

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

December 17, 2010

Committee
Report No. _____

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 November 30, 2010, makes reference to County Communication No. 10-246, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2011 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO DEPARTMENT OF FINANCE, DEPARTMENT OF FIRE AND PUBLIC SAFETY, AND PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2011".

The purpose of the proposed bill is to amend the Fiscal Year 2011 Budget by transferring \$1,110,000 from the Emergency Fund to the Department of Fire and Public Safety, Fire/Rescue Operations Program to assure adequate funding is available to continue fire and public safety operations throughout the fiscal year.

Your Committee noted that the proposed bill included technical errors and raised policy issues relating to the budgeting practices and procedures of the Department of Fire and Public Safety. Your Committee concluded that the errors and issues could be appropriately addressed in the next Council term.

Your Committee voted 8-0 to recommend referral of County Communication No. 10-246 to the Council Chair for the term beginning January 2, 2011. Committee Chair Pontanilla, Vice-Chair Mateo, and members Baisa, Johnson, Medeiros, Molina, Nishiki, and Victorino voted "aye". Committee member Kaho`ohalahala was excused.

Your Budget and Finance Committee **RECOMMENDS** that County Communication No. 10-246 be **REFERRED** to the Council Chair for the term beginning January 2, 2011.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

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Committee
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This report is submitted in accordance with Rule 7 of the Rules of the Council.



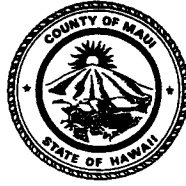
JOSEPH PONTANILLA, Chair

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CHARMAINE TAVARES
MAYOR

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OFFICE OF THE
COUNTY CLERK

OFFICE OF THE MAYOR

County of Maui

October 29, 2010

REFERENCE NO. BD-BA 11-22

Honorable Charmaine Tavares
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Danny A. Mateo, Chair
and Members of Maui County Council
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Charmaine Tavares 10/29/10
Mayor Date

Dear Chair Mateo and Members:

SUBJECT: A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2011 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO DEPARTMENT OF FINANCE, DEPARTMENT OF FIRE AND PUBLIC SAFETY, AND PART II, SPECIAL PURPOSE REVENUE - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2011

I am transmitting a proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2011 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO DEPARTMENT OF FINANCE, DEPARTMENT OF FIRE AND PUBLIC SAFETY, AND PART II, SPECIAL PURPOSE REVENUES – SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2011."

The purpose of the proposed bill is to assure adequate funding is available to continue Maui County's fire and public safety operations throughout the fiscal year without interruptions. The Department of Fire and Public Safety is responsible for fire fighting, rescue and first-responder emergency services in order to save lives and property from fires and other emergencies arising on land, sea, and hazardous terrain, including the mitigation and stabilization of hazardous materials. The extraordinary events at the beginning of this fiscal year have significantly depleted the department's budget and raise the concern for having adequate funding available for the department to carry out the aforementioned responsibilities.

The Department requests \$250,000 for the Administration/Maintenance Program to increase what remains for the fiscal year, in particular, in the areas of overtime, vehicle parts replacement and repairs, and warehouse rental. For the Fire Operations/Rescue Program, the Department requests \$860,000 to increase the balance available for the fiscal year. As fire incidents increased, this program budget decreased primarily from expenses for gasoline, diesel, oil, replacement of damaged small parts and equipment repairs. In particular, funding for helicopter contractual services is needed; the Department reports that helicopter usage has

COUNTY COMMUNICATION NO. 10-246

increased 56% over 2008 and 76% over 2009. The attached memorandum dated October 26, 2010 from Fire Chief Jeff Murray provides further background information.

The Department requests that this budget proposal be timely considered to provide funding for the second half of Fiscal Year 2011. The Department notes that helicopter expenditures are nearing its budgeted amount. Barring a catastrophic event, the program budget should be sufficient to cover expenditures through the end of this calendar year; however, an increase in incidents would place at risk Maui County's operations for fire fighting, rescues and first-responder emergency services. Since January 2010, Maui County has been in extreme drought conditions and recently entered the worst rating of exceptional drought conditions. The National Oceanic and Atmospheric Administration (NOAA) reported this month that the ongoing drought is expected to persist or intensify.

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at Ext. 7212.

Sincerely,



FREDERICK D. PABLO
Budget Director

Attachment

xc: Sheri Morrison, Managing Director
Jeffrey A. Murray, Fire Chief

ORDINANCE NO. _____

BILL NO. _____ (2010)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2011 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO DEPARTMENT OF FINANCE,
DEPARTMENT OF FIRE AND PUBLIC SAFETY, AND
PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2011

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 3751, as amended, "Fiscal Year 2011 Budget", is hereby amended as it pertains to Section 3.B.4.e.(12), Department of Finance, Countywide Costs, Transfer to the Emergency Fund, by reducing its appropriation in the amount of \$1,110,000, to read as follows:

"4. Department of Finance

e. Countywide Costs

(12) Transfer to the Emergency Fund	[2,000,000]	<u>890,000</u> "
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SECTION 2. Ordinance No. 3751, as amended, "Fiscal Year 2011 Budget", is hereby amended as it pertains to Sections 3.B.5.a, Department of Fire and Public Safety, Administrative/Maintenance Program, by increasing its appropriation in the amount of \$250,000, and 3.B.5.e, Department of Fire and Public Safety, Fire/Rescue Operations Program, by increasing its appropriation in the amount of \$860,000, to read as follows:

"5. Department of Fire and Public Safety

a. Administration/Maintenance Program

[1,797,729]	<u>2,047,729</u>
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(1) Provided, that disbursement for salaries and premium pay is limited to 14.0 equivalent personnel.

b. Training Program

975,835

(1) Provided, that disbursement for salaries and premium pay is limited to 8.0 equivalent personnel.

c. Fire/Rescue Operations Program

[23,391,516]	<u>24,251,516</u>
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(1) Provided, that disbursement for salaries and premium pay is limited to 279.0 equivalent personnel.

d. Fire Prevention Program

731,069

(1) Provided, that disbursement for salaries and premium pay is limited to 9.0 equivalent personnel."

