The Virgin Islands Consortium

WICO Board Members Are Paid $1,500 Per Meeting; Chairman $2,000

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ST. THOMAS -- The West Indian Company, a government-owned entity that operates as if it were a private firm, has a board of directors made up of nine individuals from the public and private sectors. WICO has been used by the government over the years in a number of ways, including to pay some of its bills, a notable item being the St. Thomas home rental bills for former Governor Kenneth Mapp and current Governor Albert Bryan.

The company, which has seen its share of struggles and owes the Government of the Virgin Islands millions of dollars, also has the most visited port of call in the U.S.V.I., making WICO a lucrative and important operation for the territory.

Like other government-owned semiautonomous entities, major decisions are made by the board. But unlike the others, WICO board of directors are paid a handsome amount to attend board meetings for roughly two hours (at times, the meetings are much shorter). WICO board of directors are paid $1,500 per board meeting, while the chairman of the board is paid $2,000 per meeting. If every board member were to attend every board meeting, assuming that only 12 meetings are held in a year (sometimes it's more), WICO would pay out $14,000 per board meeting, excluding travel and lodging expenses which, if accounted for, could easily send the amount topping $20,000 per board meeting for an annual total of $240,000.

By comparison, members of the WAPA board are paid $50 per meeting, other boards pay their members $100, and some don't offer payment aside from accommodations for traveling board members.

The Consortium on Tuesday evening spoke to Joseph Boschulte, the Dept. of Tourism commissioner-designee, current chairman of the WICO board and former WICO CEO/president, about the amount and asked him whether it was too high. Mr. Boschulte said because WICO operates as a private firm, the rules are different.

"Remember now, WICO operates as a private corporation, and whenever you have business to do that impacts the company or the territory you do the business," Mr. Boschulte said. WICO, nonetheless, is government-owned. Mr. Boschulte countered by stating that boards of private firms [that are publicly traded] pay hundreds of thousands of dollars to their members. "Fifteen hundred dollars is a drop in the bucket for most private boards," Mr. Boschulte said.

Mr. Boschulte's comment that private equity firms that are publicly traded pay their directors handsomely, is correct. But the payment continues to be influenced by the size of these publicly traded firms, most of which have billions of dollars in market value. "At the median, large-cap companies provide total pay of $274,000 per director versus $202,000 at mid-cap companies and $150,000 at small-cap companies. Year-over-year, large-cap companies saw the greatest increase in median total pay of 5.4%, rebounding total compensation by size from a relatively modest increase the prior year," according to data provided by the 2017 FW Cook director compensation report, which studies non-employee director compensation at 300 companies of various sizes and industries to analyze market practices in pay levels and program structure.

A list of the companies surveyed shows these companies had market value of $500 million and higher. Amazon, with a market cap of $851 billion, is on the list as well.

For smaller, publicly traded firms, all of which still boast large market value, the payment per meeting is referred to as a fee. According to the 2017 FW Cook report, "The median value at small-cap and medium-cap companies is $1,500, while the median at large-cap companies is $2,000." None of these firms, however, are government-owned.

Current WICO board members are: