

FISCAL YEAR 2019 BUDGET HEARING

MONDAY, AUGUST 20, 2018



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**Fiscal Year 2019 Budget Hearing
United States Virgin Islands Department of Tourism
August 20, 2018**

INTRODUCTION

August 20, 2018

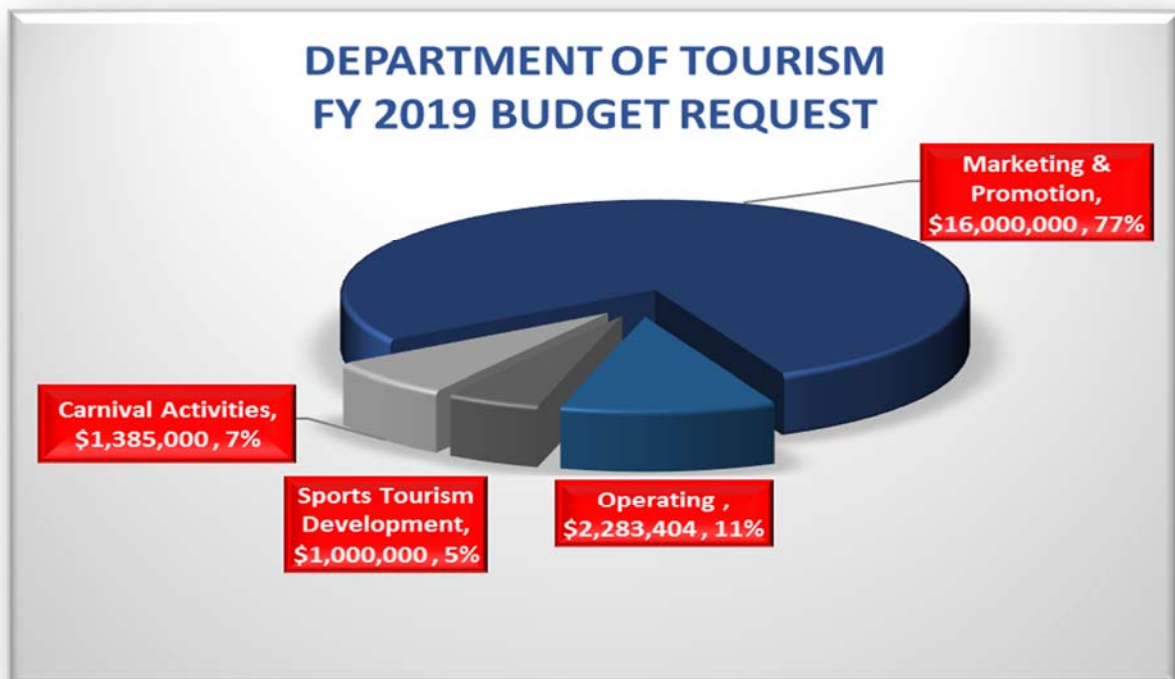
Committee on Finance
Honorable Kurt Vialet
32nd Legislature of the Virgin Islands

Good morning Honorable Kurt Vialet, Chairperson of the Committee on Finance, Committee members, other members of the 32nd Legislature, ladies and gentlemen in the chambers, viewing and listening audience. I am Beverly Nicholson-Doty, Commissioner of the Department of Tourism.

In the Chamber are many members of our tourism team. Seated in the well are Director of Administration & Management Averyl Fabian; Assistant Commissioner Joyce Dore-Griffin; Deputy Commissioner Neelia Ross; and Director of the Film Office and Acting Director of Communications Luana Wheatley.

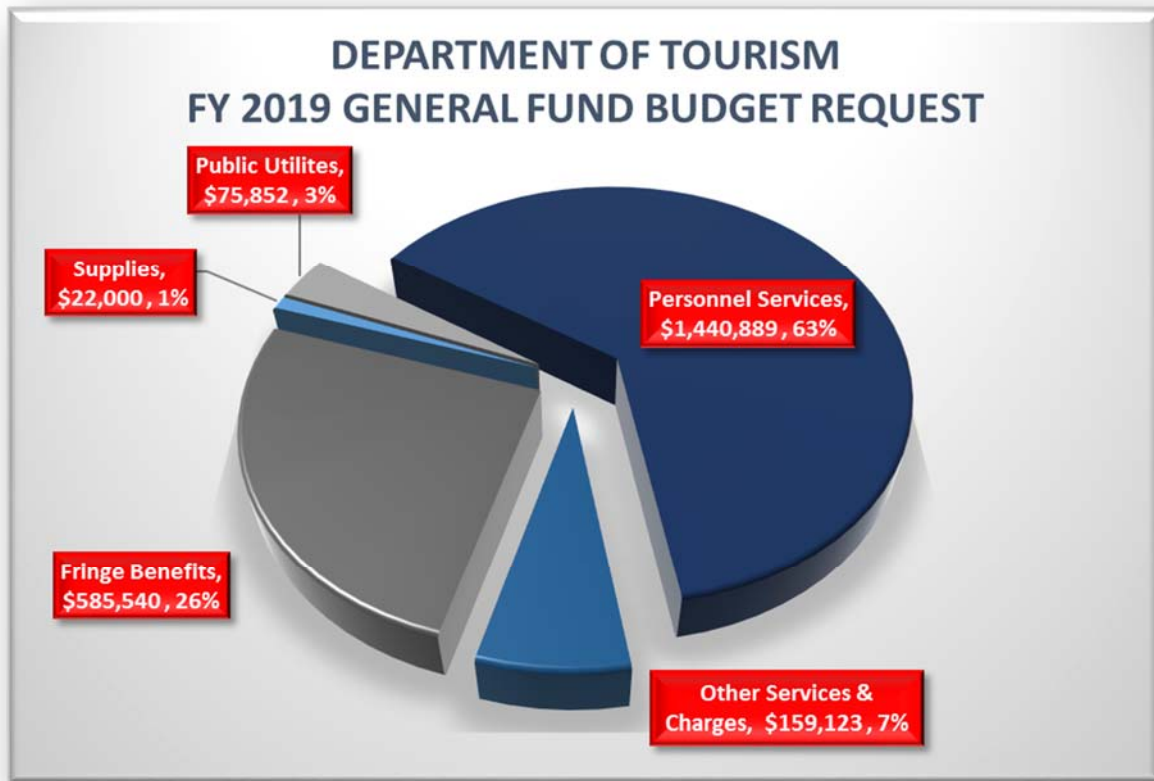
Thank you for the opportunity to present our budget request for Fiscal Year 2019. We will provide a brief overview of the activities of the Department of Tourism year-to-date for Fiscal 2018 and outline priorities for Fiscal 2019.

BUDGET REQUEST



The budget request for the Department of Tourism is \$20,668,404. It comprises \$2,283,404 from the General Fund and \$18,385,000 from the Tourism Advertising Revolving Fund.

BUDGET CATEGORY	FY 2017 ACTUAL EXPENSES	FY 2018 GENERAL FUND APPROPRIATION	FY 2019 GENERAL FUND BUDGET REQUEST	VARIANCE (FY'18 & FY'19)	%
Personnel	\$ 1,587,010	\$ 2,370,828	\$ 1,440,889	\$ (929,939)	
Fringe Benefits	\$ 623,331	\$ -	\$ 585,540	\$ 585,540	
Supplies	\$ 8,957	\$ -	\$ 22,000	\$ 22,000	
Other Services & Charges	\$ 112,866	\$ -	\$ 159,123	\$ 159,123	
Public Utilities	\$ 48,009	\$ 86,982	\$ 75,852	\$ (11,130)	
Operating Expenses	\$ -	\$ 151,795	\$ -	\$ (151,795)	
Capital Outlay	\$ 31,882	\$ -	\$ -	\$ -	
TOTAL	\$ 2,412,055	\$ 2,609,605	\$ 2,283,404	\$ (326,201)	-12.50%



The breakdown of the Department's General Fund request is as follows:

Our personnel cost in the amount of \$1,440,889 accounts for 63 percent of our General Fund request. This line item supports the salaries of 24 full-time filled positions and one vacancy. Of the 25 positions, five are classified and 20 are unclassified or exempt. A full listing of the positions is included in our budget package.

The corresponding Fringe Benefits cost of \$585,540 will absorb the following expenses: the employer's portion of Social Security, health insurance, retirement and our annual workman's compensation premiums.

Included in our budget is a total of \$22,000 for supplies.

The Other Services & Charges category, which totals \$159,123, will provide for the following expenses: repair and maintenance (\$10,453); rental of office space, a welcome center and a storage facility (\$33,000); janitorial and security guard services (\$71,000); communications costs (\$35,000); commercial liability insurance (\$6,000); the rental of equipment (\$1,500); and \$2,170 for uncategorized miscellaneous charges.

The amount budgeted for the Department's utility expense is \$75,852 with \$70,000 designated for electricity and \$5,852 dedicated to the payment of our potable water bills.

Of the \$18,385,000 derived from the Tourism Advertising Revolving Fund, \$1,385,000 will be used to market and promote the Territory's three major festival/carnival celebrations, \$1,000,000 will be allocated for developing and promoting the sports tourism product, and the remaining \$16,000,000 has been earmarked for the marketing and promoting of the Territory as a premier tourist destination. In a nutshell it entails the following:

1. Increasing awareness of key destination experiences
2. Identifying and growing the number of visitors
3. Engaging in partnerships that add value and provide return on investment
4. Creating an environment of excellent customer service
5. Continuing to differentiate our brand from the competition
6. Communicating through the most effective media

TOURISM LANDSCAPE

Senators, please permit me to provide an update on the tourism landscape.

