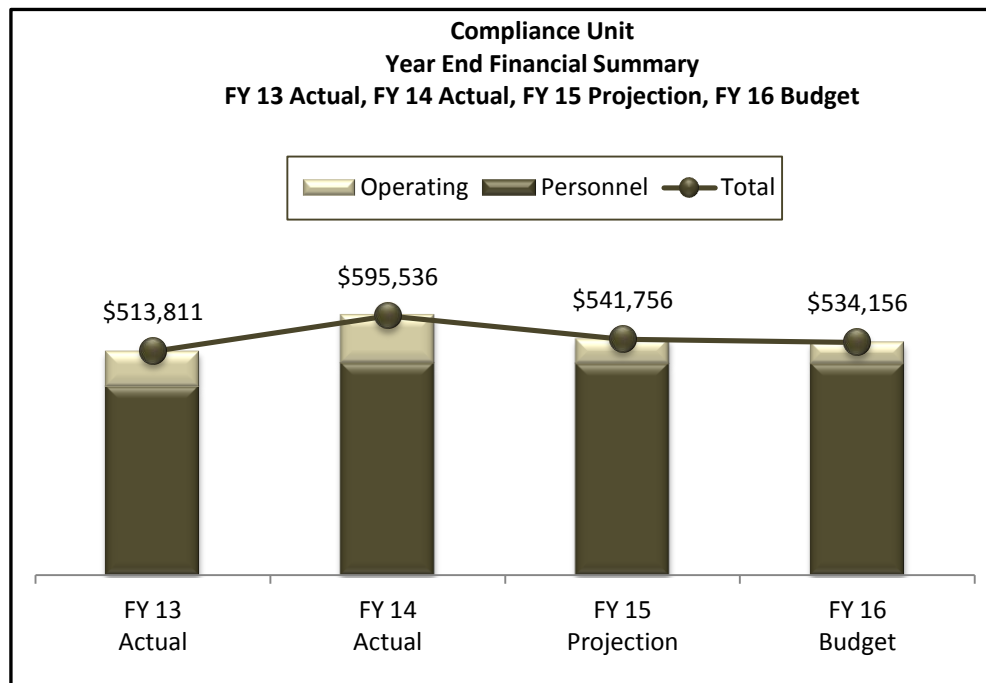
Fiscal Year 2016 Objectives continued

- Implement standard operating procedures for compliance to include quality assurance standards and code of ethics
- Develop and implement an electronic compliance case management system which includes an online compliance reporting component to work in conjunction with other units within the organization
- Evaluate and enhance, if necessary, the electronic Cost Benefit Analysis model and internal reporting on impact analysis

KEY PERFORMANCE INDICATORS (KPI)	Actual FY 14	Target FY15	Actual FY 2015 (as of 3/31/15)	Planned FY 16
No. of Petitions to the EDC Board	77	25	34	25
No. of Certificate Modifications completed	0	15	0	15
No. of Non-Compliance matters resolved	40	15	6	15
No. of Outreach/Beneficiary Care Visits	57	75	17	75



Compliance Unit Year End Financial Summary FY 13 Actual, FY 14 Actual, FY 15 Projected, and FY 16 Budget by Expense Category				
Expenditures	FY 13 Actual	FY 14 Actual	FY 15 Projection	FY 16 Budget
Personnel Services	325,494	362,671	353,922	353,922
Fringe Benefits	107,413	123,300	130,884	130,884
Supplies	1,101	232	700	500
Other Services & Charges	59,377	61,506	18,900	45,350
Professional Services	10,119	39,593	32,000	-
Inter-Island Travel	9,861	7,808	5,000	3,000
Utilities	446	426	350	500
Total Expenditures (Direct Cost Only)	513,811	595,536	541,756	534,156



2.2 ECONOMIC DEVELOPMENT BANK (EDB)

Functional Statement

With the passage of Act 7632 in 2014, the Legislature of the Virgin Islands merged the Government Development Bank and the Small Business Development Agency and renamed the Government Development Bank as the Economic Development Bank (EDB). The Economic Development Bank (EDB) provides financial resources, including but not limited to, loan guarantees, medium and long-term credit, and equity infusions to minority, small, medium, and large businesses located in the United States Virgin Islands. The EDB provides the assistance necessary to allow businesses to maintain economic stability and helps them to grow into mainstream commercial banking customers. It also offers technical and managerial assistance to ensure the continued viability of these businesses and encourages large corporate investment. EDB also facilitates employment growth opportunities and promotes the location of financial services within the Virgin Islands. The EDB promotes and encourages local commercial banks and other financial institutions to make loans by providing the required guarantees, thereby reducing lender-risk.

Operational Goal(s)

Assist small and medium-sized businesses to access capital by providing financial resources and technical and managerial assistance to ensure continued viability, thereby facilitating employment growth and opportunities.

Fiscal Year 2015 Objectives

- Reduce the delinquency rate by 20% through aggressive collection efforts
- Increase the loan portfolio by 20% or \$1.8M with credit quality loans
- Recruit experienced staff to support the lending initiatives
- Hire outside counsel to handle loan closings and lending delinquencies

