

**COUNCIL OF THE COUNTY OF MAUI**

# **BUDGET AND FINANCE COMMITTEE**

January 8, 2016

**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 December 15, 2015, makes reference to County Communication 15-164, from Councilmember Riki Hokama, relating to amendments to the Fiscal Year ("FY") 2016 Budget.

By correspondence dated December 1, 2015, the Budget Director transmitted a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE DEPARTMENT OF FINANCE, COUNTYWIDE COSTS."

The purpose of the proposed bill is to amend the FY 2016 Budget by transferring \$1,500,000 for workers' compensation payments from Countywide Costs, Fringe Benefits, to Countywide Costs, Insurance Programs and Self Insurance, to consolidate appropriations for insurance-related activities.

The Budget Director informed your Committee the transfer will place the County's insurance funds into a single account. Currently, insurance-related expenditures are recorded under both Fringe Benefits and Insurance Programs and Self Insurance. The Fringe Benefits account is managed by the Department of Finance, and the Insurance Programs and Self Insurance account is managed by the Department of the Corporation Counsel.

He said the consolidation of insurance funds into one account was recommended by the County's independent auditor and will allow all insurance funds to be managed by the Department of the Corporation Counsel's Risk Management Division. Having the Division manage all insurance funds is appropriate because the Division is charged with

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monitoring and controlling risk and associated costs, including administration of workers' compensation claims.

The Budget Director informed your Committee future budget proposals will be consistent with this proposed consolidation.

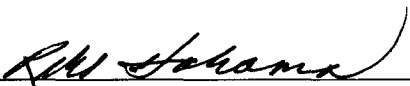
Your Committee agreed with the consolidation and management of the funds by the Department of the Corporation Counsel.

Your Committee voted 7-0 to recommend passage of the proposed bill on first reading. Committee Chair Hokama, Vice-Chair White, and members Cochran, Couch, Crivello, Guzman, and Victorino voted "aye." Committee members Baisa and Carroll 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 a nonsubstantive revision.

Your Budget and Finance Committee RECOMMENDS that Bill \_\_\_\_\_ (2016), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE DEPARTMENT OF FINANCE, COUNTYWIDE COSTS," be PASSED ON FIRST READING and be ORDERED TO PRINT.

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

  
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RIKI HOKAMA, Chair

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2016)

A BILL FOR AN ORDINANCE AMENDING  
THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI  
AS IT PERTAINS TO THE DEPARTMENT OF FINANCE,  
COUNTYWIDE COSTS

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

SECTION 1. Ordinance No. 4231, Bill No. 38 (2015), Draft 1, as amended, "Fiscal Year 2016 Budget", is hereby amended as it pertains to Section 3.B.4.f., Department of Finance, Countywide Costs, by decreasing the appropriation for Fringe Benefits by \$1,500,000, and increasing the appropriation for Insurance Programs and Self Insurance by \$1,500,000, to read as follows:

"4. Department of Finance  
f. Countywide Costs

(1) Fringe Benefits	[69,484,073]	<u>67,984,073</u>
(2) Transfer to the Post-Employment Obligations Fund		14,930,000
(3) Fringe Benefits Reimbursements		(18,763,428)
(4) Bond Issuance and Debt Service		40,043,854
(5) Supplemental Transfer to the Golf Fund		3,007,235
(6) Supplemental Transfer to the Solid Waste Management Fund		13,395,241
(7) Insurance Programs and Self Insurance	[9,000,000]	<u>10,500,000</u>
(8) Transfer to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund		2,555,842
(9) Transfer to the Affordable Housing Fund		5,111,683
(10) General Costs		1,095,126
(11) Overhead Reimbursement		(20,516,841)
(12) Transfer to the Emergency Fund		4,000,000"

SECTION 2. Fiscal Year 2016 Budget is hereby amended as it pertains to Appendix C, A,B,C Categories (Referenced in Section 7), Functions and Programs, Department of Finance, Countywide Costs, by decreasing Category B and the Total appropriation for Fringe Benefits by \$1,500,000, and increasing Category B and the Total appropriation for Insurance Programs and Self Insurance by \$1,500,000, to read as follows:

<b>"APPENDIX C A,B,C CATEGORIES (REFERENCED IN SECTION 7)</b>				
<b>I. FUNCTIONS AND PROGRAMS</b>				
<b>Department of Finance</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Total</b>
Administration Program	\$ 611,070	\$ 92,462	\$ 1,500	\$ 705,032
Accounts Program	\$ 994,000	\$ 359,750	\$ -	\$ 1,353,750
Financial Services Program	\$ 4,306,000	\$ 1,709,051	\$ 6,500	\$ 6,021,551
Countywide Service Center - Annual Lease	\$ -	\$ 506,800	\$ -	\$ 506,800
Purchasing Program	\$ 383,912	\$ 67,092	\$ -	\$ 451,004
Treasury Program	\$ 621,292	\$ 363,600	\$ 1,000	\$ 985,892
Countywide Costs				
Fringe Benefits	\$ -	[\$ 69,484,073] \$ 67,984,073	\$ -	[\$ 69,484,073] \$ 67,984,073

Transfer to the Post-Employment Obligations Fund	\$ -	\$ 14,930,000	\$ -	\$ 14,930,000
Fringe Benefits Reimbursements	\$ -	\$ (18,763,428)	\$ -	\$ (18,763,428)
Bond Issuance and Debt Service	\$ -	\$ 40,043,854	\$ -	\$ 40,043,854
Supplemental Transfer to the Golf Fund	\$ -	\$ 3,007,235	\$ -	\$ 3,007,235
Supplemental Transfer to the Solid Waste Management Fund	\$ -	\$ 13,395,241	\$ -	\$ 13,395,241
Insurance Programs and Self Insurance	\$ -	<del>[\$ 9,000,000]</del> \$ 10,500,000	\$ -	<del>[\$ 9,000,000]</del> \$ 10,500,000
Transfer to Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund	\$ -	\$ 2,555,842	\$ -	\$ 2,555,842
Transfer to the Affordable Housing Fund	\$ -	\$ 5,111,683	\$ -	\$ 5,111,683
General Costs	\$ -	\$ 1,095,126	\$ -	\$ 1,095,126
Overhead Reimbursements	\$ -	\$ (20,516,841)	\$ -	\$ (20,516,841)
Transfer to the Emergency Fund	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000

SECTION 3. Material to be repealed is bracketed. New material is underscored.

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

APPROVED AS TO FORM AND LEGALITY:


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 JEFFREY UEOKA  
 Deputy Corporation Counsel