The two Category 5 hurricanes of September 2017 created a devastating blow to our tourism industry, particularly in the area of stayover visitors. Currently more than 50 percent of traditional hotel accommodations remain closed. Several properties have provided timelines for reopening beginning at the end this calendar year through the end of calendar year 2019.

The most current accommodations inventory information follows:

- Of more than 4,500 pre-storm available traditional overnight accommodations (hotels, bed and breakfasts, resorts, timeshares, etc.), there are approximately 1,800 available today territory wide (approximately 1,050 rooms in St. Thomas, nearly 150 rooms in St. John, and around 600 rooms in St. Croix). Additionally, there are more than 600 villas and 200 charter yachts available in St. Thomas/St. John. In St. Croix, there are about 300 villa units.
- Airbnb has provided the following information on the number of active listings in the Territory: 830 listings in St. Thomas, 250 in St. John, and 350 in St. Croix. The availability of accommodations in the sharing economy has made it possible for many people to travel to the Territory, especially during our recovery period. Year-to-date, St. Thomas has received 10,200 visitors staying in Airbnb properties, St. John has received 2,200 guests, and 4,800 people have stayed in Airbnb locations on St. Croix. This does not include guest bookings through other sharing accommodations rental services. The agreement the Government has in place with Airbnb allows for the collection by Airbnb of the 12.5 percent Hotel Room Occupancy Tax on behalf of hosts and subsequent remittance of those funds to the V.I. Bureau of Internal Revenue.

The cruise industry, with its movable assets, was able to recover more quickly. However, we were already witnessing a decline in this segment which was

compounded by losing all calls in September and October and a few lines not returning until January 2018. Further, we were challenged by a number of lines repositioning their Eastern Caribbean itineraries for Western Caribbean itineraries shortly after the storms. St. Thomas has received a total of 718,275 passengers through July 2018 versus 929,056 passengers arriving during the same period in 2017. St. Croix has realized an increase with 48,836 passengers through May 2018 versus 24,742 passengers during all of 2017. There are two scheduled calls remaining in FY 2018 for St. Croix in September.



Air Capacity

St. Thomas air capacity currently sits at around 10,000 seats weekly, representing about 50 percent of the capacity for the same period in 2017. St. Croix's air capacity is currently more than 5,000 seats weekly, which is slightly higher than the same period in 2017.

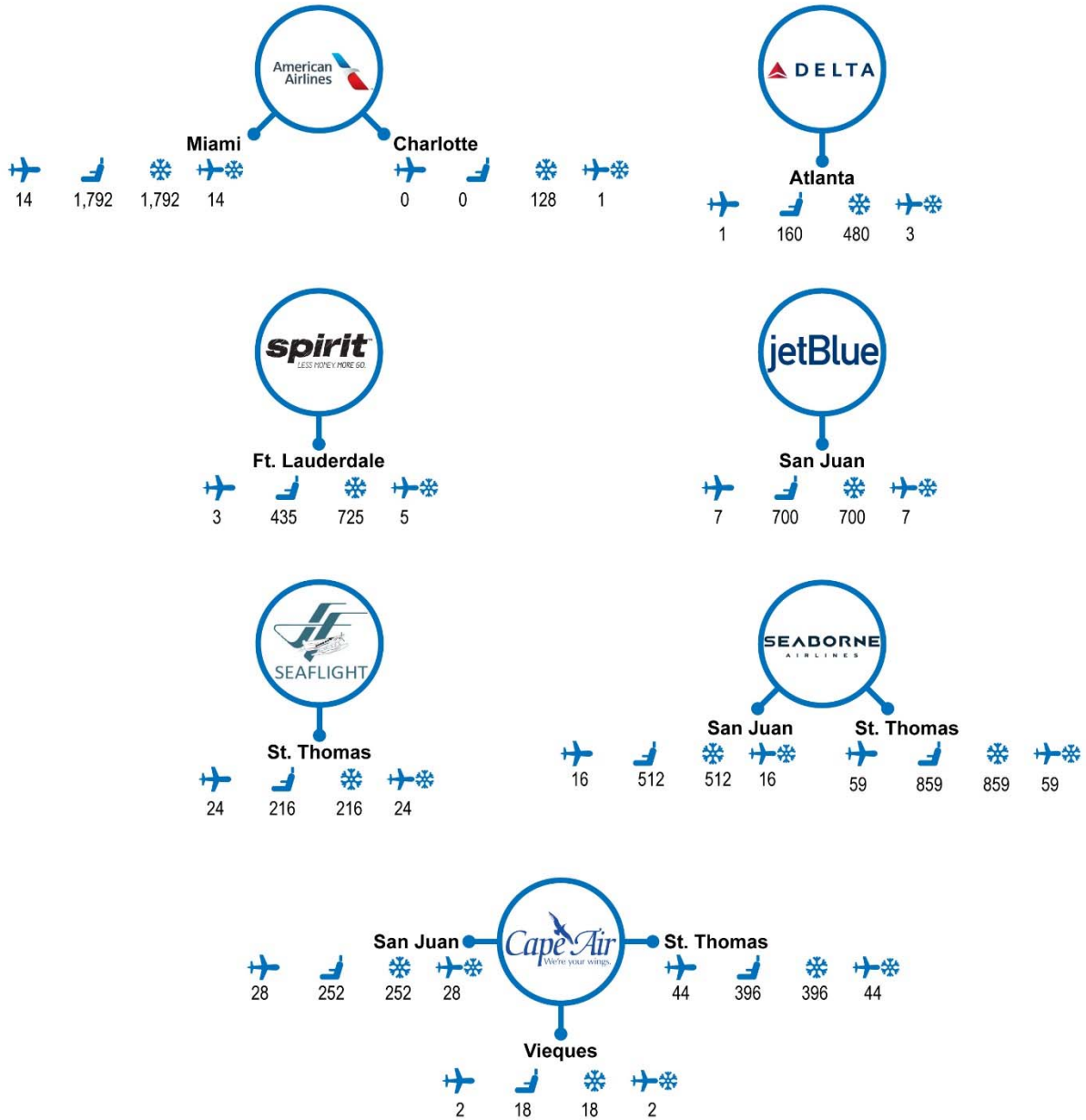
The forecast for Winter 2018/2019 projects St. Thomas' air capacity to be 15,000+ seats weekly and St. Croix to be slightly more than 6,000 seats weekly.



St. Croix

Air Capacity 2018

Current Weekly Flights	Current Weekly Capacity	Winter Weekly Flights	Winter Weekly Capacity
198	5,340	203	6,078

