



The Governor's Voice

GOVERNOR CHARLES W. TURNBULL, PH.D.



Virgin Islands Vision

When we launched this newsletter last spring, we named it *V.I. Vision* because we believe vision is the starting point for almost all significant improvements in society. Without visualizing clear goals and then doing the hard work to bring them to fruition, we are mere pawns of chance and external forces.

Consider our territory's economic health. Since the last issue of this newsletter, Fitch Ratings has joined Moody's and Standard & Poor's in granting our territory an investment grade bond rating. This historic news is a result of the government's improved financial performance, which has also allowed us to submit a FY2007 budget of \$749 million, roughly double the amount in the first year of my administration. These positive developments can all be traced back to a shared vision of our islands as an economically thriving yet fiscally disciplined community. Enough of my fellow Virgin Islanders, and members of my administrative team, shared this vision that we were able to will it into reality.

Consider the state of our islands: St. John today is recognized as one of the most beautiful islands in the world, thanks to the foresight of Laurance Rockefeller and others to have much of it designated a national park. St. Thomas is one of the Caribbean's top cruise-ship destinations, even before the launch of Yacht Haven Grande, a visionary port and seaside village for the 21st century that will welcome the world's largest mega-yachts. And St. Croix is our island richest in history and culture. Crucians (St. Croix residents) have been envisioning the future of their island in a series of public meetings and work sessions, and their vision is coming to life in a magnificent \$11 million redesign of the Frederiksted waterfront and a professional-level baseball stadium. On other parts of the island, several world-class resorts are in various stages of development thanks to innovative

public-private partnerships. I envision St. Croix becoming a cultural-heritage — and perhaps "ecotourism"— destination, combining aspects of the other islands in multidimensional ways.

As we continue to envision our future, let us not lose sight of the fundamental fact that our territory is only as healthy and secure as our people. Next year's budget includes greatly increased spending on education and safety. The Governor's Health Reform Initiative, when implemented, will give every citizen of our territory access to affordable health insurance. And as outlined previously in these pages, the V.I. Housing Finance Authority is building "affordable housing in paradise."

Envisioning our future does not mean we are turning our backs on our past. On the contrary, we recognize the priceless equity in our history and culture and the importance of preserving it. That's why we've set up the Division of Virgin Islands Cultural Education within the Department of Education, and are building the new regional library and records center on St. Thomas, and have been carrying out painstaking renovations to landmark structures throughout the territory.

In this final newsletter of my administration, I would like to congratulate my successor, Governor-Elect John deJongh, and Lt. Governor-Elect Gregory Francis, and wish them the very best. To all Virgin Islanders, and to all you Virgin Islanders-at-heart around the world (you know who you are), I look forward to continuing our journey together, in whatever capacity I can contribute, toward the Virgin Islands of the future.

In that spirit, I believe the best words I can leave you with are in the form of a question: What is your Virgin Islands vision?



