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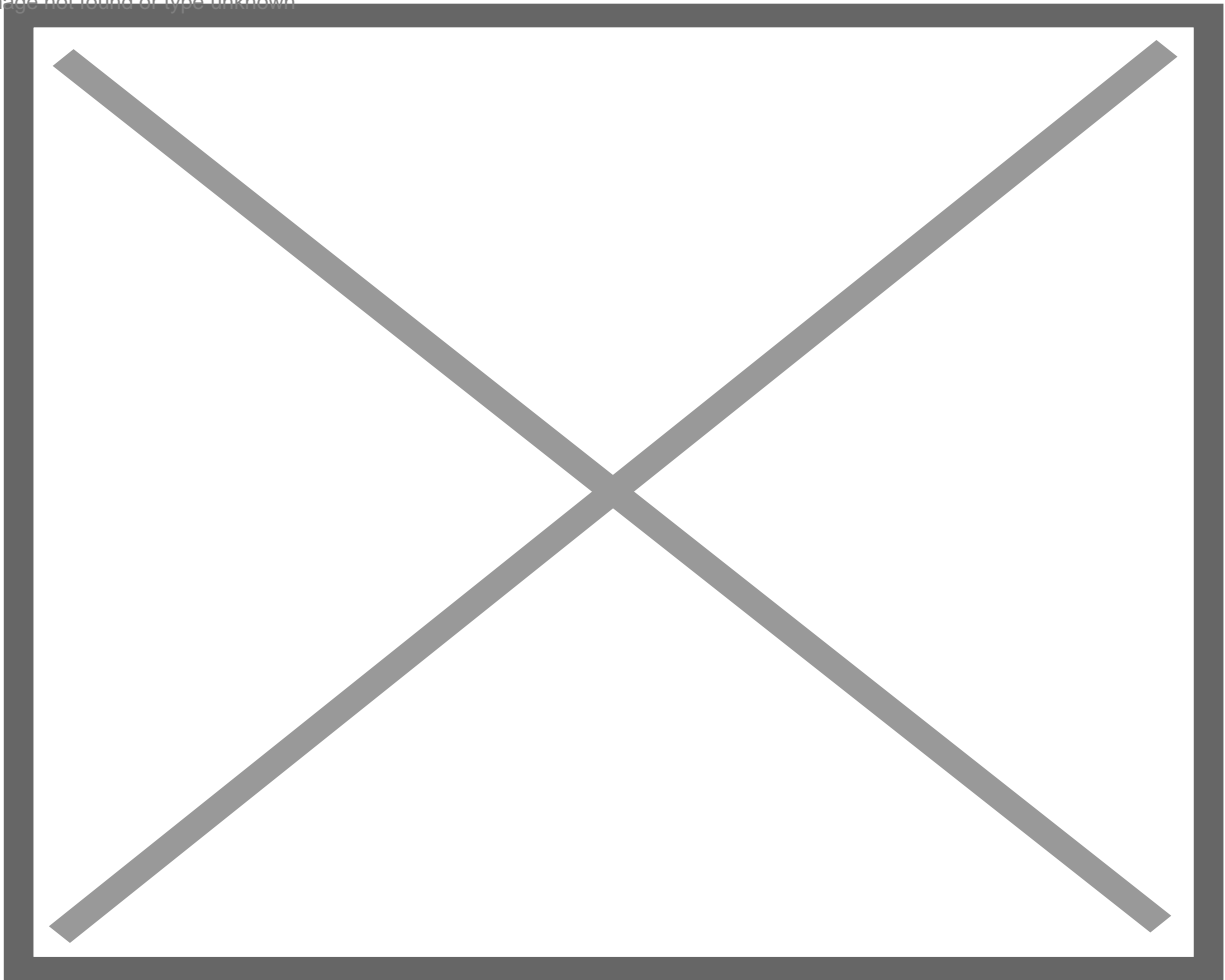
"We Can't Afford This": Lawmakers Push WMA to Reduce Dependency on Gov't Funding Following \$44.4 Million Request

WMA's heavy reliance on government funding is unsustainable," warns Frett-Gregory during budget discussions

Senate / **Published On June 27, 2024 04:57 AM /**

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The Anguilla landfill on St. Croix requires significant investment for its upkeep and operations. By. ERNICE GILBERT, V.I. CONSORTIUM

The Committee on Budget, Appropriations, and Finance has once again urged the Waste Management Authority to devise a plan to “incrementally wean” itself “off of this central government's coffers.”?