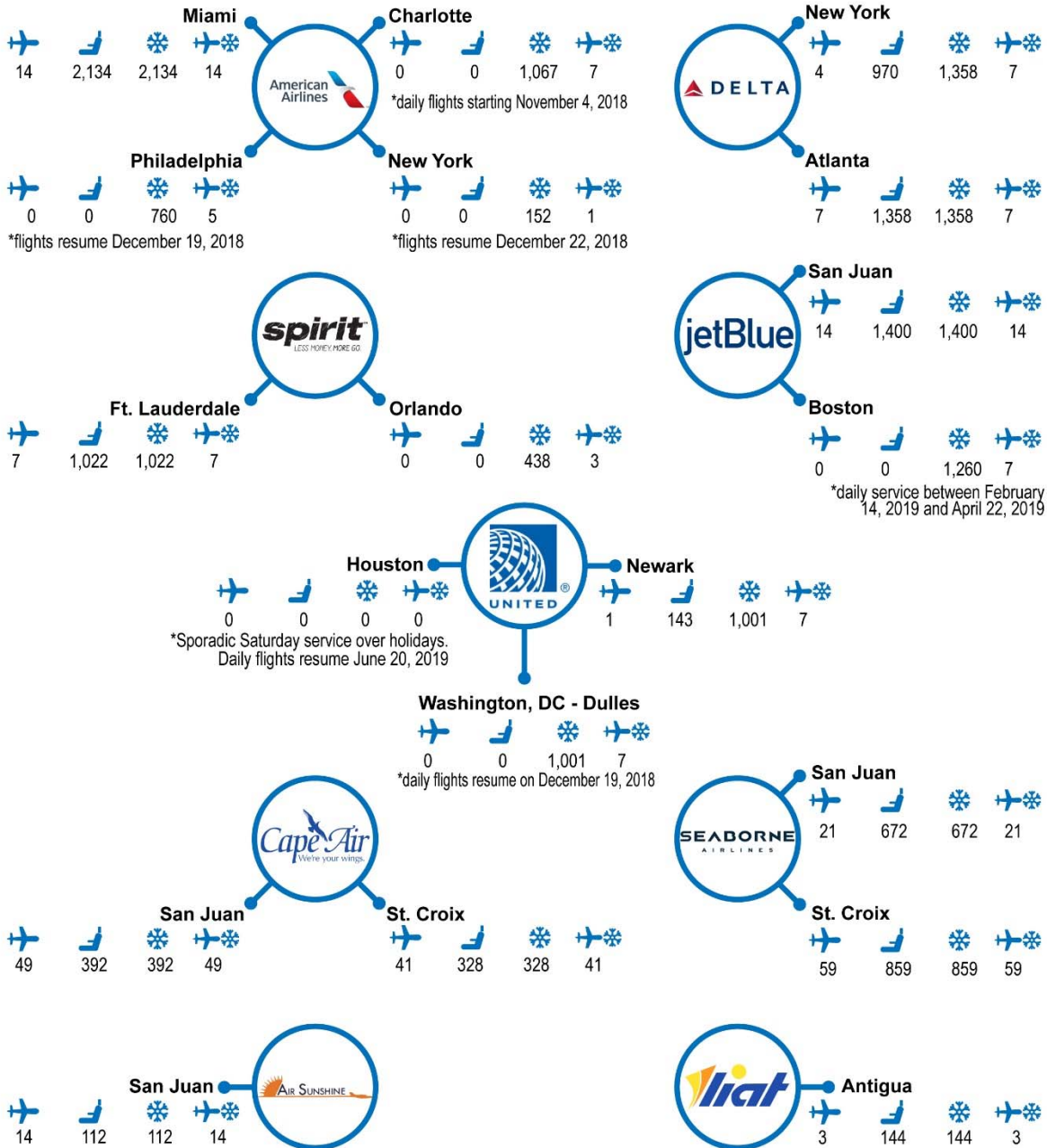


*schedules subject to change



St. Thomas Air Capacity 2018

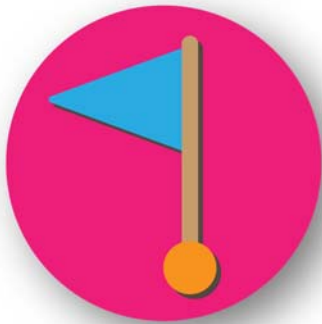
Current Weekly Flights	Current Weekly Capacity	Winter Weekly Flights	Winter Weekly Capacity
234	9,534	273	15,458



*schedules subject to change

Hotel Room Tax

Room tax collection of \$10,746,831 as of June 2018 is down by approximately 55 percent from \$24,157,296 for this period in 2017. The reduction in room tax collection is based on two factors: first, the reduced inventory; and second, the waiver of room tax for federal relief workers.



KEY ACCOMPLISHMENTS

- Despite the challenges of the past year there have been many positive accomplishments, including new air service from Spirit Airlines to St. Croix from Fort Lauderdale, which commenced this past May. Spirit Airlines has also announced new service between Orlando and St. Thomas.
- The implementation of Taxi training in partnership with UVI CELL. The program consists of eight training modules, including branding, customer service, highway safety, ADA compliance, and the history and culture of the Territory.
- Enhanced the relationship with the Florida-Caribbean Cruise Association (FCCA). Participated in quarterly meetings with the Operations Committee and engaged the group in planning. This included Aquila training (which is FCCA's training arm) in the Territory focused on frontline and tour operator training. Several hundred individuals participated in the program.
- Introduction of Purpose in Paradise, which is a volunteer tourism program matching visitors with projects that they are passionate about in three primary areas: education, environment and economic development.

- Hosted Airbnb workshops inviting homeowners to participate in the tourism industry through the sharing economy.
- Enhanced the crisis communication plan and documented the processes. (A copy of our updated plan is included in your packages.)
- Adjusted the marketing tag to USVI Still Nice to inspire confidence that the Virgin Islands remains a Nice place to vacation.
- Revamped the website that provided industry partners and potential travelers with up-to-date factual information on our recovery and the availability of tourism assets.
- There have been 591 media placements with more than 3.5 billion impressions and an advertising value of \$13 million between October 2017 and mid-July 2018.
- One team member in each district has earned PADI Dive Certification, which provides the required qualifications for our staff to engage with consumers and dive shop operators at dive trade shows.
- Completed the first phase in the development of a Quality Assurance program for small hotels.
- The Film Office coordinated post-storm trade features in Variety Magazine's Deadline.com, SHOOT Magazine, KFTV Bulletin, and AICI News. These features resulted in local coverage in the St. Croix Avis, VI Source and TV 2.
- The Film Office developed a new post-storm location gallery, a new marketing brochure, and was able to capitalize on free advertising opportunities and remnant buys.
- Local productions resulted in approximately \$1 million in local spend and 163 hires between the 2017 and 2018 calendars year-to-date.

Lastly, we are extremely pleased that the Department of Tourism, working closely with the team at Witt O'Brien's, has been approved for funding for marketing and product development from the United States Department of Housing and Urban Development. Half of the \$5 million committed will be dedicated to product development, including working with the Department of Agriculture on the "Made in the Virgin Islands" program.



FY 2019 PRIORITIES

- Work with tour operators and attractions to implement recommendations to enhance the visitor experience on St. Croix.
- Support the Bureau of Economic Research on the Tourism Master Plan.
- Develop and roll out the “Made in the Virgin Islands” program and create mechanisms to cooperatively market, promote and assist with making items available for sale.
- Establish innovative ways to market cultural activities and events, creating channels to increase visitor participation.
- Launch a marketing program specifically for the Ports of the Virgin Islands.
- Provide historical and heritage training for all frontline employees of the tourism industry. Make the training available online in addition to in-person group sessions.
- Implement phase two of the Quality Assurance program and develop with the Department of Licensing and Consumer Affairs’ seal of approval. The program will be promoted by the Department of Tourism.
- Create a series of video vignettes that feature unique and off-the-beaten-path experiences that provide inspiration beyond the beach.
- Complete the 360-degree videos of historical places of worship for St. John and St. Croix, similar to the pilot program already completed for St. Thomas.
- Ensure every sixth-grade student has participated in a Tourism-sponsored island tour that provides information on iconic buildings and places, providing context of their place in history.

- Create an aggressive marketing and business development plan to coincide with the reopening of additional hotel product. This includes sales and air route expansion as well as public relations and advertising.
- Invest in sports tourism marketing and events that provide a strong return on investment such as Paradise Jam, collegiate summer sports, St Croix's Triathlon and a new annual tennis tournament which will debut in May on St. Croix.
- Continue to partner with the marine industry to promote our marinas and charter yacht industry.

Senators, there is no doubt that the storms of 2017 were a major disruption to our tourism industry. Forever an optimist, I believe we will emerge with a newer and more competitive tourism product. The improved hotels, attractions and infrastructure will provide a stronger foundation for our socio-economic development and to benefit our communities.

During the period of reduced tourism traffic in 2018, the Department of Tourism invested in and focused on customer service training, taxi certification, and the Quality Assurance program for small, non-branded hotels and inns. We believe this will go a long way to enhance the appeal of our destination in today's competitive environment.

Our tourism industry has become more inclusive through the availability of entrepreneurial opportunities as more Virgin Islanders participate in tourism through sharing platforms.

Despite lower tax collections, this fall we will resume national television advertising to augment our digital and social media strategies, showcasing to the world the resilience not only of our tourism product but also our people. Our mission is to demonstrate that the U.S Virgin Islands is not just "Nice", but "Real Nice"!

In closing, I would like to thank the team at the Department of Tourism. They have exhibited grace under fire, gone the extra mile and continue each and every day to rally in support of our mission, which is to enhance the lives of the people

of the Virgin Islands through this important economic driver called tourism. Each member of our team contributes unselfishly to this mission and I am honored to work with them.

Senators, thank you for this opportunity to present our FY2019 budget request and to provide an overview of the Department's activities. We are available to answer your questions.



ADVERTISING

The Department of Tourism pulled all paid media three days prior to the arrival of Hurricane Irma to ensure no communications were being sent to consumers to promote travel to the Territory during the time of crisis.

Once the Territory was ready to accept some visitors, the Department branded the post-hurricane period as *Still Nice* to promote available offerings available to potential visitors, including:

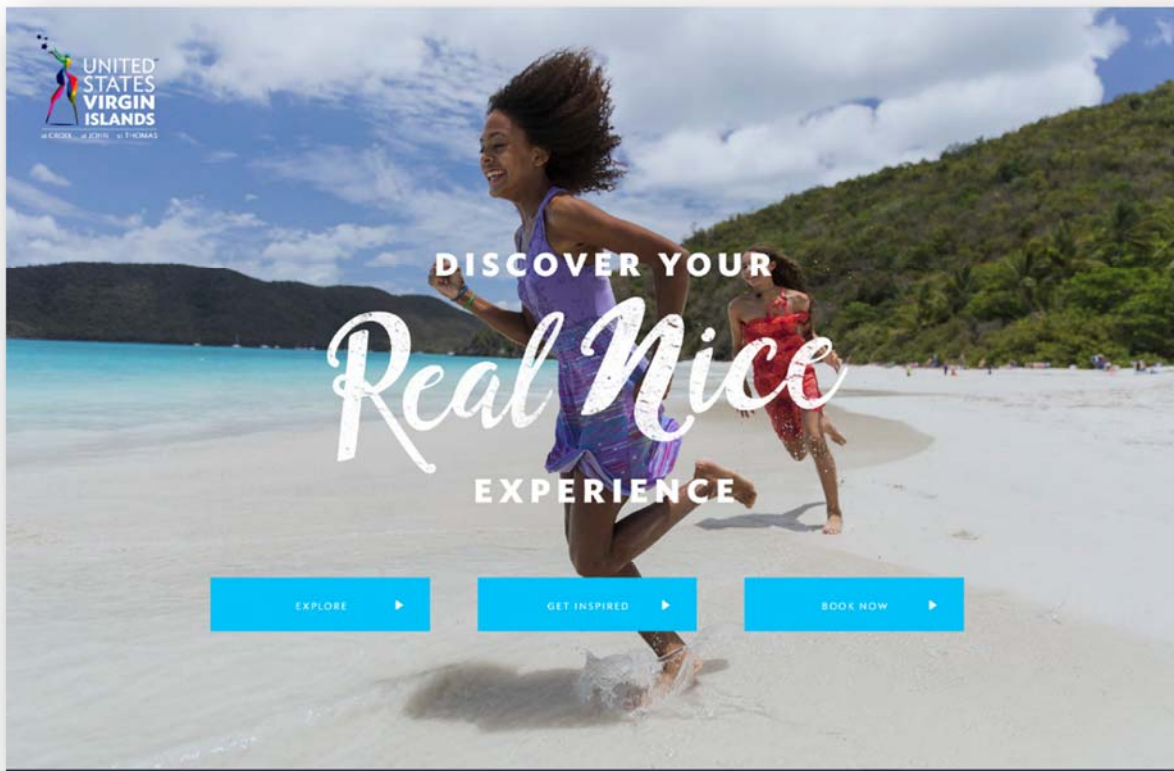
- Cruise
- St. Croix
- Shopping
- Dining
- Watersports
- Beaches
- Romance (wedding/honeymoons)
- Culture
- Yachting
- Available accommodations

The Department launched the *Still Nice* campaign exclusively on social media, using organic social media best practices to keep the USVI top of mind among consumers, and to let them know that the USVI was ready to welcome them again. This not only kept the USVI top of mind, but allowed us to reach close to 3.2 million people with no money spent.

