

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

July 24, 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 June 30, 2015, makes reference to a Miscellaneous Communication dated March 20, 2015, from the County Clerk, transmitting three contracts, including Contract C5666 ("Contract"). The Contract is between the County of Maui and Cornerstone Environmental Group, LLC for landfill-related professional services for the Department of Environmental Management, Solid Waste Division.

Your Committee notes the funds for the Contract were certified on January 15, 2015, for \$637,988 from index code 919509, Disposal Central Landfill.

Your Committee expressed concerns that the Contract may be relying upon operations funds to cover capital improvement costs.

A representative from the Department of Environmental Management informed your Committee the work involved in the Contract is operational in nature. The Department of Environmental Management has requested the Department of Finance disencumber the amount of the Contract that will be utilized for construction activity.

The representative explained the contractor is responsible for monitoring, collecting, and analyzing gas collection at the landfills. The contractor is also responsible for filing quarterly and annual reports with the State Department of Health to assure regulatory compliance at the landfills.

The Budget Director said the funds will be used for monitoring methane gas at the landfills. He has categorized the monitoring activity as operations and maintenance.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

Page 2

**Committee
Report No.** _____

Your Committee stressed that funds should be expended and categorized properly. The Budget Director stated he is currently working with the Department of Finance on policies and standards for determining whether a project should be categorized as operations and maintenance, on the one hand, or as a capital improvement, on the other.

Your Committee voted 6-0 to recommend filing of the Contract. Committee Chair Hokama, Vice-Chair White, and members Carroll, Cochran, Couch, and Crivello voted "aye." Committee members Baisa, Guzman, and Victorino were excused.

Your Budget and Finance Committee **RECOMMENDS** that Contract C5666 be FILED.

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



RIKI HOKAMA, Chair