

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

January 22, 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 January 4, 2016, makes reference to County Communication 15-164, from Councilmember Riki Hokama, relating to amendments to the Fiscal Year ("FY") 2016 Budget.

By correspondence dated October 21, 2015, the Budget Director transmitted the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, ROAD IMPROVEMENTS, OLD HALEAKALA HIGHWAY RECONSTRUCTION; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)."

The purpose of the proposed bill is to amend the FY 2016 Budget by (1) increasing Bond/Lapsed Bond revenues by \$1,381,750; and (2) adding a \$1,381,750 appropriation from the Bond Fund, Makawao-Pukalani-Kula Community Plan Area, Road Improvements, for the Old Haleakala Highway Reconstruction project ("project"). Construction funds were appropriated in FY 2015 and anticipated to lapse on December 31, 2015 because of a bid protest.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4228, BILL NO. 35 (2015), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION

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BONDS OF THE COUNTY OF MAUI (OLD HALEAKALA
HIGHWAY RECONSTRUCTION).”

The purpose of the proposed bill is to amend the FY 2016 general obligation bond authorization ordinance by adding \$1,381,750 for the Makawao-Pukalani-Kula Community Plan Area, Road Improvements, Old Haleakala Highway Reconstruction project.

3. A proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANT REVENUE - SCHEDULE OF GRANTS BY DEPARTMENTS AND PROGRAMS, DEPARTMENT OF PUBLIC WORKS (FEDERAL HIGHWAY ADMINISTRATION, FEDERAL-AID AND OTHER TRANSPORTATION GRANTS).”

The purpose of the proposed bill is to amend Appendix A of the FY 2016 Budget by increasing the appropriation of grant revenue to the Department of Public Works (“Department”), Federal Highway Administration, Federal-Aid and Other Transportation Grants by \$5,527,000.

Your Committee notes appropriations of \$1,381,750 in general obligation bond funds and \$5,527,000 in Federal funds were included in the FY 2015 Budget, in Ordinance 4169 (2014), to rehabilitate Old Haleakala Highway and Makani Road. The Director of Public Works said the project has been delayed because of a bid protest during the procurement process, and the funds for the project lapsed on December 31, 2015. The on-going bid protest prevented the funds from being encumbered for future use prior to their lapsing.

The Director informed your Committee the Department of Commerce and Consumer Affairs (“DCCA”) will soon issue a ruling on the bid protest. He explained to your Committee the DCCA provides the definitive decision on the outcome of the bid protest and contract award.

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The Director said the project is 80 percent Federally funded and requires a 20 percent County match. He assured your Committee the Department is working with the State Department of Transportation to preserve the Federal funds for the project.

In response to your Committee's questions, the Director stated the project is to reconstruct Old Haleakala Highway to the Haleakala By-Pass. The project scope, as presented in FY 2015, was reduced to delete Makani Road because of land-rights issues. He confirmed the amount requested is sufficient to complete the project.

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

Your Committee is in receipt of revised proposed bills, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions that take into account prior amendments to the FY 2016 Budget and the FY 2016 general obligation bond authorization ordinance.

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

1. 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 ESTIMATED REVENUES; MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, ROAD IMPROVEMENTS, OLD HALEAKALA HIGHWAY RECONSTRUCTION; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)," be PASSED ON FIRST READING and be ORDERED TO PRINT;

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2. That Bill _____ (2016), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4228, BILL NO. 35 (2015), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (OLD HALEAKALA HIGHWAY RECONSTRUCTION)," be PASSED ON FIRST READING and be ORDERED TO PRINT; and

3. 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 APPENDIX A, PART I, GRANT REVENUE - SCHEDULE OF GRANTS BY DEPARTMENTS AND PROGRAMS, DEPARTMENT OF PUBLIC WORKS (FEDERAL HIGHWAY ADMINISTRATION, FEDERAL-AID AND OTHER TRANSPORTATION GRANTS)," 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.



