



Legislature of the Virgin Islands

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POST AUDIT DIVISION

June 29, 2016

COMMITTEE ON FINANCE FISCAL YEAR 2017 BUDGET HEARING

DEPARTMENT OF TOURISM

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BACKGROUND AND HISTORY

The Department of Tourism was established on May 8, 1995 as an executive department. The Department of Tourism was formerly a part of the Virgin Islands Economic Development & Agriculture. EDA was then broken down into different departments with the Department of Tourism as one of them. The department is primarily responsible for the economic development of the Territory through the promotion of tourism and related activities.

The department is under the supervision of the Commissioner of Tourism and its responsibilities include but are not limited to the formulation, implementation, administration and coordination of programs and policies pertaining to all aspects of tourism.

Activities conducted by the Department of Tourism include the following:

- Develop strategies that will make the Territory competitive and desirable as a tourism destination
- Communicate and cooperate with all local tourist or tourist-related businesses to determine their needs and how best to promote the industry
- Promote Virgin Islands culture as a part of the tourism experience
- Promote an understanding of the importance of the tourism experience
- Develop strategies for the U.S. Virgin Islands in all businesses and industries throughout the Territory
- Identify and promote the unique features of St. Croix, St. John, St. Thomas, and Water Island in tourism advertising; and, develop long-term strategies to successfully develop the overall economy

TOURISM ADVERTISING REVOLVING FUND

This Fund was created by Act 5249 and established under Title 33, Section 3072 Virgin Islands Code. The Fund is administered by the Commissioner of Finance and consists of all sums appropriated from time to time by the Legislature, all gifts, contributions and bequests made, and 100% of all moneys received by the Government from the collection of Hotel Room Tax, which is 10% of the gross room rate or rental.

Monies disbursed from the Fund are used exclusively by the Department of Tourism [formerly the Department of Economic Development and Agriculture (EDA)] for promoting the Territory as a tourist destination and for industrial promotion.

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The Commissioner of Finance is required to forward annually to the Governor and the Legislature a detailed accounting of the disbursements from the Fund and the un-obligated balance.

The Hotel Room Tax was enacted on July 13, 1978 as part of the Fiscal Year 1979 Executive Budget. It was established as a value added tax to the gross room rate of guests who rent and are registered or assigned a room in a hotel or other place where accommodations are furnished by the day, week, and month for pay. The activity regarding the increases in the hotel room tax from its enactment to the current status is shown in the table below:

Changes in Hotel Room Tax		
Year	Rate	Act #
1978	5%	Enacted
1983	6%	4877
1986	7.5%	5172
1994	8%	5954
2015	10.5%	7767
2015	12.5%	7767

Originally, only 50% of the monies collected from the Hotel Room Tax went into the Tourism Advertising Revolving Fund. In 1989, Act No. 5394 increased the contribution to 65% and limited the maximum amount of monies which could be deposited into the Fund in any given fiscal year to \$6.5 million.

In 1990, Act 5498 removed the cap on the amount of monies that could be deposited into the Fund and increased the contribution to 100% for Fiscal Year 1990 only. This Act also mandated that \$1 million be used for a territory-wide cleanup and beautification program and that \$1 million be used exclusively for advertising St. Croix, \$1 million for advertising St. Thomas, and \$200,000 for advertising St. John.

Later, Act No. 5624 extended the 100% contribution for Fiscal Year 1991, and Act No. 5721 further extended it for Fiscal Years 1992 and 1993. Act No. 5897 further extended the 100% contribution to Fiscal Years 1994 and 1995. It also mandated that \$1 million be reserved for the exclusive promotion of the island of St. Croix. Act No. 6092 further extended the 100% contribution for Fiscal Years 1996 and 1997; it also mandated that \$1 million be reserved for the exclusive advertising and promotion of the island of St. Croix.

Act 7767, Bill 31-0222 provided the following amendments to the Hotel Room Tax to become effective January 1, 2016:

(b) (1) Every guest of a hotel as defined above shall pay to the Government of the United States Virgin Islands a tax to be collected and remitted to the Government by the hotelkeeper or innkeeper at the rate of 12.5 percent of the gross room rate or rental. For the purposes of this section, "gross room rate or rental" shall include the room rate plus any additional charges, such as an energy surcharge or a maintenance fee.

(2) Every guest who rents a time-share estate in the Virgin Islands shall pay to the Government of the Virgin Islands a tax to be collected and remitted to the Government at the rate of 10.5 percent of the gross room rate or rental. The operator of the time-share estate facility shall collect and remit the tax collected under this paragraph to the Bureau of Internal Revenue. For purposes of this section, a "time share estate" is defined as a right of occupancy in a time-share project that is coupled with an estate in the real property.

1) At the beginning of each fiscal year, the funds collected under subsection (b)(1) must be deposited into the Tourism Advertising Revolving Fund established pursuant to section 3072 of this title; except that

(A) not less than \$ 1,000,000 must be deposited into the Agriculture Revolving Fund established pursuant to section 3018 of this title no later than June 30' of each year;

(B) not less than \$ 1,000,000 must be used for the development and promotion of sports tourism;

(C) not less than \$ 500,000 must be transferred to the Department of Education for inter-scholastic competitions of Virgin Islands public high school athletes in games on St. Croix, St. Thomas, St. John, the British Virgin Islands and Puerto Rico; and

(D) not less than \$ 500,000 must be used by the Department of Sports, Parks and Recreation for recreation and sports activity programs,

(2) At the beginning of each fiscal year, the funds collected under subsection (b)(2) must be deposited into the Tourism Advertising Revolving Fund established under section 3072 of this title for the following purposes:

(1) 25% for advertising the Virgin Islands;

(2) 25% for exclusively advertising the island of St. John;

(3) 25% for exclusively advertising the island of St. Croix;

(4) 25% for exclusively advertising the marine industry of the Virgin Islands.

MISSION STATEMENT

The mission of the Department of Tourism (DOT) is to increase visitor expenditures, to aid in the economic development of the Territory as mandated by the 21st Legislature, which created the Department on May 8, 1995. In order to fulfill its mission, the Department has developed a strategic marketing plan that positions the USVI as a unique, competitive and desirable tourist destination.

BUDGET OVERVIEW

Exhibits I & II display a comparison between the General Fund appropriation received by the Department of Tourism in the amount of **\$2,452,163** for FY 2016 and the Governor's FY 2017 recommendation in the amount of **\$2,609,605**.