Fiscal Year 2015 Accomplishments as of March 31, 2015

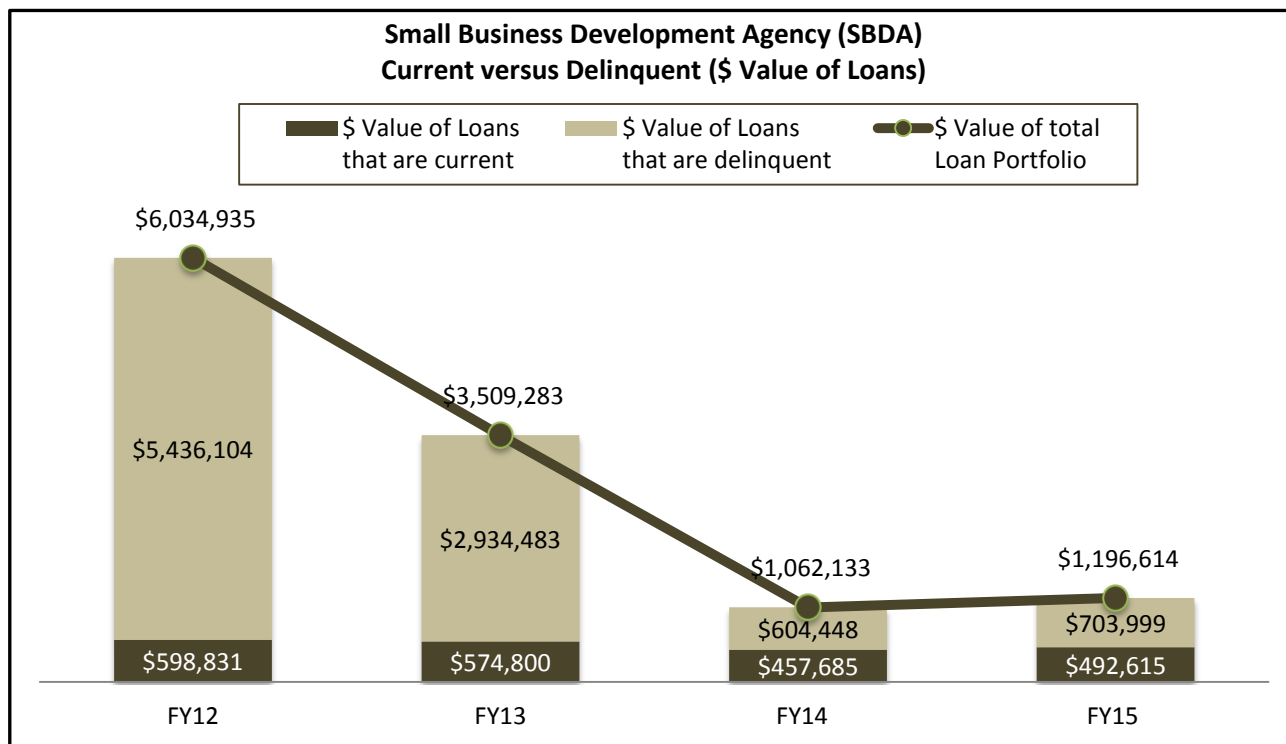
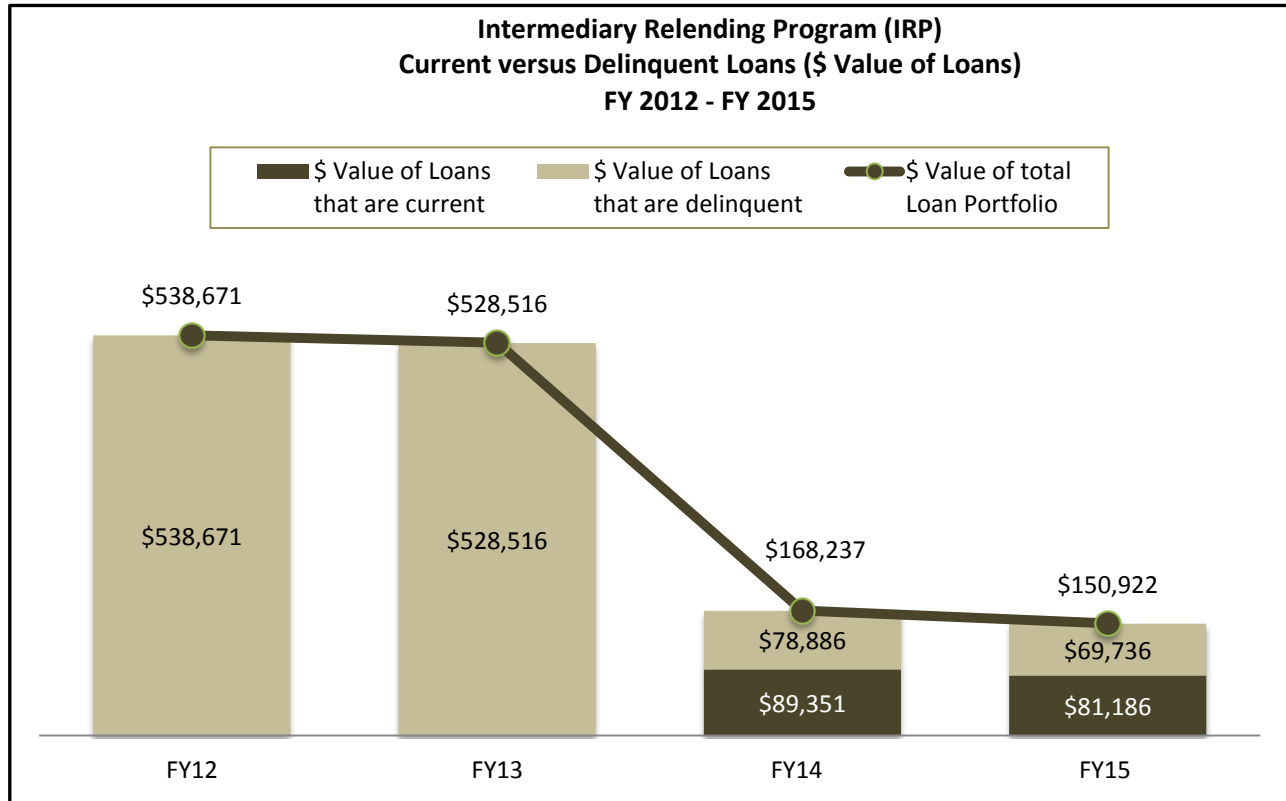
- Reduced the loan delinquency rate from its high peak of 81% to 66% a 15% reduction that was achieved through aggressive collection efforts, loan modifications, and the write-off of non-collectible accounts
- Increased the loan portfolio by \$910K with credit quality loans that supported business and enterprise activity across a broad range of sectors
- Actively promoted EDB's loan products and services through the local banks, one-on-one meetings, media and print advertisements, webinars and community development forums
- Installed Portfol, a multi-user loan software that streamlines lending processes from a client's initial point of contact through the servicing of an approved loan
- Provided professional development training in topics covering corporations and trademarks, customer service, real estate credit administration, and Porfol

Fiscal Year 2016 Objectives

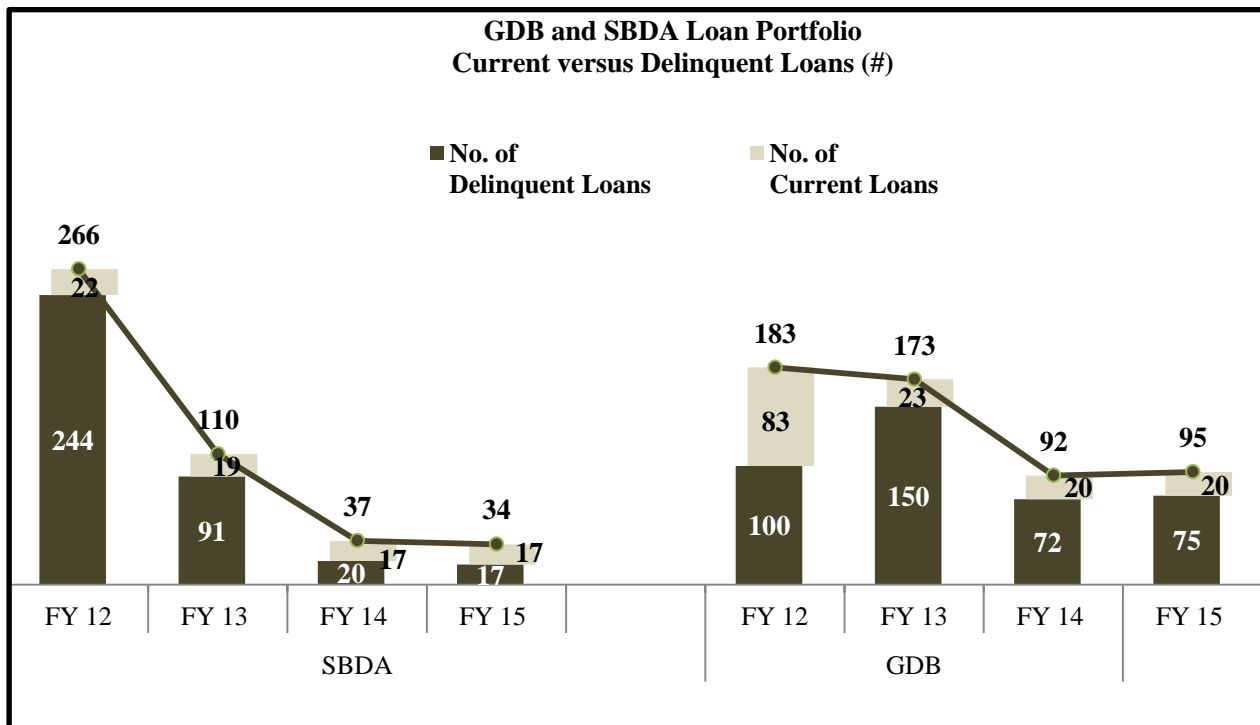
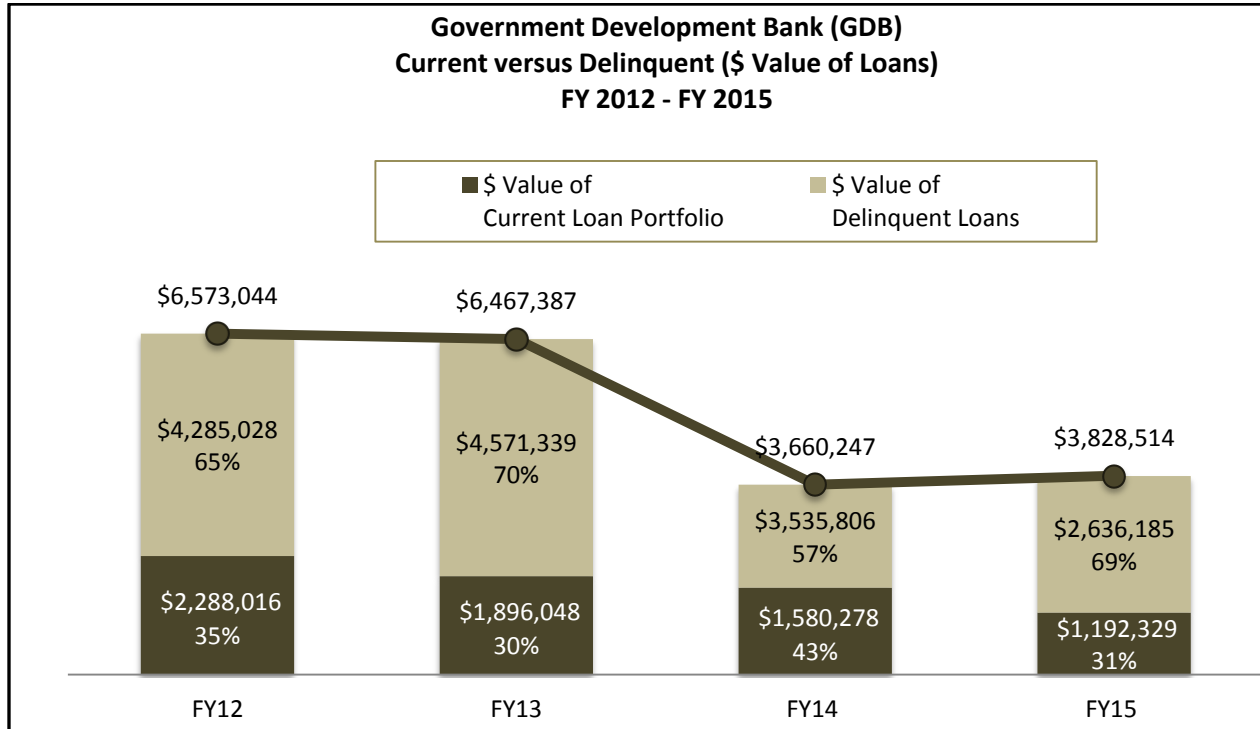
- Reduce the delinquency rate by 20% through aggressive collection efforts
- Increase the loan portfolio by 20 or \$1.8M with credit quality loans
- Provide professional development training for staff in the areas of credit administration and collections
- Partner with local banks to promote the State Small Business Credit Initiative Loan Program
- Collaborate with other related government agencies to promote loan programs and services
- Implement Phase II of the Sun Power Energy Program grant

Key Performance Indicators (KPI)	Actual FY 14	Target FY 15	Actual FY 2015 (as of 3/31/15)	Planned FY 16
Loan Delinquency Rate (%)	55%	45%	65%	56%
No. of Site/Calls/Customer Care Visits	680	175	101	1100
No. of Clients assisted with Development Business Plans	8	20	8	24
No. of Educational/Outreach programs	14	12	31	50

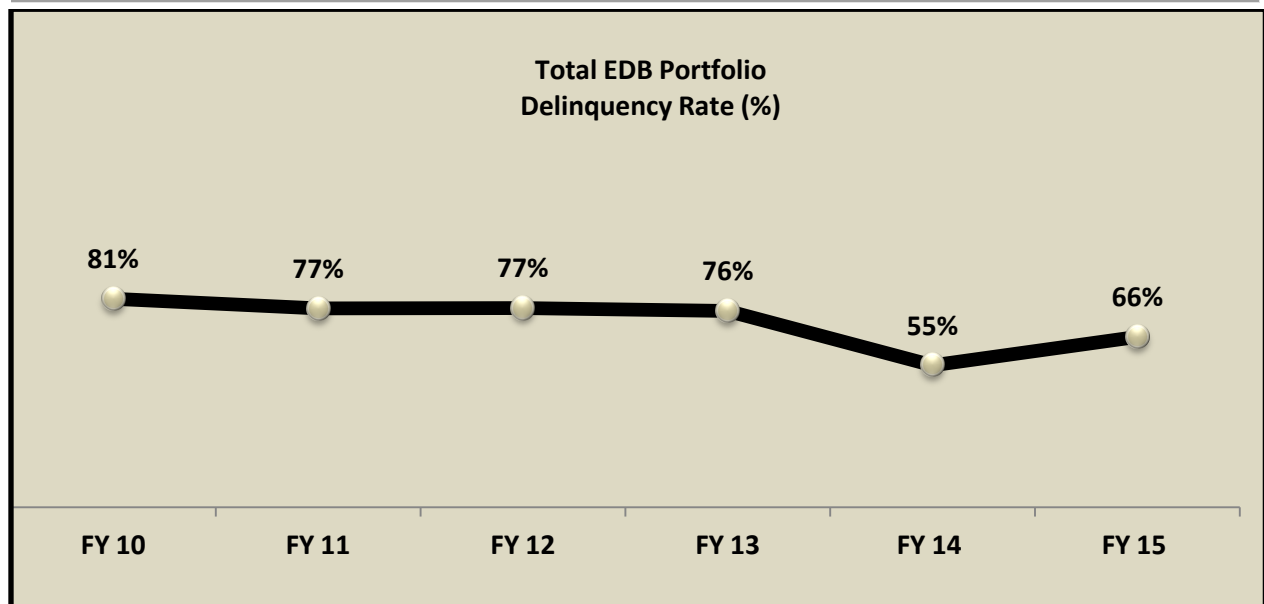
**Virgin Island Economic Development Authority
Economic Development Bank (EDB)
Statistical Data**



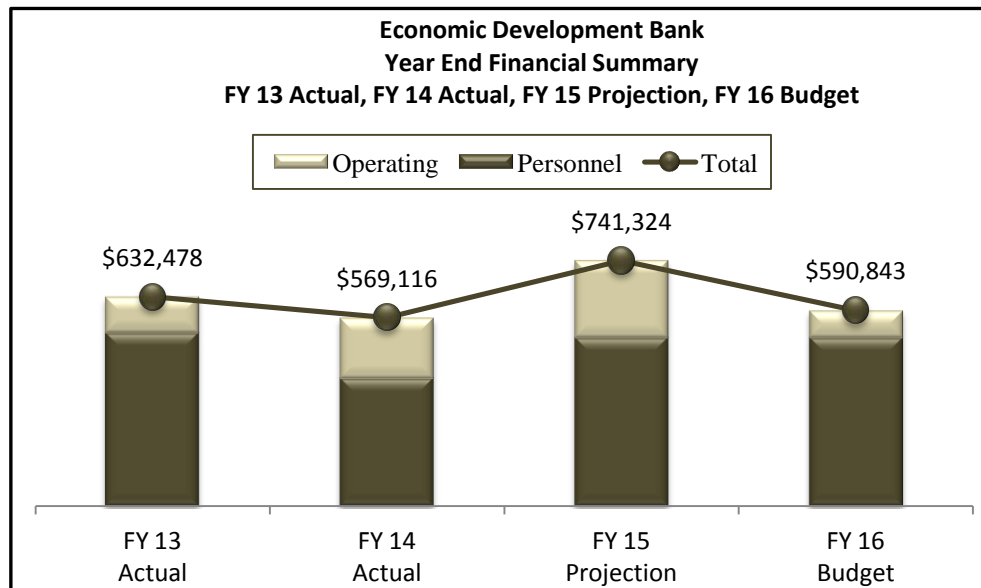
**Virgin Island Economic Development Authority
Economic Development Bank (EDB)
Statistical Data**



**Virgin Island Economic Development Authority
Economic Development Bank (EDB)
Statistical Data**



Economic Development Bank Year End Financial Summary FY 13 Actual, FY 14 Actual, FY 15 Projected, and FY 16 Budget by Expense Category				
Expenditures	FY 13 Actual	FY 14 Actual	FY 15 Projection	FY 16 Budget
Personnel Services	392,521	307,213	370,662	354,462
Fringe Benefits	129,532	78,384	137,221	107,924
Supplies	1,562	1,311	800	1,000
Other Services & Charges	31,831	75,710	126,641	25,775
Professional Services	68,453	101,677	97,000	96,682
Inter-Island Travel	8,190	4,395	8,500	4,500
Utilities	389	426	500	500
Total Expenditures (Direct Cost Only)	632,478	569,116	741,324	590,843



2.3 ENTERPRISE & COMMERCIAL ZONE COMMISSION

Functional Statement

The Enterprise & Commercial Zone Commission (ECZC) was created by the Legislature of the United States Virgin Islands with the passage of Act No. 6294 and amended by Act 7589. The Act mandates the revitalization of designated blighted and severely distressed areas in the U.S. Virgin Islands that were once socially and economically vibrant communities. The legislation provides for tax incentives and economic development program benefits that relax or eliminate fiscal and regulatory constraints that hinder economic growth. The legislation encourages collaboration between public, private and non-profit entities and provides a number of tax incentives and other benefits to support economic growth.

Operational Goal(s)

Promote growth through revitalization activities and public/private partnerships to revitalize and sustain community self-sufficiency and involvement.

Fiscal Year 2015 Objectives

- Implement the Enterprise Zone 5-year Strategic Plan
- Implement components of Enterprise Zone's Town and Neighborhood plans
- Market and administer the community development tax programs (EZ Tax Credit, EZ Plan Program & Commercial Zone Benefits)
- Offer an estate planning conference by May 2015 in each district to provide information to individuals with joint ownership of properties within the zones
- Educate stakeholders on activities and programs through radio and print media
- Increase staff efficiency through selected trainings and programs

Fiscal Year 2015 Accomplishments as of March 31, 2015

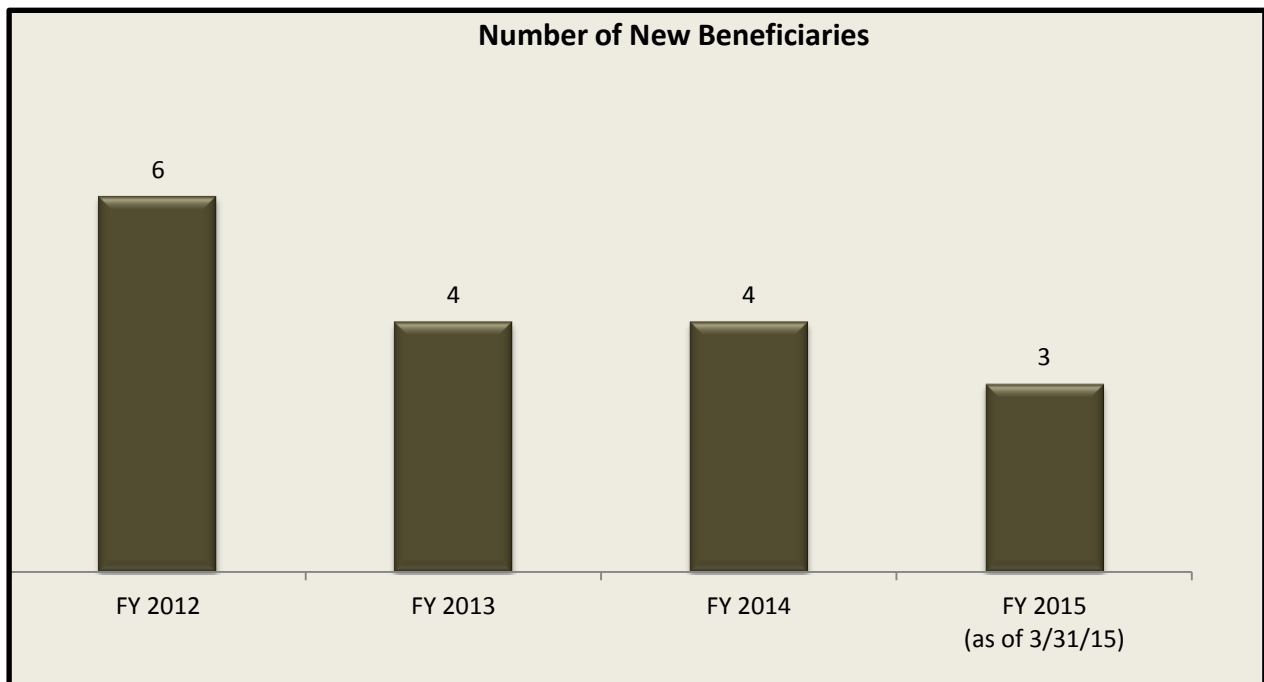
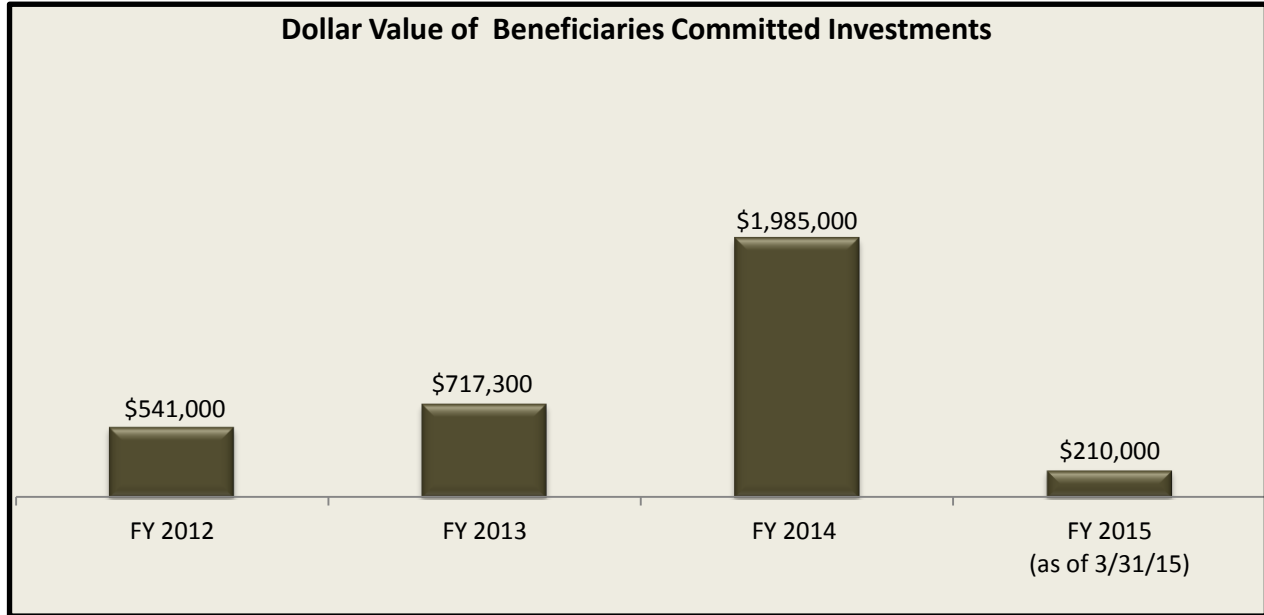
- Held the 2nd Annual EZ stakeholders Seminars, which provided information on maintaining a non-profit status and keys to grant readiness
- Concluded Garden Street Neighborhood Town Plan
- Received five (5) applications for Enterprise Zone tax credits
- Changed the compliance process and trained a new compliance officer
- Completed ten (10) years of compliance for the beneficiaries of the tax credit program
- Held 6th Annual Estate Planning Conference in both districts
- Increased staff efficiency with trainings from Bureau of Internal Revenue, Lt. Gov Office of Corporation and Trademarks and Tax Assessor's office
- Increased understanding of the E&CZC through multiple appearances on the EDA radio show and others outlets
- Held 2nd Annual Beneficiary Conference providing information on how to work with Internal Revenue Bureau, Town Plan status and reporting requirements

Fiscal Year 2016 Objectives

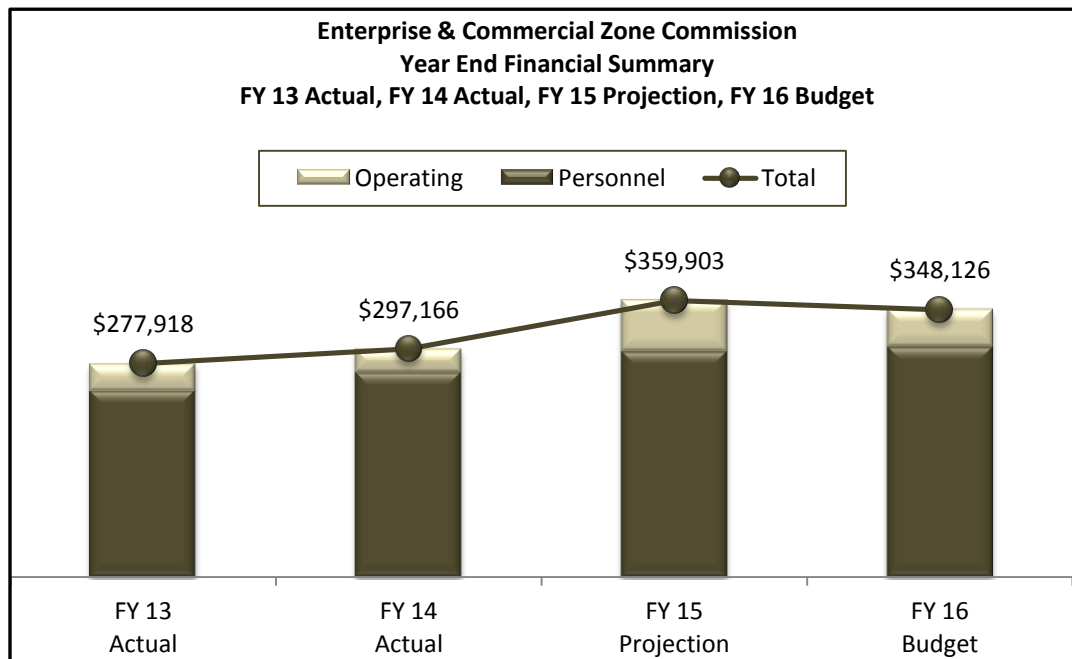
- Continue to utilize all existing funds and seek additional funds to implement programs of the ECZC Strategic plan and Zone Community Plans
- Increase efficiency in services offered to our clients through streamlining documents and processes and increasing training of staff
- Evaluate and, if needed, increase effectiveness of existing programming

Key Performance Indicators (KPI)	Actual FY 14	Target FY15	Actual FY 15 (as of 3/31/15)	Planned FY 2016
Financing institution contacted for funding	3	3	5	3
Plan programs implemented	10	6	9	12
No. of clients affected	65	n/a	25	70

Virgin Island Economic Development Authority
Enterprise & Commercial Zone Commission (E&CZC)
Statistical Data
as of March 31, 2015



Enterprise & Commercial Zone Commission				
Year End Financial Summary				
FY 13 Actual, FY 14 Actual, FY 15 Projected, and FY 16 Budget				
by Expense Category				
Expenditures	FY 13 Actual	FY 14 Actual	FY 15 Projection	FY 16 Budget
Personnel Services	187,682	206,034	216,649	216,649
Fringe Benefits	54,824	60,089	76,877	76,877
Supplies	782	817	800	500
Other Services & Charges	11,975	8,819	46,077	35,800
Professional Services	17,288	16,544	15,000	15,000
Inter-Island Travel	4,943	4,353	4,000	2,800
Utilities	424	509	500	500
Total Expenditures (Direct Cost Only)	277,918	297,166	359,903	348,126



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 United States Virgin Islands and to complement activities of the Economic Development Commission (EDC). The EDPC does not receive any funding from Government appropriations and is self-supported by revenues generated from its tenants. Two Industrial Parks fall under the auspices of the Economic Development Park Corporation. They are the William D. Roebuck Industrial Park in Frederiksted, St. Croix and the St. Thomas Industrial Park located in Contant, St. Thomas. Presently, the EDPC facilities management team has the responsibility of maintaining all of VIEDA’s property, plant, and equipment.

Operational Goal(s)

Meet the present and future needs of business and industry by making space available for commercial use and maintaining property value through a systematic and long-term maintenance program.

Fiscal Year 2015 Objectives

- Seek federal funding to improve the Park’s infrastructure
- Increase tenant occupancy by thirty percent (30%)
- Develop long and short term preventative maintenance programs
- Improve tenant relationships to encourage retention and expansion of services
- Reduce outstanding receivables by at least sixty percent (60%)

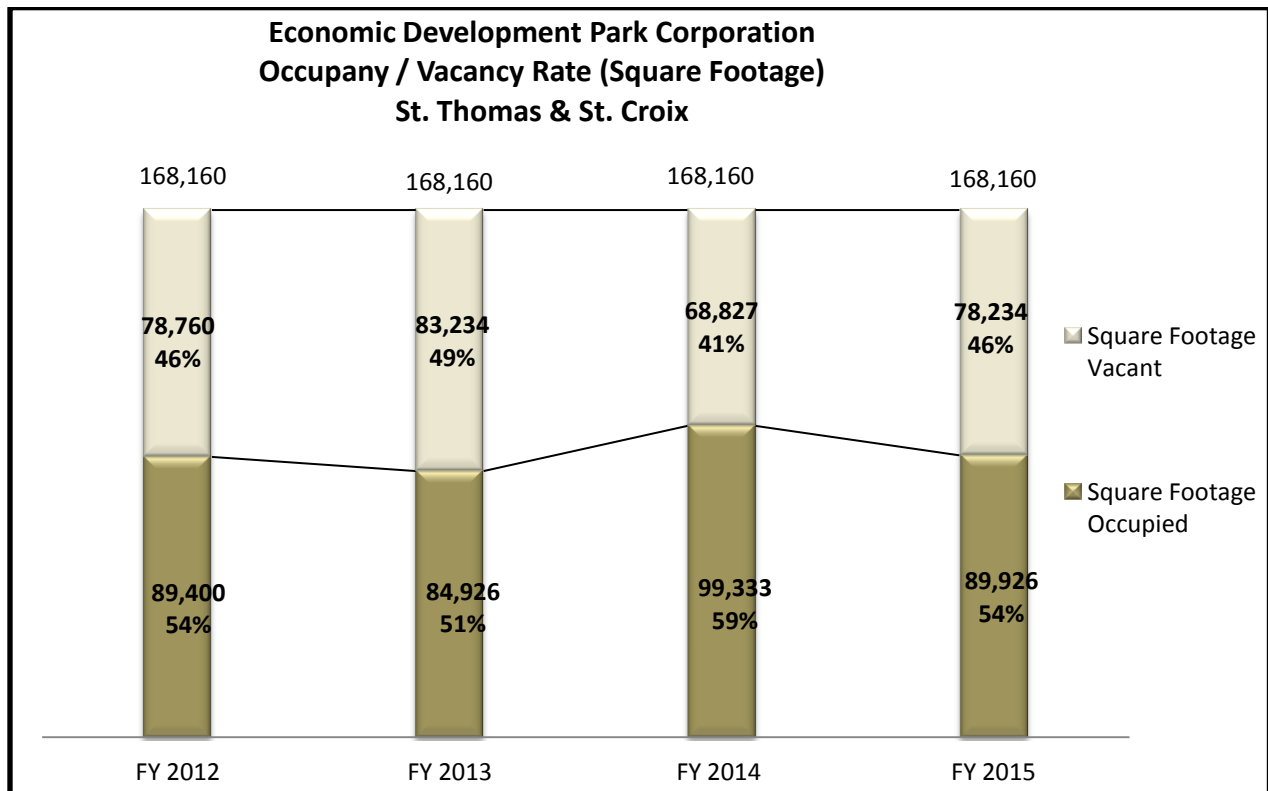
Fiscal Year 2015 Accomplishment as of March 31, 2015

- Continued to research grants to assist in the maintenance and upkeep of the Park’s infrastructure
- Began an aggressive marketing campaign to attract new tenants
- Improved customer care services to enhance relationship with tenants

Fiscal Year 2016 Objectives

- Seek federal funding to improve the Park’s infrastructure by creating a micro-grid within the Park
- Increase tenant occupancy by thirty percent (30%)
- Develop long and short term preventative maintenance programs
- Improve tenant relationships to encourage retention and expansion of services
- Reduce outstanding receivables by at least sixty percent (60%)

Key Performance Indicators (KPI)	Actual FY 14	Target FY 15	Actual FY 15 (as of 3/31/15)	Planned FY 16
Percentage reduction in accounts receivables	15%	60%	0%	0%
Number of new tenants	2	6	0	4
Dollar value of capital improvements	0	\$500,000	0	\$500,000
Scheduled maintenance work to be completed	1	3	2	6

