

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 15-74, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2015 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO MOLOKAI COMMUNITY PLAN AREA, GOVERNMENT FACILITIES, MOLOKAI BASEYARD DESIGN AND CONSTRUCTION".

The purpose of the proposed bill is to amend the title of the Molokai Baseyard capital improvement project in the Fiscal Year ("FY") 2015 Budget ordinance to read "Molokai Baseyard Design and Construction."

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4130, BILL NO. 34 (2014), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (MOLOKAI BASEYARD DESIGN AND CONSTRUCTION)" ("Bond Authorization bill") .

The purpose of the proposed bill is to amend the title of the Molokai Baseyard capital improvement project in the General Obligation Bond ordinance for FY 2015 to read "Molokai Baseyard Design and Construction."

3. A proposed bill entitled "A BILL FOR AN ORDINANCE DETERMINING THAT PART OF THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI HERETOFORE ISSUED IS IN EXCESS OF THE AMOUNTS

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REQUIRED FOR THE PURPOSES FOR WHICH SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING SUCH PROCEEDS TO OTHER PUBLIC IMPROVEMENTS OR AUTHORIZED PURPOSES OF THE COUNTY OF MAUI” (“Lapsed Bond bill”).

The purpose of the proposed bill is to amend the title of the Molokai Baseyard capital improvement project in the Lapsed Bond Proceeds ordinance for FY 2015 to read “Molokai Baseyard Design and Construction.”

The Budget Director explained the proposed bills would include design and construction as part of the Molokai Baseyard project.

Your Committee notes during FY 2015 Budget deliberations Committee members expressed concerns about the size and cost of the proposed facility. The Committee asked the Department of Public Works to reconsider the scope of the project. Your Committee further notes \$4,500,000 in bond and lapsed bond proceeds to construct the facility are included in the FY 2015 Budget.

The Director of Public Works informed your Committee the project would be redesigned to reduce its scope based on funding available in the FY 2015 budget. He advised the project would be downsized to: (1) eliminate the perimeter’s retaining walls and replace them with graded slopes; (2) reduce the height and size of the canopy structure to six bays; (3) reduce the width of the mechanic shop from 50 feet to 40 feet and eliminate the shop’s roll-up doors and concrete walls, replacing them with steel frames; and (4) reduce the administration building by about a third, from 3,840 square feet to 2,560 square feet.

The Director estimated redesigning the project would cost \$300,000. An architect has been selected for the project and expects to complete the redesign within two months of executing the contract. The Director anticipates advertising for construction bids in September 2015.

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Your Committee voted 7-0 to recommend passage of the proposed bills on first reading 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 Committee is in receipt of a revised proposed Bond Authorization bill and a revised proposed Lapsed Bond bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2015), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2015 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO MOLOKAI COMMUNITY PLAN AREA, GOVERNMENT FACILITIES, MOLOKAI BASEYARD DESIGN AND CONSTRUCTION", be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That Bill _____ (2015), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4130, BILL NO. 34 (2014), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (MOLOKAI BASEYARD DESIGN AND CONSTRUCTION)", be PASSED ON FIRST READING and be ORDERED TO PRINT;
3. That Bill _____ (2015), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE DETERMINING THAT PART OF THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI HERETOFORE ISSUED IS IN EXCESS OF THE AMOUNTS REQUIRED FOR THE PURPOSES FOR WHICH SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING SUCH PROCEEDS TO OTHER

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PUBLIC IMPROVEMENTS OR AUTHORIZED PURPOSES OF
THE COUNTY OF MAUI”, be PASSED ON FIRST READING
and be ORDERED TO PRINT; and

4. That County Communication 15-74 be FILED.

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



RIKI HOKAMA, Chair

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ORDINANCE NO. _____

BILL NO. _____ (2015)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2015 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO MOLOKAI COMMUNITY PLAN AREA,
GOVERNMENT FACILITIES, MOLOKAI BASEYARD
DESIGN AND CONSTRUCTION

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

SECTION 1. Fiscal Year 2015 Budget is hereby amended as it pertains to Section 4.D.5., From the Bond Fund, Molokai Community Plan Area, Government Facilities, by inserting the words "Design and Construction" to the Molokai Baseyard project, to read as follows:

- "D. From the Bond Fund
 - 5. Molokai Community Plan Area
 - a. Government Facilities
 - (1) Kaunakakai Police Station 1,000,000
 - (i) Provided, that no more than \$820,000 shall be for the land acquisition.
 - (2) Molokai Baseyard Design and Construction 1,000,000
 - b. Water Supply
 - (1) Molokai Reliable Capacity 200,000"

SECTION 2. Fiscal Year 2015 Budget is hereby amended as it pertains to Section 4.E.1., From the Lapsed Bond Proceeds, Molokai Community Plan Area, Government Facilities, by inserting the words "Design and Construction" to the Molokai Baseyard project, to read as follows:

- "E. From the Lapsed Bond Proceeds
 - 1. Molokai Community Plan Area
 - a. Government Facilities
 - (1) Molokai Baseyard Design and Construction 3,500,000"

SECTION 3. 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

ORDINANCE NO. _____

BILL NO. _____ (2015)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4130,
BILL NO. 34 (2014), RELATING TO THE ISSUANCE OF
GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI
(MOLOKAI BASEYARD DESIGN AND CONSTRUCTION)

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

SECTION 1. Ordinance No. 4130, Bill No. 34 (2014), 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 \$33,545,308 (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. 4130, Bill No. 34 (2014), 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 2015 Budget, including amendments and supplements thereto, duly approved by the Council of the County (the "Council") for the fiscal year ending June 30, 2015 (the "Fiscal Year 2015 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 2015 Budget, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:
Estimated Project Cost

1.	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) Kokomo Road Pavement Reconstruction	1,450,000
	(2) Old Haleakala Highway and Makani Road Pavement Rehabilitation	1,381,750
2.	Wailuku-Kahului Community Plan Area	
a.	Drainage	
	(1) Kahekili Highway Culvert at Kamaile Street	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) Hansen Road Improvements	1,375,000
	(2) Iao Stream Bridge Repairs	300,000
	(3) Kahakuloa Stream Bridge	700,000
	(4) Waiale Road Extension	400,000
	(5) Waiehu Stream Bridge Repair	500,000
c.	Sanitation	
	(1) Central Maui Landfill Phase VI-A	250,000
d.	Government Facilities	
	(1) County Service Center	1,632,976
3.	Kihei-Makena Community Plan Area	
a.	Parks and Recreation	
	(1) South Maui Community Park	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) Wailea Alanui Drive and Wailea Ike Drive Pavement Rehabilitation	2,170,000
4.	West Maui Community Plan Area	
a.	Drainage	

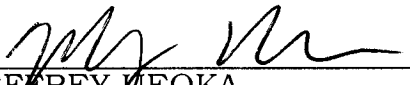
	(1)	Lahaina Watershed Flood Control	1,000,000
	(2)	Lower Honoapiilani Road Retaining Wall and Drainage Improvements fronting Kahana Sunset	300,000
	(3)	Napili 4/5 at Lower Honoapiilani Road	300,000
5.		Molokai Community Plan Area	
	a.	Government Facilities	
	(1)	Kaunakakai Police Station	1,000,000
	(2)	Molokai Baseyard <u>Design and Construction</u>	1,000,000
6.		Countywide	
	a.	Drainage	
	(1)	Countywide Drainage Improvements	1,700,000
	b.	Water Supply	
	(1)	Countywide Mainline and Infrastructure Improvements	10,000,000
	c.	Other Projects	
	(1)	Public Safety Radio System Replacement	240,000
	d.	Government Facilities	
	(1)	Maui Business Park II Land Acquisition	7,145,582

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. New material is underscored.

SECTION 4. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM
AND LEGALITY:



 JEFFREY EOKA
 Deputy Corporation Counsel
 County of Maui

ORDINANCE NO.

BILL NO. _____ (2015)

A BILL FOR AN ORDINANCE DETERMINING THAT PART OF THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI HERETOFORE ISSUED IS IN EXCESS OF THE AMOUNTS REQUIRED FOR THE PURPOSES FOR WHICH SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING SUCH PROCEEDS TO OTHER PUBLIC IMPROVEMENTS OR AUTHORIZED PURPOSES OF THE COUNTY OF MAUI

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

SECTION 1. The Council of the County of Maui hereby finds and determines that: (i) the County of Maui (the "County") has heretofore issued its general obligation bonds (the "Bonds") pursuant to Ordinance Nos. 3459, 3571, 3596, 3649, 3749, 3722, 3815, and 3837 (the "Ordinances"); (ii) certain of the purposes for which the Bonds were issued as set forth in the Ordinances have been completed or will be completed at a cost which is less than the amount of Bonds proceeds appropriated therefor, resulting in \$4,710,000 in excess of the amounts required for the purposes provided in the Ordinances; (iii) there is a total of \$4,710,000 of the proceeds of the Bonds issued pursuant to the Ordinances which are in excess of the amounts required for the purposes provided in the Ordinances or which shall not be applied to purposes provided in the Ordinances; (iv) pursuant to Section 47-5, Hawaii Revised Statutes ("HRS"), and the Ordinances, the amount of the proceeds of the Bonds which are in excess of the amounts required for the purposes provided in the Ordinances and the amounts of the proceeds of the Bonds which shall not be applied for the purposes provided in the Ordinances may be applied to finance such other public improvements of the County as the Council of the County shall, by ordinance approved by an affirmative vote of two-thirds of all of its members, determine; (v) the Fiscal Year 2015 Budget for the fiscal year ending June 30, 2015 (the "Fiscal Year 2015 Budget"), includes appropriations for public improvements to be financed from the proceeds of general obligation bonds; and (vi) it is in the best interests of the County to apply the proceeds of the Bonds issued pursuant to the Ordinances which are in excess of, or shall not be applied to, purposes provided in the Ordinances to pay the cost of appropriations for the public improvements set forth herein.

SECTION 2. Pursuant to Section 47-5, HRS, and the Ordinances, the Council of the County of Maui hereby determines that \$4,710,000 of the proceeds of the general obligation bonds of the County issued pursuant to the Ordinances is in excess of the amounts required for the purposes provided in the Ordinances for which such bonds were issued, and such amount shall be reallocated to finance the appropriation made for the following capital improvement projects in Section 4.E. of the Fiscal Year 2015 Budget to wit:

From Lapsed Bond Proceeds


1. Molokai Community Plan Area
 - a. Government Facilities
 - (1) Molokai Baseyard Design and Construction \$ 3,500,000

2. Countywide
 - a. Other Projects
 - (1) Public Safety Radio System Replacement \$ 1,210,000

SECTION 3. New material is underscored.

SECTION 4. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM
AND LEGALITY:



JEFFREY DEOKA
Deputy Corporation Counsel
County of Maui

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