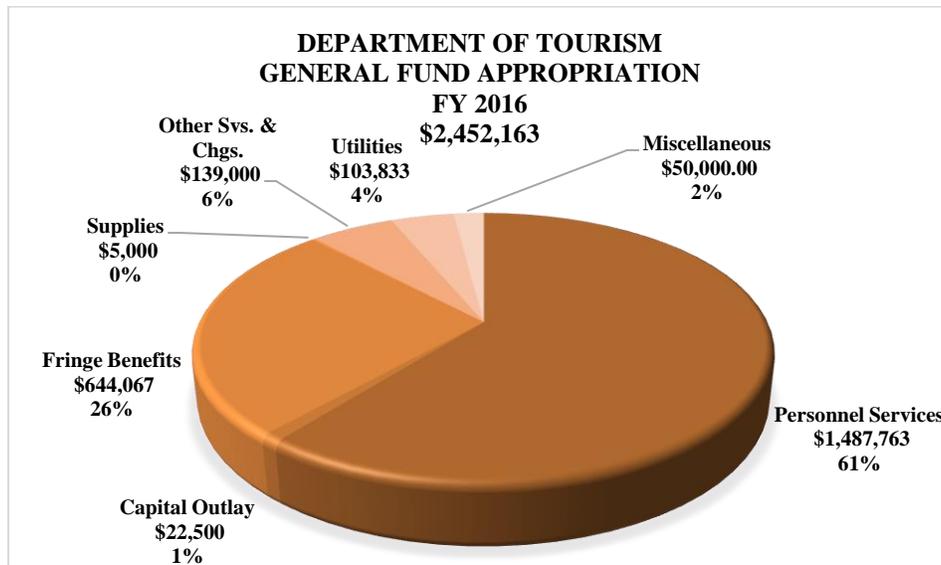


Exhibit I

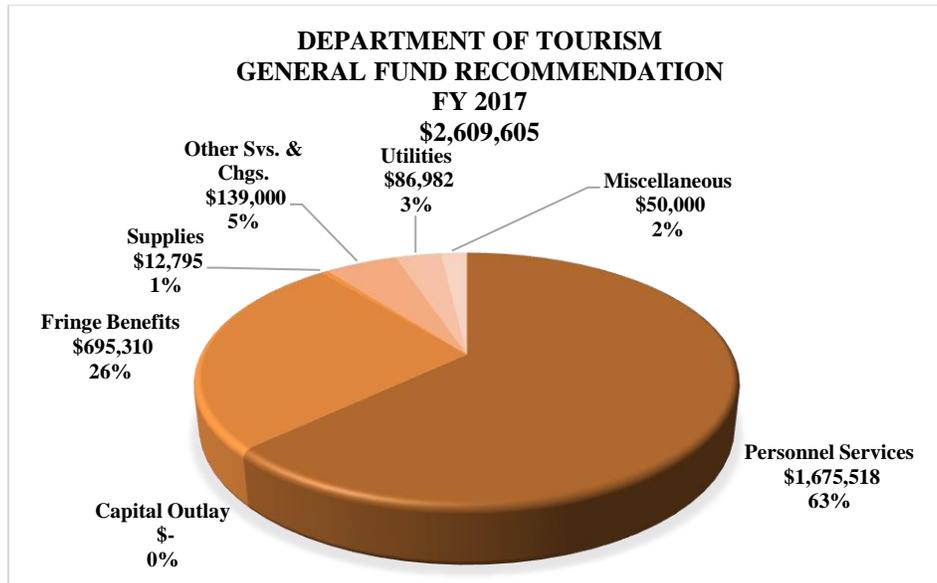


Exhibit II

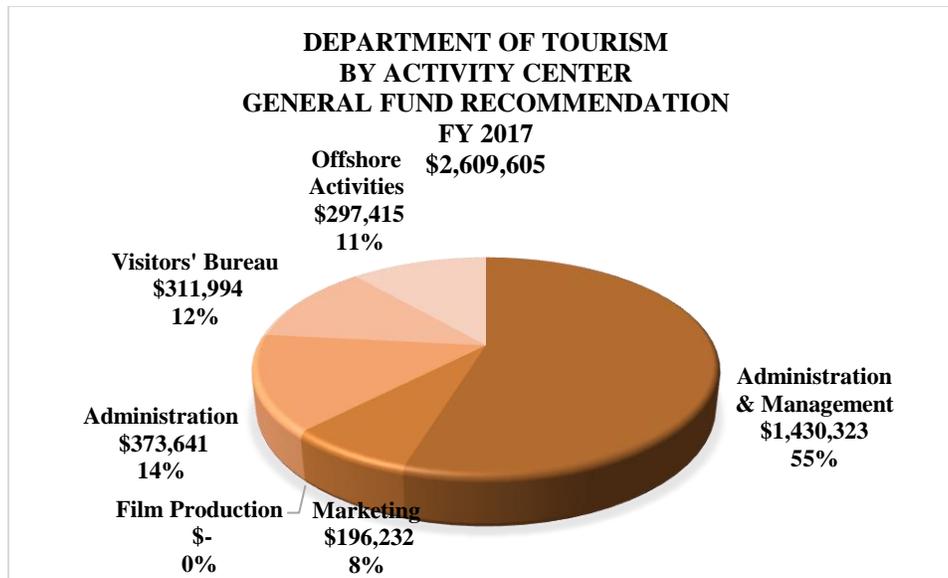
FISCAL YEAR 2017 BUDGET SUMMARY

The Governor has recommended a General Fund appropriation of **\$2,609,605** for Fiscal Year 2017. The Department is expected to receive additional funds from its Revolving Fund in the amount of **\$25,385,000** and the Miscellaneous Section in the amount of **\$275,000**; totaling **\$28,269,605**. *Exhibit III* compares a three-year Financial Summary for the Tourism Department.

Description	FY2015 Expenditure	FY2016 Appropriation	2017 Projected	Variance	% Chg
Appropriated Funds:					
Personnel Services	\$ 1,262,293	\$ 1,487,763	\$ 1,675,518	\$ 187,755	13%
Fringe Benefits	\$ 484,282	\$ 644,067	\$ 695,310	\$ 51,243	8%
Supplies	\$ 140,042	\$ 5,000	\$ 12,795	\$ 7,795	156%
Other Services & Charges	\$ 284,946	\$ 139,000	\$ 139,000	\$ -	0%
Utilities	\$ 67,128	\$ 103,833	\$ 86,982	\$ 16,851	16%
Capital Outlays	\$ -	\$ 22,500	\$ -	\$ 22,500	100%
Miscellaneous	\$ -	\$ 50,000	\$ 275,000	\$ 225,000	450%
Total General Fund	\$ 2,238,691	\$ 2,452,163	\$ 2,884,605	\$ 157,442	17.6%
Tourism Advertising Revolving Fund					
Other Services & Charges	\$ 375,000	\$ 650,000	\$ 1,385,000	\$ 735,000	113%
Total Tourism Advertising Revolving Fund	\$ 375,000	\$ 650,000	\$ 1,385,000	\$ 735,000	113%
Total Appropriated Funds	\$ 2,613,691	\$ 3,102,163	\$ 3,994,605	\$ 892,442	29%
Non-Appropriated Funds:					
Local Funds					
Supplies	\$ 25,164	\$ 272	\$ -	\$ 272	100%
Other Services & Charges	\$ 17,807,102	\$ 30,996,796	\$24,000,000	\$ 6,996,796	23%
Capital Outlays	\$ 62,569	\$ 100,000	\$ -	\$ 100,000	100%
Total Local Fund	\$ 17,894,835	\$ 31,097,068	\$24,000,000	\$ 7,097,068	23%
Total Non-Appropriated Funds	\$ 17,894,835	\$ 31,097,068	\$24,000,000	\$ 7,097,068	23%
Grand Total Funds	\$ 20,508,526	\$ 34,199,231	\$28,269,605	\$ 8,929,626	17.3%

BUDGET BY ACTIVITY CENTER

The Post Audit analysis will include a presentation of the following 6 functional areas within the Department as submitted.



Org 92000 Administration & Management

Functional Statement:

The Administration and Management Unit is responsible for ensuring that the Department operates in accordance with local and federal rules. This Unit provides daily oversight and management of the entire financial operations of DOT, administers annual budgets and ensures that disbursement of funds accord with those allotted and with rules and regulations governing the purchase and acquisition of goods and services. This Unit provides financial leadership and support to all divisions and collaborates with division heads to meet mandates. The Unit works in tandem with other financial institutions in resolving and reporting all issues and concerns regarding the disbursement of funds. The Unit is charged with providing all financial data when reporting to legislative inquiries and making appearances at budget hearings. Periodically, the Unit must conduct audits of the financial operations of all offices operating outside of the Territory of the Virgin Islands. This Unit is also responsible for overseeing the Department's human resource needs and services, such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, training, and collective bargaining.

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The Administration and Management unit is expected to receive fifty-five percent (55%) of the departments General Fund budget in the sum of **\$1,430,323** for Fiscal Year 2017. This is **\$85,587.00** more than the total appropriated for Fiscal Year 2016, due to a decrease in Utilities and Capital Outlay but an increase in Personnel Services, Fringe Benefits and Supplies.

