

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

March 15, 2002

**Committee**  
**Report No.**

02-32

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on February 26, 2002, makes reference to County Communication No. 02-33, from the Director of Public Works and Waste Management, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2002 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES AND THE SOLID WASTE FUND".

The purpose of the proposed bill is to recognize an increase of Interfund Transfers and General Fund Carryover Savings for appropriation to the Solid Waste Fund for unexpected increases in the Landfill Disposal Program and the Diversion Program, and to recognize a shortfall in Carryover Savings in the Solid Waste Fund.

By correspondence dated February 25, 2002, the Budget Director transmitted the Certification of Additional Revenues from the General Fund for Fiscal Year (FY) 2002.

At its meeting, your Committee met with the Budget Director, the Director of Finance, the Director of Public Works and Waste Management, and the First Deputy Corporation Counsel.

The Director of Finance reviewed an excerpt from the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2001, entitled "County of Maui, Combining Balance Sheet - All Special Revenue Funds, As of June 30, 2001", regarding the shortfall of carryover savings for the Solid Waste Fund. He explained that carryover savings at the end of one fiscal year is estimated during the budget session as the beginning figure for the next fiscal year. He further noted that the FY 2001 carryover savings is \$200,630 less than the budgeted figure for carryover savings at the beginning of FY 2002.

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The Director of Public Works and Waste Management provided an overview of the Department's request. He stated that the Solid Waste Fund has three areas of need: (1) \$200,630 shortfall in carryover savings; (2) \$500,000 for the landfill disposal; and (3) \$75,000 for the glass recovery program.

In addition, the Director indicated that the landfill disposal request relates to three items:

1. Co-Composting Contract - The Solid Waste Division (Division), which is responsible for the increased operational costs of the fats, oils and grease (FOG) recycling program, has experienced a five-fold increase in the quantity of materials processed through this program.
2. Cover material at the landfill - The Division is required by the State Department of Health to purchase additional cover material, which provides for better compaction, safer operation, and longer landfill life.
3. Repairs and maintenance - The Division is incurring increased costs as a result of aging equipment and the backlog of repairs at the County baseyard.

The Director informed your Committee that the costs for the Glass Diversion Program increased as a result of the requirement that restaurants and bars recycle glass bottles. He further stated that the Advance Disposal Fee (ADF), which is dispersed from the State to the counties, is based on de facto population rather than the amount of recycling. Since the residents of Maui County recycle more per person than other counties in the State and the ADF is constant regardless of the amount of recycling, the method of fee calculation penalizes the County.

Your Committee expressed the need for an audit in the Solid Waste Division in order to review how well the resources are used and the impact of State mandated programs, such as the glass recovery program.

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After discussion, your Committee voted to recommend passage of the proposed bill on first reading and filing of the communication.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. \_\_\_\_\_ (2002), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2002 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES AND THE SOLID WASTE FUND" PASS FIRST READING and BE ORDERED TO PRINT; and
2. That County Communication No. 02-33 be FILED.

Adoption of this report is respectfully requested.

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**G. RIKI HOKAMA** Chair

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**PATRICK S. KAWANO** Member

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**ALAN M. ARAKAWA** Member

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**MICHAEL J. MOLINA** Member

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**WAYNE K. NISHIKI** Member

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**CHARMAINE TAVARES** Member

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**DAIN P. KANE** Member