We produced new post-storm content, staging photo and video shoots to tell the true story of what the USVI looked like so that consumers would have an accurate and honest representation. This content was produced using a small team in order to spend minimal funds. Key accomplishments were capturing, editing and sharing video about the re-openings of The Buccaneer and Magens Bay as well as the first cruise ships to return to jump-start interest in the Territory again.

We also produced new photography for the trade show booth at Seatrade Cruise Global so the Department could share the true story of the USVI's recovery to the industry. The photography demonstrated that in spite of the damage, the culture and spirit of the USVI was alive and well, and that parts of the USVI were open and ready to welcome guests.

In late-Spring of 2018, the Department mobilized media to support key flights to the Territory. The first of these launches was a paid social campaign to generate support for new Spirit Airlines flights to St. Croix. Creative targeted potential stayover visitors, highlighting ease of travel and the wonders to be found in a vacation to St. Croix. The media buy targeted top segments for the St. Croix market: divers, honeymooners, culinary, history and culture. The campaign reached 4.8 million qualified consumers, 15,000 of whom clicked through to Spirit's website to book flights. Paid media also included print and digital to support LIAT's St. Thomas flights as well as Delta flights to the Territory.



WEBSITE

The Department of Tourism is currently working on a completely redesigned website. The website will be mobile first and modular. It will also be built to appeal to key demographics, identified through research, who have the propensity to travel to the United States Virgin Islands. Users will be allowed to save their preferences, and content will be served up according to what they like. Users will learn about the diverse offerings of the USVI, the private sector will be highlighted, and bookings for hotels and activities will be available. The website will have a backend content management system that is agile, and makes it easy to add properties as they come back online throughout the recovery. This website will launch in Q1 FY19.



LOCAL COMMUNICATIONS STRATEGY & RESULTS

- Strong coverage of Department of Tourism stories in local media (e.g., Daily News, St. Croix Avis, Source, VI Consortium)
- Tourism updates and newsletter content of interest to local media houses
- Supported coverage of Atlanta Carnival (by VI Consortium)
- Updated Crisis Communications Plan
- Created www.usviupdate.com as a platform for real-time recovery progress



PUBLIC RELATIONS/SOCIAL MEDIA RESULTS

- Increased public relations value by 310 percent
- Strong broadcast coverage, leveraging media relationships and partnership with the National Association of Black Journalists (NABJ)
- Strong coverage in cruise media of Ports of the U.S. Virgin Islands
- Positioned the culinary offerings of the destination through media exposure and special appearances
- Support for Tourism Ambassadors and special events
- Increasing engagement from multicultural markets due to public relations efforts - resulted in increased awareness of the USVI across African American and Hispanic American market segments
- Robust approach to storytelling on social media, using video and photo montages
- Strong growth on social media: Both Commissioner and USVI tourism pages continue to be key channels for updates, education and engagement. Both

pages have reported growth and boldly highlight the historical and cultural attributes of the Territory.

- The Commissioner's Facebook page now records more than 25,000 Likes. The USVI page has more than 141,000 Likes.
- The Tourism Ambassadors program has grown to more than 455 members
- Price is Right promotion
- Updated and enhanced the Department's Crisis Communications Protocol

Media visits included Uncommon Caribbean, Caribbean Journal, Thrillist, Newsday (New York), Travel Weekly, Travel + Leisure, Chicago Sun Times, CuisineNoir, Scuba Diver Life, SAILING, USA Today, Cruise Critic, Dive Training Magazine, Food Travelist, Ebony Magazine, WAVS 1170 AM, Orbitz blog, Andiamo! UPTOWN, Caribbean Living Magazine, Profiles98 Magazine, Caribbean Media Corporation, Caribbean Today, Essence, Architectural Digest, LuxuriousPROTOTYPE, New Jersey Hills Media Group (Recorder Newspapers), TravelChannel.com, MadameNoire and Atlanta Journal-Constitution.

The Department of Tourism also hosted social media influencers, including It's a Lovely Life, Adventurous Kate, Triphackr, Gabe Babe and Follow Me Away as part of a partnership with Spirit Airlines. A partnership with Adobe brought 13 media and photographer influencers from outlets such as Brit & Co, Backpackers, Uproxx, Men's Journal, George The Explorer and Colby Brown.

Increased media visibility and strengthened partner relations during in-market activations in Dallas, Los Angeles, New York, San Juan, South Florida, Atlanta and Detroit.

Media Results

October 2017 - July 15, 2018

PUBLIC RELATIONS
EFFORTS RESULTED IN
591 stories



MEDIA IMPRESSIONS
TOTALLED **3,508,235,455**

TOTAL AD VALUE
\$13,321,652



TOTAL PR VALUE
\$39,964,976

TOP PR ACCOMPLISHMENTS

- Increase in Year-Over-Year Public Relations Value
- Prominent positioning of the Department of Tourism (e.g., cover of Black Meetings and Tourism, Ebony Power 100)
- Strong STX coverage, including
 - Travel + Leisure - 3,895,336 impressions, \$3,806,784 PR Value
 - Thrillist - 23,041,336 impressions, \$575,718 PR Value
 - This is Insider - 3,360,000 impressions, \$95,325 PR Value
 - Coastal Living - 863,102 impressions, \$77,697 PR Value
 - New York Newsday - 2,835,000 impressions, \$72,000 PR Value
 - Brit.co - 6,698,606 impressions, \$56,250 PR Value
 - Essence.com - 2,125,536 impressions, \$28,695 PR Value
- Launched new USVI Update website



VISITOR EXPERIENCE UPDATE/ACCOMPLISHMENTS - ST. CROIX

- Working with Stauffer Consulting to enhance the St. Croix cruise visitor experience
- Developing a Cultural Fair for all cruise arrival days, building relationships with stakeholders, sharing media coverage resulting from visits
- Consistently gathering updated information on tourism assets and updating tourism websites
- Continued partnership with GVI agencies – Office of the Governor; Sports, Parks and Recreation; Public Works; and Waste Management on beautification projects
- Maintain established relationship with the Department of Education to incorporate students in Welcome Experience (Work/Study program)
- Solicit local artists and vendors to stimulate activity on the Frederiksted waterfront area for cruise arrivals (Made in St. Croix Opportunity)
- Provide Greeters with ongoing training



VISITOR EXPERIENCE UPDATE/ACCOMPLISHMENTS - ST. THOMAS/ST. JOHN

- Welcome Centers and Ports – The Visitors Experience team in the St. Thomas/St. John District has maintained activities at all air and cruise ports

with Entertainment and Greeters since November 2017. Visitors truly appreciate the experience and the friendly welcome.

- Greeters assigned to the Welcome Center provide guidance to visitors seeking information on activity planning and how to best experience our destination for the day. Free Wi-Fi, photos with “Mocko”, and souvenir passport stamps are some of the added amenities that bring visitor traffic into the center.
- The Department of Tourism has provided island tours to 689 summer camp and elementary school students.
- By the end of the 2019 school year, all sixth graders in the district would have received an Island Tour as seen through the eyes of a visitor.

OTHER ACCOMPLISHMENTS

- **Taxi Certification Program with UVI CELL:**
 - The UVI-CELL Center commenced training for the Taxi and Tour Certification Program with the first cohort of 24 students on May 15, 2018. Students were exposed to a variety of topics that were designed to prepare them for their roles as ambassadors of the U.S. Virgin Islands. The course, which targeted first-time applicants, consisted of 12 hours and covered the following topics:
 - ✓ Introduction to Hospitality
 - ✓ Branding
 - ✓ Customer Service
 - ✓ Presentation Skills
 - ✓ History & Cultural Points of Interest
 - ✓ Road Safety
 - ✓ Emergency Response
 - ✓ ADA Compliance
- **Dive Certification and Marine Sea Life training for local team:**
 - Educational workshop sessions included introduction to key terms, best dive locations, inventory and general dive knowledge.
 - Participants learned how to respond to questions from a novice, highlighting underwater trails, and identifying dive wrecks for experienced divers.

