The Virgin Islands Consortium

Mapp Paints Economic Doomsday Picture For USVI If Bill Allowing Retirees To Return To Work, And Another Providing Property Tax Cuts, Are Approved

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ST. THOMAS -- Governor Kenneth Mapp during a press conference here on Monday, painted a picture of the USVI so bleak that it could best be described as the territory's economic doomsday.

"I really want to say this to the Virgin Islands community and members of the Legislature, because I had to have this discussion with the leadership team at the Water and Power

Authority," the governor began. "If the central government collapses financially, there will be no bailout or solvency of the Government Employees' Retirement System. If the central government collapses financially, the Water and Power Authority [and] probably the Port Authority, will fall right behind it. If the central government collapses financially, health insurance benefits for government workers, retirees and their dependents will disappear. Those are just realities, and there will be untold pain and suffering throughout this territory.

"I'm appealing to the Legislature, I'm appealing to the people of the Virgin Islands, that we really have to find a common collective of goodwill for all of the Virgin Islands, and if we're going to have to hold off on our individual interest so that collectively as a territory, we're going to get to a better place," the governor said.

Mr. Mapp's depressing outlook was based on the potential passage of two bills in the Legislature. The first measure, sponsored by Senator Sammuel Sanes and unanimously approved by members of the Committee on Finance on Friday (it now heads to the Committee on Rules and Judiciary), is Bill No. 32-0102. The measure, seen here, which Mapp says seeks to allow people who retired from the government to return to work in the government without paying into GERS. The governor said he could not believe that the measure survived in committee.

The other measure, Bill No. 32-0109, also sponsored by Mr. Sanes, seeks to give a 25 percent property tax reduction to retirees who are owed retroactive wages. Government testifiers -- to include Nellon Bowry, Office of Management and Budget director, and representatives from the Tax Assessor's Office -- spoke against the measure, contending that approving the bill at a time when the territory's financial standing remains unsteady, would be careless. The bill was held in committee unanimously.

"I'm not going to quibble or argue with the retirees who feel they are owed retroactive wages, but this is not, at this time, in the best interest of the people of the Virgin Islands," Mr. Mapp said.

The bills would almost certainly be vetoed by the governor if approved by the Senate, but lawmakers can override the governor's veto with 10 votes. If senators were to override the bills after being vetoed by the governor, the results would be grim, Mr. Mapp said.

"Because the corollary is we lay government workers off to grant this credit. Because if we have a fiscal balance budget that went to the Legislature, it speaks to revenues matched with expenditures; no borrowing, and you want to siphon off revenues for something else, then we lay government workers off," Mr. Mapp said.

On retirees returning to work for the government, Mr. Mapp said, "I thought we had long agreed that once you did your service to the people of the Virgin Islands, that we were going to thank you, and that you were going to take your retirement benefits and sail off and enjoy your retirement and your grandchildren and children, and do something else. And that we were going to make these jobs available to younger people in the community -- your children and grandchildren, and that they could start off on their career and they could use their degrees and their training to build the Virgin Islands.

"But this bill seems to be a backdoor approach to set aside the young folks from job opportunities and to bring retirees back in without any consideration, or contributing to the G.E.R.S. in terms of benefits," Mr. Mapp said.

The governor said he's fully committed to make the tough decisions in leading the territory to fiscal balance and fiscal stability. However, part of the choice rests with the lawmakers, some who he said appear to be promoting personal interests. "If we cannot set aside individual interests for the better and the good of the Virgin Islands, the consequences and the results are going to be quite clear," Mr. Mapp said.

He added, "I leave this message with the community: let us find the collective good of the territory and work our way to fiscal balance, because it benefits all of the Virgin Islands."