Personnel Services	Fringe Benefits	Supplies	Other Svcs. & Chgs.	Utilities	Capital Outlay	Total	% Change
\$857,026.00	\$334,520.00	\$ 12,795.00	\$139,000.00	\$ 86,982.00	\$ -	\$ 1,430,323.00	6%
\$762,212.00	\$312,191.00	\$ 5,000.00	\$139,000.00	\$ 103,833.00	\$ 22,500.00	\$ 1,344,736.00	
\$ 94,814.00	\$ 22,329.00	\$ 7,795.00	\$ -	\$ 16,851.00	\$ 22,500.00	\$ 85,587.00	

Personnel Services cost for the Administration & Management section in Fiscal Year 2017 will cover fifteen (15) positions under the General Fund. The Unit will see an increase in Personnel Services, Fringe Benefits and Supplies in the amount of **\$124,938** for FY 2017.

Fund 100 - Administration & Management	Total Positions	Total Personal Services Cost
Unclassified Filled	10	\$571,000
Unclassified Vacant	3	\$162,000
Classified Filled	1	\$30,524
Classified Vacant	1	\$37,571
Adjustment		\$55,931
Total Fund 100 - Administration & Management	15	\$857,026

Org 92010 Marketing/Public Relations

Functional Statement:

The Marketing Unit manages the daily operations of the Department, including planning, implementation, supervision, and coordination of all programs. It has oversight of all advertising, public relations, and promotional programs for the U.S. Virgin Islands.

The Marketing/Public Relations unit is expected to receive eight percent (8%) of the departments General Fund budget in the sum of **\$196,232** for Fiscal Year 2017. This is **\$146,051** more than the total appropriated for Fiscal Year 2016 due to an increase in Personnel Services and Fringe Benefits.

	Personnel Services	Fringe Benefits	Supplies	Other Svcs. & Chgs.	Utilities	Capital Outlay	Total	% Change
FY 17	\$ 139,000.00	\$ 57,232.00	\$ -	\$ -	\$ -	\$ -	\$ 196,232.00	291%
FY 16	\$ 39,000.00	\$ 11,181.00	\$ -	\$ -	\$ -	\$ -	\$ 50,181.00	
Variance	\$ 100,000.00	\$ 46,051.00	\$ -	\$ -	\$ -	\$ -	\$ 146,051.00	

Personnel Services cost for the Marketing section in Fiscal Year 2017 will cover three (3) positions under the General Fund. The Department will see an increase in Personnel Services and Fringe Benefits in the amount of **\$146,051** for FY 2017.

Fund 100 – Marketing/Public Relations	Total Positions	Total Personal Services Cost
Unclassified Filled	2	\$84,000
Unclassified Vacant	1	\$55,000
Adjustment		\$0
Total Fund 100 – Marketing/Public Relations	3	\$139,000

Org 92020 Film Promotion

Functional Statement:

The Office of Film Promotion advances markets and advertises the U.S. Virgin Islands as a location for the production of audio-visual commodities. Activities within the Film Division remain an important part of the destination’s tourism mix, contributing millions to the local economy. The Department will continue to encourage a variety of productions such as television, still shoots, music videos and feature films, using the USVI as backdrop. With the recent passing of the S.T.A.R.S. Act, the Department anticipates increased activity during this fiscal year.

No monies were recommended by the Governor in the FY 2017 Budget Book for this Unit neither were any monies found in the Management Letter for this Unit.

Org 92100 Tourism Administration

Functional Statement:

The Administration Unit manages the daily operations of the Department, such as planning, implementation, supervision, and coordination of all programs, including the Greeters, the Stranded Passengers programs, the Visitor’s Bureau and Welcome Centers. It has oversight of all advertising, public relations, and promotional programs for the U.S. Virgin Islands.

This Unit coordinates and executes all internal and external activities for the Department, serving as liaison between the client and vendors. Tourism Administration has an unwavering commitment to build productive, beneficial and collaborative relationships with other government agencies, the private sector and other organizations. Good customer

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service before, during and after each guest's visit is essential to the overall promotion of the U.S. Virgin Islands as premier tourism destination. Stationing Greeters at airports, cruise ports, and downtown ensures that guests receive a hassle-free experience and obtain guidance, directions, information and assistance as needed. The Stranded Passengers' Assistance Program provides support during unforeseen events, such as lost luggage or rescheduled flights, and procures transportation, meal and hotel vouchers during long delays. By offering emotional support as an "island friend," trained team members transform travel setbacks into positive experiences for guests.

The Tourism Administration unit is expected to receive fourteen percent (14%) of its General Fund budget in the sum of **\$373,641** for Fiscal Year 2017. This is **\$61,588** more than the total appropriated for Fiscal Year 2016, due to an increase in Personnel Services and Fringe Benefits.

	Personnel Services	Fringe Benefits	Supplies	Other Svcs. & Chgs.	Utilities	Capital Outlay	Total	% Change
FY 17	\$ 269,000.00	\$104,641.00	\$ -	\$ -	\$ -	\$ -	\$ 373,641.00	20%
FY 16	\$ 221,386.00	\$ 90,667.00	\$ -	\$ -	\$ -	\$ -	\$ 312,053.00	
Variance	\$ 47,614.00	\$ 13,974.00	\$ -	\$ -	\$ -	\$ -	\$ 61,588.00	

Personnel Services cost for the Tourism Administration section in Fiscal Year 2017 will cover four (4) positions under the General Fund. The Department will see an increase in Personnel Services and Fringe Benefits in the amount of **\$61,588** for FY 2017.

Fund 100 - Tourism Administration	Total Positions	Total Personal Services Cost
Unclassified Filled	4	\$269,000
Adjustment		\$0
Total Fund 100 - Tourism Administration	4	\$269,000

Org 92110 Convention & Visitors' Bureau – STT/STJ/STX

Functional Statement:

The Convention and Visitor's Bureau provides direct support services to current and prospective visitors through various means, including disbursement of informational brochures, pamphlets, and other promotional materials. The Cruise Ship Division compiles relevant statistics concerning passengers, provides promotional and support services in cooperation with cruise ship companies, and distributes information at disembarkation sites. The Bureau also prepares the bi-annual cruise ship schedules.

Communication is essential to the successful promotion of the U.S. Virgin Islands. Visitors' Bureau and Welcome Centers provide information about the Territory as

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passengers disembark the cruise ships. Trained staff offer direct support services to on-island and prospective visitors from convenient, handicap-accessible locations. DOT’s team also handles a substantial volume of communications – verbal, email, post, and fax – responding cordially to a wide variety of queries and requests for assistance on any topic related to the Virgin Islands. The Bureau regularly reviews and analyses complaints and takes prompt, corrective action.

The Convention and Visitors’ Bureau unit is expected to receive twelve percent (12%) of the departments General Fund budget in the sum of **\$331,994** for Fiscal Year 2017. This is **\$38,511** more than the total appropriated for Fiscal Year 2016, due to an increase in Personnel Services and Fringe Benefits.

	Personnel Services	Fringe Benefits	Supplies	Other Svcs. & Chgs.	Utilities	Capital Outlay	Total	% Change
FY 17	\$ 204,492.00	\$107,502.00	\$ -	\$ -	\$ -	\$ -	\$311,994.00	14%
FY 16	\$ 176,665.00	\$ 96,818.00	\$ -	\$ -	\$ -	\$ -	\$273,483.00	
Variance	\$ 27,827.00	\$ 10,684.00	\$ -	\$ -	\$ -	\$ -	\$ 38,511.00	

Personnel Services cost for the Convention & Visitors’ Bureau in Fiscal Year 2017 will cover six (6) positions under the General Fund. The Bureau will see an increase in Personnel Services and Fringe Benefits in the amount of **\$38,511** for FY 2017.

Fund 100 - Convention & Visitors' Bureau	Total Positions	Total Personal Services Cost
Unclassified Filled	2	\$100,000
Classified Filled	3	\$83,965
Classified Vacant	1	\$20,527
Adjustment		\$0
Total Fund 100 - Convention & Visitors' Bureau	6	\$204,492

Org 92120 Offshore Activities

Functional Statement:

The Offshore Activities Unit promotes the United States Virgin Islands as an upscale, year-round destination by engaging in promotional activities designed to influence travel agents, wholesalers, tour operators, group and incentive planners, airlines, consumers and other travel-related entities on the U.S. mainland.

The Offshore Activities unit is expected to receive eleven percent (11%) of the departments General Fund budget in the sum of **\$297,415** for Fiscal Year 2017. This is **\$174,295** less than the total appropriated for Fiscal Year 2016, due to a decrease in Personnel Services, Fringe Benefits and Miscellaneous.

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	Personnel Services	Fringe Benefits	Supplies	Other Svcs. & Chgs.	Utilities	Capital Outlay	Miscellaneous	Total	% Change
FY 17	\$206,000.00	\$ 91,415.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 297,415.00	37%
FY 16	\$288,500.00	\$133,210.00	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00	\$ 471,710.00	
Variance	\$ 82,500.00	\$ 41,795.00	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00	\$ 174,295.00	

Personnel Services cost for the Offshore Activities unit in Fiscal Year 2017 will cover four (4) positions under the General Fund. The Department will see a decrease in Personnel Services and Fringe Benefits in the amount of **\$124,295** for FY 2017.

Fund 100 - Offshore Activities	Total Positions	Total Personal Services Cost
Unclassified Filled	4	\$206,000
Adjustment		\$0
Total Fund 100 - Offshore Activities	4	\$206,000

RENTAL PROPERTY

The Department’s Fiscal Year 2016 has property listing of **\$35,160**. *Exhibit IV* displays a listing of Tourism’s rental property.

Landlord	Address	Sq. Ft	Annual Rent	Status /Comments
V.I. Public Finance Authority	P.O. Box 223245, Christiansted, St. Croix, V.I. 00822	2,250	\$ 27,000.00	Exp. May, 2017
Sun-Self Storage	P.O. Box 1440 Kingshill, St. Croix, V.I. 00851	120	\$ 3,540.00	
	Sub-Total - St. Croix	2,370	\$ 30,540.00	
Fortress Storage	9160 Estate Thomas, St. Thomas, V.I. 00802	200	\$ 4,620.00	
	Sub-Total - St. Thomas	200	\$ 4,620.00	
	Total	2,570	\$ 35,160.00	

Exhibit IV

VEHICLES

Exhibit V provides a listing of Tourism’s vehicles for FY 2016.