- o An overview on how seasonal marine conditions affect regional diving. Discovered what makes diving in the U.S. Virgin Islands uniquely different and “Still Nice”!
- o One staff member from each district is now PADI-certified



- **Successful coordination of the Cruise Excellence Training for taxi drivers, tour operators and frontline Customer Service providers**



- o Two sessions conducted in each district.
- **Completed first phase of the Quality Assurance program**
 - o Draft program outline
 - o Selected Oversight Committee and Program Auditors
 - o One pilot property in each district will be selected by EOY



SALES ACCOMPLISHMENTS

- In 2018, the sales team participated in 19 national shows
- Continuous engagement with MICE (Meetings, Incentives, Conferences & Events) market industry professionals, elevating destination awareness through trade show participation, luncheons and other events, and promoting business partnerships

- Despite lower hotel inventory, MICE and Group Requests for Proposal (RFP) volume is strong. Year-to-date: 161 RFPs versus 172 same time last year. Generated \$371,000 in business.
- Facilitated requests from National Home Delivery Association, AECOM, and the U.S. Department of Health and Human Services
- Continued representation of the Territory at travel shows across the nation. Travel agents and consumers continue to be very interested in knowing about the status of the Territory post-hurricanes.
- Hosted key tour operators in February after Caribbean Travel Marketplace - Apple Leisure Group, Delta Vacations, Expedia and Flight Centre
- Attended SMU International, Incentive Travel Exchange, HelmsBriscoe Annual Business Conference, Destinations International, MPI World Education Congress 2018 (Virtual), Taste of the Caribbean, Cvent Connect, and Seatrade Cruise Global 2018 trade shows
- Available accommodations in both districts have reported strong occupancies even as hotels transitioned from relief workers to leisure guests
- Responded to consistent interest from agents
- The sales team worked to secure new group business for the Territory in 2018. One such group, Sports Travel Experts, is an organization that stages tennis tournaments in various Caribbean destinations. The attendees are affluent travelers, with an average nightly hotel spend of between \$200-\$300 per night. The organizer is based in Canada, and the tournament is currently slated for May 2019. The group will be staying at The Buccaneer and is slated to bring in approximately \$200,000 to the Territory.
- While working with a reduced budget, the sales team remained visible in key markets especially where we have nonstop airlift. With the help of the in-Territory tourism team, the Department participated in most of the top consumer trade shows of the year, including: The New York Times Travel Show, The Boston Globe Travel Show, The Travel and Adventure Shows, Incentive Travel Exchange, Cruise 3Sixty, Small Meetings University, Florida Wedding Expo, Scuba and H2O Adventure Show, HelmsBriscoe Annual

Business Conference, International Pow Wow, Cvent Connect and The Scuba Show.

- Additional accomplishments for FY 2018 include successfully renegotiating the Department's contract with luxury consortium Virtuoso - lowering the cost while still having access to the Virtuoso travel agent network - and participating in the recently concluded Virtuoso Travel Week. Many of the USVI's competitors have become sponsors with Virtuoso.



FILM ACCOMPLISHMENTS

- Post-storm trade editorial coverage: Variety Magazine's Deadline.com, SHOOT Magazine, KFTV Bulletin, and AICI News. Local features as a result: St. Croix Avis, VI Source and TV 2.
 - New post-storm location gallery
 - New marketing collateral

ADDITIONAL FY 2019 PRIORITIES

- Support the launch of the "Made in the VI" Enterprise Development program
- Increase media exposure with more broadcast opportunities
- Continue to leverage Culinary Ambassadors for more opportunities (i.e., culinary segments, cooking demos, in-market activations, press trips, etc.)
- Expand Purpose in Paradise voluntourism program



- Increase demand for USVI experience
- Strengthen airline and cruise communications
- Collaborate with the Virgin Islands Economic Development Authority to engage with social influencers
- Greater engagement with Tourism Ambassadors, including those working in media
- Improve cruise passenger experience with new harbor transportation on St. Thomas and newly invigorated sector on St. Croix
- Increase cruise calls to St. Croix
- Engage in more national promotions (Price is Right, Wheel of Fortune, etc.)
- Restore air capacity to pre-storm frequencies
- Develop additional video vignettes, featuring our culture, history and people
- Complete airport lounge at Cyril E. King Airport
- Expand national sales activities
- Launch the second phase of the Quality Assurance program to include small inns and B&Bs
- Host a Small Hotels Conference
- Engage hotel partners on STR reporting - add incentive and set goals for registration
- Re-launch print and broadcast advertising to complement the current digital campaigns
- Increase team member education and training programs
- Transition from Still Nice back to Real Nice

Still Nice >>> *Real Nice*

APPENDIX

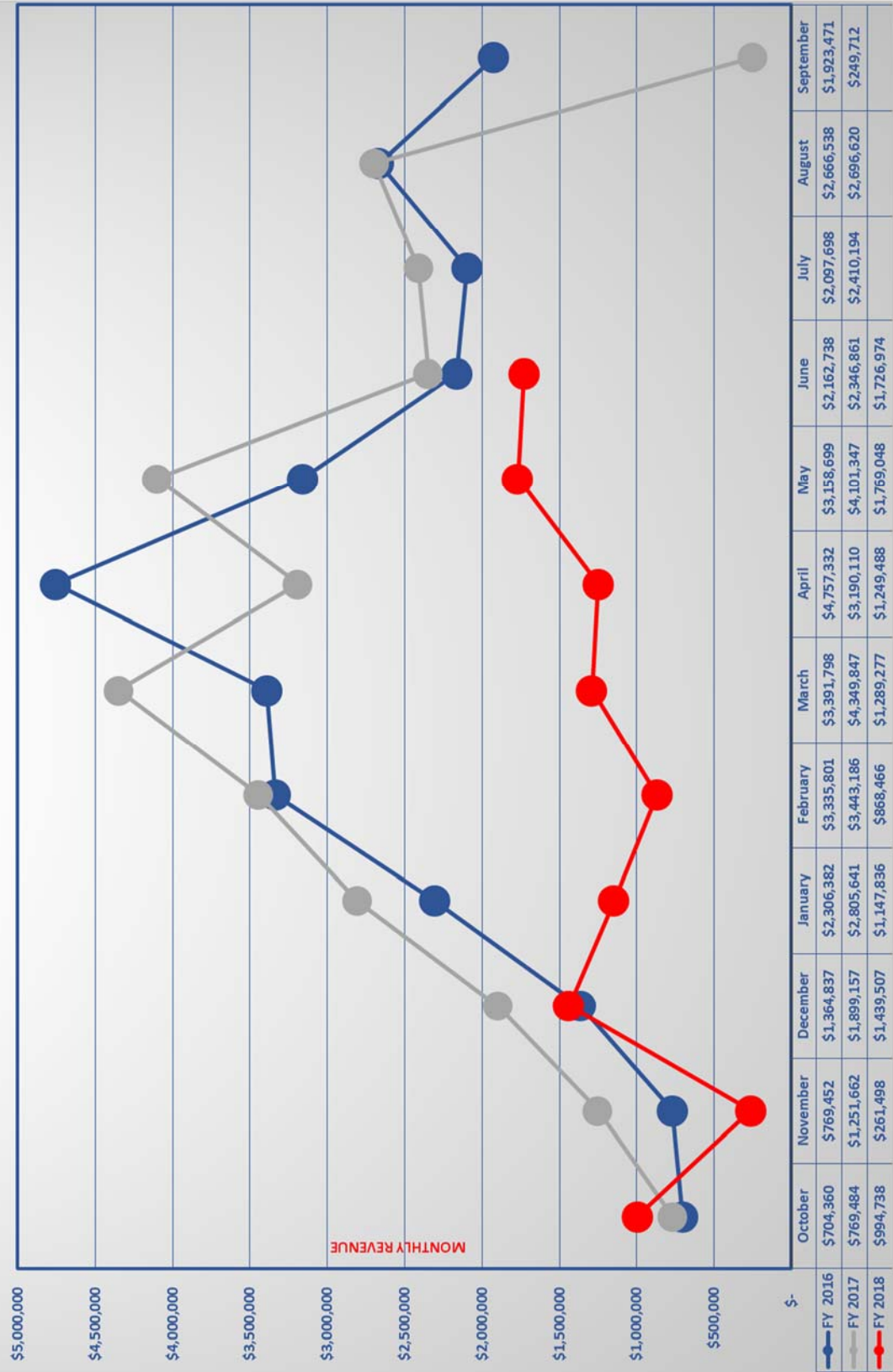
VI DEPARTMENT OF TOURISM FY 2019 GENERAL FUND BUDGET REQUEST	Administration & Management	Marketing, Communication & Film	Tourism Administration	Offshore Activities	Convention Visitors Bureau STT/STJ	Convention Visitors Bureau STX	Total
1 PERSONAL SERVICES							
511000 REG EMPLOYEE SALARIES CLASSIFIED	\$ 81,684	\$ -	\$ -	\$ -	\$ 52,269	\$ 69,686	\$ 203,639
511010 REG EMPLOYEE SALARIES UNCLASSIFIED	\$ 717,000	\$ 92,250	\$ 185,000	\$ 118,000	\$ 110,000	\$ -	\$ 1,222,250
514030 LUMP SUM PAYMENTS	\$ 15,000		\$ -		\$ -	\$ -	\$ 15,000
TOTAL PERSONAL SERVICES	\$ 813,684	\$ 92,250	\$ 185,000	\$ 118,000	\$ 162,269	\$ 69,686	\$ 1,440,889
2 FRINGE BENEFITS							
520010 EMPLOYER CONTRIBUTION RETIREMENT	\$ 152,455	\$ 18,911	\$ 26,650	\$ 23,165	\$ 33,265	\$ 14,286	\$ 268,732
521000 F.I.C.A.	\$ 50,448	\$ 5,720	\$ 11,470	\$ 7,316	\$ 10,061	\$ 4,321	\$ 89,336
521100 MEDICARE	\$ 11,798	\$ 1,338	\$ 2,683	\$ 1,711	\$ 2,353	\$ 1,010	\$ 20,893
522000 HEALTH INSURANCE PREMIUM	\$ 101,625	\$ 18,024	\$ 6,516	\$ 23,016	\$ 29,531	\$ 23,016	\$ 201,728
522200 WORKERS COMP PREMIUMS	\$ 2,628	\$ 404	\$ 404	\$ 404	\$ 607	\$ 404	\$ 4,851
TOTAL FRINGE BENEFITS	\$ 318,954	\$ 44,397	\$ 47,723	\$ 55,612	\$ 75,817	\$ 43,037	\$ 585,540
3 SUPPLIES							
541000 OFFICE SUPPLIES	\$ 7,000						\$ 7,000
541100 OPERATING SUPPLIES	\$ 6,000						\$ 6,000
542000 REPAIR AND MAINTENANCE SUPPLIES	\$ 1,000						\$ 1,000
542100 SMALL TOOLS AND MINOR EQUIPMENT	\$ -						\$ -
543100 FOOD SUPPLIES	\$ -						\$ -
546000 DATA PROCESSING SOFTWARE	\$ 8,000						\$ 8,000
TOTAL SUPPLIES	\$ 22,000						\$ 22,000
4 OTHER SERVICES							
532000 REPAIRS & MAINTENANCE	\$ 2,000						\$ 2,000
532100 AUTOMOTIVE REPAIRS & MAINTENANCE	\$ 8,453						\$ 8,453
533000 RENTAL OF LAND/BUILDINGS	\$ 33,000						\$ 33,000
533020 RENTAL MACHINES/EQUIPMENT	\$ 1,500						\$ 1,500
534000 PROFESSIONAL SERVICES	\$ 36,000						\$ 36,000
534100 SECURITY SERVICES	\$ 35,000						\$ 35,000
534110 TRAINING	\$ -						\$ -
535000 COMMUNICATION	\$ 35,000						\$ 35,000
535010 ADVERTISING & PROMOTION	\$ -						\$ -
535020 PRINTING AND BINDING	\$ -						\$ -
536000 TRANSPORTATION NOT TRAVEL	\$ -						\$ -
560000 TRAVEL	\$ -						\$ -
561000 INSURANCE	\$ 6,000						\$ 6,000
564100 OTHER SERVICES NOC	\$ 2,170						\$ 2,170
TOTAL OTHER SERVICES	\$ 159,123						\$ 159,123
5 UTILITY SERVICES							
530000 ELECTRICITY	\$ 70,000						\$ 70,000
531000 PUBLIC UTILITY SERVICES	\$ -						\$ -
531010 WATER	\$ 5,852						\$ 5,852
TOTAL UTILITY SERVICES	\$ 75,852						\$ 75,852
7 CAPITAL PROJECTS							
571000 BUILDING & IMPROVEMENT	\$ -						\$ -
575000 MACHINERY, EQUIPMENT & MISC	\$ -						\$ -
TOTAL CAPITAL PROJECTS	\$ -						\$ -
DIVISION TOTAL	\$ 1,389,613	\$ 136,647	\$ 232,723	\$ 173,612	\$ 238,086	\$ 112,723	\$ 2,283,404

