

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

September 19, 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 September 2, 2014, makes reference to County Communication 14-211, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2015 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF PARKS AND RECREATION, ADMINISTRATION PROGRAM; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)".

The purpose of the proposed bill is to amend the Fiscal Year ("FY") 2015 Budget by: (1) increasing the estimated revenues for Carryover/Savings in the General Fund by \$150,000; and (2) adding a \$150,000 appropriation to the Department of Parks and Recreation, Administration Program, for a grant to Haiku Community Association ("Association") for Kalakupua Playground. The funds will be used to repair the playground surface and equipment.

Your Committee notes Ordinance 4118 (2014) amended the FY 2014 Budget by adding a \$150,000 appropriation for an identically described grant. The Department of Parks and Recreation initiated the request because it recognized the Association would be able to complete the repairs more quickly and at a lower cost than the County could.

Your Committee further notes the estimated cost of the playground improvements, if constructed by the County as a Capital Improvement Project, would be \$375,000. The grant would achieve the playground improvements at a lower cost by using donations and community volunteer support.

The Budget Director informed your Committee the funds available in FY 2014 lapsed prior to the receipt of the signed grant agreement from the Association. The grant agreement was received on July 10, 2014, following the close of FY 2014. He requested the lapsed funds be reappropriated in FY 2015 for the same purpose.

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The Budget Director stated the County typically releases 25 per cent of the funds upon execution of each grant agreement to nonprofit organizations. The remaining balance of the grant is reimbursed upon submission of receipts. He said the Association does not have the ability to pay for the project up front and await reimbursement. He committed to working with the Department of Parks and Recreation to implement a 50 per cent release of funds upon execution of the grant agreement to ease the financial burden on the Association.

The Mayor informed your Committee of liability concerns between the County and the Association. He said the concerns have been discussed and resolved and the project is ready to move forward.

Your Committee recommended a proviso be added to the appropriation to allow the Association to receive 50 per cent of the funds upon execution of the grant agreement, with the remainder available as a reimbursement.

Your Committee noted the playground has been closed for about two years. The closure has left the residents of Haiku without a safe place for their children to play. Your Committee further noted the playground was built as a tribute to the U.S. Marines of the Fourth Marine Division, which was based in Haiku in World War II.

Your Committee voted 8-0 to recommend passage of the proposed bill on first reading incorporating your Committee's revision, and filing of the communication. Committee Chair White, Vice-Chair Hokama, and members Carroll, Cochran, Couch, Crivello, Guzman, and Victorino voted "aye." Committee member Baisa was 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 your Committee's recommended revision and nonsubstantive revisions.

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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 2015 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF PARKS AND RECREATION, ADMINISTRATION PROGRAM; 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 14-211 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 2015 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF PARKS AND RECREATION, ADMINISTRATION PROGRAM;
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. 4133, Bill No. 37 (2014), as amended, ("Fiscal Year 2015 Budget"), is hereby amended as it pertains to Section 2, Estimated Revenues by increasing Carryover/Savings from the General Fund in the amount of \$150,000; and by increasing Total Estimated Revenues in the amount of \$150,000, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes	238,015,312
Circuit Breaker Adjustment	(297,122)
Charges for Current Services	121,285,248
Transient Accommodations Tax	23,280,000
Public Service Company Tax	9,000,000
Licenses/Permits/Others	29,043,396
Fuel and Franchise Taxes	21,100,000
Special Assessments	4,130,000
Other Intergovernmental	18,109,000

FROM OTHER SOURCES:

Interfund Transfers	45,078,912
Bond/Lapsed Bond	45,233,000
Carryover/Savings:	
General Fund	[25,410,173] <u>25,560,173</u>
Sewer Fund	8,378,696
Highway Fund	3,856,976
Solid Waste Management Fund	1,332,200
Golf Fund	128,226
Liquor Fund	719,109
Bikeway Fund	346,946
Water Fund	<u>9,484,652</u>

TOTAL ESTIMATED REVENUES	[603,634,724] <u>603,784,724"</u>
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SECTION 2. Fiscal Year 2015 Budget is hereby amended as it pertains to Section 3.B.10.a., Department of Parks and Recreation, Administration Program, by adding an appropriation entitled, "Grant to Haiku Community Association for Kalakupua Playground", in the amount of \$150,000, to read as follows:

- "10. Department of Parks and Recreation
 - a. Administration Program
 - (1) General 1,352,166
 - (i) Provided, that disbursements for salaries and premium pay is limited to 25.0 equivalent personnel.
 - (2) Grant to The Lahaina Restoration Foundation 178,828
 - (3) Grant to The Lahaina Restoration Foundation for Capital 750,000
 - (4) Grant to Maui Community Correctional Center for workline program 117,000
 - (5) Grant to Haiku Community Association for Kalakupua Playground 150,000
 - (i) Provided, that fifty percent of the funds are provided upon execution of the grant agreement and that the remainder of the funds are made available as a reimbursement to the grantee.

SECTION 3. Fiscal Year 2015 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect an increase of \$150,000, to read as follows:

"TOTAL OPERATING APPROPRIATIONS	[493,011,026]	<u>493,161,026</u> "
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SECTION 4. Fiscal Year 2015 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$150,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[603,634,724]	<u>603,784,724</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