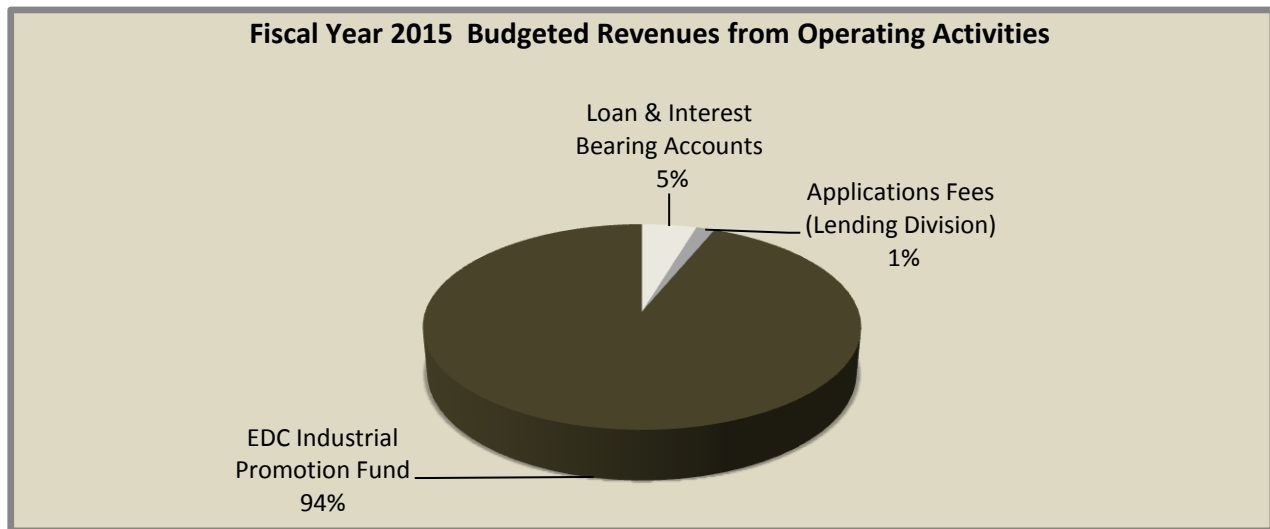


3.0 Financial Information

3.1 Revenue

The VIEDA's revenue is derived from three primary sources: government allotments, interest earned on unrestricted loans and interest bearing accounts, and fees collected from operating activities.

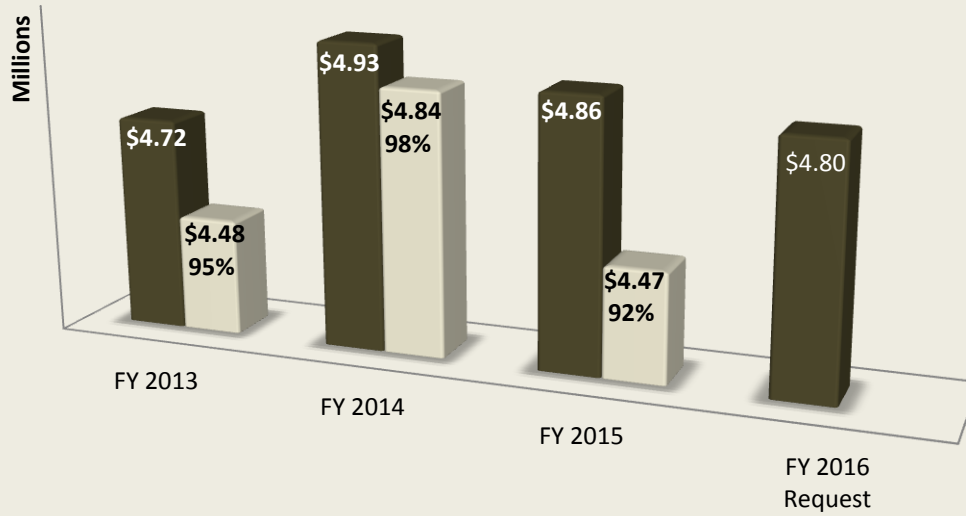
Fees received from operating activities include activation, application and compliance fees from EDC Beneficiaries. These amounts are deposited into the EDC Industrial Promotion Fund. An annual amount is transferred from this fund, as authorized by the Board of Directors, to help fund the VIEDA operation.



REVENUES	Actual FY 2014	Actual 10/1/14-3/31/15	Projected 4/1-9/30/15	Total Projected FY 2015	Budgeted FY 2016
Loan and Interest Bearing Accounts	\$ 46,949	\$ 13,699	\$ 13,699	\$ 27,397	\$ 25,000
Loan Origination / Application Fees	22,410	1,850	3,500	\$ 5,350	8,500
Miscellaneous Fees (i.e. copy, registration, etc.)	71,335	10,487	1,000	\$ 11,487	2,500
Transfer: EDC Industrial Promotion Fund	505,000	505,000	-	\$ 505,000	505,000
TOTAL REVENUES FROM OPERATING ACTIVITIES	\$ 645,694	\$ 531,036	\$ 18,199	\$ 549,234	\$ 541,000
PLUS:					
Government Allotment	4,652,133	2,428,000	2,039,600	4,467,600	4,800,000
TOTAL BUDGETED REVENUE	\$5,297,826	\$ 2,959,036	\$2,057,799	\$ 5,016,834	\$5,341,000

Appropriation and Allotment Comparisons Historical Data (FY 2010 - FY 2016)

