

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

February 7, 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 21, 2014, makes reference to County Communication 13-396, 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; DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, SOLID WASTE OPERATIONS PROGRAM; DEPARTMENT OF FINANCE, COUNTYWIDE COSTS; TOTAL OPERATING 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 the estimated revenue for Carryover/Savings in the General Fund by \$864,000, from \$27,887,504 to \$28,751,504; (2) increasing the estimated revenue for Interfund Transfers by \$864,000, from \$35,519,088 to \$36,383,088; (3) increasing the appropriation for the Department of Environmental Management ("Department"), Solid Waste Operations Program – Solid Waste Management Fund, by \$864,000, from \$13,838,933 to \$14,702,933; and (4) increasing the appropriation for the Department of Finance, Countywide Costs, Supplemental Transfer to the Solid Waste Management Fund, by \$864,000, from \$5,151,790 to \$6,015,790.

2. A Certification of Additional Revenues for FY 2014, dated December 13, 2013, for \$864,000 in Carryover/Savings from the General Fund.

The Director of Environmental Management stated the cost to maintain core services and responsibilities, such as regulatory programs at the landfill and refuse collection, has increased over the years. The Department has reviewed budget data for

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the Solid Waste Operations Program for the past five months to compute its projected shortfall of \$864,000.

He informed your Committee the Department has incurred fines and penalties for lack of compliance with State Department of Health rules and regulations for landfill management. Because of the fines, the Department of Environmental Management tried to enhance regulatory programs while maintaining discretionary programs. The discretionary programs, mainly related to landfill diversion, include recycling and composting.

He said the cost of contracts has increased over the years, making it difficult for the Department to maintain its current programs. Without the requested budget amendment, the Department would have to consider curtailing discretionary programs, hours at the landfill, and days of refuse collection.

The Director stressed the primary focus of the Department is to maintain regulatory compliance with core services and responsibilities. He added the recycling program is a cost to the County that does not generate revenue.

Your Committee expressed concern with the budgetary shortfall to maintain the programs, which required a General Fund subsidy to the Solid Waste Management Fund of \$6,015,790 in FY 2014.

Your Committee voted 7-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair White, Vice-Chair Hokama, and members Cochran, Couch, Crivello, Guzman, and Victorino voted "aye". Committee members Baisa and Carroll were excused.

Your Committee is in receipt of a revised proposed bill, 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; DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, SOLID WASTE OPERATIONS PROGRAM; DEPARTMENT OF FINANCE, COUNTYWIDE COSTS; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)" be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication 13-396 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;
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT,
SOLID WASTE OPERATIONS PROGRAM; DEPARTMENT OF FINANCE,
COUNTYWIDE COSTS; TOTAL OPERATING 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 Carryover/Savings from the General Fund in the amount of \$864,000; increasing Interfund Transfers in the amount of \$864,000; and by increasing Total Estimated Revenues in the amount of \$1,728,000, 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		28,996,770
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]	<u>36,383,088</u>
Bond/Lapsed Bond		34,468,000
Carryover/Savings:		
General Fund	[28,164,504]	<u>29,028,504</u>
Sewer Fund		8,361,170
Highway Fund		8,280,953
Solid Waste Management Fund		3,720,286
Golf Fund		220,916
Liquor Fund		631,979
Bikeway Fund		(243,554)
Water Fund		<u>12,164,962</u>

TOTAL ESTIMATED REVENUES [575,622,339] 577,350,339"

SECTION 2. Fiscal Year 2014 Budget is hereby amended as it pertains to Section 3.B.3.e., Department of Environmental Management, Solid Waste Operations Program – Solid Waste Management Fund, by increasing the appropriation by \$864,000, to read as follows:

“3. Department of Environmental Management

e. Solid Waste Operations Program – Solid Waste Management Fund	[13,838,933]	<u>14,702,933</u>
(1) Provided, that disbursements for salaries and premium pay is limited to 80.0 equivalent personnel.”		

SECTION 3. Fiscal Year 2014 Budget is hereby amended as it pertains to Section 3.B.4.f.(5)., Department of Finance, Countywide Costs, Supplemental Transfer to the Solid Waste Management Fund, by increasing the appropriation by \$864,000, to read as follows:

“4. Department of Finance

f. Countywide Costs

(1) Fringe Benefits		69,514,056
(2) Fringe Benefit Reimbursements		(15,326,198)
(3) Bond Issuance and Debt Service		34,910,033
(4) Supplemental Transfer to the Golf Fund		1,126,650
(5) Supplemental Transfer to the Solid Waste Management Fund	[5,151,790]	<u>6,015,790</u>
(6) Insurance Programs and Self Insurance		8,073,378
(7) Transfer to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund		2,233,182
(8) Transfer to the Affordable Housing Fund		4,466,363
(9) General Costs		930,126
(10) Overhead Reimbursement		(7,333,550)
(11) Transfer to the Post-Employment Obligations Fund		18,000,000
(12) Transfer to the Emergency Fund		3,000,000”

SECTION 4. Fiscal Year 2014 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect an increase of \$1,728,000, to read as follows:

“TOTAL OPERATING APPROPRIATIONS [472,183,318] 473,911,318”

SECTION 5. Fiscal Year 2014 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$1,728,000, to read as follows:

“TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) [575,622,339] 577,350,339”

SECTION 6. Material to be repealed is bracketed. New material is underscored.

SECTION 7. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA

Deputy Corporation Counsel

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