

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

January 17, 2012

**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 January 17, 2012, makes reference to County Communication 11-324, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, WATER SUPPLY, KAMAOLE TANK REPLACEMENT; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)".

The purpose of the proposed bill is to amend the Fiscal Year 2012 Budget by adding a \$2,000,000 appropriation for the Kamaole Tank Replacement project.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3837, BILL NO. 31 (2011), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (KAMAOLE TANK REPLACEMENT)".

The purpose of the proposed bill is to amend the Fiscal Year 2012 general obligation bond authorization ordinance by adding \$2,000,000 for the Kamaole Tank Replacement project, for the Makawao-Pukalani-Kula Community Plan area.

Your Committee notes that the purpose of the proposed project is to replace the existing 500,000 gallon steel potable water storage tank located in Kula, Maui.

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Your Committee further notes that despite the similarity in the project names for the Kamaole Tank Replacement project and the Kamole Water Treatment Plant project, the projects are located in different districts and are unrelated.

The Director of Water Supply informed your Committee that the existing steel tank is located above the Kula Hospital and would be replaced with a new tank of the same size. The Department is requesting funding because the existing tank has accumulated enough rust to threaten its continued service.

Your Committee noted that alternative funding sources with competitive rates have recently become available that could result in cost savings to the County. Your Committee recommended that the matter relating to alternative Capital Improvement Project financing sources be referred to your Budget and Finance Committee for further discussion.

Your Committee voted 8-0 to recommend passage on first reading of the proposed bills and filing of the communication. Committee Chair Pontanilla, Vice-Chair Hokama, and members Baisa, Couch, Cochran, Mateo, Victorino, and White voted "aye". Committee member Carroll was excused.

Your Committee is in receipt of revised proposed bills, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions.

Your Budget and Finance Committee **RECOMMENDS** the following:

1. That Bill _____ (2012), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, WATER SUPPLY, KAMAOLE TANK REPLACEMENT; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)", be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That Bill _____ (2012), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE

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NO. 3837, BILL NO. 31 (2011), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (KAMAOLE TANK REPLACEMENT)", be PASSED ON FIRST READING and be ORDERED TO PRINT;

3. That the matter relating to alternative Capital Improvement Project financing sources be REFERRED to your Budget and Finance Committee; and
4. That County Communication 11-324 be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



JOSEPH PONTANILLA, Chair

ORDINANCE NO. _____

BILL NO. _____ (2012)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, WATER SUPPLY,
KAMAOLE TANK REPLACEMENT;
TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND
TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)

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

SECTION 1. Ordinance No. 3840, Bill No. 34 (2011), Draft 1, "Fiscal Year 2012 Budget", as amended, is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Bond/Lapsed Bond Fund in the amount of \$2,000,000; and by increasing Total Estimated Revenues in the amount of \$2,000,000, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		208,876,794
Circuit Breaker Adjustment		(1,337,612)
Charges for Current Services		108,609,034
Transient Accommodations Tax		17,500,000
Public Service Company Tax		6,000,000
Licenses/Permits/Others		25,275,088
Fuel and Franchise Taxes		17,550,000
Special Assessments		5,754,224
Other Intergovernmental		30,727,752

FROM OTHER SOURCES:

Interfund Transfers		40,180,755
Bond/Lapsed Bond	[24,078,189]	<u>26,078,189</u>
Carryover/Savings:		
General Fund		57,770,909
Sewer Fund		9,010,527
Highway Fund		5,770,547
Solid Waste Management Fund		2,421,399
Golf Fund		(1,224,964)
Liquor Fund		697,021
Bikeway Fund		275,000
Water Fund		<u>7,494,768</u>

TOTAL ESTIMATED REVENUES [565,429,431] 567,429,431"

SECTION 2. Ordinance No. 3840, Bill No. 34 (2011), Draft 1, "Fiscal Year 2012 Budget", as amended, is hereby amended as it pertains to Section 4.D., From the Bond Fund, by adding a new appropriation for the Makawao-Pukalani-Kula Community Plan Area, Water Supply, entitled, "Kamaole Tank Replacement", in the amount of \$2,000,000, to read as follows:

"D. From the Bond Fund

1. Hana Community Plan Area

- a. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:
 - 1) Kahawaiokapia Bridge Rehabilitation 1,300,000
- b. Sanitation
 - (1) Hana Landfill Detention Pond 500,000

2. Paia-Haiku Community Plan Area

- a. Drainage
 - (1) Haiku Road Drainage Improvements 2,000,000

3. Makawao-Pukalani-Kula Community Plan Area

- a. Water Supply
 - (1) Kamaole Tank Replacement 2,000,000

[3]4. Wailuku-Kahului Community Plan Area

- a. Government Facilities
 - (1) Wailuku Baseyard Garage Repair 600,000
 - (2) Old Wailuku Post Office Rehabilitation 1,500,000
- b. Sanitation
 - (1) Central Maui Solid Waste Facility 1,500,000

[4]5. West Maui Community Plan Area

- a. Drainage
 - (1) Lahaina Watershed Flood Control 2,600,000
- b. Road Improvements
 - (1) Lower Honoapiilani Road Improvements 1,000,000
- c. Sewer
 - (1) West Maui Re-use System Improvements 586,805
- d. Water Supply
 - (1) West Maui Source Improvements 2,500,000

[5]6. Countywide

- a. Drainage
 - (1) Countywide Drainage Improvements 2,000,000
- b. Government Facilities
 - (1) Public Safety Radio System Replacement 1,468,692
- c. Parks and Recreation
 - (1) Countywide Parks Americans with Disabilities Act (ADA) Improvements 1,000,000"

SECTION 3. The Total Capital Improvement Project Appropriations is amended to reflect an increase of \$2,000,000, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS [101,952,430] 103,952,430"

SECTION 4. The Total Appropriations (Operating and Capital Improvement Projects) is amended to reflect an increase of \$2,000,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) [565,429,431] 567,429,431"

SECTION 5. Material to be repealed is bracketed. New material is underscored.