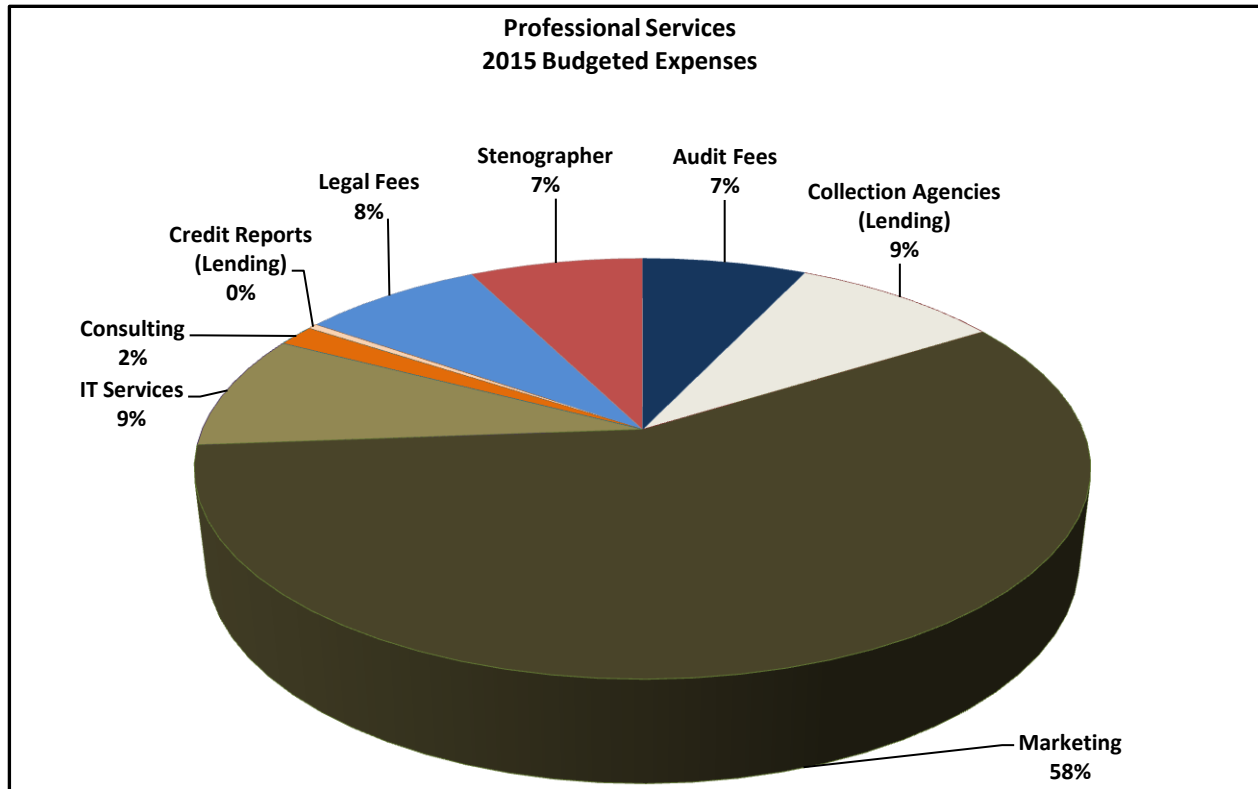
■ Appropriation ■ Allotment



3.2 EXPENDITURE COMPARISON FOR FISCAL YEAR 2014, 2015 PROJECTED AND 2016 BUDGETED

LEGISLATURE OF THE VIRGIN ISLANDS					
POST AUDIT DIVISION					
EXPENDITURES BY PRIME ACCOUNTS					
DEPARTMENT/AGENCY/OFFICE NAME:	Actual	Actual Expenditures	Proj. Expenditures	Total Proj. Expenditures	PROJECTED
Fiscal Period	2014	10/1/14-5/31/15	4/1/15-9/30/15	FY 2015	Budget 2016
PERSONNEL SERVICES					
CLASSIFIED EMPLOYEE SALARIES	1,243,566	534,390	620,896	1,155,286	1,419,411
UNCLASSIFIED EMPL. SALARIES	1,060,507	563,733	593,750	1,157,483	1,167,500
TEMP/PART TIME SALARIES				-	
OVERTIME SALARIES				-	
LUMP SUM PAYMENTS				-	
NIGHT DIFFERENTIAL COMP				-	
OTHER DIFFERENTIAL COMP				-	
FEES & COMPENSATION NOC				-	
HOLIDAY PAY				-	
ALL OTHER				-	
SUB-TOTAL	2,304,073	1,098,123	1,214,646	2,312,769	2,586,911
				-	
CAPITAL OUTLAYS				-	
MACHINERY & EQUIPMENT		23,670	-	23,670	25,000
VEHICLES				-	
ALL OTHER	46,200			-	
SUB-TOTAL	46,200	23,670	-	23,670	25,000
				-	
FRINGE BENEFITS				-	
EMPLOYER CONTR. RETIREMENT	367,723	177,593	192,473	370,066	454,591
F.I.C.A.	137,727	67,861	75,308	143,169	160,388
MEDICARE	33,328	15,925	17,612	33,537	37,511
HEALTH INSURANCE PREMIUM	229,848	107,312	117,821	225,133	250,930
WORKERS COMP. PREMIUMS				-	
UNIFORM ALLOWANCE				-	
ALL OTHER	2,325	9,172	12,500	21,672	-
SUB-TOTAL	770,951	377,863	415,714	793,577	903,420
				-	
SUPPLIES				-	
OFFICE SUPPLIES	56,255	37,536	30,000	67,536	50,000
OPERATING SUPPLIES					
SMALL TOOLS/MINOR EQUIPMENT					
ALL OTHER				-	
SUB-TOTAL	56,255	37,536	30,000	67,536	50,000
				-	
OTHER SERVICES & CHARGES				-	
PROFESSIONAL SERVICES	742,919	211,746	385,464	640,435	620,732
COMMUNICATION	90,204	42,404	42,000	84,404	85,000
TRAVEL	105,520	48,610	40,000	88,610	85,000
TRANSPORTATION - NOT TRAVEL				-	
ADVERTISING AND PROMOTION	261,428	130,460	125,000	255,460	235,610
PRINTING AND BINDING	1,806	2,586	2,000	4,586	6,750
INSURANCE	55,554	2,310	53,000	55,310	55,000
REPAIRS AND MAINTENANCE	69,141	32,469	30,000	62,469	62,000
RENTAL- LAND/BUILDING	232,065	117,282	117,282	234,564	237,063
RENTAL - MACHINES/EQUIPMENT				-	-
TRAINING	132,374	26,720	12,500	39,220	45,000
SECURITY				-	
ALL OTHER	296,365	150,225	150,000	257,000	245,914
SUB-TOTAL	1,987,376	764,812	957,246	1,722,058	1,678,069
				-	
UTILITY SERVICES				-	
ELECTRICITY	130,344	47,844	47,000	94,844	95,000
WATER	2,628	981	1,400	2,381	2,600
SUB-TOTAL	132,972	48,825	48,400	97,225	97,600
				-	
TOTAL EXPENSES	5,297,827	2,350,829	2,666,006	5,016,835	5,341,000
Appropriation/Allotment	4,652,133	2,428,000	2,039,600	4,467,600	4,800,000
EDA Revenue	645,694	531,036	18,199	549,235	541,000
Total Projected (Actual) Revenues	5,297,827	2,959,036	2,057,799	5,016,835	5,341,000

3.3 Professional Services



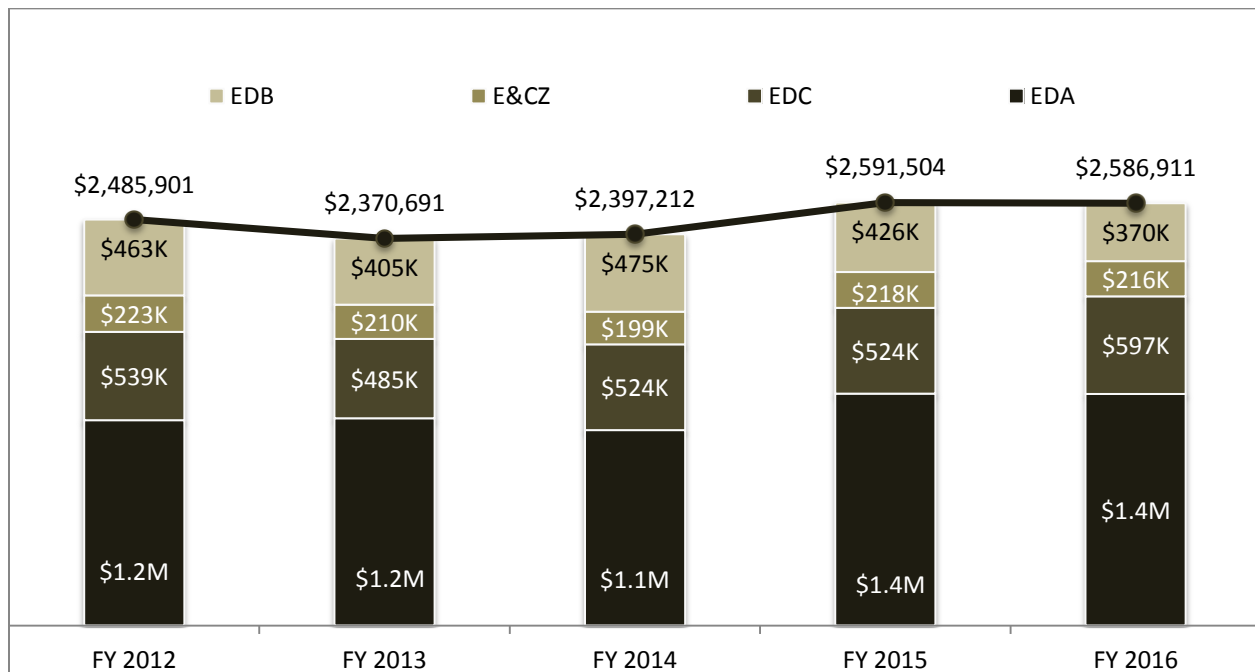
Professional Services	FY 2013 Actual	FY 2014 Actual	FY 2015 Projected	FY 2016 Budgeted
Audit Fees	\$ 43,400	\$ 42,000	\$ 43,500	\$ 45,000
Collection Agencies (Lending)	54,794	61,531	60,000	60,000
Consulting	35,631	51,929	65,000	65,000
Credit Reports (Lending)	1,683	1,682	1,682	1,682
IT Services	49,992	58,382	50,000	50,000
Legal Fees	120,723	119,633	82,000	85,000
Marketing	227,893	296,015	258,782	242,000
Stenographer	47,826	52,078	50,000	52,000
Website Maintenance	-	25,635	20,050	20,050
Other	-	34,033	9,621	
Total	\$ 581,942	\$ 742,919	\$ 640,635	\$ 620,732

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-five percent (65%) of total operating expenses in the FY2016 budget.

FY 2016 Personnel Cost by Department						
Department	Positions (#)	Unclassified Amount	Positions (#)	Classified Amount	Total Positions(#)	Total Salary Amt.
EDA	10	\$ 789,500	15	\$ 628,821	25	\$1,418,321
EDC	2	160,000	8	437,479	10	597,479
E&CZC	1	90,000	3	126,649	4	216,649
EDB	2	128,000	5	226,462	7	354,462
Total	15	\$ 1,167,500	31	\$ 1,419,411	46	\$2,586,911

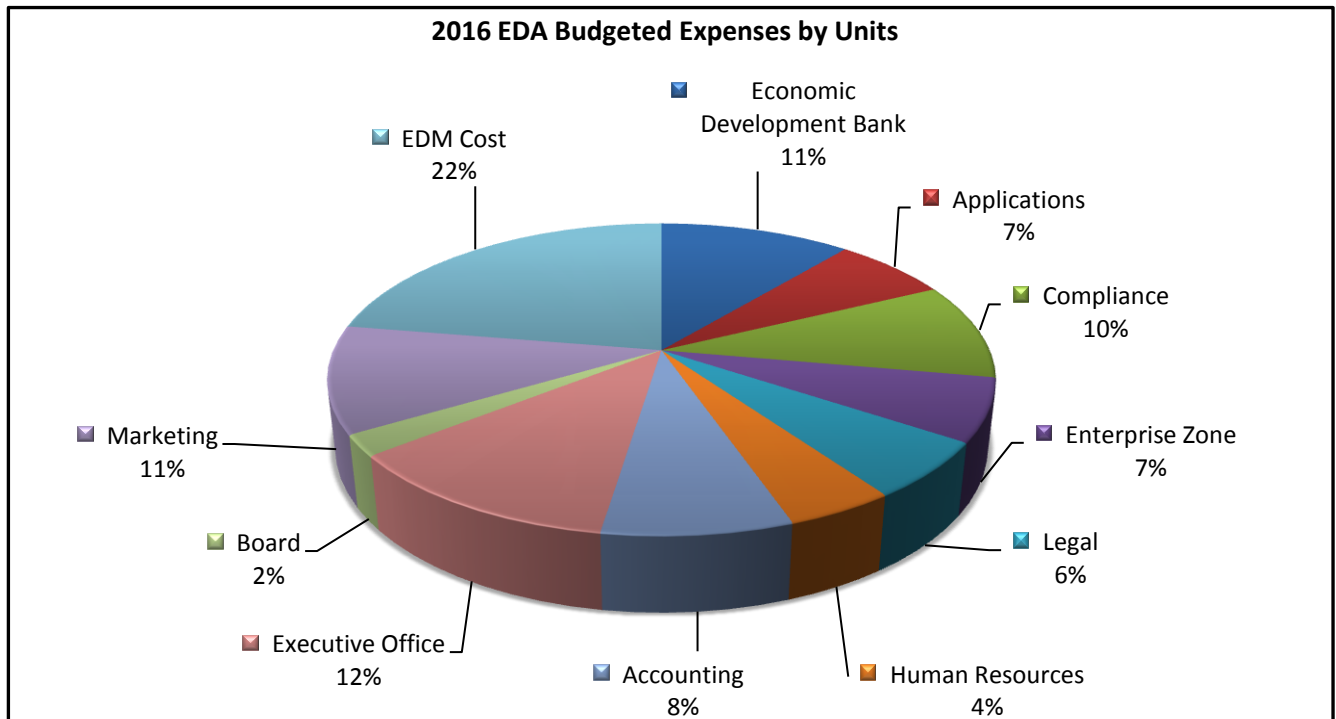
Budget Comparison of Personnel Service Cost (FY 2012 – FY 2016)



3.5 Budget Summary

- ◆ The V.I. Economic Development Authority's Fiscal Year 2016 Budget is \$5,341,000.
- ◆ Internally generated revenue used to balance the budget is \$541,000.
- ◆ The requested level of appropriation for FY 16 is \$4,800,000.

Division / Department	Personnel	Fringe	Operating	Total
Economic Development Bank	\$ 354,462	\$ 107,924	\$ 128,457	\$ 590,843
EDC Applications Department	243,557	89,111	26,365	\$ 359,033
EDC Compliance Department	353,922	130,884	49,350	\$ 534,156
Enterprise & Commerical Zone Commission	216,649	76,877	54,600	\$ 348,126
Legal Department	217,000	72,910	23,900	\$ 313,810
Human Resources	132,920	48,773	57,500	\$ 239,193
Accounting & Finance	298,370	107,009	10,027	\$ 415,406
Executive Office	457,000	154,525	23,905	\$ 635,430
Board of Directors	57,000	21,575	37,572	\$ 116,147
Marketing Department	126,350	44,749	422,250	\$ 593,349
EDM - Indirect Cost	129,681	49,083	1,016,743	\$ 1,195,507
Total Fiscal Year 2016 Budgeted Expense	\$ 2,586,911	\$ 903,420	\$ 1,850,669	\$ 5,341,000



4. OTHER SUPPLEMENTAL INFORMATION

A. Vehicle Listing for VIEDA

Presently, EDA has ten (10) vehicles. Seven (7) were purchased with local funds and three (3) with Economic Development Park Corporation funds.

YEAR	MAKE	MODEL	ASSIGNED USE	SOURCE OF FUNDING	ISLAND
2007	TOYOTA	RAV4	ADMIN – VIEDA	GENERAL FUND	ST. CROIX
2007	TOYOTA	RAV4	EXECUTIVE – VIEDA	GENERAL FUND	ST. CROIX
2002	HONDA	CRV-LX	ADMIN – VIEDA	GENERAL FUND	ST. CROIX
2005	CHEVROLET	PICK UP	ADMIN – VIEDA	INDUSTRIAL PARK FUND	ST. CROIX
2005	CHEVROLET	TRAIL BLAZER	EXECUTIVE – VIEDA	INDUSTRIAL PARK FUND	ST. CROIX
2007	TOYOTA	RAV4	EXECUTIVE – VIEDA	GENERAL FUND	ST. THOMAS
2007	TOYOTA	RAV4	EXECUTIVE – VIEDA	GENERAL FUND	ST. THOMAS
2013	CHEVY	TRANVERSE	EXECUTIVE – VIEDA	GENERAL FUND	ST. THOMAS
2005	HONDA	CRV-LX	EXECUTIVE – VIEDA	GENERAL FUND	ST. THOMAS

B. Listing of Real Property being rented or leased by the VIEDA

Physical Address	Landlord	Sq. Ft.	Annual Rent	Lease Terms	Use of Lease Premises
Nisky Shopping Center Second Floor, Suite 620 St. Thomas	B & W Realty Investments, Ltd.	6,800	\$166,600	5 Years	Office Space
116 King Street F'sted, St. Croix	VI Industrial Park Development Corp.	4,088	\$49,464	Month to Month	Office Space
18B-2 Lindberg Bay St. Thomas	Crown Holding	2,000	\$16,000	5 Years	Storage Space

Glossary of Selected Terms

BUDGET: A budget is an estimate of income and expenditure used to plan, monitor, and evaluate financial activities.

CAPITAL OUTLAY: Capital outlay refers to expenditures for the acquisition, maintenance or upgrade of assets exceeding \$500 and benefiting more than one period.

TEMPORARY EMPLOYEE: A temporary employee is one hired for a particular project or period of time.

DIRECT COST: A direct cost is a cost that can be identified specifically with a Unit and can be directly traced with relative ease and a high degree of accuracy.

FRINGE BENEFITS: Fringe benefits refer to various types of non-wage compensation provided to employees that include retirement contributions, F.I.C.A., health insurance and uniform allowance.

INSURANCE: Insurance is a cost to cover risks of a contingent or uncertain loss, and these include personal injury, directors' and officers' liability and auto insurance.

INDIRECT COSTS: An indirect cost is a cost that is incurred in common with other Units and cannot be traced to any one Unit.

KEY PERFORMANCE INDICATOR (KPI): A key performance indicator is a quantitative or qualitative factor that measures program results against an objective. A KPI suggests or approximates an outcome which need not be based on an official standard.

PERSONNEL SERVICE: The phrase, Personnel Service, refers to the gross salary amounts paid to full-time, part-time and temporary employees.

PROFESSIONAL DEVELOPMENT: Professional Development refers to employer-sponsored training to improve and enhance employees' job-related skills.

RENT: Rent is compensation paid for the use of offices or storage space.

REPAIRS AND MAINTENANCE: The category, "repairs and maintenance," refers to the amount for repairs, maintenance, and upkeep of buildings and equipment.

OFFICE SUPPLIES: Office supplies are the materials needed by staff to perform their daily tasks. Examples of office supplies include pens, paper and other stationery items.

INTER-ISLAND TRAVEL: Inter-island travel refers to travel by staff between Islands and includes airfare, *per diem* and hotel costs.

UTILITIES: This expense category includes electricity, water, telephone, cell phone and internet services.

