

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 1, 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 March 15, 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 January 5, 2016, the Budget Director transmitted a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2016, HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND."

The purpose of the proposed bill is to amend Appendix A of the FY 2016 Budget, Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund (Section 3.25.030, Maui County Code), by 1) increasing the appropriation in the proviso for salaries and premium pay for the Environmental Protection and Sustainability Program by \$5,000, and the appropriation in the proviso for operations or services for the Environmental Protection and Sustainability Program by \$35,000, for Countywide illegal dump site clean-ups and towing of roadside abandoned vehicles; 2) increasing the grant to Community Work Day Program, dba Malama Maui Nui, by \$46,000 for an Operations Manager; and 3) amending the expenditure category limits in Appendix C to incorporate the changes.

By correspondence dated February 19, 2016, the Budget Director transmitted a revised proposed bill to amend the FY 2016 Budget by 1) increasing the appropriation in the proviso for salaries and premium pay for the Environmental Protection and Sustainability Program by \$5,000,

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and the appropriation in the proviso for operations or services for the Environmental Protection and Sustainability Program by \$35,000, for Countywide illegal dump site clean-ups and towing of roadside abandoned vehicles; 2) increasing the grant to Community Work Day Program, dba Malama Maui Nui, by \$11,500 for an Operations Manager; and 3) amending the expenditure category limits in Appendix C to incorporate the changes.

The Budget Director explained to your Committee the funds for the Highway Beautification and Abandoned Vehicle Revolving Fund were generated from collection of the Highway Beautification Fee set forth in Section 286-51(b), Hawaii Revised Statutes. The fee is charged annually to vehicle owners. The current fee is \$5, except for U-hauls and rental cars, which are charged \$1.

Your Committee notes Section 286-51(b), Hawaii Revised Statutes, sets the maximum fee allowed for vehicles at \$10 per year and U-hauls at \$1 per year.

The Deputy Director of Environmental Management explained highway beautification costs are higher because more vehicles and scrap metals are being abandoned on roadsides. He said this is because the market prices for recycled metals have decreased. Because more materials are being left on the roadside, the County is incurring additional costs to remove the materials.

He said the increase of abandoned vehicles and scrap metal along the roadways has increased responsibility to Malama Maui Nui, recipient of a County grant for highway beautification projects. Because of the increased number of beautification projects, Malama Maui Nui has hired an Operations Manager to facilitate its volunteer groups in scheduling and coordinating projects. The proposed bill includes an appropriation of \$11,500 for salary costs for the Operations Manager for the remaining three months of FY 2016.

He said \$5,000 is needed for additional premium pay costs for the Department's increased processing of documents for the disposition of

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abandoned vehicles. He said 285 abandoned vehicles were processed in FY 2013, 463 were processed in FY 2014, and 797 were processed in FY 2015. During the first four months of FY 2016, 351 vehicles were processed.

He informed your Committee the County uses a contractor for processing of vehicles and scrap metals. He indicated the cost per vehicle paid by the County is based on a contracted price and is less than the cost for members of the public to process a vehicle by the same provider.

He further informed your Committee the request of \$35,000 will be for the recycling costs of abandoned vehicles and scrap metals, and for beach clean-ups. He said vouchers are provided to Malama Maui Nui for abandoned vehicles taken to the County's contractor.

Your Committee asked if it would be feasible for the County to subsidize the cost for members of the public electing to take vehicles directly to the processor, noting a savings in towing costs for the County. The Budget Director requested the discussion be deferred to the FY 2017 Budget deliberations.

Your Committee voted 8-0 to recommend passage of the proposed bill on first reading. Committee Chair Hokama, and members Baisa, Carroll, Cochran, Couch, Crivello, Guzman, and Victorino voted "aye." Committee Vice-Chair White was excused.

Your Budget and Finance Committee RECOMMENDS that Bill _____ (2016), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES – SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2016, HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND," be PASSED ON FIRST READING and be ORDERED TO PRINT.

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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. _____ (2016)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A
OF THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2016,
HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED
VEHICLES REVOLVING FUND

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 II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2016, is hereby amended as it pertains to the Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund, by increasing the amounts in the provisos, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS
FOR FISCAL YEAR 2016**

	<u>ESTIMATED BALANCE AS OF 6/30/15</u>	<u>ANTICIPATED REVENUES FOR FY 2016</u>	<u>TOTAL FOR FY 2016</u>
E. Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund (Section 3.25.030, Maui County Code)	726,157	1,482,307	2,208,464
(1) Provided, that disbursement for salaries and premium pay is limited to [\$97,085] <u>\$102,085</u> and 2.0 equivalent personnel for the Environmental Protection and Sustainability Program.			
(2) Provided, that [\$738,205] <u>\$773,205</u> shall be for disbursement for operations or services for the Environmental Protection and Sustainability Program.			
(3) Provided, that [\$170,000] <u>\$181,500</u> shall be for a grant to Community Work Day Program, dba Malama Maui Nui.			
(4) Provided, that \$10,000 shall be for Teens On Call to maintain the Paia By-Pass."			

SECTION 2. Fiscal Year 2016 Budget is hereby amended as it pertains to Appendix C, A,B,C Categories (Referenced in Section 7), Revolving/Special Funds, Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund (Section 3.25.030, Maui County Code), by increasing the Department of Environmental Management – Environmental Protection and Sustainability Program Category A appropriation by \$5,000,

Category B appropriation by \$35,000, and Total appropriation by \$40,000, and increasing the Grant to Community Work Day Program, dba Malama Maui Nui Category B appropriation by \$11,500, and Total appropriation by \$11,500, to read as follows:

"APPENDIX C				
A,B,C CATEGORIES (REFERENCED IN SECTION 7)				
II. REVOLVING/SPECIAL FUNDS				
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund (Section 3.25.030, Maui County Code)	A	B	C	Total
Department of Environmental Management – Environmental Protection and Sustainability Program	[<u>\$ 97,085</u>] <u>\$ 102,085</u>	[<u>\$ 738,205</u>] <u>\$ 773,205</u>	\$ -	[<u>\$ 835,290</u>] <u>\$ 875,290</u>
Grant to Community Work Day Program, dba Malama Maui Nui	\$ -	[<u>\$ 170,000</u>] <u>\$ 181,500</u>	\$ -	[<u>\$ 170,000</u>] <u>\$ 181,500</u>
Grant to Teens on Call	\$ -	\$ 10,000	\$ -	\$ 10,000"

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:



 JEFFREY UEOKA
 Deputy Corporation Counsel