

BUDGET AND FINANCE COMMITTEE

Council of the County of Maui

Meeting Agenda

Wednesday, April 25, 2012

9:00 a.m.

Council Chamber, 8th Floor
200 South High Street, Wailuku, Hawaii

website: www.mauicounty.gov/committees/BF

OFFICE OF THE
COUNCIL OF THE
COUNTY OF MAUI

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VOTING MEMBERS

Joseph Pontanilla, Chair

G. Riki Hokama, Vice-Chair

Gladys C. Baisa

Robert Carroll

Elle Cochran

Donald G. Couch, Jr.

Danny A. Mateo

Michael P. Victorino

Mike White

AGENDA ITEMS ARE SUBJECT TO CANCELLATION. For a confirmation of the meeting date and time, and for tentative scheduling of agenda items, please contact the Committee Staff (Scott Kaneshina, Michele Yoshimura, Josiah Nishita, or Camille Sakamoto) at: Office of Council Services, 200 South High Street, Wailuku, HI 96793, 808-270-7838, 1-800-272-0026 (toll-free from Molokai), 1-800-272-0098 (toll-free from Lanai), 808-270-7686 (fax).

ORAL OR WRITTEN TESTIMONY on any agenda item will be accepted. Each testifier shall be allowed to speak for three minutes on each item. If additional time is requested, the testifier shall be allowed one minute to conclude the testimony on the item. These time limits may be modified pursuant to the Rules of the Council, provided a modification would apply equally to all testifiers and all items. No further oral testimony by the testifier on the item shall be permitted. An individual's request to testify shall be deemed withdrawn if the individual does not answer when called to testify. To ensure its distribution prior to the meeting, written testimony must be received in the Office of Council Services at least 24 hours prior to the meeting; provided, that if a meeting will be held on a Monday, written testimony shall be received by 12:00 noon on the business day preceding the meeting. If written testimony is submitted at the meeting, 19 copies are requested to ensure distribution at the meeting.

INDIVIDUALS WHO INTEND TO ATTEND THE MEETING AND WHO HAVE DISABILITIES REQUIRING SPECIAL ASSISTANCE should call the Office of Council Services at least three days in advance.

DOCUMENTS ON FILE WITH THE COMMITTEE, which may include correspondence relating to the agenda items below, may be inspected prior to the meeting date. Photocopies may be ordered, subject to charges imposed by law (Maui County Code, Sec. 2.64.010). Please contact the Office of Council Services to make arrangements for inspection or photocopying of documents.

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BF-1

PROPOSED FISCAL YEAR 2013 BUDGET FOR THE COUNTY OF MAUI

DESCRIPTION: The Committee is in receipt of the following:

1. County Communication 12-59, from Council Chair Danny A. Mateo, relating to the matter of the proposed budget for Fiscal Year ("FY") 2013.
2. County Communication 12-72, from Mayor Alan M. Arakawa, relating to the proposed budget for FY 2013 for the County of Maui. Included in the Mayor's transmittal are the following:

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- a. A proposed bill entitled “A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET FOR THE COUNTY OF MAUI FOR THE FISCAL YEAR JULY 1, 2012 TO JUNE 30, 2013”. The purpose of the proposed bill is to appropriate estimated revenues for the operating and capital improvement budget. Incorporated within the proposed bill are Appendix A, which lists Grant Revenues and Special Purpose Revenues; and Appendix B, which is the Schedule of Fees, Rates, Assessments, and Taxes (“Budget bill”).
- b. A proposed bill entitled “A BILL FOR AN ORDINANCE RELATING TO THE CAPITAL IMPROVEMENT PROGRAM FOR THE FISCAL YEAR ENDING JUNE 30, 2013”. The purpose of the proposed bill is to set forth the Capital Program for FY 2013 through 2018. Incorporated within the proposed bill are Appendix A-1, a report entitled “COUNTY OF MAUI, CAPITAL IMPROVEMENT PROJECTS REPORT, AS OF DECEMBER 31, 2011”, which lists all pending capital improvement projects and appropriations, except for Water Fund projects, as of December 31, 2011; Appendix A-2, a report entitled “County of Maui, Statement of Appropriations and Expenditures, Capital Improvement Program by District, Fiscal Year Ending 6/30/2012 – as of 12/31/2011”, which lists pending Water Fund capital improvement projects and appropriations as of December 31, 2011; and Appendix B, which is the proposed Capital Program Summaries for FY 2013 through 2018 (“Capital Program bill”).
- c. A proposed bill entitled “A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF THIRTY FIVE MILLION TWO HUNDRED ONE THOUSAND DOLLARS (\$35,201,000) AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI FOR THE PURPOSE OF PROVIDING FUNDS TO PAY ALL OR A PART OF THE COST OF APPROPRIATIONS FOR PUBLIC IMPROVEMENTS OF AND FOR THE COUNTY OF MAUI; FIXING THE FORM, DENOMINATIONS AND CERTAIN OTHER FEATURES OF SUCH BONDS AND PROVIDING FOR THEIR SALE; AUTHORIZING THE DIRECTOR OF FINANCE TO DETERMINE CERTAIN DETAILS OF THE BONDS; AUTHORIZING THE ISSUANCE AND SALE OF A LIKE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE AND SALE OF SUCH BONDS; AND PROVIDING FOR OTHER ACTIONS RELATED TO THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS”. The purpose of the proposed bill is to authorize the issuance of general obligation bonds for various capital improvement projects (“Bond Authorization bill”).
- d. A proposed bill entitled “A BILL FOR AN ORDINANCE DETERMINING THAT PART OF THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI HERETOFORE ISSUED IS IN EXCESS OF THE AMOUNTS REQUIRED FOR THE PURPOSES FOR WHICH SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING SUCH PROCEEDS TO OTHER PUBLIC IMPROVEMENTS OR AUTHORIZED PURPOSES OF THE COUNTY OF MAUI”. The purpose of the proposed bill is to reauthorize the use of \$1,000,000 in lapsed bond proceeds for the Public Safety Radio System Replacement capital improvement project (“Lapsed Bond bill”).
- e. A proposed bill entitled “A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A STATE WATER POLLUTION CONTROL REVOLVING FUND LOAN FOR THE LAHAINA WASTEWATER PUMP STATION NUMBER 2 MODIFICATIONS, WEST MAUI COMMUNITY PLAN AREA, FISCAL YEAR 2013 BUDGET ORDINANCE”. The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement to finance the Lahaina Wastewater Pump Station

Number 2 Modifications project with funds from the State Water Pollution Control Revolving Fund Loan ("SRF loan") not to exceed \$\$5,000,000.

- f. A proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A STATE WATER POLLUTION CONTROL REVOLVING FUND LOAN FOR THE SOUTH MAUI RECYCLED WATER DISTRIBUTION SYSTEM EXPANSION, SOUTH MAUI COMMUNITY PLAN AREA, FISCAL YEAR 2013 BUDGET ORDINANCE". The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement to finance the South Maui Recycled Water Distribution System Expansion project with funds from the SRF loan not to exceed \$2,000,000.
- g. A proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE PAIA-KUAU WATER SYSTEM IMPROVEMENTS PROJECT, PAIA-HAIKU COMMUNITY PLAN AREA, FISCAL YEAR 2013 BUDGET ORDINANCE". The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement to finance the Paia-Kuau Water System Improvements project with funds from the State Drinking Water Treatment Revolving Loan Fund ("Drinking Water Loan Fund") not to exceed \$3,000,000.
- h. A proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE MAUI MEADOWS BOOSTER PUMP STATION #18 IMPROVEMENTS PROJECT, KIHAI-MAKENA COMMUNITY PLAN AREA, FISCAL YEAR 2013 BUDGET ORDINANCE". The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement to finance the Maui Meadows Booster Pump Station #18 Improvements project with funds from the Drinking Water Loan Fund not to exceed \$1,100,000.
- i. A proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE KAUNAKAKAI-KAWELA WELL SYSTEM NO. 2 PROJECT, MOLOKAI COMMUNITY PLAN AREA, FISCAL YEAR 2013 BUDGET ORDINANCE". The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement to finance the Kaunakakai-Kawela Well System No. 2 project with funds from the Drinking Water Loan Fund not to exceed \$300,000 .
- j. A proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE WAKIU WELL REPLACEMENT DEVELOPMENT PROJECT, HANA COMMUNITY PLAN AREA, FISCAL YEAR 2013 BUDGET ORDINANCE". The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement to finance the Wakiu Well Replacement Development project with funds from the Drinking Water Loan Fund not to exceed \$1,850,000.
- k. A proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S DRINKING WATER