BRINGING NEWS AND INFORMATION TO THE U.S. VIRGIN ISLANDS COMMUNITY

Department of Public Works: Federal Highway Priority Projects

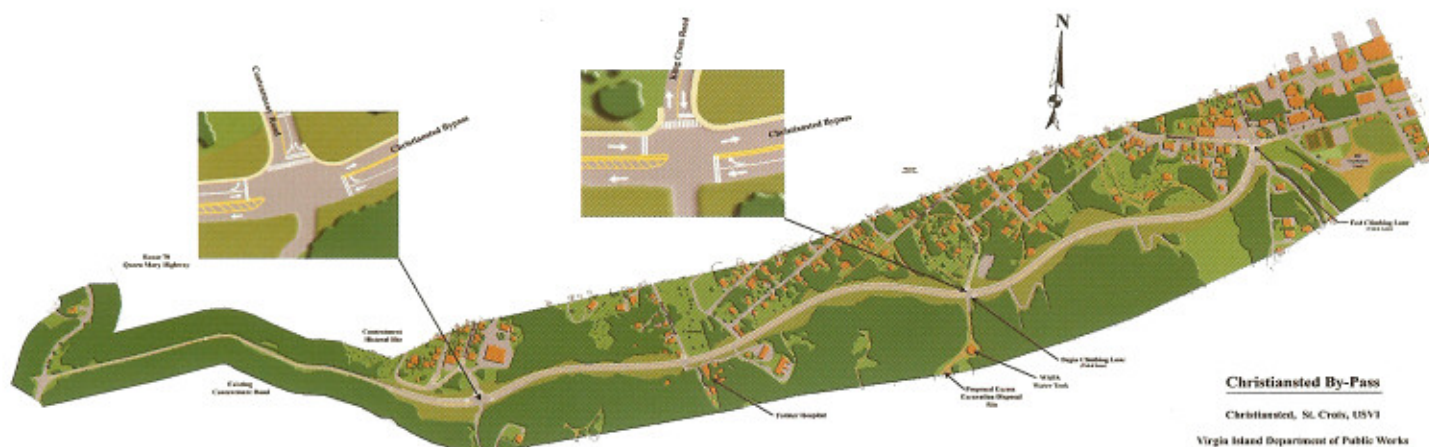
Long Bay Road

Linking one of the world's top cruise ports to one of the world's best shopping districts, Charlotte Amalie, the Long Bay Road/Frenchman's Bay Road corridor is the first impression many visitors have of St. Thomas. The V.I. Department of Public Works is commencing improvements to and widening of Long Bay Road from the intersection of Lover's Lane and Veterans Drive to the intersection at Mandela Circle and Centerline Road, on Centerline Road north from the Cruise Ship Dock, and on Frenchman's Bay Road south from Mandela Circle. This length of road runs along the waterfront, fronting both the new Yacht Haven Grande on the west and the Crown Bay Carnival Center to the east, and serves as a major thoroughfare to the eastern end of the island. In addition to roadway reconstruction and widening, the project will include utility upgrades, sidewalk construction and major landscaping in the roadway corridor. The improvements are scheduled to be completed by this time next year.



Christiansted Bypass

The V.I. Department of Public Works, in cooperation with the Federal Highway Administration, is finalizing plans and specifications to construct the Christiansted Bypass around the south side of Christiansted on St. Croix, easing congestion through the center of downtown on the way to the East End. The Bypass will run 1.21 miles from Contentment Road (Route 70) east to the intersection of Hospital Street/East End Road (Route 75) and Mt. Welcome Road (Route 753). Phase I will complete the major earthwork and drainage for the Bypass, with a subsequent Phase II planned to complete the paving of the roadway. The Christiansted Bypass, which will accommodate 20,000 vehicles per day, is anticipated to be open by the summer of 2010, according to Commissioner of Public Works George W. Phillips.



U.S.V.I. FACTS

THE U.S.V.I. COVERS 132 SQUARE MILES OF LAND AREA.

THE ISLANDS ARE 1,000 MILES SOUTHEAST OF MIAMI.

THE U.S.V.I. IS ON ATLANTIC STANDARD TIME YEAR ROUND.

THE ISLANDS HAVE OVER 200 SPECIES OF BIRDS, INCLUDING PELICANS AND PARAKEETS.

NATIVE SEA TURTLES CAN BE THREE FEET LONG AND WEIGH 400 LBS.

HUMPBACK WHALES, RANGING FROM 30-40 FEET LONG, CAN BE SEEN OFFSHORE BETWEEN DECEMBER AND MAY.



Virgin Islands Launches State-of-the-Art Information System

Transparency and the Ability to Access Real-Time Information are the Driving Forces in Project Implemented by the V.I. Department of Finance

Following a year of evaluating, planning, managing and training, the Virgin Islands Department of Finance launched the first phase of the Enterprise Resource Planning (ERP) system on October 2, 2006. VISION, the Virgin Islands Systems Integrated Operations Network, streamlines financial management by allowing government employees access to financial information in real time. Among the system's benefits is ease of use, making it less time-intensive than the previous system and enabling government workers to spend more time on other initiatives.

The first phase of the three-phase implementation includes general ledger, accounts payable and receivable, budgeting, project and grant accounting, report writing, requisitions and purchase orders. The second phase, scheduled for January of 2007, will focus on fixed assets, GASB 34 compliance, work orders and job costing. The third phase, covering payroll and human resources functions, will be implemented in July 2007. The cost of the system is valued at approximately \$3.5 million.

"Transparency is the driving force," said V.I. Commissioner of Finance Bernice Turnbull, explaining that when completed the system will allow access by all of the territory's 14,000 employees as well as permit residents to check information such as their real estate tax status, and more. The system's great achievement, she said, will be real-time reporting, providing accurate snapshots of budgets and other figures. "If information is not timely, it's not credible," said Commissioner Turnbull.

