

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

November 15, 2002

Committee

Report No. 02-167

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. 01-224, from the Director of Public Works and Waste Management, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE REPEALING CHAPTER 3.60, MAUI COUNTY CODE, PERTAINING TO KUALAPUU VILLAGE SUBDIVISION FUND".

The purpose of the proposed bill is to repeal Chapter 3.60 of the Maui County Code, relating to the Kualapuu Village Subdivision Fund ("Fund") since the purpose of the fund no longer exists.

Your Committee notes that County Communication No. 01-224 was referred to your Committee at the Council meeting of September 21, 2001 (Public Works and Transportation Committee Report No. 01-176).

By correspondence dated October 22, 2002, your Committee Chair requested that the Director of Public Works and Waste Management provide a copy of the new agreement between the County of Maui and Molokai Ranch, Ltd., as referenced in County Communication No. 01-224.

By correspondence dated October 22, 2002, your Committee Chair requested that the Director of Finance provide a current financial status of the Fund.

By correspondence dated October 24, 2002, the Director of Public Works and Waste Management transmitted a copy of the agreement entitled "Agreement Re: Kualapuu Village" dated June 22, 2001, between the County of Maui and Molokai Ranch, Ltd. and Cooke Land Company, Inc. (collectively, the "Ranch"). The purposes of the agreement are to (1) revise the obligations of the County and the Ranch regarding roadways and sewer lines in the Kualapuu Village; and (2) cancel the Kualapuu Village Subdivision Agreement.

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

November 15, 2002
Page 2

Committee
Report No. 02-167

By correspondence dated October 28, 2002, the Director of Finance provided a financial statement of the Fund.

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

Your Committee noted that pursuant to Chapter 46-15, Hawaii Revised Statutes, relating to experimental and demonstration housing projects, the Kualapuu housing project was exempt from all governmental statutes relating to planning, zoning and construction standards for subdivisions, development and improvement of land, and the construction and sale of homes thereon. Therefore, some of the infrastructural elements for the housing project do not meet County standards. As part of the agreement between the County of Maui and the developer of the housing project, the Ranch, the Fund was established in 1984 to maintain the project's infrastructure.

The Director of Public Works and Waste Management informed your Committee that the Fund received monies from the sale of lands, and a portion of the Fund had been used for road resurfacing in Kualapuu. He indicated that the new agreement between the County and the Ranch has transferred the roadways and sewer lines to the County, but not the sewer treatment plant. Therefore, the purpose of the Fund no longer exists.

The Director further noted that his correspondence dated July 25, 2001 recommended that the Fund balance be transferred to the General Fund. However, after considering the matter further, he is now recommending using the Fund balance to purchase a replacement truck for approximately \$30,000 to clean the sewer lines, and the remaining balance for general road repair in the Molokai District.

Your Committee concurred with the recommendation of the Director that the balance of the Fund be allocated to the Solid Waste Fund for the purchase of a replacement truck, and to the Highway Fund for general road repair in the Molokai District.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

November 15, 2002
Page 3

Committee
Report No. 02-167

Your Committee recommended that the proposed bill be considered during the Council's deliberations of the Fiscal Year 2004 Budget and that the communication be filed.

Your Budget and Finance Committee RECOMMENDS the following:

1. That a proposed bill, attached hereto, entitled "A BILL FOR AN ORDINANCE REPEALING CHAPTER 3.60, MAUI COUNTY CODE, PERTAINING TO KUALAPUU VILLAGE SUBDIVISION FUND" be REFERRED to the Council Chair for the term beginning January 2, 2003 for consideration during the Fiscal Year 2004 Budget Session; and
2. That the County Communication No. 01-224 be FILED.

Adoption of this report is respectfully requested.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

November 15, 2002
Page 4

Committee
Report No. 02-167

G. RIKI HOKAMA **Chair**

DANNY A. MATEO **Member**

ALAN M. ARAKAWA **Member**

MICHAEL J. MOLINA **Member**

ROBERT CARROLL **Member**

WAYNE K. NISHIKI **Member**

JO ANNE JOHNSON **Member**

CHARMAINE TAVARES **Member**

DAIN P. KANE **Member**