TREATMENT REVOLVING LOAN FUND FOR THE PIIHOLO WATER TREATMENT PLANT IMPROVEMENTS-ORGANIC CARBON REDUCTION PROJECT, MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, FISCAL YEAR 2013 BUDGET ORDINANCE". The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement to finance the Piiholo Water Treatment Plant Improvements-Organic Carbon Reduction project with funds from the Drinking Water Loan Fund not to exceed \$7,500,000.

- l. A proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR HALIIMAILE TANK REPLACEMENT PROJECT, MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, FISCAL YEAR 2013 BUDGET ORDINANCE". The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement to finance the Haliimaile Tank Replacement project with funds from the Drinking Water Loan Fund not to exceed \$700,000.
- m. Booklets entitled "COUNTY OF MAUI FISCAL YEAR 2013, BUDGET PROPOSAL SYNOPSIS" ("Synopsis"); "COUNTY OF MAUI FISCAL YEAR 2013, VOLUME I: MAYOR'S OPERATING BUDGET PROPOSAL ("Program Budget"); and "COUNTY OF MAUI FISCAL YEAR 2013, VOLUME II: MAYOR'S CAPITAL BUDGET PROPOSAL" ("Capital Proposal").
- n. Compact disc entitled "FISCAL YEAR 2013 BUDGET PROPOSAL".

STATUS: The Committee may receive a general overview of the proposed FY 2013 Budget from County officials. The Committee may begin the review of individual agencies' operations and proposed appropriations. The Committee may also discuss and consider revisions to the Mayor's proposed budget, and other related action.

NOTE: With reference to this agenda item, one or more executive meetings may be held pursuant to one or more of the following subsections of Hawaii Revised Statutes Section 92-5(a):

- (3) to deliberate concerning the authority of persons designated by the County, the Council, or the Committee to conduct labor negotiations or to negotiate the acquisition of public property, or during the conduct of such negotiations;
- (4) to consult with legal counsel on questions and issues pertaining to the powers, duties, privileges, immunities, and liabilities of the County, the Council, and the Committee;
- (6) to consider sensitive matters related to public safety or security; and
- (8) to deliberate or make a decision upon a matter that requires the consideration of information that must be kept confidential pursuant to a State or Federal law, or a court order.

BF-3 FISCAL YEAR 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

DESCRIPTION: The Committee is in receipt of County Communication 12-60, from Council Chair Danny A. Mateo, transmitting a document entitled "COUNTY OF MAUI, STATE OF HAWAII: Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2011" ("CAFR"), prepared by the Department of Finance and audited by Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs LLC; and the required auditor's communication letter dated December 28, 2011, for Fiscal Year ended June 30, 2011, submitted by Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs LLC.

STATUS: The Committee may discuss the CAFR and auditor's communication letter. The Committee may also consider the filing of County Communication 12-60 and other related action.

BF-8 DEPARTMENT OF WATER SUPPLY'S FINANCIAL AUDIT REPORT

DESCRIPTION: The Committee is in receipt of County Communication 12-62, from Council Chair Danny A. Mateo, transmitting the Department of Water Supply's Financial Statements and Supplemental Schedules for the Years ended June 30, 2011 and June 30, 2010; the required auditor's communication letter dated December 28, 2011, and the Independent Auditor's Report, submitted by Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs LLC.

STATUS: The Committee may discuss the Department of Water Supply's Financial Statements and Supplemental Schedules, noted above, and the auditor's communication letter and independent report. The Committee may also consider the filing of County Communication 12-62 and other related action.

BF-9 SINGLE AUDIT REPORT

DESCRIPTION: The Committee is in receipt of County Communication 12-61, from Council Chair Danny A. Mateo, transmitting a document entitled "COUNTY OF MAUI, STATE OF HAWAII: Single Audit Reports, For the Fiscal Year Ended June 30, 2011", submitted by Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs LLC.

STATUS: The Committee may discuss the Single Audit Reports. The Committee may also consider the filing of County Communication 12-61 and other related action.