That was the instruction from committee chair Senator Donna Frett-Gregory, who told WMA's management on Wednesday that the government of the Virgin Islands "can't afford this" for much longer. She referenced the annual multi-million dollar general fund allocations to keep WMA operational, which this year account for 94% of WMA's recommended FY2025 funding level of [\\$44,420,000](#).?

With \$32.6 million of the total anticipated to come from the general fund, WMA Executive Director Roger Merritt told lawmakers that the agency is also requesting \$5 million from the Anti-Litter & Beautification Fund, \$1 million from the Tourism Advertising Revolving Fund, \$1 million from the St. John Capital Improvement Fund, along with \$3.8 million from the utility services, and \$1 million from the Sewer Wastewater Fund. WMA anticipates generating \$3,220,000 in tipping fees and other income to supplement the appropriation, for a total FY2025 budget of \$47,640,000.

Earlier this year, WMA was identified as one of the entities which had racked up [millions of dollars](#) in unpaid Water and Power Authority bills. After being [bailed out by central government](#) as part of efforts to mitigate the current energy crisis, WMA has also been granted a larger allocation to ensure regular and continued bill payments. According to Mr. Merritt, while the FY2025 general fund allocation decreased by \$2,380,000, the new \$3.8 million allotment for utilities "compensates for the decline."?

But while Mr. Merritt was "very happy to see that \$1 million was budgeted again from the St. John Capital Improvement Fund," Senator Frett-Gregory quickly disabused him of that notion. "That is not going to happen," the budget committee chair declared. Ms. Frett-Gregory argued that since the capital improvement funds on the other two islands are used for their stated purpose, "the St. John Capital Improvement Fund should be no different... We cannot use the St. John capital improvement to haul trash. That's an absolute no."

Frett-Gregory emphasized that "the Capital Improvement Fund was established by this Legislature so the community in St. John can determine what's important to them. Not for the Office of Management and Budget to make those determinations."

If granted the full sum requested for the upcoming fiscal year, WMA anticipates expending \$18,415,410 on wages, fringe benefits, overtime, vacation and sick pay for 180 employees. The agency will spend \$20,495,921 on professional services, which includes management of the Anguilla and Bovoni landfill. While garbage collection services are listed at \$7,082,927, Mr. Merritt told lawmakers that the category is underfunded by \$3.2 million, and in reality, costs the authority \$11,283,927.50.

?Wastewater disposal is anticipated to cost \$5,022,053 in the next fiscal year. "Additionally, the authority spends over \$3 million a year repairing and maintaining the territory's antiquated wastewater infrastructure system," said Mr. Merritt.

Seven years after the devastating impact of Hurricanes Irma and Maria, WMA still owes almost \$15 million to local contractors who provided solid waste and wastewater collection, treatment and disposal services during and after the storms. The debt lingers even after lawmakers twice approved sums of \$15 million - in 2020 [through Act 8381](#), and again in 2022 [via Act 8647](#) - to pay outstanding invoices from waste haulers. "We are requesting a final appropriation in the amount of \$14,840,236.74 for FY2025, to satisfy the remaining debt," Mr. Merritt announced.

?Lawmakers seemed taken aback by the request. "Where [are] we gonna get \$14 million from? We did not expect that we would be in this situation. We didn't create this," Frett-Gregory

declared. Compounding the issue, the money – though intended to be used to pay for disaster-related expenses – is unlikely to be reimbursed by the federal government. “FEMA, when they did their review of it, said they didn't think it was eligible,” explained Mr. Merritt.?

Ultimately, based on funding trends and “in-house cost saving measures,” the authority’s executive director told legislators that he is “excited” about WMA “operating at break-even going forward.” Septage hauler fees and environmental tourism impact fees are expected to be added to WMA’s revenue generating suite. The desire to introduce a tourism impact fee is based on the observation that the sector makes significant contributions - an estimated 70% - to the amount of refuse in the landfills. Greater revenue generation capabilities would bring WMA one step closer to the self-sufficient entity that it was expected to be.?

However, until these new revenue streams materialize, and certainly for FY2025, WMA will remain dependent. Mr. Merritt lamented the fact that the entity had still not received some of its FY2024 funding, including \$3.75 million from the Anti-Litter and Beautification Fund, \$1.8 million from the tire tax, and \$1 million from the Wastewater Sewer Fee. WMA is also not in receipt of \$40,000 from the Solid Waste Revolving Fund.

“We appreciate all the appropriations, but we are trying to become autonomous,” said Mr. Merritt. His tenure at WMA ends on August 23, leaving the mantle of self-sufficient revenue generation to the authority’s new leadership.