

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 7, 2015

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 March 17, 2015, makes reference to County Communication 15-43, from the Budget Director, transmitting a proposed resolution entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF FINANCE FISCAL YEAR 2015 BUDGET".

The purpose of the proposed resolution is to authorize a transfer, within the Fiscal Year ("FY") 2015 Budget for the Department of Finance, of the following unencumbered appropriations: (1) \$65,000 from Countywide Costs, Fringe Benefits, to Countywide Costs, General Costs; and (2) \$65,000 from Countywide Costs, Fringe Benefits, to Accounts Program. These transfers are to cover projected shortfalls.

According to the County Communication, the Department of Finance is projecting shortfalls in Countywide Costs, General Costs, of \$25,000 in centralized postage and \$40,000 in rentals and facilities. The Department also projects Accounts Program shortfalls of \$45,000 in premium pay and \$20,000 in professional services.

The Budget Director transmitted a revised proposed resolution to increase the transfer to Countywide Costs, General Costs, to \$115,000 because of an additional shortfall for the County's telephone system.

The Deputy Director of Finance informed your Committee the telephone system upgrade was expected to be completed in November 2014; however, project delays resulted in increased costs.

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The Deputy Director informed your Committee the deficit in centralized postage is because of the increase in mail volume and a carryover bill of \$25,000 from FY 2014 to FY 2015.

He further informed your Committee the \$40,000 in rentals and facilities is needed because of the increase in association fees and maintenance costs for County-owned properties in Maui Business Park II, Maui Lani, and Sandhills Estates.

The Deputy Director said for FY 2015, \$30,000 was budgeted for premium pay, while \$50,000 has been expended to date. He explained the increase in premium pay is because of changes in requirements issued by the Governmental Accounting Standards Board and numerous upper-level position vacancies.

He also explained the shortfall in professional services is for the County's payroll-processing system. The County pays an outside contractor per transaction for payroll processing. An unexpectedly large number of payroll-related changes have occurred in the Department of Police and Department of Parks and Recreation during FY 2015.

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

Your Budget and Finance Committee RECOMMENDS the following:

1. That Resolution _____, as revised herein and attached hereto, entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF FINANCE FISCAL YEAR 2015 BUDGET", be ADOPTED; and
2. That County Communication 15-43 be FILED.

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



RIKI HOKAMA, Chair

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Resolution

No. _____

AUTHORIZING THE TRANSFER OF AN UNENCUMBERED
APPROPRIATION BALANCE WITHIN THE
DEPARTMENT OF FINANCE
FISCAL YEAR 2015 BUDGET

WHEREAS, Section 9-10(2) of the Revised Charter of the County of Maui (1983), as amended ("Charter"), provides that, upon written request of the Mayor, part or all of any unencumbered appropriation balance may be transferred within a department by resolution or from one department to another by ordinance; and

WHEREAS, Section 3.B.3. of Ordinance No. 4133, Bill No. 37 (2014), as amended ("Fiscal Year 2015 Budget"), relating to the Department of Finance, sets forth appropriations for Countywide Costs, Fringe Benefits; Countywide Costs, General Costs; and Accounts Program; and

WHEREAS, pursuant to Section 9-10(2) of the Charter, Mayor Alan M. Arakawa has submitted a written request to transfer an unencumbered appropriation balance of \$115,000 from Countywide Costs, Fringe Benefits to Countywide Costs, General Costs and \$65,000 from Countywide Costs, Fringe Benefits to Accounts Program due to projected budgetary shortfalls by the end of Fiscal Year 2015; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That, pursuant to Section 9-10(2) of the Charter, and in accordance with the Fiscal Year 2015 Budget, it does hereby authorize the transfer of an

Resolution No. _____

unencumbered appropriation balance of ONE-HUNDRED FIFTEEN THOUSAND DOLLARS (\$115,000) from Countywide Costs, Fringe Benefits to Countywide Costs, General Costs and SIXTY-FIVE THOUSAND DOLLARS (\$65,000) from Countywide Costs, Fringe Benefits to Accounts Program; and

2. That certified copies of this resolution be transmitted to the Mayor, the Director of Finance, and the Budget Director.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel
County of Maui