Year	Make	Model	Funding Source	Lease/Own	Condition	Office	Division	Plate No.	Maintenance Cost	Gas Amount
2015	Chevrolet	Equinox	General Fund	Own	New	STT	Commissioner's Office	TD-1	\$ -	\$ 960
2009	Chevrolet	HHR	General Fund	Loan P&P	Fair	STT	Commissioner's Office	P&P-9	\$ 889	\$ 905
2010	Chevrolet	Equinox	General Fund	Own	Good	STX	Commissioner's Office	TD-2	\$ 156	\$ 320
2015	Chevrolet	Impala	General Fund	Own	New	STX	Visitor's Bureau	TD-3	\$ -	\$ 465

Exhibit IV

HOTEL ROOM TAX REPORT

According to the Internal Revenue Bureau website, the following amounts were listed as collected from the hotel room tax fees; FY 2015 actual collection of **\$24,619,877.41** and FY 2016 collections of **\$21,951,399** as of June 2016. **Average collections for FY 15 were \$2,051,652 and the average for FY 16 to June is \$2,439,044.**

TOURISM ADVERTISING REVOLVING FUND BALANCE

The Department of Finance has reported as of June 30, 2016 an ending balance of **\$43,909,387.22** before deductions for encumbrances of (**\$ 5,035,351.55**) and a budgeted-balance-unobligated budget of (**\$14,775,705.07**). This leaves an available balance for budget of **\$24,098,330.60**.

TOURISM ADVERTISING REVOLVING FUND APPROPRIATION

In addition, the Governor has recommended the following from the **Tourism Revolving Fund Section** of the budget for **Fiscal Year 2017**.

- 320,000 STJ – St. John Cultural and Festival Organization
- 520,000 STX- Crucian Christmas Festival
- 545,000 STT - VI Carnival

\$1,385,000 FY 2017 Total Tourism Revolving Fund Recommendations

TOURISM IMPREST FUND BALANCE

Exhibit V depicts funds deposited into the Tourism Imprest Fund from October 2015 to March 2016 as submitted. This fund source serves as petty cash to the Department.

Account Name	Bank Name	Location	Deposit Month	Deposit Amount	Expenditures Per Month
Beginning Balance (ST. THOMAS)				\$ 5,934.36	
DOT Imprest Fund	Banco Popular de P.R.	STT	October	\$ 8,643.30	\$ 7,354.04
DOT Imprest Fund	Banco Popular de P.R.	STT	November	\$ 2,475.65	\$ 5,661.22
DOT Imprest Fund	Banco Popular de P.R.	STT	December	\$ 6,507.34	\$ 5,468.12
DOT Imprest Fund	Banco Popular de P.R.	STT	January	\$ 1,642.42	\$ 2,476.47
DOT Imprest Fund	Banco Popular de P.R.	STT	February	\$ 3,623.64	\$ 1,933.19
DOT Imprest Fund	Banco Popular de P.R.	STT	March	\$ 4,704.51	\$ 3,581.95
Total Deposited/Expended 10/1/2015 - 3/31/2016				\$ 27,596.86	\$ 26,474.99
Ending Balance as of 3/31/2016				\$	7,056.23

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Beginning Balance (ATLANTA OFFSHORE OFFICE)				\$ 100,203.05	
USVI Department of Tourism	Suntrust Bank	ATLANTA	October	\$ 4,908.75	\$ 34,668.39
USVI Department of Tourism	Suntrust Bank	ATLANTA	November	\$ -	\$ 12,216.24
USVI Department of Tourism	Suntrust Bank	ATLANTA	December	\$ 800.00	\$ 7,409.17
USVI Department of Tourism	Suntrust Bank	ATLANTA	January	\$ 1,349.18	\$ 4,030.96
USVI Department of Tourism	Suntrust Bank	ATLANTA	February	\$ 605.77	\$ 8,829.53
USVI Department of Tourism	Suntrust Bank	ATLANTA	March	\$ -	\$ 17,319.45
Total Deposited/Expended 10/1/2015 - 3/31/2016				\$ 7,663.70	\$ 84,473.74
Ending Balance as of 3/31/2016				\$	23,393.01
Beginning Balance (CHICAGO OFFSHORE OFFICE)				\$ 47,847.94	
USVI Division of Tourism	CITIBANK	CHICAGO	October	\$ 400.00	\$ 6,131.52
USVI Division of Tourism	CITIBANK	CHICAGO	November	\$ -	\$ 3,245.31
USVI Division of Tourism	CITIBANK	CHICAGO	December	\$ -	\$ 3,264.42
USVI Division of Tourism	CITIBANK	CHICAGO	January	\$ 200.00	\$ 6,622.20
USVI Division of Tourism	CITIBANK	CHICAGO	February	\$ 200.00	\$ 3,770.92
USVI Division of Tourism	CITIBANK	CHICAGO	March	\$ -	\$ 5,234.17
Total Deposited/Expended 10/1/2015 - 3/31/2016				\$ 800.00	\$ 28,268.54
Ending Balance as of 3/31/2016				\$	20,379.40
Beginning Balance (MIAMI OFFSHORE OFFICE)				\$ 53,382.67	
USVI Government of Tourism	Total Bank	MIAMI	October	\$ 200.00	\$ 5,827.32
USVI Government of Tourism	Total Bank	MIAMI	November	\$ -	\$ 1,569.19
USVI Government of Tourism	Total Bank	MIAMI	December	\$ 200.00	\$ 1,427.24
USVI Government of Tourism	Total Bank	MIAMI	January	\$ -	\$ 8,555.06
USVI Government of Tourism	Total Bank	MIAMI	February	\$ 200.00	\$ 6,621.38
USVI Government of Tourism	Total Bank	MIAMI	March	\$ -	\$ 5,580.95
Total Deposited/Expended 10/1/2015 - 3/31/2016				\$ 600.00	\$ 29,581.14
Ending Balance as of 3/31/2016				\$	24,401.53
Grand Total Deposits and Expenditures 10/1/2015 - 3/31/2016				\$ 36,660.56	\$ 168,798.41
Tourism Ending Balance as of 3/31/2016				\$	75,230.17