SECTION 6. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:


ADRIANNE N. HEELY
Deputy Corporation Counsel

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ORDINANCE NO. _____

BILL NO. _____ (2012)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3837,
BILL NO. 31 (2011), RELATING TO THE ISSUANCE OF
GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI
(KAMAOLE TANK REPLACEMENT)

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

SECTION 1. Ordinance No. 3837, Bill No. 31 (2011), is amended
by amending Section 1 to read as follows:

"SECTION 1. Authorization of General Obligation Bonds. Pursuant to Chapter 47, Hawaii Revised Statutes, as amended, and particularly Part I thereof, there are hereby authorized to be issued and sold from time to time general obligation bonds of the County of Maui, State of Hawaii (the "County") in an aggregate principal amount not to exceed ~~[\$18,555,497]~~ \$20,555,497 (the "Bonds"), the proceeds derived from the sale of which shall be used to pay all or part of the cost of appropriations for the public improvements of the County described in Section 2 hereof."

SECTION 2. Ordinance No. 3837, Bill No. 31 (2011), is amended
by amending Section 2 to read as follows:

"SECTION 2. Disposition of Bond Proceeds. All or any portion of the proceeds derived from the sale of the Bonds or any notes issued in anticipation of the Bonds shall be used to pay all or part of the cost of any of the public improvements listed below in accordance with appropriations contained in the Fiscal Year 2012 Budget, including amendments and supplements thereto, duly approved by the Council of the County (the "Council") for the fiscal year ending June 30, 2012 (the "Fiscal Year 2012 Budget"); provided, however, that pursuant to Section 47-5, Hawaii Revised Statutes, the part of such proceeds which are in excess of the amounts required for the purposes for which the Bonds are initially issued from time to time, or which may not be applied to such purposes, or which the Council deems should not be applied to such purposes, may be applied to finance such other public improvements of the County as the Council shall, by ordinance approved by an affirmative vote of two-thirds of all of its members, determine; and provided further that the actual use and application of the proceeds of Bonds issued pursuant to this ordinance shall not in any way affect the validity or legality of such Bonds. No proceeds of the Bonds shall be applied to any public improvement listed in this section unless and until there shall be a valid appropriation of general obligation bond proceeds in effect for such public improvement. The public improvements provided for or to be provided for in the

Fiscal Year 2012 Budget, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:

		<u>Estimated Project Cost</u>
1.	Hana Community Plan Area	
	a. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Kahawaiokapia Bridge Rehabilitation	\$ 1,300,000
	b. Sanitation	
	(1) Hana Landfill Detention Pond	\$ 500,000
2.	Paia-Haiku Community Plan Area	
	a. Drainage	
	(1) Haiku Road Drainage Improvements	\$ 2,000,000
3.	<u>Makawao-Pukalani-Kula Community Plan Area</u>	
	<u>a. Water Supply</u>	
	(1) <u>Kamaole Tank Replacement</u>	<u>\$ 2,000,000</u>
[3.]4.	Wailuku-Kahului Community Plan Area	
	a. Government Facilities	
	(1) Wailuku Baseyard Garage Repair	\$ 600,000
	(2) Old Wailuku Post Office Rehabilitation	\$ 1,500,000
	b. Sanitation	
	(1) Central Maui Solid Waste Facility	\$ 1,500,000
[4.]5.	West Maui Community Plan Area	
	a. Drainage	
	(1) Lahaina Watershed Flood Control	\$ 2,600,000
	b. Road Improvements	
	(1) Lower Honoapiilani Road Improvements	\$ 1,000,000
	c. Sewer	
	(1) West Maui Re-use System Improvements	\$ 586,805
	d. Water Supply	
	(1) West Maui Source Improvements	\$ 2,500,000


- [5.] 6. Countywide
- a. Drainage
 - (1) Countywide Drainage Improvements \$ 2,000,000
 - b. Government Facilities
 - (1) Public Safety Radio System Replacement \$ 1,468,692
 - c. Parks and Recreation
 - (1) Countywide Parks Americans with Disabilities Act (ADA) Improvements \$ 1,000,000

The cost of issuance of the Bonds or any series thereof, including without limitation, the initial fee of paying agents and registrars, the fees of financial consultants and bond counsel, the cost of preparation of any Official Statement relating to the Bonds, any notices of sale and forms of bid and the definitive Bonds, and the costs of publication of any notices of sale, may be paid from the proceeds of the Bonds or any series thereof and such costs shall be allocated pro rata to each of the foregoing projects financed from such proceeds."

SECTION 3. Material to be repealed is bracketed. New material is underscored.

SECTION 4. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM
AND LEGALITY:



ADRIANNE N. HEELY
Deputy Corporation Counsel
County of Maui

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