

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

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, and April 6, 2015, makes reference to County Communication 15-88, 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 ESTIMATED REVENUES; DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF FINANCE, DEPARTMENT OF PARKS AND RECREATION, 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 appropriate additional funding for the County's debt service as follows: (1) amending Section 2, Estimated Revenues, by increasing Interfund Transfers by \$3,237,740, and by increasing Carryover/Savings in the (a) General Fund by \$2,977,396, (b) Sewer Fund by \$886,153, (c) Highway Fund by \$688,997, (d) Solid Waste Management Fund by \$683,182, and (e) Golf Fund by \$29,408; (2) amending Section 3.B.3.b., Department of Environmental Management, Wastewater Administration Program - Sewer Fund, by increasing Debt Service by \$886,153; (3) amending Section 3.B.3.d., Department of Environmental Management, Solid Waste Administration Program - Solid Waste Management Fund, by increasing Debt Service by \$683,182; (4) amending Section 3.B.4.f., Department of Finance,

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Countywide Costs, by increasing Bond Issuance and Debt Service by \$6,215,136; (5) amending Section 3.B.10.g., Department of Parks and Recreation, Waiehu Golf Course Program – Golf Fund, by increasing Debt Service by \$29,408; (6) amending Section 3.B.15.e., Department of Public Works, Highway Administration Program – Highway Fund, by increasing Debt Service by \$688,997; (7) amending Section 3.B.17.b., Department of Water Supply, Departmental Expenses – Water Fund, by increasing Debt Service by \$950,000; and (8) amending Section 3.B.17.c., by decreasing the appropriation for the Department of Water Supply, Water Operations Program – Water Fund by \$950,000. The additional funds will be used for a principal and interest payment due on June 1, 2015, for the 2014 bond issuance.

2. A Certification of Additional Revenues for FY 2015, dated March 13, 2015, for Carryover/Savings from the following: (1) General Fund - \$2,977,396; (2) Sewer Fund - \$886,153; (3) Highway Fund - \$688,997; (4) Solid Waste Management Fund - \$683,182; and (5) Golf Fund - \$29,408.

The Director of Finance said the payment submittal dates for the General Obligation Bond Series 2014, issued on July 9, 2014, are June 1 and December 1 of the fiscal year. The first payment was paid on December 1, 2014, for interest costs, and the next payment is due on June 1, 2015, for principal and interest costs. He informed your Committee debt service payments have historically been due on July 1 and January 1 of the fiscal year, and the change in payment dates for the 2014 bonds will result in a savings for the County of approximately \$200,000 of interest costs per year.

Your Committee expressed concern that the change to the payment dates was made in July 2014, and a budget amendment requesting funds for the additional payment in FY 2015 should have been requested on a timelier basis. The request for a budget amendment is dated March 13, 2015.

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Your Committee voted 8-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Baisa, Carroll, Cochran, Couch, Crivello, and Guzman voted "aye". Committee member Victorino 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 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 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 ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF FINANCE, DEPARTMENT OF PARKS AND RECREATION, 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 15-88 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 ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF
FINANCE, DEPARTMENT OF PARKS AND RECREATION, 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 Interfund Transfers in the amount of \$3,237,740, increasing Carryover/Savings from the General Fund in the amount of \$2,977,396, increasing Carryover/Savings from the Sewer Fund in the amount of \$886,153, increasing Carryover/Savings from the Highway Fund in the amount of \$688,997, increasing Carryover/Savings from the Solid Waste Management Fund in the amount of \$683,182, increasing Carryover/Savings from the Golf Fund in the amount of \$29,408, and by increasing Total Estimated Revenues in the amount of \$8,502,876, 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]	<u>48,316,652</u>
Bond/Lapsed Bond		56,955,308
Carryover/Savings:		
General Fund	[25,610,173]	<u>28,587,569</u>
Sewer Fund	[8,378,696]	<u>9,264,849</u>
Highway Fund	[4,476,976]	<u>5,165,973</u>
Solid Waste Management Fund	[1,332,200]	<u>2,015,382</u>
Golf Fund	[128,226]	<u>157,634</u>
Liquor Fund		719,109
Bikeway Fund		346,946
Water Fund		9,484,652
TOTAL ESTIMATED REVENUES	[616,177,032]	<u>624,679,908"</u>

SECTION 2. Fiscal Year 2015 Budget is hereby amended as it pertains to Section 3.B.3.b., Department of Environmental Management, Wastewater Administration Program – Sewer Fund, by increasing the appropriation for Debt Service by \$886,153, to read as follows:

"3. Department of Environmental Management		
b. Wastewater Administration Program – Sewer Fund		
(1) General		2,435,468
(i) Provided, that disbursement for salaries and premium pay is limited to 18.0 equivalent personnel.		
(2) Contribution to General Fund – Employee's Retirement System (ERS) and Federal Insurance Contribution Act (FICA)		1,619,811
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)		1,180,483
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)		1,111,398
(5) Contribution to General Fund – Reimbursement for the Department of Environmental Management – Administration Program		522,156
(6) Debt Service	[8,425,057]	<u>9,311,210</u>
(7) Administrative Overhead Charge		3,720,533"

SECTION 3. Fiscal Year 2015 Budget is hereby amended as it pertains to Section 3.B.3.d., Department of Environmental Management, Solid Waste Administration Program – Solid Waste Management Fund, by increasing the appropriation for Debt Service by \$683,182, to read as follows:

"3. Department of Environmental Management		
d. Solid Waste Administration Program – Solid Waste Management Fund		
(1) General		1,070,538
(i) Provided, that disbursement for salaries and premium pay is limited to 13.0 equivalent personnel.		
(2) Contribution to General Fund – Employee's Retirement System (ERS) and Federal Insurance Contribution Act (FICA)		1,273,553
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)		928,137
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)		873,821
(5) Contribution to General Fund – Reimbursement for the Department of Environmental Management – Administration Program		301,275

(6)	Debt Service	[4,319,652]	<u>5,002,834</u>
(7)	Administrative Overhead Charge		4,293,086"

SECTION 4. 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 Bond Issuance and Debt Service by \$6,215,136, to read as follows:

"4. Department of Finance

f. Countywide Costs

(1)	Fringe Benefits		66,458,267
(2)	Fringe Benefit Reimbursements		(18,555,491)
(3)	Bond Issuance and Debt Service	[36,960,202]	<u>43,175,338</u>
(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 5. Fiscal Year 2015 Budget is hereby amended as it pertains to Section 3.B.10.g., Department of Parks and Recreation, Waiehu Golf Course Program – Golf Fund, by increasing the appropriation for Debt Service by \$29,408, to read as follows:

"10. Department of Parks and Recreation

g. Waiehu Golf Course Program – Golf Fund

(1)	General		1,818,467
	(i) Provided, that disbursements for salaries and premium pay is limited to 20.9 equivalent personnel.		
(2)	Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA)		211,625
(3)	Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)		154,228
(4)	Contribution to General Fund – Other Post-Employment Benefits (OPEB)		145,203
(5)	Debt Service	[285,515]	<u>314,923</u>
(6)	Administrative Overhead Charge		1,200,244"

SECTION 6. Fiscal Year 2015 Budget is hereby amended as it pertains to Section 3.B.15.e., Department of Public Works, Highway Administration Program – Highway Fund, by increasing the appropriation for Debt Service by \$688,997, 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)	1,488,767
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)	1,134,484
(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] <u>5,419,692</u>
(8) Administrative Overhead Charge	3,117,109”

SECTION 7. 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 Debt Service by \$950,000; and Section 3.B.17.c., Department of Water Supply, Water Operations Program – Water Fund, by decreasing the appropriation by \$950,000, to read as follows:

“17. Department of Water Supply

b. Departmental Expenses – Water Fund

(1) Debt Service	[4,445,447] <u>5,395,447</u>
(2) Contribution to General Fund – Employee Benefits	5,945,858
(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 [31,465,151] 30,515,151
(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 8. Fiscal Year 2015 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect an increase of \$8,502,876, to read as follows:

“TOTAL OPERATING APPROPRIATIONS [493,781,026] 502,283,902”

SECTION 9. Fiscal Year 2015 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$8,502,876, to read as follows:

“TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) [616,177,032] 624,679,908”

SECTION 10. Material to be repealed is bracketed. New material is underscored.

SECTION 11. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel