

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

January 24, 2014

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 10, 2014, makes reference to County Communication 13-395, 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, SANITATION, CENTRAL MAUI LANDFILL WIND TURBINE; 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 (1) increasing Bond/Lapsed Bond Fund by \$48,000, from \$27,920,000 to \$27,968,000; and (2) adding a \$48,000 appropriation for the Central Maui Landfill Wind Turbine ("Wind Turbine Project"), Wailuku-Kahului Community Plan Area.

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 (CENTRAL MAUI LANDFILL WIND TURBINE)".

The purpose of the proposed bill is to amend the FY 2014 Budget, relating to the authorization of General Obligation Bonds, by adding a \$48,000 appropriation for the Wind Turbine Project, Wailuku-Kahului Community Plan Area.

The Budget Director informed your Committee an appropriation of \$740,000 in the FY 2013 Budget for the Central Maui Landfill Improvements Project included a proviso that \$350,000 would be for the Wind Turbine Project. The Wind Turbine Project

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is estimated to cost approximately \$460,000. Savings from the Central Maui Landfill Improvements Project and the requested budget amendment would satisfy the shortfall.

The Deputy Director of Environmental Management stated the Wind Turbine Project is a supplemental environmental project to fulfill a Consent Decree in a case involving the Environmental Protection Agency because of the untimely installation of a gas collection system at the Central Maui Landfill.

He said the Wind Turbine Project was originally designed as eight small, residential-grade windmills to be placed near the wind barrier wall at the Central Maui Landfill. After the design was completed, the three companies that submitted bid proposals and had the ability to install the smaller, residential-grade windmills closed their businesses. Therefore, the scope of the project was revised, and redesigned to install three large, commercial-grade windmills. Two windmills will meet the requirements of the Consent Decree, and the third windmill will serve as a backup to prevent any future fines or penalties.

The Deputy Director estimated a cost savings of approximately \$30,000 in electricity costs because of the installation of the windmills.

Your Committee voted 6-0 to recommend passage of the proposed bills on first reading and filing of the communication. Committee Chair White and members Baisa, Carroll, Couch, Crivello, and Victorino voted "aye". Committee Vice-Chair Hokama, and members Cochran and Guzman were 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 that take into account prior amendments to the FY 2014 Budget.

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Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2014), 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, SANITATION, CENTRAL MAUI LANDFILL WIND TURBINE; 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 _____ (2014), 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 (CENTRAL MAUI LANDFILL WIND TURBINE)" be PASSED ON FIRST READING and be ORDERED TO PRINT; and
3. That County Communication 13-395 be FILED.

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



MIKE WHITE, Chair

ORDINANCE NO. _____

BILL NO. _____ (2014)

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, SANITATION,
CENTRAL MAUI LANDFILL WIND TURBINE;
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 \$48,000; and by increasing Total Estimated Revenues in the amount of \$48,000, 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		4,983,000
Other Intergovernmental		20,772,277

FROM OTHER SOURCES:

Interfund Transfers		35,519,088
Bond/Lapsed Bond	[34,420,000]	<u>34,468,000</u>
Carryover/Savings:		
General Fund		28,164,504
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		11,694,088

TOTAL ESTIMATED REVENUES [574,421,974] 574,469,974"

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, "Central Maui Landfill Wind Turbine" under the Sanitation project type, in the amount of \$48,000, 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 and Hina Avenue 100,000
- (4) Wakea Avenue and Wells Street Pavement Rehabilitation 625,000

c. Government Facilities

- (1) Kalana O Maui Campus Expansion Design of Phase IA 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. 1,500,000

d. Sanitation

- (1) Central Maui Landfill Wind Turbine 48,000"

SECTION 3. Fiscal Year 2014 Budget is hereby amended as it pertains to the Total Capital Improvement Project Appropriations to reflect an increase of \$48,000, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS [103,391,021] 103,439,021"

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 \$48,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[574,421,974]	<u>574,469,974"</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. _____ (2014)

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
(CENTRAL MAUI LANDFILL WIND TURBINE)

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 [~~\$33,891,000~~] \$33,939,000 (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 Treatment Plant Improvements | \$ | 700,000 |
| 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. Government Facilities
 - (1) Kalana O Maui Campus Expansion Design of Phase IA
 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. \$ 1,500,000
- d. Sanitation
 - (1) Central Maui Landfill Wind Turbine \$ 48,000
- 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.	Other Projects	
(1)	West Maui Land Acquisition	\$ 6,500,000
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

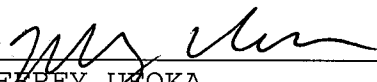
The cost of issuance of the Bonds or any series thereof, including without limitation, the initial fee of paying agents and registrars, the fees of financial consultants and bond counsel, the cost of preparation of any Official Statement relating to the Bonds, any notices of sale and forms of bid and 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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