

VIWMA FY 2020 BUDGET DECREASED BY \$6.3 MILLION

Date : July 31, 2019

ST. THOMAS--The Committee

on Finance, chaired by Senator Kurt A. Vialet, reconvened FY 2020 budget hearings Tuesday afternoon in the Earle B. Ottley Legislative Hall, St. Thomas with the VI Waste Management Authority (VIWMA).

According to Adrian Wade

Taylor, Interim Executive Director for VIWMA, their capital expenditure is funded by Federal Grants and the remaining budget items are funded by the General Fund. Personnel Services and fringe benefits are funded by the General Fund, Tourism Revolving Fund, Supplemental Environmental Project, and the Antilitter and Beautification Funds.

She further stated that the

budget for both the wastewater and solid waste operations is \$15.5 million. Wastewater operations is funded by the sewer and General Funds. Solid Waste operations are funded by the general Fund, Antilitter and Beautification, and the St. John Capital Improvements Funds.

She pointed out that for FY

2018 VIWMA did not received \$5.1 million appropriations which caused an additional increase in their debt to their vendors. Conversely, for FY 2019, the have received the General Fund Allotment monthly, however they have not received \$2.2 million of the Special Funds due at the beginning of this month's quarter.

According to the Interim

Executive Director, the recommended FY 2020 budget is \$31,352,847. It is distributed as follows: Personnel Services-\$9,084,777; Fringe Benefits-\$3,846,978; Supplies-\$875,294; Other Services and Charges-\$24,108,454; and Public Utilities-\$2,752,870.

She pointed out that the requested FY 2020 budget represents a reduction in overall funds from FY 2019 of \$6.3 million. That difference, she said, includes \$1.7 million from the General Funds; \$2.7 million from the Anti-letter and Beautification Fund; \$500,000 from the Sewage Fund; and \$1.4 million from the St. John Capital Improvement Fund.

According to Taylor, overall, the recommended budget of \$31.4 million is not adequate to cover the current cost of essential solid waste and wastewater services provided to the community by the Authority. Furthermore, it takes approximately \$60 million per year to operate the Authority. She added that, lack of funding for capital projects deters a comprehensive plan to strengthen their infrastructure and further increases the Authority's deficit when they must cover infrastructure emergencies with the General Fund.

She told the Committee that the two hurricanes in 2017 have further strained the Authority's finances as aged infrastructure, and equipment failures require additional funds; therefore, contractors and vendors are not paid timely and Accounts payable continues to grow which is currently estimated over \$24 million. She added that the Authority incurred expenses toward the closure of the Territory's landfills including all hurricane related costs. To date, the cost associated with the Anguilla Landfill is \$45.6 million and the Bovoni Landfill is 49.2 million.

According to Taylor, some of the factors that continue to contribute to VIWMA's deteriorating financial performance are: (1) The solid waste bale production and placement operations at the Anguilla Landfill on St. Croix remains an unfunded capital cost at approximately \$5 million annually, and (2) Landfills, Anguilla, and Bovoni capital expenditures court closure activities necessary to achieve compliance with the Landfill Consent Decree, is estimated at over \$90 million.

The Interim Executive

Director said the Authority continues to work diligently to close out the 1984 Consent Decree.

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