Having served eight years as chief of the Department of Finance, Commissioner Turnbull said she views the implementation of the system as a high point of her career. "When I look back, this system will be a crowning jewel because the ERP system will touch every government entity," she said. "The mere fact that people will be able to have timely information to know where government stands at any one time, I think that's the greatest accomplishment."

Silicon Island

Did you know that deep beneath the island of St. Croix, where Columbus is said to have landed in 1493, and which today is known for the historic remains of forts, windmills and sugar mills, lies one of the world's largest fiber-optic cable and broadband Internet traffic hubs? Who would have thought that this seemingly isolated island sits above a crossroads linking North America, Europe, the Caribbean, South America and Asia? It amounts to the largest concentration of unused bandwidth in the world, capable, among other things, of handling 65 million telephone calls simultaneously.

Back above ground, the Research & Technology Park (RT Park) that has been set up at the University of the Virgin Islands' St. Croix campus makes a lot of sense. The RT Park's purpose is to attract and support knowledge-based, e-commerce and digital content companies seeking the benefits of state-of-the-art broadband telecommunications, reduced taxation levels, federal protection of intellectual property and university collaboration in a near-shore location. St. Croix's superior broadband access will provide e-commerce companies with access to world markets while remaining connected to global corporate and supply networks.

The collaboration with the university will contribute to building a necessary high-tech subculture on St. Croix, with opportunities for joint research between businesses and faculty. The university connection will also provide an employee base, with internships for students, jobs for graduates, and high-tech training for residents.

The Executive Director of the RT Park is David Zumwalt, former chairman and CEO of Dallas-based CNet, Inc., a leading provider of operational support system software and technology solutions to the worldwide wireless communications industry. Mr. Zumwalt brings with him extensive experience and relationships with telecommunications carriers, manufacturers and service providers in 40 countries.



Initiative by Governor Turnbull to Bring Government Retirement System in Line

Governor Charles W. Turnbull has made balancing the government's retirement system finances one of his final initiatives before leaving office. At the time of this writing, Governor Turnbull is seeking approval from the Virgin Islands Senate to issue up to \$600 million in pension bonds to bring the government retirement system pension fund into solvency.

The Government Employees Retirement System (GERS) has an unfunded liability of \$1 billion dollars as a result of a past failure to fund the retirement system, as well as the loss of government employees who would contribute to the fund. Many state governments face these same problems with their retirement systems, but the V.I. government is committed to resolving the funding issues and bringing the GERS into balance. "Providing adequate funding to the Government Employees Retirement System will contribute to the continued financial stability of the government and the future economic growth of the territory," said Governor Turnbull.

The Virgin Islands government is in a far better position today to issue these bonds than ever before, since it received highly sought after investment grade credit ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings. Not only does the investment grade rating enable the territory to issue bonds at a more favorable rate and therefore provide millions in savings, but resolving the unfunded liability will improve the chances of the government receiving an even higher credit rating from the agencies.

The Governor's proposal to structure the bonds in a manner that does not impact the territory's debt ceiling will not affect the ability to issue additional General Obligation Bonds for other public purposes. The net proceeds raised by floating \$600 million in taxable Pension Fund Bonds (PFBs) would be transferred to the retirement system after the Virgin Islands Public Finance Authority issued the bonds.

“Providing adequate funding to the Government Employees Retirement System will contribute to the continued financial stability of the government and the future economic growth of the territory.”



Preserving Our Island's Unique Heritage

Von Scholten School at the Diamond Plantation, Prinsens Kvarter no. 38, on St. Croix

The King of Denmark's appointment of Peter von Scholten as governor in 1827 may be viewed as the beginning of the end of servitude in the Virgin Islands. Prior to emancipating the slaves in 1848, Governor von Scholten took many steps to improve their living conditions over the years. In the 1830s, his government instituted compulsory public education for all children between 6 and 13 years old, and acquired several buildings to convert to schools. One structure was an old house at the Estate Diamond Plantation in Frederiksted, which became the Von Scholten School. The school was opened in the summer of 1843 and nearly destroyed by a hurricane in the 1980s. Now, as part of a \$15 million project to renovate and restore government-owned historic buildings throughout the territory, the Von Scholten School at the Diamond Plantation is being restored to its original condition.

Visit the Governor's Web site at www.GovernorTurnbull.net for more about economic development, culture, tourism and what's doing in the U.S. Virgin Islands.