

## **THE OFFICE OF COLLECTIVE BARGAINING SHARES FY 2019 BUDGET**

**Date :** August 14, 2018

ST. THOMAS- Members of the Committee on Finance chaired by Sen. Kurt Vialet, held a meeting at the Capitol Building on Tuesday, to receive testimony from officials from the Office of Collective Bargaining (OCB) and other agencies for the FY 2019 budget appropriations.

Governor Kenneth E. Mapp's recommended budget for OCB totals \$920,913. The proposed expenditures and budget breakdown for FY 2019 is as follows: personnel services are \$489,549 or 53.16%, fringe benefits are \$189,364 20.6%, equipment and supplies are \$30,000 or 3.26%, utilities are \$9,000 or .98%, other services are \$155,000 or 16.83%, and capital outlay is \$48,000 or 5.21%.

The allocated funds requested for capital outlay are for labor-management relations, to upgrade computers and software programs, and to purchase a vehicle. Sen. Dwayne DeGraff inquired about the primary use for the capital outlay. Natalie Tang, Esq., Chief Negotiator Chief Negotiator for the Government of the Virgin Islands, Office of Collective Bargaining said, "Training for employees tasked with compliance with existing collective bargaining agreements is very critical. Additionally, the training that OCB provides to various government agencies is essential to the productivity of each Department."

Sen. Vialet inquired about the two vacant positions at OCB and the increase of personnel services. Chief Negotiator Tang said, "The two job openings are for an Administrative Assistant for the St. Thomas-St. John District and the St. Croix District. The necessity of the two positions has increased the budget for personnel services."

"Considering that OCB's budget is under a million dollars, is that sufficient to carry out all

mandates?” asked Novelle Francis. Chief Negotiator Tang stated that the requested budget is an ample amount to satisfy the requirements of the Department. “To successfully meet our goals and initiatives proposed by this Administration, we request that the approved budget is a lump sum of \$920,913,” she said. The goals of OCB are to reduce the backlog of labor cases, improve the operations of labor-management relations, and to bring expired contracts to a current status.

Sen. Tregenza Roach shared his remarks as it pertains to the governor granting raises to some employees at OCB. “It is no doubt that government employees deserve a raise. My concern is sustaining any increases that this body is implementing and that there are parity and homogeneity in the labor and working conditions in the bargaining unit.”

Separately, the Virgin Islands Water and Power Authority (WAPA) and the Virgin Islands Lottery also shared the FY 2019 budget.

Lawrence Kupfer, the Executive Director of WAPA, shared the capital and operating budgets for the Electric and Water Systems. For FY 2019, the income and expense report for the Electric System totals \$541,488. As of May 2018, the operating revenues from sales of 343,312-megawatt hours of electricity, the electric system earned over \$156.9 million. However, the operating expenses and net deductions totaled \$183.3 million with a net operating loss of \$26.4 million. Currently, LEAC revenues total \$82.3 million. Virgin Islands Government Accounts Receivables balance is \$33.7 million ending May 2018. The primary accounts that have an outstanding balance are Juan F. Luis Hospital (\$10,695,507), Roy Lester Schneider Hospital (\$9,483,378), Finance (\$3.1 million) and V.I. Waste Management (\$1,662,024).

For FY 2019 The Water System Income and Expense totals 1,305,143 gallons of water. Thus far, there is a net loss of \$279,000. However, based on the operating revenues of \$32.1 million from sales of 1,305,143 gallons of water the projected income is \$4.2 million for FY 2019. The deductions and incurred operating expenses total \$27.6 million. The V.I. Government Accounts Receivables totals \$7.5million. The primary accounts that owe are Roy Lester Schneider Regional Hospital (\$1,889,614), Juan F. Luis Hospital (\$2,189,017), V.I. Housing Authority (\$1,444,153) and V.I. Waste Management (\$34,987).

Juan Figueroa, Executive Director of the Virgin Islands Lottery (VIL) stated that VIL does not receive monies from the General Fund. The update is as follows: primary revenues components are Video Lottery Gaming, Scratch Games, Powerball, Mega Millions, Super Lotto, and Traditional Games. FY 2019 revenue projections are \$20,114,477. Total operating expenses is \$14,490,725 which results from mandatory transfers of \$5,073,057.

Senators present are Kurt Vialet, Dwayne DeGraff, Novelle Francis, Tregenza Roach, Brian Smith, Novelle Francis, Alicia “Chucky” Hansen, Janelle Sarauw, Neville James, and Nereida Rivera O’Reilly.

Photos:

<http://www.legvi.org/committeemeetings/Media>

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