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 ESTIMATED REVENUES;
MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, ROAD IMPROVEMENTS,
OLD HALEAKALA HIGHWAY RECONSTRUCTION;
TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND
TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)

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 2, Estimated Revenues, by increasing Bond/Lapsed Bond Fund in the amount of \$1,381,750; and by increasing Total Estimated Revenues in the amount of \$1,381,750, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		255,944,996
Circuit Breaker Adjustment		(360,846)
Charges for Current Services		126,381,439
Transient Accommodations Tax		23,280,000
Public Service Company Tax		9,061,812
Licenses/Permits/Others		31,629,389
Fuel and Franchise Taxes		22,430,000
Special Assessments		480,000
Other Intergovernmental		34,205,000

FROM OTHER SOURCES:

Interfund Transfers		46,473,347
Bond/Lapsed Bond	[31,344,072]	<u>32,725,822</u>
Carryover/Savings:		
General Fund		22,570,332
Sewer Fund		2,836,340
Highway Fund		3,678,085
Solid Waste Management Fund		(822,125)
Golf Fund		(149,289)
Liquor Fund		864,275
Bikeway Fund		327,789
Water Fund		16,110,544

TOTAL ESTIMATED REVENUES [626,285,160] 627,666,910"

SECTION 2. Fiscal Year 2016 Budget is hereby amended as it pertains to Section 4.D.3.b., From the Bond Fund, Makawao-Pukalani-Kula Community Plan Area, Road Improvements, by adding an appropriation for a capital project entitled, "Old Haleakala Highway Reconstruction", in the amount of \$1,381,750, to read as follows:

"D. From the Bond Fund

3. Makawao-Pukalani-Kula Community Plan Area

a. Government Facilities

(1) Kula Community Center Land Acquisition	307,000
(2) Waiakoa (Kula) Gym Acquisition	1,220,000

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) Baldwin Avenue Resurfacing Phase 2	3,361,250
(2) Kokomo Road and Makawao Avenue Pavement Reconstruction, Phase 2	1,400,000
(3) <u>Old Haleakala Highway Reconstruction</u>	<u>1,381,750</u>

SECTION 3. Fiscal Year 2016 Budget is hereby amended as it pertains to the Total Capital Improvement Project Appropriations to reflect an increase of \$1,381,750, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS [106,608,330] 107,990,080"

SECTION 4. Fiscal Year 2016 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$1,381,750, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) [626,285,160] 627,666,910"

SECTION 5. Material to be repealed is bracketed. New material is underscored.

SECTION 6. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2016)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4228,
BILL NO. 35 (2015), RELATING TO THE ISSUANCE OF
GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI
(OLD HALEAKALA HIGHWAY RECONSTRUCTION)

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

SECTION 1. Ordinance No. 4228, Bill No. 35 (2015), 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 [~~\$30,344,072~~] \$31,725,822 (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. 4228, Bill No. 35 (2015), 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 2016 Budget, including amendments and supplements thereto, duly approved by the Council of the County (the "Council") for the fiscal year ending June 30, 2016 (the "Fiscal Year 2016 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 2016 Budget, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:

Estimated Project Cost

1.	Hana 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)	Piilani Highway Roadway and Embankment Repairs at Waiopai	500,000
(2)	Waiopai Bridge Improvements	600,000
2.	Paia-Haiku 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)	Baldwin Avenue Bicycle Improvements	350,000
(2)	North Shore Greenway	350,000
3.	Makawao-Pukalani-Kula Community Plan Area	
a.	Government Facilities	
(1)	Kula Community Center Land Acquisition	307,000
(2)	Waiakoa (Kula) Gym Acquisition	1,220,000
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)	Baldwin Avenue Resurfacing Phase 2	3,361,250
(2)	Kokomo Road and Makawao Avenue Pavement Reconstruction, Phase 2	1,400,000
(3)	<u>Old Haleakala Highway Reconstruction</u>	<u>1,381,750</u>
c.	Other Projects	
(1)	Kula Agricultural Park Expansion	1,000,000
4.	Wailuku-Kahului Community Plan Area	
a.	Government Facilities	
(1)	Kalana O Maui Campus Electrical Upgrades	1,200,000
(2)	Acquisition of Real Property at 2154 Kaohu Street	1,220,000
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)	Kahekili Highway Improvements	3,000,000
	(2)	Kuikahi Drive Pavement Rehabilitation	440,000
c.		Sewer	
	(1)	Wailuku-Kahului Treatment Plan Upgrades	3,341,700
5.		Kihei-Makena Community Plan Area	
	a.	Drainage	
	(1)	South Kihei Road Culvert Replacement at Waiakoa	1,600,000
	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)	North South Collector Road (Namauu Place to Kulanihakoi Street)	553,622
6.		West Maui Community Plan Area	
	a.	Drainage	
	(1)	Lahaina Watershed Flood Control	2,000,000
7.		Molokai Community Plan Area	
	a.	Drainage	
	(1)	Kaunakakai Drainage System B	400,000
	b.	Government Facilities	
	(1)	Kaunakakai Police Station	250,000
8.		Countywide	
	a.	Drainage	
	(1)	Countywide Drainage Improvements	1,500,000
	b.	Government Facilities	
	(1)	Countywide Facility Building Improvements	750,000
	c.	Other Projects	
	(1)	Bus Stops and Shelters	800,000
	(2)	Countywide Equipment	3,650,500
	(a)	Provided, that \$2,162,500 shall be for a D8 Dozer, a 4,000-Gallon Water Truck, a Roll-off Truck, and (2) 28-Cubic-Yard Refuse Trucks for the Solid Waste Operations Program.	
	(b)	Provided, that \$988,000 shall be for a D8 Dozer with Ripper Attachment for the Iao Flood Control Project.	
	(c)	Provided, that \$500,000 shall be for a Pumper Truck for the Pukoo Fire Station.	
	d.	Parks and Recreation	
	(1)	Large Capacity Cesspool Closure	550,000

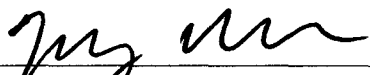
The cost of issuance of the Bonds or any series thereof, including without limitation, the initial fee of paying agents and registrars, the fees of financial

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. 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:



JEFFREY UEOKA
Deputy Corporation Counsel
County of Maui

ords.budget.2016\2015-10-16 bond amd Old Haleakala Highway Reconstruction
LF 2015-5277 (2016-01-11 bond amd Old Haleakala Highway Reconstruction)

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 APPENDIX A, PART I, GRANT REVENUE -
SCHEDULE OF GRANTS BY DEPARTMENTS AND PROGRAMS,
DEPARTMENT OF PUBLIC WORKS (FEDERAL HIGHWAY
ADMINISTRATION, FEDERAL-AID AND OTHER TRANSPORTATION GRANTS)

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", Appendix A, Part I, Grant Revenue - Schedule of Grants by Departments and Programs for Fiscal Year 2016, is hereby amended as it pertains to the Department of Public Works, by increasing the appropriation for Federal Highway Administration, Federal-Aid and Other Transportation Grants, in the amount of \$5,527,000, to read as follows:

"12. Department of Public Works

a. Federal Highway Administration, Federal-Aid and Other Transportation Grants	[18,805,000]	<u>24,332,000</u>
b. Maui Timeshare Venture, LLC (SM1 2006/0001) (1) Provided, that the funds are used for traffic and roadway improvements in West Maui.		715,000
c. United States Department of Agriculture (USDA), Natural Resources Conservation Service (NRCS) Grant		7,050,000
d. Starwood Vacation Ownership Properties (SVOP)		1,700,000
e. State of Hawaii Department of Transportation – Safe Routes to School Program Special Fund		150,000
f. Private Contributions		1,317,909
g. State of Hawaii Department of Health		10,000"

SECTION 2. Material to be repealed is bracketed. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel