

**COUNCIL OF THE COUNTY OF MAUI**

# **BUDGET AND FINANCE COMMITTEE**

April 17, 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 27, 2015, makes reference to County Communication 15-87, 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 FINANCE, DEPARTMENT OF PUBLIC WORKS, AND DEPARTMENT OF WATER SUPPLY; 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 to address miscalculations in employee fringe benefit costs by: (1) increasing Carryover/Savings in the Highway Fund by \$620,000; (2) amending Section 3.B.4.f., Department of Finance, Countywide Costs by (a) increasing Fringe Benefits by \$1,450,000 and (b) decreasing Fringe Benefit Reimbursements by \$1,450,000; (3) amending Section 3.B.15.e., Department of Public Works, Highways Administration Program – Highway Fund by (a) increasing Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA) by \$330,000 and (b) increasing Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF) by \$290,000; (4) amending Section 3.B.17.b., Department of Water Supply, Departmental Expenses – Water Fund by increasing Contribution to General Fund – Employee Benefits by \$830,000; and (5) amending Section 3.B.17.c., by decreasing Department of Water Supply, Water Operations – Water Fund by \$830,000.

The Director of Finance informed your Committee the employee fringe benefit costs for the Department of Public Works, Highway Fund programs and Department of Water Supply, Water Fund programs were

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miscalculated in the FY 2015 Budget request. The costs were calculated based on the actual salaries paid in FY 2013 rather than the budgeted salaries for FY 2015.

Your Committee expressed concern about the large size of the miscalculations. The requests to add \$620,000 to the Highway Fund and \$830,000 to the Water Fund represent 31 per cent and 16 per cent increases to the appropriations, respectively.

Your Committee voted 5-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Baisa, Cochran, and Guzman voted "aye". Committee members Carroll, Couch, Crivello, and Victorino 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, including adjustments to reflect the expected passage of other pending legislation.

Your Budget and Finance Committee **RECOMMENDS** the following:

1. That Bill \_\_\_\_\_ (2015), as revised herein and attached here to, 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 FINANCE, DEPARTMENT OF PUBLIC WORKS, AND DEPARTMENT OF WATER SUPPLY; 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 15-87 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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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 ESTIMATED REVENUES;  
DEPARTMENT OF FINANCE, DEPARTMENT OF  
PUBLIC WORKS, AND DEPARTMENT OF WATER SUPPLY;  
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 Highway Fund in the amount of \$620,000; and by increasing Total Estimated Revenues in the amount of \$620,000, 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	56,955,308
Carryover/Savings:	
General Fund	25,610,173
Sewer Fund	8,378,696
Highway Fund	[3,856,976] 4,476,976
Solid Waste Management Fund	1,332,200
Golf Fund	128,226
Liquor Fund	719,109
Bikeway Fund	346,946
Water Fund	9,484,652

TOTAL ESTIMATED REVENUES

[615,557,032]

616,177,032"

SECTION 2. Fiscal Year 2015 Budget is hereby amended as it pertains to Section 3.B.4.f., Department of Finance, Countywide Costs, by increasing the appropriation for Fringe Benefits by \$1,450,000, and decreasing the appropriation for Fringe Benefit Reimbursements by \$1,450,000, to read as follows:

"4. Department of Finance

f. Countywide Costs

(1) Fringe Benefits	[65,008,267]	<u>66,458,267</u>
(2) Fringe Benefit Reimbursements	[(17,105,491)]	<u>(18,555,491)</u>
(3) Bond Issuance and Debt Service		36,960,202
(4) Supplemental Transfer to the Golf Fund		2,544,644
(5) Supplemental Transfer to the Solid Waste Management Fund		15,060,234
(6) Insurance Programs and Self Insurance		8,000,000
(7) Transfer to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund		2,377,182
(8) Transfer to the Affordable Housing Fund		4,754,364
(9) General Costs		1,095,126
(10) Overhead Reimbursement		(18,112,535)
(11) Transfer to the Post-Employment Obligations Fund		13,000,000
(12) Transfer to the Emergency Fund		3,405,866"

SECTION 3. Fiscal Year 2015 Budget is hereby amended as it pertains to Section 3.B.15.e., Department of Public Works, Highways Administration Program – Highway Fund, by increasing the appropriations for Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA) by \$330,000 and for Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF) by \$290,000, to read as follows:

"15. Department of Public Works

e. Highways Administration Program - Highway Fund

(1) General		529,127
(i) Provided, that disbursement for salaries and premium pay is limited to 7.0 equivalent personnel.		
(2) Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA)	[1,158,767]	<u>1,488,767</u>
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)	[844,484]	<u>1,134,484</u>
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)		795,063
(5) Contribution to Bikeway Fund		213,054
(6) Contribution to General Fund for Engineering Program service		914,880
(7) Debt Service		4,730,695
(8) Administrative Overhead Charge		3,117,109"

SECTION 4. Fiscal Year 2015 Budget is hereby amended as it pertains to Section 3.B.17.b., Department of Water Supply, Departmental Expenses – Water Fund, by increasing the appropriation for Contribution to General Fund – Employee Benefits by \$830,000, and Section 3.B.17.c., Department of Water Supply, Water Operations Program – Water Fund, by decreasing the appropriation by \$830,000, to read as follows:

"17. Department of Water Supply		
b. Departmental Expenses – Water Fund		
(1) Debt Service		4,445,447
(2) Contribution to General Fund – Employee Benefits	[5,115,858]	<u>5,945,858</u>
(3) Insurance		475,000
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)		1,693,060
(5) Administrative Overhead Charges		4,717,477
(6) Refund for Mainline Expenses		500,000
c. Water Operations Program – Water Fund	[32,295,151]	<u>31,465,151</u> "
(1) Provided, that disbursements for salaries and premium pay is limited to 142.0 equivalent personnel and 2.0 Limited Term Appointment (LTA) equivalent personnel.		

SECTION 5. Fiscal Year 2015 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect an increase of \$620,000, to read as follows:

"TOTAL OPERATING APPROPRIATIONS	[493,161,026]	<u>493,781,026</u> "
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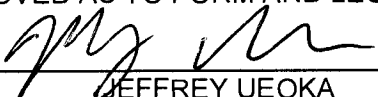
SECTION 6. Fiscal Year 2015 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$620,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[615,557,032]	<u>616,177,032</u> "
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SECTION 7. Material to be repealed is bracketed. New material is underscored.

SECTION 8. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:

  
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 JEFFREY UEOKA  
 Deputy Corporation Counsel