

TESTIMONY BEFORE THE  
COMMITTEE ON FINANCE  
THIRTY FIRST LEGISLATURE OF THE VIRGIN  
ISLANDS  
MAGENS BAY AUTHORITY  
July 26, 2016

Good afternoon Senator Graham, Chairman, Finance Committee, Committee Members, Senators, Audience and the listening Public.

On behalf of the Board of Directors of the Magens Bay Authority (MBA), I am Hubert Brumant General Manager of the Authority. With me today is Robert Moron, Chairman for the Magens Bay Authority and Dayle Barry, Treasurer. We are pleased to come before this body and be able to report on the business of the Magens Bay Authority.

Our MBA Board Members are: Elliot MacIver Davis Secretary; Katina Coulianos Vice Chairman; Terri Giffith, Esq.; Barbara Petersen and Governor Kenneth E. Mapp.

#### **MAGENS BAY AUTHORITY**

The St. Thomas Park Authority was created August 1946 for the purposes of accepting and agreeing to preserve as a Public Park, the lands transferred and conveyed as a gift by Arthur S. Fairchild unto the St. Thomas Park Authority.

The Act creating the St. Thomas Park Authority lies in Title 32, Chapter 3, Section 51 of the Virgin Islands Code, and it reads: to improve the health and living standards of the residents of the Virgin Islands through public use and development of the park and beach areas through executing and continuing constructive programs in this field.

In acquiring Smith Bay Beach [in 2007], the Government and subsequently the Legislature further amended the code granting Magens Bay Authority jurisdiction for the management of the Smith Bay Beach. The Peterborg and Smith Bay properties were transferred to the Magens Bay Authority with the passage of Bills 29-0200 and Bill 29-0303.

The Authority is presently responsible for the overall management of 98.59 acres of real estate.

The Properties Managed are:

- 58 acres at Magens Bay Park, a deed of Gift from Arthur S. Fairchild;  
10 acres at Magens Bay Park, deeded on behalf of the Nature Conservancy;
- 21.732 acres at Smith Bay Park (former Lindquist Beach), deeded to the Magens Bay Authority by the Government of the Virgin Islands;
- .25 acres at Drake Seat, deeded to the Magens Bay Authority by the Nature Conservancy;
- 8.61 acres at Peterborg Estate.

The Magens Bay Authority (MBA) is constituted a corporate instrumentality of the Government of the Virgin Islands of the United States, with certain autonomous corporate powers and duties, with legal

existence and personality separate and apart from the Government of the Virgin Islands, subject to control by a Board of Directors.

The Board of Directors meets an average of nine (9) times a year, on the third or fourth Friday of the month. Regular public meetings are held at Shed No.#4, at Magens Bay Park. Special meetings are scheduled to allow the Board of Directors to attend to operational and planning matters. Additionally, the Board's Committees are comprised of an Executive and Special Committee, and four standing Committees.

Regular meetings are held to address any and all public interest concerns. Regular meetings are publicized on media outlets ten (10) days prior to the meeting. All regularly scheduled **Board Meetings** are open to everyone and serves as a forum for public discussion, ideas and recommendations.

### **MAGENS BAY AUTHORITY PARKS**

Magens Bay Beach/Park is presently financially self-sufficient, in that it does not rely upon government annual appropriations to supplement Magens Bay Beach/Park's annual budget for the operations of these facilities. However, the Authority may occasionally request government grants for Capital Enhancement Projects at both Magens and Smith Bay.

MBA receives no Federal Funding grants to assist the Authority's operations of the Parks.

All financial obligations at Magens are met with revenues generated at Magens Bay Beach facilities. Personnel- the largest portion of this facility's expenses (72.2%), are paid from revenues generated there. Revenues derived are from several sources: Gate Entrance Fees, Concessions, Open Space and User Activity Rentals.

The Authority's Payrolls are processed through the Department of Finance. All Accounts Payables are processed by the MBA Business Office; such as Vendor Services, Professional Services, inclusive of Liability Insurance, Utility Costs, and all others are paid by the Authority.

MBA Accounts Receivables and Services are paid monthly or on delivery.

MBA maintains a fleet of four (4) vehicles: Two (2) Ford Ranger pickups and one (1) used 2013 Ford Explorer. The fleet presently services Magens Bay Beach, Drake Seat and Smith Bay Beach.

In addition, MBA operates four (4) Golf Carts: Two (2) by Police Security; one (1) by the Management; and one (1) by Maintenance; one (1) 14 ft. Inflatable Craft for water rescue and two (2) Police Bicycles.

MBA completes an independent yearly Financial Audit. Copies of the 2015 report were distributed to the Commissioner of Finance, the Governor, Budget Director, President of the Legislature, and Senate Chairman of the Committee on Finance.

MBA continuously strives to comply with all audit recommendations and presently is in the process of implementing our 2015 Auditor's recommendations.

Presently the Magens Bay Authority employs twenty-five (25) permanent positions, four (4) of which are management position employees.

### Financial Matters

The budget of the Magens Bay Authority for fiscal year 2017 shows revenues of: \$2,448,500.00, and expenditure of an equal amount. No Government allocations were received for both Parks in FY 2016. The anticipated total cost for personal services for fiscal 2017 is: \$1,766,799.67. This amount represents: 72.2% of our total expenses.

Magens Bay Concession Inc. has a lease with the Authority and we receive 8% of their gross per month.

Other Leases:       AAA Taxi pays \$1100 per month  
                          YAK SHAK pays \$450 per month

No appropriations of funds were approved for fiscal 2016 by the Finance Committee in their final markup, nor was MBA notified of this.

Between 10/1/14 – 9/30/15, by resolution, the Board of Directors loaned Smith Bay Park a total of \$491,916.00 without this loan the operations at Smith Bay Park would be limited or even curtailed indefinitely. These funds, in addition to revenue generated at Smith Bay Park, help to provide needed assistance for the continued operations at that Park.

Net profit at Smith Bay Park remains negatively impacted with insufficient revenue from gate receipts. The Park has yet to achieve an adequate level of financial independence and will require continued economic support to remain operational in the short and medium-term.

With the final completion of capital improvements at Smith Bay facilities, revenues are projected to increase sufficiently to begin achieving greater financial independence of Smith Bay Park operations, from its present dependency on Magens Bay Park operations.

The continued support for the operations at Smith Bay Park from the Magens Bay operational account will continue to limit expenditures for acquisitions, maintenance and regular repairs of the Authorities fixed assets.

This reduction of yearly net profits principally is used for salary increases, fringe benefits, higher health insurance premiums, retirement contributions, Magens Bay Beach grounds operations, capital projects and public sponsorships. This reduction further lessens the increase in investments and contingency operations fund necessary to cover non budgeted item costs, such as retirements, and retroactive pay- outs.

The Authority realizes the present Central Government financial revenue shortfall and will not be requesting funding for either of its Parks operations or capital projects for Fiscal year 2017. The Authority will continue to fund all Parks' operations and provide for an adequate level of service, and where appropriate take actions to reduce expenditures.

### 2016 Update and Development at Parks

Capital Projects for Smith Bay Park are: **Completed.**

There remain some additional requirements that must be in place to protect and enhance this newly built facilities;

- Installation of Security Cameras
- Fencing of entrance property for safety and protection of patrons
- Family picnic area to provide more space for recreation
- Native Garden and Trail.

**Fiscal year 2016 Accomplishments:**

1. Completion of Capital Project for Smith Bay Park
2. Completion of phase one of the remodeling of Concession at Magens Bay Park; Bids went out and a company was chosen to complete design and permitting.
3. Secured building and space for new administration and information center at Magens Bay Park.
4. Promoted the Arboretum as a living laboratory for Public and Private school including the University of the Virgin Islands.
5. Promoted and encourage groups in the Territory to utilize Magens Bay Campsite for outdoor activities.
6. Participated with Red Cross to train and certified Two (2) Lifeguard Trainers.

**Fiscal Year 2017 goals and initiative:**

1. Completion of design and permitting for new concession at Magens Bay Park
2. Work with indigenous group to restore and preserve pre Columbus ruins at Magens Bay Park.
3. Design and construction of Broad walk at Drake Seat
4. New entrance redesign and signage to advertise St.Croix
5. Continue to develop strategies to minimize effects on natural resources
6. Continue to work with Red Cross in training local residents to become Lifeguards. (This has become a yearly activity)

Magens Bay Authority has a commercial general Liability Policy with Hausch, Hogan and Murray which covers: Magens Bay Park, Smith Bay Park, Drake Seat and the undeveloped Peterborg Property that was deeded to Magens Bay Authority.

The Authority's Master Plan, while it allows for some minimal infrastructure development, includes restricting development in and around the Parks properties. The upkeep of the Arboretum, natural trails for educational purposes, vigilant monitoring of upland development for runoff into the Preserve, control of invasive species, preservation of the salt marshes, and man's predatory approach remain a priority.

Regardless of the challenges, the Board of Directors, its Management and Staff will continue to apply sound management principals to our decisions. As we continue to acquire and preserve the Parks' properties on behalf of the people, only with the continued support of the stake holders can we continue to maintain the Magens Bay mandated mission.

The Magens Bay Authority would like to thank you for this opportunity to report on the business of the Magens Bay Authority. At this time, we are prepared to answer all questions you may have.



Hubert Brumant, General Manager,  
Magens Bay Authority.