SECTION 3. Ordinance No. 3751, as amended, "Fiscal Year 2011 Budget", Appendix A, Part II, "Special Purpose Revenues - Schedule of Revolving/Special Funds for Fiscal Year 2011", is hereby amended as it pertains to "M. Emergency Fund (Section 9-14, Revised Charter of the County of Maui (1983), as amended; Chapter 3.96, Maui County Code)" by reducing the appropriation from \$2,000,000 to \$890,000, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS
FOR FISCAL YEAR 2011**

	ESTIMATED BALANCE <u>AS OF 6/30/10</u>	ANTICIPATED REVENUES <u>FOR FY 2011</u>	TOTAL <u>FOR FY 2011</u>
M. Emergency Fund (Section 9-14, Revised Charter of the County of Maui (1983), as amended; Chapter 3.96, Maui County Code)	13,719,900	[2,000,000] <u>890,000</u>	[15,719,900] <u>14,609,900"</u>

SECTION 4. Material to be repealed is bracketed. New material is underscored.

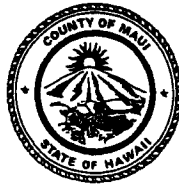
SECTION 5. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:


 TRACI FUJITA VILLAROSA
 First Deputy Corporation Counsel

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CHARMAINE TAVARES
MAYOR



JEFFREY A. MURRAY
CHIEF

RECEIVED
ROBERT M. SHIMADA
DEPUTY CHIEF

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COUNTY OF MAUI OFFICE OF THE MAYOR
DEPARTMENT OF FIRE AND PUBLIC SAFETY

200 DAIRY ROAD
KAHULUI, MAUI, HAWAII 96732
(808) 270-7561
FAX (808) 270-7919

October 26, 2010

Memo to: Fred Pablo, Budget Director

From:  Jeffrey Murray, Fire Chief

Subject: Request Assistance for Budget Amendment

The Department of Fire & Public Safety is requesting your assistance with obtaining a budget amendment in the amount of \$1,110,000.

The first quarter of this year has been extraordinary, our Department has responded to a 27% increase in fire emergencies over 2008 and 33% increase over 2009. Our helicopter usage has increased 56% over 2008 and 76% over 2009.

The funding requested will be used to address anticipated shortfalls in the Fire Control Admin/Maintenance Program and the Fire Rescue Operations Program due to the ongoing drought, red flag fire warnings and increased responses this fiscal year. Maui's drought conditions were elevated to the two highest ratings this year; entering "extreme" conditions in January 2010 and moving to "exceptional", the worst rating, this month. On October 7, 2010 the National Oceanic and Atmospheric Administration (NOAA) released the U.S. Seasonal Outlook valid from October 7, 2010 thru December 2010 forecasting the ongoing drought is "expected to persist or intensify." There have been numerous "red flag" warnings posted for the State of Hawaii recently, which indicate strong and gusty trade winds coupled with very dry conditions will produce conditions favorable for rapid fire growth.

The Administration/Maintenance Program has used half of the allotted budget and is requesting \$250,000. One area of concern for the Department is the increased costs of the maintenance division. The Department fleet has been subjected to more response runs and has had to access off road conditions that have taken a toll on the vehicles. The administration budget needs additional funds for the rental of the Waikapu warehouse; we elected not to use the FPB Revolving Fund due to the deductions for the two salaries and the reduced fees being received in the fund.

Mr. Fred Pablo, Budget Director
October 26, 2010
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The Fire Rescue Operations Program has some anticipated shortfalls in several areas and is requesting \$850,000. The increase in call volume and extended periods of brush fires has nearly depleted the helicopter budget. This has also led to increased costs for fuel and increased replacement of damaged or lost items. For more efficient responses to emergencies, the Department has fully equipped 2 relief engines for use by call back emergency crews. These engines are ready to go when needed. We have 4 relief engines that are partially equipped. We would like to have these fully equipped and have one sent to Molokai for use there. Due to the current economic conditions, private agencies/companies that have previously assisted us at brushfires at no cost have had to change this practice and have billed us for their services. They are, however, doing so at discounted rates.

The Department is requesting that this amendment be placed on the agenda immediately due to the increase in emergencies in the first quarter of this fiscal year and the expectation of the ongoing drought persisting and/or intensifying. A NOAA media advisory dated October 6, 2010 reports that the "wet season" will be drier than normal through November, and that we are being influenced by La Nina conditions. This produces a higher than normal frequency of trade winds, Leeward areas remaining dry, with a possibility of drought conditions continuing through the wet season. The South Maui area just went into the D-4 drought category which is the highest level, and Hawaii has the worst drought conditions of any state. The helicopter costs, as of 9/30/10, have already used 94% of the budgeted allotment. While the program budget may temporarily offset expenditures during the first half of the fiscal year, this budget amendment is requested to assure funds are available for public safety throughout the second half of the fiscal year. With the extraordinary dry conditions, the helicopters must continue to be available for immediate response; however, overspending the program budget would place the Department in non-compliance with the budget ordinance

Respectfully,


JEFFREY A. MURRAY
Fire Chief