The Virgin Islands Consortium

Too Much Expenditure, Not Enough Revenue: Lawmakers Frustrated Over WMA's Lopsided Balance Sheet, Balk At Request For Additional Funds

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Waste Management Authority Executive Director Roger Merritt Jr. **By. V.I. LEGISLATURE**

Amid concerns about the V.I. Waste Management Authority's burgeoning expenditure and a corresponding lack of adequate revenue, the Senate Committee on Budget, Appropriations, and Finance spent over four hours scrutinizing WMA’s financial operations for the past fiscal year and its projections for fiscal year 2024.

Executive Director of WMA, Roger Merritt, defended the authority's $50 million annual expenses, juxtaposed against a recommended appropriation of only $35 million for the upcoming fiscal year. Merritt highlighted the organization's outstanding debt, amounting to $17 million to local contractors who rendered services during the 2017 hurricanes and the Covid-19 pandemic. Despite having previously received a $15 million allocation from the Senate, the agency now seeks an additional $13 million one-off appropriation for the impending fiscal year.

Adding to their financial woes, WMA owes the Water and Power Authority over $4 million in unpaid electricity bills since 2020. Darryl Griffith, chief financial officer at WMA, candidly admitted their inability to meet such expenses due to the existing revenue-expenditure imbalance. This prompted a response from Sen. Donna Frett-Gregory, chair of the committee, who expressed concern that WMA’s unpaid bills were being passed on to the community. She described the nonpayment to WAPA as "irresponsible."

The Waste Management Authority's attempts to bridge the financial gap include purchasing garbage trucks to save over $5 million annually and expecting a further savings of $4 million from recent hires, such as a wastewater operations manager. Yet, they also pointed out unaccessed revenue streams, like funds from a tire tax established in Act 8370, which, according to Merritt, has seen over $200,000 collected but not transferred to the authority.

There are discrepancies within the system as well. Mr. Merritt contested an assessment by the Public Services Commission, which he claimed used non-operating revenue over operating revenue, creating a financial burden of an extra $334,000.

Senators Diane Capeheart and Frett-Gregory emphasized the need for more resourceful solutions. While Mr. Merritt proposed a $5 environmental impact fee for tourists, Ms. Frett-Gregory critiqued the fact that many locals do not pay for trash collection services, which amounts to at least $3.6 million in St. Croix.

Despite these deliberations, the committee expressed reservations over WMA's financial rigor and lamented the perceived lack of initiative from executives in devising revenue-generating measures.

As the session wrapped up, the pervasive sentiment was one of dissatisfaction over the chasm between WMA’s services and its financial realities. Sen. Frett-Gregory's closing remarks resonated with many: "We cannot expect government to do everything."

Correction: August 8, 2024 at 7:15 a.m.

A previous version of this story included the wrong name for WMA's CFO. It's Daryl Griffith, not Daryl Smalls. The story has been updated to reflect the correct information.