Exhibit V

MISCELLANEOUS SECTION

In addition, the Governor has recommended the following from the **Miscellaneous Section** of the budget for **Fiscal Year 2017**.

\$ 25,000	St. Croix Landmark Society – Whim Museum
\$ 250,000	Centennial Commission
\$ 275,000	FY 2017 Total Miscellaneous Section Recommendations

CONTRACT LISTING

Exhibit VI provides a listing of the Tourism’s contracts for FY 2016.

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Contractor	Contract #	Amount	Expiration	2016 Payments	Purpose	Service	Fund
*Atlantic Link APS	P025DOTT16	\$ 256,800	Jan-17	\$ 152,687.00	Scandinavian Rep for DOT	M&P	TARF
Basketball Travelers	P006DOTT16	\$ 375,000	Oct-16	\$ 125,000.00	Paradise Jams Basketball games	M&P	TARF
Bravo Tours	Pending	\$ 150,000	Nov-16	\$ -	Marketing and Promotion of Danish Charter	M&P	TARF
Commercial Security Services	S023GVIT16	\$ 32,300	Sep-16	\$ 9,985.88	Security Guard Services for GVI	Security	TARF
Delta Airlines	PO16DOTT16	\$ 650,000	Nov-16	\$ -	Contractor to provide St. Croix flight	M&P	GF
**J. Walter Thompson U.S.A., Inc.	PC-007-DOTT-16	\$13,828,000	Sep-16	\$ 5,373,990.65	Advertising Agency	M&P	TARF
***Judith Akerman	PO26DOTT16	\$ 79,750	Dec-16	\$ 56,015.66	New England Rep for DOT	M&P	TARF
Lucrecia Ruisanchez & Associates, Corp.	PO09DOTT16	\$ 35,000	Jul-16	\$ 20,000.00	Puerto Rico Rep for the DOT	M&P	TARF
Lydia Potter	Pending	\$ 47,000	Jan-17	\$ -	Sales Rep for DOT	M&P	TARF
****Marketplace Excellence Corporation	Pending	\$ 465,000	Dec-17	\$ 207,961.56	Advertising Agency	M&P	TARF
Millenium Phone and Cable	PC-079DOT15	\$ 200,000	Oct-16	\$ 44,245.44	Network Services	M&P	TARF
****Project St. Croix	Pending	\$ 125,000	Dec-16	\$ 108,100.00	Triathlon Contract STX	M&P	TARF
Shana C. Whyte	PC-004-DOT16	\$ 98,000	Aug-16	\$ 52,670.82	Mid-Atlantic Region Rep for DOT	M&P	TARF
*****The Day One Agency	Pending	\$ 650,000	Oct-17	\$ 68,061.00	Social Media Consultant	M&P	TARF
Thema Nouvi Mond	PC-095-DOT15	\$ 200,000	Mar-17	\$ 79,064.26	Italy Rep for DOT	M&P	TARF
Frances Boynes	S025DOTT15	\$ 21,300	Nov-16	\$ 8,875.00	Cleans Main Office & Visitors Lounge	Janitorial Svs	GF
Spencely Office Equipment	C10654-02	\$ 2,400	Sep-16	\$ 600.00	Equipment Maintenance	Maintenance	GF
Smartnet	LOA DTD 9/17/14	\$ 8,338	Monthly	\$ 3,594.00	Internet	Communication	GF
Alert	LOA DTD 7/1/15	\$ 3,660	Monthly	\$ 355.00	Surveillance	Security	TARF
Plan B, LLC	Pending	\$ 4,500	Monthly	\$ -	Generator Maintenance	Maintenance	GF
TOTAL		\$17,232,048		\$ 6,311,206.27			

Exhibit VI

- * Payment amount of \$152,687 is for services rendered under prior year contractual agreement.
- ** Payment amount includes \$2,068,470.65 for services rendered under prior year contractual agreement.
- *** Payment amount includes \$42,216.87 for services rendered under prior year contractual agreement.
- **** Payment amount includes \$74,155.75 for services rendered under prior year contractual agreement.
- ***** Payment amount of \$108,100 is for services rendered under prior year contractual agreement.
- ***** Payment amount of \$68,061 is for services rendered under prior year contractual agreement.

SUMMARY

The Department of Tourism Fiscal Year 2017 Governor’s Recommendation Budget is as follows:

\$ 2,609,605	General Fund FY 2017 Recommended Budget
\$ 25,385,000	Tourism Adv. Revolving Fund FY 2017 Recommended Budget
\$ 275,000	Miscellaneous Section FY 2017 Recommended Budget
\$ 28,269,605	FY 2017 Total Recommended Budget



Jose L. George
 Post Auditor

APPENDIX I

LEGISLATURE OF THE VIRGIN ISLANDS
 POST AUDIT DIVISION

COMMITTEE ON APPROPRIATIONS & BUDGET
 BUDGET HEARING FISCAL YEAR 2017
 DEPARTMENT OF TOURISM
 PERSONNEL LISTING

POSITION TITLE	SALARY		STATUS
920 DEPARTMENT OF TOURISM			
9200 OFFICE OF THE COMMISSIONER			
92000 ADMINISTRATION & MANAGEMENT			
UNCLASSIFIED			
COMMISSIONER	\$105,000		FILLED
MGR LEISURE MARKETING & CONF PLANNER	\$53,000		FILLED
MGR PRODUCT DVLPMNT & SUSTAINABLE MKTG	\$53,000		FILLED
DIR OF COMMUNICATION	\$60,000		VACANT
MARKETING MANAGER	\$47,000		FILLED
MARKETING COORDINATOR	\$42,000		FILLED
ASST. DIRECTOR OF ADMIN. & MANAGEMENT	\$53,000		FILLED
MANAGER INFORMATION SYSTEM	\$60,000		VACANT
DIRECTOR OF FILM OFFICE	\$62,000		FILLED
FILM COORDINATOR	\$42,000		VACANT
DEPUTY COMMISSIONER	\$65,000		FILLED
MAINTENANCE TECHNICIAN	\$39,000		FILLED
DIRECTOR OF OFFICE OPERATIONS	\$52,000		FILLED
SUB-TOTAL	\$733,000	13	
CLASSIFIED			
ACCOUNTANT II	\$30,524		FILLED
FINANCIAL ANALYST	\$37,571		VACANT
SUB-TOTAL	\$68,095	2	
ADJUSTMENT			
LUMP SUM	\$55,931		
SUB-TOTAL	\$55,931		
92000 FUND 100 TOTAL	\$857,026	15	
92000 ACTIVITY	\$857,026	15	
920 DEPARTMENT OF TOURISM			
9200 OFFICE OF THE COMMISSIONER			
92010 MARKETING			
UNCLASSIFIED			
MGR MEDIA & TRAVEL INDUSTRY RELATIONS	\$42,000		FILLED
MANAGER MARINE INDUSTRY	\$55,000		VACANT
MGR MEDIA & TRAVEL INDUSTRY RELATIONS	\$42,000		FILLED

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SUB-TOTAL	\$139,000	3	
92010 FUND 100 TOTAL	\$139,000	3	
92010 ACTIVITY	\$139,000	3	
920 DEPARTMENT OF TOURISM			
9210 TOURISM			
92100 ADMINISTRATION			
UNCLASSIFIED			
ASSISTANT COMMISSIONER	\$105,000		FILLED
DIRECTOR ADMINISTRATION & MANAGEMENT	\$80,000		FILLED
CUSTOMER CARE MANAGER	\$45,000		FILLED
CUSTOMER CARE COORDINATOR	\$39,000		FILLED
SUB-TOTAL	\$269,000	4	
92100 FUND 100 TOTAL	\$269,000	4	
92100 ACTIVITY	\$269,000	4	
920 DEPARTMENT OF TOURISM			
9210 TOURISM			
92110 VISITORS BUREAU -STT			
UNCLASSIFIED			
DIRECTOR OF VISITOR EXPERIENCE	\$50,000		FILLED
DIRECTOR OF VISITOR EXPERIENCE	\$50,000		FILLED
SUB-TOTAL	\$100,000	2	
CLASSIFIED			
SENIOR INFORMATION OFFICER	\$38,978		FILLED
SENIOR INFORMATION OFFICER	\$24,460		FILLED
CUSTODIAN WORKER	\$20,527		VACANT
CUSTODIAN WORKER	\$20,527		FILLED
SUB-TOTAL	\$104,492	4	
76 02 22 FUND 115 TOTAL	\$204,492	6	
92110 ACTIVITY	\$204,492	6	
920 DEPARTMENT OF TOURISM			
9210 TOURISM			
92120 OFF SHORE ACTIVITIES			
UNCLASSIFIED			
DIRECTOR OF SALES	\$70,000		FILLED
SALES MANAGER	\$48,000		FILLED
SALES MANAGER	\$48,000		FILLED
ADMINISTRATIVE ASSISTANT	\$40,000		FILLED
SUB-TOTAL	\$206,000	4	

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92120 FUND 100 TOTAL	\$206,000	4	
92120 ACTIVITY	\$206,000	4	
920 DEPARTMENT	\$1,675,518	32	
FUND 100			
UNCLASSIFIED FILLED	\$1,230,000	22	
UNCLASSIFIED VACANT	\$217,000	4	
CLASSIFIED FILLED	\$114,489	4	
CLASSIFIED VACANT	\$58,098	2	
ADJUSTMENTS	\$55,931	0	
SUB-TOTAL	\$1,675,518	32	