

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

November 15, 2002

Committee  
Report No.

02-166

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 October 29, 2002, makes reference to County Communication No. 02-206, from the Budget Director, transmitting the Capital Improvement Program (CIP) Implementation Status Report (Status Report) as of June 30, 2002.

At its meeting, your Committee met with the Budget Director, the Director of Finance, and a Deputy Corporation Counsel.

The Budget Director provided an overview of the new format for the CIP Status Report. She stated that the new format is the result of preliminary discussions with your Committee Chair, and that she is open to further suggestions from your Committee. She explained each column in the form, and the explanations provided in the "Remarks" column. She noted that the new form provides the same data as the old form, but the new Status Report has significantly fewer pages and incorporates additional explanation of the data and the current status of the project.

Your Committee noted the importance of receiving information on change orders relating to a specific project. Your Committee recommended that the following parameters be considered when providing information on change orders: (1) change orders that, in the aggregate, are equal to 10 percent of the contract value; and (2) individual change orders that are equal to \$50,000.

The Director of Finance stated that the reporting is based on the appropriation in the budget ordinance. He noted that questions and concerns expressed by your Committee may be an indication that two reports may be needed, one report based on the appropriation in the budget ordinance and the other report based on a project basis. The project basis report would help to explain the differences that occur from the original or estimated budget to the project budget as a result of the procurement process and issuance of contracts.

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This report can then be compared against the original budget when the project is completed. Variations may be reviewed for suggested improvements to the project budgeting process.

Your Committee offered the following suggestions to improve the effectiveness of the CIP Status Report: (1) that the status of the project, including the percentage of completion, be shown in the "Remarks" column; (2) that the title of the "Current" column be changed to "Revised"; (3) that an explanation for any revision be shown in the "Remarks" column; (4) that the project include all sources of funds for the project, including transfers from the equipment bond or countywide facilities; and (5) that change orders be shown as noted above.

After extensive discussion on various projects, your Committee voted to recommend filing of the communication.

Your Budget and Finance Committee **RECOMMENDS** that County Communication No. 02-206 be FILED.

Adoption of this report is respectfully requested.

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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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**JO ANNE JOHNSON** **Member**

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**CHARMAINE TAVARES** **Member**

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**DAIN P. KANE** **Member**