VI DEPARTMENT OF TOURISM FY 2019 MARKETING & PROMOTION BUDGET	Marketing & Promotion	Greeters Program STT/STJ	Greeters Program STX	Total
3 SUPPLIES				
541000 OFFICE SUPPLIES	\$ 20,000			\$ 20,000
541100 OPERATING SUPPLIES	\$ 40,000	\$ 30,000	\$ 20,000	\$ 90,000
542000 REPAIR AND MAINTENANCE SUPPLIES	\$ 7,500	\$ -		\$ 7,500
542100 SMALL TOOLS AND MINOR EQUIPMENT				\$ -
543100 FOOD SUPPLIES	\$ 30,000			\$ 30,000
546000 DATA PROCESSING SOFTWARE				
TOTAL SUPPLIES	\$ 97,500	\$ 30,000	\$ 20,000	\$ 147,500
4 OTHER SERVICES				
532000 REPAIRS & MAINTENANCE	\$ 15,000			\$ 15,000
532100 AUTOMOTIVE REPAIRS & MAINTENANCE	\$ 2,500			\$ 2,500
533000 RENTAL OF LAND/BUILDINGS	\$ -			\$ -
533020 RENTAL MACHINES/EQUIPMENT	\$ 15,000			\$ 15,000
534000 PROFESSIONAL SERVICES	\$ 700,000	\$ 300,000	\$ 200,000	\$ 1,200,000
534100 SECURITY SERVICES	\$ -			\$ -
534110 TRAINING	\$ 20,000			\$ 20,000
535000 COMMUNICATION	\$ 100,000			\$ 100,000
535010 ADVERTISING & PROMOTION	\$ 13,648,000			\$ 13,648,000
535020 PRINTING AND BINDING	\$ 15,000			\$ 15,000
536000 TRANSPORTATION NOT TRAVEL	\$ 75,000			\$ 75,000
560000 TRAVEL	\$ 142,000			\$ 142,000
560100 PURCHASE BULK AIRLINE TICKETS	\$ 30,000			\$ 30,000
561000 INSURANCE	\$ -			\$ -
564100 OTHER SERVICES NOC	\$ 300,000			\$ 300,000
591010 SPECIAL CASH ADVANCE	\$ 250,000			\$ 250,000
TOTAL OTHER SERVICES	\$ 15,312,500	\$ 300,000	\$ 200,000	\$ 15,812,500
7 CAPITAL PROJECTS				
571000 BUILDING & IMPROVEMENT	\$ -			\$ -
575000 MACHINERY, EQUIPMENT & MISC	\$ 40,000			\$ 40,000
TOTAL CAPITAL PROJECTS	\$ 40,000			\$ 40,000
TOTAL	\$ 15,450,000	\$ 330,000	\$ 220,000	\$ 16,000,000

DEPARTMENT OF TOURISM FY 2019 PERSONNEL LIST

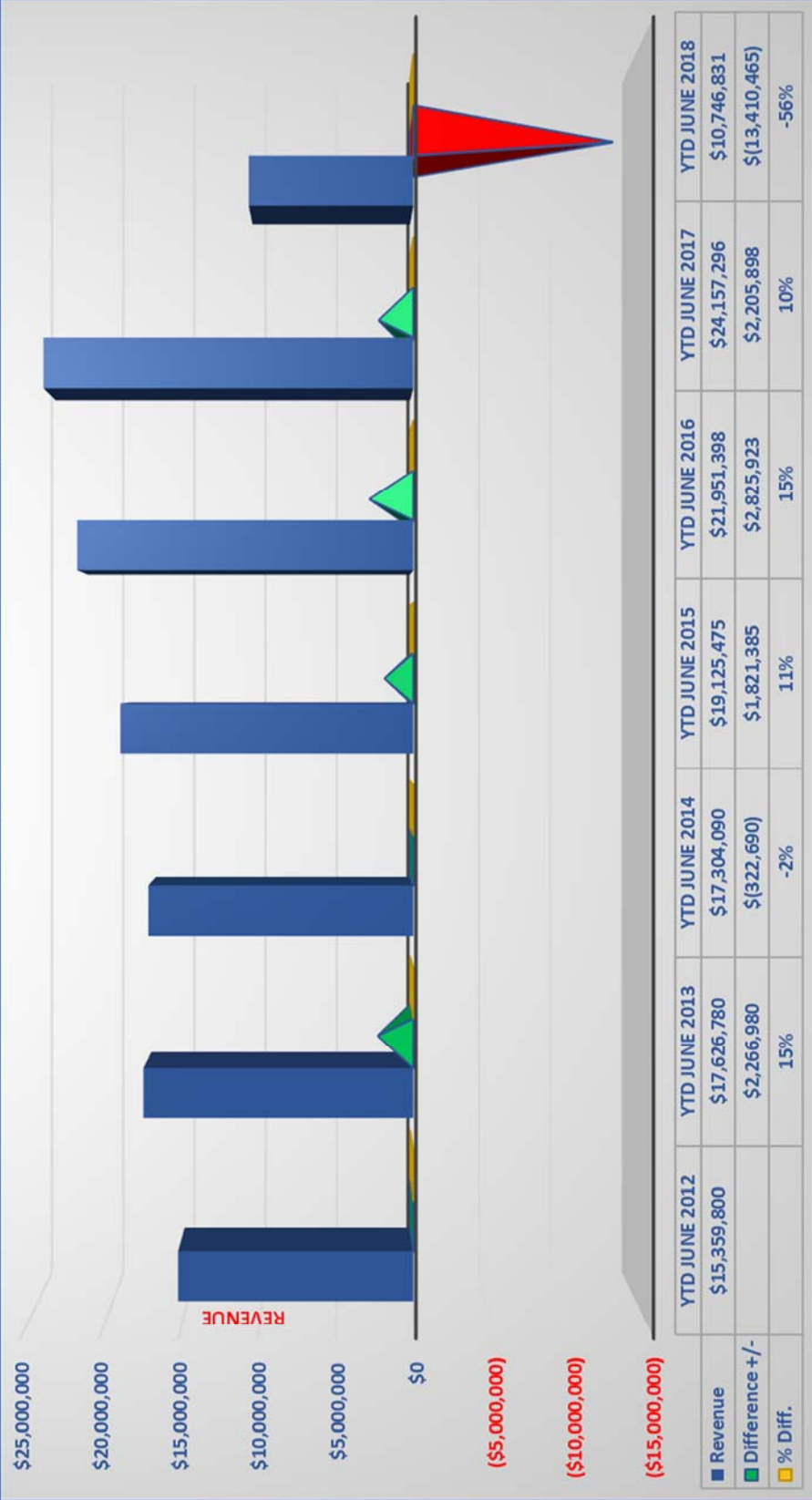
FILLED POSITIONS	EMP#	LAST NAME	FIRST NAME	SALARY	BC#	STATUS	LOCATION
Marketing Coordinator	98165	Acosta	Damari	\$ 42,000	192000020	Unclassified	St. Croix
Assistant Commissioner	106106	Dore-Griffin	Joyce I	\$ 105,000	192000080	Unclassified	St. Thomas
Director Office Operations	57138	Duran	Tanya	\$ 52,000	192000076	Unclassified	St. Thomas
Director Administration & Management	58588	Fabian	Averyl A.	\$ 80,000	192000025	Unclassified	St. Thomas
Senior Information Officer	71495	Harris	Kisa	\$ 52,269	292000055	Classified	St. Croix
Director Communications	70413	Henneman-Todman	Alani	\$ 52,000	192000083	Unclassified	St. Thomas
Costodial Worker	69889	Joseph	Anestasia	\$ 30,600	292000016	Classified	St. Croix
Assistant Director Administraton & Management	36029	Joshua	Lavonne W.	\$ 65,000	192000072	Unclassified	St. Thomas
Mgr. Product Development & Sustainable Markets	81744	Luis	Carlotta	\$ 53,000	192000077	Unclassified	St. Croix
Accountant II	59252	Milliner	Shellise M.	\$ 48,465	292000012	Classified	St. Thomas
Commissioner	96036	Nicholson-Doty	Beverly	\$ 105,000	192000038	Unclassified	St. Thomas
Special Assistant to the Commissioner	18562	O'Bryan	James A.	\$ 70,000	192000095	Unclassified	St. Thomas
Director Visitors Experience	60042	Payne	Angela D.	\$ 55,000	192000067	Unclassified	St. Thomas
Marketing Coordinator	83455	Pinney	Keezi J.	\$ 42,000	192000073	Unclassified	St. Thomas
Assistant Director of Communicatons	105385	Rosario	Sharon P.	\$ 47,250	192000063	Unclassified	St. Croix
Deputy Commissioner	67064	Ross	Neelia	\$ 75,000	192000079	Unclassified	St. Croix
Maintenance Technician	47492	Weeks, Jr.	Samuel	\$ 39,000	192000068	Unclassified	St. Thomas
Film Director	105253	Wheatley	Luana A.	\$ 62,000	192000071	Unclassified	St. Thomas
Manager Media & Travel Industry	107574	Wilkes	Desiree	\$ 45,000	192000064	Unclassified	St. Thomas
Accounts Payable Specialist	108068	Williams	Devon	\$ 33,219	292000100	Classified	St. Thomas
Director Visitors Experience	106107	Williams-Augustin	Frances E.	\$ 55,000	192000066	Unclassified	St. Croix
Senior Information Officer	77541	Williams	Francilia	\$ 39,086	292000027	Classified	St. John
SUB-TOTAL	22			\$ 1,247,889			
OFFSHORE TEAM							
Executive Assistant	80949	James-Lovejoy	Renee	\$ 48,000	192000090	Unclassified	Atlanta
Director of Sales	90956	Milliner-Kitchens	Kay	\$ 70,000	192000056	Unclassified	Atlanta
SUB-TOTAL	2			\$ 118,000			
VACANT POSITIONS							
Director Marketing	Vacant	Vacant	Vacant	\$ 60,000	192000023	Unclassified	St. Thomas
SUB-TOTAL	1			\$ 60,000			
TOTAL	25			\$ 1,425,889			
POSITIONS BY CATEGORY							
Filled Unclassified	19	\$	1,162,250				
Filled Classified	5	\$	203,639				
Vacant Unclassified	1	\$	60,000				
Vacant Classified	0	\$	-				
TOTAL	25	\$	1,425,889				

HOTEL ROOM TAX MONTHLY COLLECTION COMPARISON FY'16, FY'17 & 10/2017-6/2018



HOTEL ROOM TAX

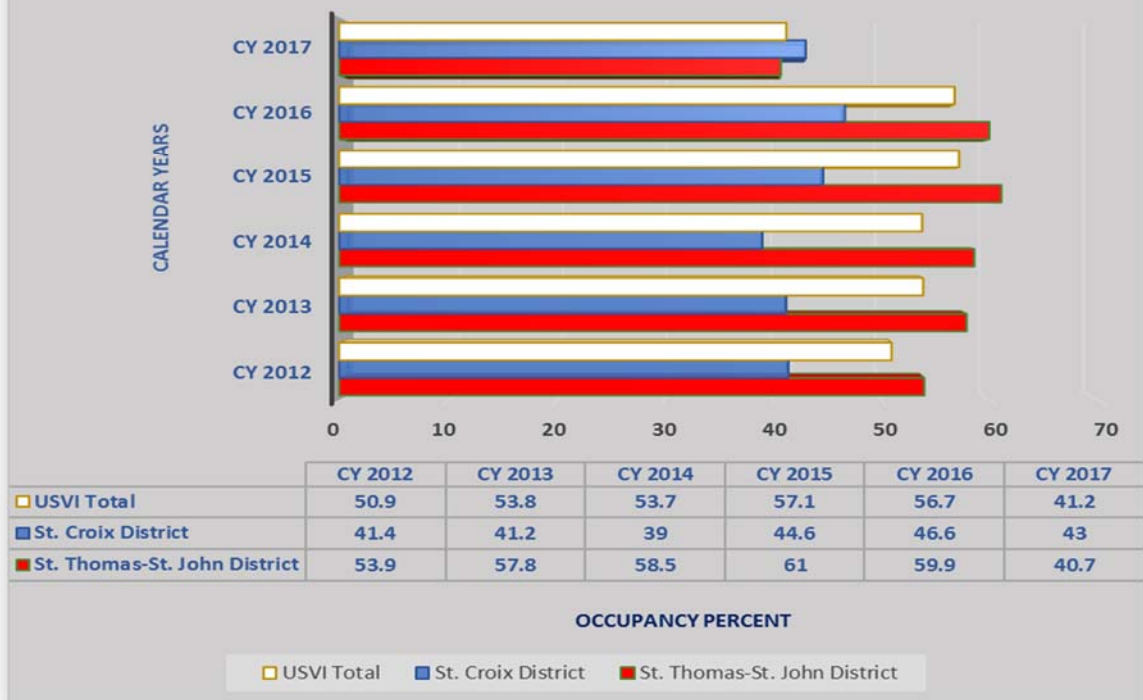
YTD COMPARISON (6/2012 THRU 6/2018)



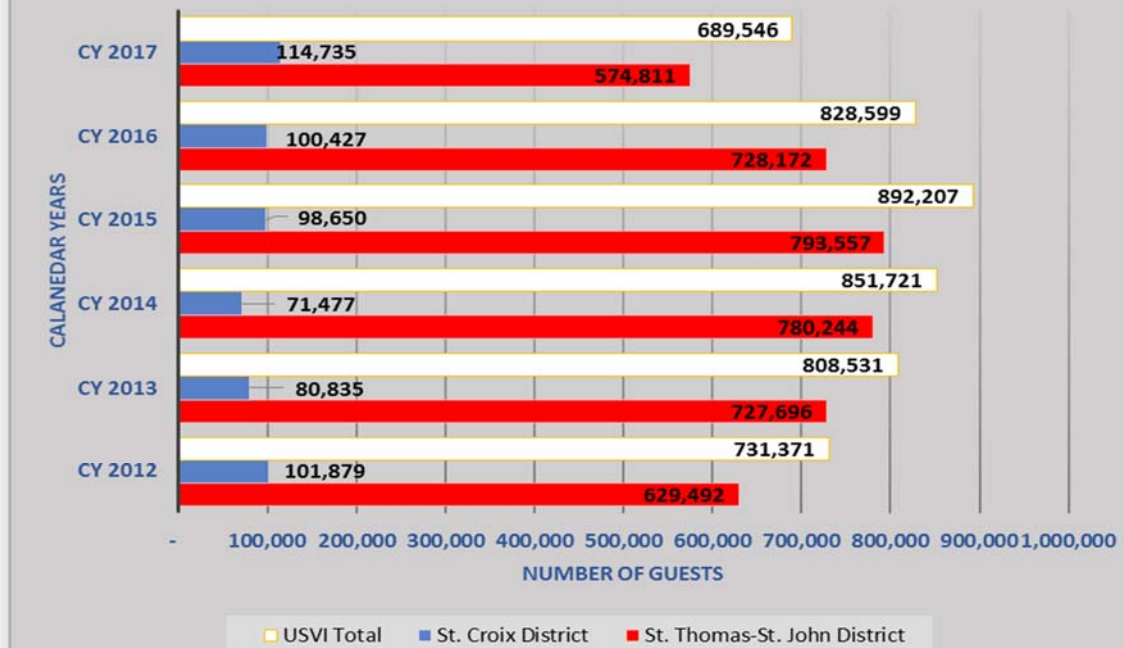
HOTEL ROOM TAX ANNUAL COMPARISON (FY '11 THRU FY '17)



