

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

November 1, 2013

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 October 15, 2013, makes reference to County Communication 13-201, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2014 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; WAILUKU-KAHULUI COMMUNITY PLAN AREA, GOVERNMENT FACILITIES, KALANA O MAUI CAMPUS EXPANSION MASTER PLANNING AND DESIGN; 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 ("FY") 2014 Budget by adding a \$2,281,203 appropriation for Bond Funds in the Wailuku-Kahului Community Plan Area for the Kalana O Maui Campus Expansion Master Planning and Design project.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4041, BILL NO. 40 (2013), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (KALANA O MAUI CAMPUS EXPANSION MASTER PLANNING AND DESIGN)".

The purpose of the proposed bill is to amend the FY 2014 Budget general obligation bond authorization ordinance by adding \$2,281,203 in the Wailuku-Kahului Community Plan Area for the Kalana O Maui Campus Expansion Master Planning and Design project.

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By correspondence dated July 8, 2013, the Budget Director transmitted revised proposed bills to separate the funding for the Kalana O Maui Campus Expansion Master Planning project and the Kalana O Maui Campus Expansion Design of Phase IA project. As proposed, Phase IA will consist of a new office building at the corner of Wells and High Streets and reconfiguration of the Kalana O Maui building office space.

By correspondence dated July 26, 2013, the Department of the Corporation Counsel suggested the Council could incorporate a statement in the appropriate budget amendment bill to clarify the Council does not intend to ratify any or all prior acts, actions, omissions, expenditures, and/or related events regarding the demolition of the Old Wailuku Post Office building or the master planning of the expansion project. The Council's only intention by passage of the proposed amendments is to authorize future expenditures related to the design of Phase IA.

By correspondence dated October 8, 2013, the Department of the Corporation Counsel transmitted the following:

1. A revised proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2014 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; WAILUKU-KAHULUI COMMUNITY PLAN AREA, GOVERNMENT FACILITIES, KALANA O MAUI CAMPUS EXPANSION DESIGN OF PHASE IA; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)" ("Budget Bill").

The purpose of the Budget Bill is to amend the FY 2014 Budget by adding (1) a \$1,500,000 appropriation for Bond Funds in the Wailuku-Kahului Community Plan Area for the design of Phase IA; and (2) a proviso to clarify the Council does not intend to ratify any or all prior acts, actions, omissions, expenditures, and/or related events regarding the demolition of the Old Wailuku Post Office building or the master planning of the expansion project.

2. A revised proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4041, BILL NO. 40 (2013),

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RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (KALANA O MAUI CAMPUS EXPANSION DESIGN OF PHASE IA)” (“Bond Authorization Bill”).

The purpose of the Bond Authorization Bill is to amend the FY 2014 Budget general obligation bond authorization ordinance by adding (1) a \$1,500,000 appropriation for the design of Phase IA in the Wailuku-Kahului Community Plan Area; and (2) a proviso to clarify the Council does not intend to ratify any or all prior acts, actions, omissions, expenditures, and/or related events regarding the demolition of the Old Wailuku Post Office building or the master planning of the expansion project.

The Budget Director informed your Committee the \$1,500,000 is for design costs of Phase IA and explained the original request of \$2,200,000 included a \$700,000 appropriation for master planning of the expansion project.

Your Committee acknowledged its desire to move forward with the design of Phase IA, while preserving the Council’s ability to conduct its investigation and continue to question the sources of funding related to the demolition of the Old Wailuku Post Office building and master planning efforts.

Your Committee amended the Budget Bill and Bond Authorization Bill to emphasize the Council’s intention is not to ratify any or all of the Administration’s prior acts, actions, omissions, expenditures, and/or related events regarding the demolition of the Old Wailuku Post Office building, the master planning of the expansion project, or any of the subjects authorized for investigation pursuant to Resolution 13-83, as amended by Resolution 13-104.

Your Committee further emphasized that Council action on the proposed budget amendments shall neither affect nor hinder the Council’s investigation of the demolition of the Old Wailuku Post Office building, the master planning of the expansion project, or any of the subjects authorized for investigation pursuant to Resolution 13-83, as amended by Resolution 13-104.

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Your Committee voted 9-0 to recommend passage of the Budget Bill, as revised, on first reading. Committee Chair White, Vice-Chair Hokama, and members Baisa, Carroll, Cochran, Couch, Crivello, Guzman, and Victorino voted “aye”.

Your Committee voted 8-1 to recommend passage of the Bond Authorization Bill, as revised, on first reading. Committee Chair White, and members Baisa, Carroll, Cochran, Couch, Crivello, Guzman, and Victorino voted “aye”. Committee Vice-Chair Hokama voted “no”.

Your Committee is in receipt of further revised proposed bills, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee’s recommended revisions and nonsubstantive revisions, including adjustments to reflect the expected passage of other pending legislation. The further revised proposed bills were transmitted by the Mayor in accordance with Section 9-10(3) of the Revised Charter of the County of Maui (1983), as amended.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2013), as revised herein and attached hereto, entitled, “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2014 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; WAILUKU-KAHULUI COMMUNITY PLAN AREA, GOVERNMENT FACILITIES, KALANA O MAUI CAMPUS EXPANSION DESIGN OF PHASE IA; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)” be PASSED ON FIRST READING and be ORDERED TO PRINT; and

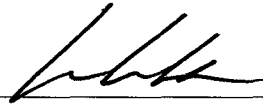
2. That Bill _____ (2013), as revised herein and attached hereto, entitled, “A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4041, BILL NO. 40 (2013), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (KALANA O MAUI CAMPUS EXPANSION DESIGN OF PHASE IA)” be PASSED ON FIRST READING and be ORDERED TO PRINT.

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



MIKE WHITE, Chair

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ORDINANCE NO. _____

BILL NO. _____ (2013)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2014 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
WAILUKU-KAHULUI COMMUNITY PLAN AREA, GOVERNMENT FACILITIES,
KALANA O MAUI CAMPUS EXPANSION DESIGN OF PHASE IA;
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. 4044, Bill No. 43 (2013), Draft 1, as amended, ("Fiscal Year 2014 Budget"), is hereby amended as it pertains to Section 2, Estimated Revenues by increasing Bond/Lapsed Bond Fund in the amount of \$1,500,000; and by increasing Total Estimated Revenues in the amount of \$1,500,000, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes	224,621,653
Circuit Breaker Adjustment	(1,303,505)
Charges for Current Services	115,863,840
Transient Accommodations Tax	21,000,000
Public Service Company Tax	9,000,000
Licenses/Permits/Others	28,922,876
Fuel and Franchise Taxes	20,400,000
Special Assessments	4,615,000
Other Intergovernmental	20,772,277

FROM OTHER SOURCES:

Interfund Transfers		35,519,088
Bond/Lapsed Bond	[26,420,000]	<u>27,920,000</u>
Carryover/Savings:		
General Fund		27,887,504
Sewer Fund		8,066,974
Highway Fund		7,967,552
Solid Waste Management Fund		3,720,286
Golf Fund		220,916
Liquor Fund		631,979
Bikeway Fund		(243,554)
Water Fund		<u>11,694,088</u>

TOTAL ESTIMATED REVENUES [565,776,974] 567,276,974"

SECTION 2. Fiscal Year 2014 Budget is hereby amended as it pertains to Section 4.D.3., From the Bond Fund, Wailuku-Kahului Community Plan Area, by adding an appropriation for a capital project entitled, "Kalana O Maui Campus Expansion Design of Phase IA" under the Government Facilities project type, in the amount of \$1,500,000, to read as follows:

"D. From the Bond Fund

3. Wailuku-Kahului Community Plan Area

a. Parks and Recreation

(1) Wailuku Gym Improvements	1,700,000
(2) New Kahului Community Center Facility	400,000

b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:

(1) Papa Avenue Pavement Rehabilitation, Puunene Avenue to Kaahumanu Avenue	2,380,000
(2) Waiale Road Shoulder Improvements	350,000
(3) Wakea Avenue Traffic Signals at Hina Avenue	100,000
(4) Wakea Avenue and Wells Street Pavement Rehabilitation	625,000

c. Government Facilities

(1) <u>Kalana O Maui Campus Expansion Design of Phase IA</u> <u>Provided, that by this appropriation, it is not the Council's intent to ratify any or all of the administration's prior acts, actions, omissions, expenditures, and/or related events regarding the demolition of the Old Wailuku Post Office building, the master planning of the expansion project, or any of the subjects authorized for investigation pursuant to Resolution 13-83, as amended by Resolution 13-104. Further provided, that this appropriation shall neither affect nor hinder the Council's investigation of the demolition of the Old Wailuku Post Office building, the master planning of the expansion project, or any of the subjects authorized for investigation pursuant to Resolution 13-83, as amended by Resolution 13-104.</u>	<u>1,500,000"</u>
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SECTION 3. Fiscal Year 2014 Budget is hereby amended as it pertains to the Total Capital Improvement Project Appropriations to reflect an increase of \$1,500,000, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS	[94,833,021]	<u>96,333,021"</u>
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SECTION 4. Fiscal Year 2014 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$1,500,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[565,776,974]	<u>567,276,974"</u>
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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:



JEFFREY UEOKA
Deputy Corporation Counsel

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ORDINANCE NO. _____

BILL NO. _____ (2013)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4041,
BILL NO. 40 (2013), RELATING TO THE ISSUANCE OF
GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI
(KALANA O MAUI CAMPUS EXPANSION DESIGN OF PHASE IA)

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

SECTION 1. Ordinance No. 4041, Bill No. 40 (2013), 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 [~~\$25,891,000~~] \$27,391,000 (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. 4041, Bill No. 40 (2013), 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 2014 Budget, including amendments and supplements thereto, duly approved by the Council of the County (the "Council") for the fiscal year ending June 30, 2014 (the "Fiscal Year 2014 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 2014 Budget, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:

Estimated Project Cost

1. Paia-Haiku Community Plan Area
 - a. Drainage
 - (1) Baldwin Avenue Drainage System \$ 200,000
 - b. Road improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:
 - (1) Kalialinui Bridge Improvements \$ 1,500,000
2. Makawao-Pukalani-Kula 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) Haleakala Highway Intersection Improvements at Makawao Avenue \$ 1,500,000
 - (2) Old Haleakala Highway Sidewalk (Kula Highway to Makawao Avenue) \$ 592,000
 - (3) Old Haleakala Highway and Makani Road Improvements \$ 600,000
 - b. Water Supply
 - (1) Makawao-Pukalani-Kula Distribution System Improvements \$ 200,000
 - (2) Makawao-Pukalani-Kula Treatment Plant Improvements \$ 1,300,000
3. Wailuku-Kahului Community Plan Area
 - a. Parks and Recreation
 - (1) Wailuku Gym Improvements \$ 1,700,000
 - (2) New Kahului Community Center Facility \$ 400,000
 - b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:
 - (1) Papa Avenue Pavement Rehabilitation, Puunene Avenue to Kaahumanu Avenue \$ 2,380,000

(2)	Waiale Road Shoulder Improvements	\$	350,000
(3)	Wakea Avenue Traffic Signals at Hina Avenue	\$	100,000
(4)	Wakea Avenue and Wells Street Pavement Rehabilitation	\$	625,000
c.	<u>Government Facilities</u>		
(1)	<u>Kalana O Maui Campus Expansion</u>		
	<u>Design of Phase IA</u>		
	<u>Provided, that by this appropriation,</u>		
	<u>it is not the Council's intent</u>		
	<u>to ratify any or all of the</u>		
	<u>administration's prior acts,</u>		
	<u>actions, omissions, expenditures,</u>		
	<u>and/or related events regarding</u>		
	<u>the demolition of the Old</u>		
	<u>Wailuku Post Office building,</u>		
	<u>the master planning of the expansion</u>		
	<u>project, or any of the subjects</u>		
	<u>authorized for investigation</u>		
	<u>pursuant to Resolution 13-83,</u>		
	<u>as amended by Resolution 13-104.</u>		
	<u>Further provided, that this</u>		
	<u>appropriation shall neither affect</u>		
	<u>nor hinder the Council's</u>		
	<u>investigation of the demolition</u>		
	<u>of the Old Wailuku Post Office</u>		
	<u>building, the master planning of</u>		
	<u>the expansion project, or any</u>		
	<u>of the subjects authorized</u>		
	<u>for investigation pursuant to</u>		
	<u>Resolution 13-83, as amended by</u>		
	<u>Resolution 13-104.</u>		
			<u>\$ 1,500,000</u>
4.	Kihei-Makena Community Plan Area		
a.	Drainage		
(1)	South Kihei Road Culvert Replacement at Waiakoa	\$	1,600,000
b.	Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:		
(1)	South Kihei Road Pavement Rehabilitation	\$	400,000
(2)	South Kihei Road Traffic Signal Modernization at Various Locations	\$	268,000

- 5. West Maui Community Plan Area
 - a. Drainage
 - (1) Lahaina Watershed Flood Control \$ 1,100,000
 - b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:
 - (1) Kahananui Bridge Replacement \$ 1,200,000
 - c. Water Supply
 - (1) West Maui Distribution System Improvements \$ 200,000
 - (2) West Maui Source Improvements \$ 4,000,000

- 6. Molokai Community Plan Area
 - a. Sanitation
 - (1) Molokai Landfill Cell No. 4 Construction/Stormwater Improvements \$ 3,000,000
 - b. Parks and Recreation
 - (1) Mitchell Pauole Community Center Improvements \$ 1,000,000

- 7. Countywide
 - a. Other Projects
 - (1) Bus Stops and Shelters \$ 1,000,000
 - (2) Countywide Equipment \$ 3,205,000
 - (3) Public Safety Radio System Replacement \$ 2,471,000

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:



JEFFREY UEOKA
Deputy Corporation Counsel
County of Maui

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