HOTEL OCCUPANCY REPORT



GUEST REGISTRATIONS



DEPARTMENT OF TOURISM FY 2019 CONTRACT LIST						
VENDOR/NAME	CONTRACT NO.	AMOUNT	CONTRACT PERIOD	PURPOSE	TYPE OF SERVICE	FUNDING SOURCE
Frances Boynes	S012DOTT17	\$ 36,000.00	12/2017-11/2018	Clean Main Office & Restrooms	Janitorial Service	General Fund
Commercial Security Agency		\$ 35,000.00	10/2018-09/2019	Provide Security for STT Office	Security Services	General Fund
Millennium Phone & Cable	Pending	\$ 215,000.00	05/2018-04/2020	Information Tech. Services	Information Technology	TARF
J. Walter Thompson U.S.A., Inc.	Pending	\$ 6,155,000.00	10/2017-09/19	Advertising Strategy, Creative & Production Services, Website Updates and Maintenance Agency	Marketing & Promotion	TARF
Location Service Group, LLC	Pending	\$ 142,000.00	05/2018-04/2020	Promotion for the production of motion pictures, TV shows, commercials & new media	Marketing & Promotion	TARF
MarketPlace Excellence	P070DOTT16	\$ 3,460,000.00	10/16-09/18	Public Relations, MICE, North East Sales	Marketing & Promotion	TARF
Halcyon Partners, LLC	Pending	\$ 360,000.00	08/2018-07/2020	Coordination & Implementation of VI Ports Strategic Plan	Consultation	TARF

DEPARTMENT OF TOURISM FY'18 SPONSORSHIPS	
St. Croix Sponsorship	
St. Croix Botanical Gardens - X-Mas Event	\$2,500.00
St. Croix Dolphin Swim Team	\$1,250.00
Department of Agriculture - Agriculture Fair	\$25,000.00
VI Literary Book Fair Festival	\$4,500.00
St. Croix Foundation - Food & Wine Experience Event	\$20,000.00
St. Croix Triathlon	\$100,000.00
St. Croix Rotary District 7020	\$7,500.00
Dominicanos Org. - Dominican Parade Festival	\$2,500.00
St. Croix Landmark Society - Jr. Preservationist	\$4,000.00
Calypso Inc. - Calypsonian Event	\$4,500.00
St. Kitts Masqueraders - Event	\$500.00
R/C Boat Show	\$2,500.00
St. Croix Poker Run	\$10,000.00
St. Croix Friends of Denmark - Trtansfer Day Event	\$2,500.00
Nature Conservancy - Reef Responsible Event	\$5,000.00
Christiansted Restaurant & Retail Association - Jump Up	\$10,000.00
VI Puerto Rico Commission - VIPR Friendship	\$5,000.00
St. Patricks Day Parade Committee	\$741.85
Hans Lawaetz - Senepol Convention	\$2,500.00
St. George Botanical Garden - Mango Melee	\$4,500.00
St. Croix Junior Bowler - Championship - STX Bowlers	\$4,500.00
CHANT - 170th Emancipation Day Celebration	\$10,000.00
St. Croix Landmark Society - Living Musuem	\$150,000.00
AYSO Soccer Team - Denmark	\$2,500.00
Sports Traveler Experts - Tennis Tournament - Group	\$50,000.00
Sub-Total	\$431,991.85
St. Thomas Sponsorships	
E. Veira - Miss Universe	\$4,500.00
St. Thomas Yacht Club - Regattas	\$60,000.00
ICMC Jazz in the Park	\$2,500.00
Basketball Travelers - Paradise Jams	\$375,000.00
YWCA - Youth Event	\$1,000.00
ESS Promotions - Comedy Event	\$1,500.00
We Grow Food, Inc.-Bordeaux Fair	\$7,500.00
STT Poker Run	\$10,000.00
King of the Wings	\$2,500.00
LuLu Orange, Inc. - Miss Universe	\$4,500.00
BDJ Music - VI Wete Fete	\$2,500.00
Virgin Islanders United - NYC Cultural Event	\$2,500.00
34th Annual Chili Cook Off	\$2,500.00
UVI - Miss University VI Ambassadorial Competition	\$2,500.00
VI Resource Center for the Disabled, Inc.	\$3,600.00
1st Annual Hot Wheels Poker Run	\$4,500.00
US HART - Summit Event	\$2,500.00
CFVI - Cancer Foundation - Paint the Town Pink Event	\$1,000.00
Virgin Islands Conservation Society - Blue Flag Program	\$7,500.00
Sub-Total	\$498,100.00
St. John Sponsorships	
St. John Arts Festival	\$3,000.00
Friend of the National Park - Beach to Beach	\$4,900.00
Sub-Total	\$7,900.00
Total	\$937,991.85

Tourism Advertising Revolving Fund (TARF)-Annual Allocations			
Description	Amount	Authority	
DOT: Virgin Islands Carnival Committee -St. Thomas	\$ 545,000		
DOT: Crucian Christmas Festival Organization -St. Croix	\$ 520,000		
DOT: Festival & Cultural Organization-St. John	\$ 320,000		
Sub-Total	\$ 1,385,000	Appropriated annually	
Waste Management	\$ 300,000	Appropriated annually	
VI Police Department	\$ 850,000	Appropriated annually	
Office of the Governor-BER	\$ 150,000	Appropriated annually	
DOT: Sports Tourism	\$ 1,000,000	Act #7767	
VI Department of Public Works	\$ 300,000	Appropriated annually	
VI Department of Agriculture	\$ 1,000,000	Act #7767	
VI Department of Education	\$ 500,000	Act #7767	
VI Department of Sports, Parks & Recreation	\$ 500,000	Act #7767	
Sub-Total	\$ 4,600,000		
Total	\$ 5,985,000		

DEPARTMENT OF TOURISM FACILITIES			
Facility	Location	Landlord	Cost
Administration Building	Frederiksted	Public Finance Authority	\$27,000 per year
Welcome Center	Christiansted	Public Finance Authority	\$ 2,106 per year
Airport Lounge	Henry E. Rohlsen Airport	VI Port Authority	No annual cost
Cruise Ship Welcome Center	Frederiksted	VI Port Authority	No annual cost
Administration Building /Welcome Center	Charlotte Amalie	Government of the Virgin Islands	No annual cost
Cruise Ship Lounge/Welcome Center	Havensight	West Indian Company	No annual cost
Welcome Kiosk	Crown Bay	VI Port Authority	No annual cost
Airport Lounge	Cyril E. Kings Airport	VI Port Authority	Currently no cost
Welcome Center	Cruz Bay	Government of the Virgin Islands	No annual cost

DEPARTMENT OF TOURISM

FY 2019 VEHICLE LIST

ST. THOMAS/ST. JOHN DISTRICT							
ACTIVITY CENTER	MAKE	MODEL	YEAR	LICENSE PLATE NO.	FUNDING	LEASE/ OWN	CONDITION
Office of the Commissioner	Chevrolet	Equinox	2015	TD-1	Gen. Fund	Own	Good
Office of the Commissioner	Chevrolet	Trax	2016	TD-2	Gen. Fund	Own	Good
ST. CROIX DISTRICT							
ACTIVITY CENTER	MAKE	MODEL	YEAR	LICENSE PLATE NO.	FUNDING	LEASE/ OWN	CONDITION
Office of the Commissioner	Chevrolet	Equinox	2010	TD-5	Gen. Fund	Own	Good
Visitor's Bureau	Chevrolet	Impala	2015	TD-3	Gen. Fund	Own	Good





Ports of the Virgin Islands & Charlotte Amalie Cruise Ship Task Force

Activity Report - August 2018

Ports of the Virgin Islands

1. The members of the Ports of the Virgin Islands (Virgin Islands Port Authority, West Indian Company and Department of Tourism) have had no less than quarterly meetings over the past year.
2. The Ports of the Virgin Islands team met with the Florida-Caribbean Cruise Association (FCCA) four times in FY2018.
3. Additionally, the team meets via conference call.
4. Since Hurricanes Irma and Maria, the Ports of the Virgin Islands has hosted members of all cruise lines that visit the Territory, with the exception of MSC Cruises.

Charlotte Amalie Cruise Ship Task Force

1. There has been one formal meeting, held in February 2018, with the full Task Force.
2. Summaries of meetings between FCCA and the Ports of the Virgin Islands are shared with Task Force members.

Key Issues

1. USVI participation in the FCCA marketing program
2. Implementation of Harbor Transportation - Test Operation scheduled for September 2018 with members of the FCCA Operations Committee on hand to provide feedback
3. Crisis Communications Protocol - Processes for accepting donations following a natural disaster
4. Concepts on port developments for both port entities have already been shared. More detailed presentations are planned for next week. VIPA will present upland development concepts, and Crown Bay and WICO will present concepts for a new pier.
5. Collaboration with FCCA on Seatrade Cruise Global (Fort Lauderdale), Seatrade Cruise Med 2018 and FCCA Cruise Conference & Trade Show
6. Processes for obtaining feedback from the cruise industry on the passenger experience in port
7. Participation in 2018 BREX Study
8. Participation in the Eastern Caribbean/FCCA Group Meetings

Other Topics - Department of Tourism/Cruise Industry

1. Purpose in Paradise program
 - Development of programs where passengers can volunteer while in port
 - Several test programs have already been operated.
2. Partnership with Stauffer and Associates on enhancing existing tours on St. Croix (Larry Stauffer is a former head of shore excursions for Disney)
 - Branding St. Croix for the cruise passenger
 - Developing crew programs
 - Identifying opportunities for new tours and increased cruise ship calls to St. Croix