

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

May 20, 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 April 29, 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 19, 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; HANA COMMUNITY PLAN AREA, GOVERNMENT FACILITIES, NAHIKU COMMUNITY CENTER; 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 \$1,950,000; and (2) adding an appropriation from the Bond Fund, Hana Community Plan Area, Government Facilities, for the Nahiku Community Center. The Department of Parks and Recreation estimates the cost to complete design and permitting of the Nahiku Community Center is \$200,000, and the estimated cost of construction is \$1,750,000.

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 (NAHIKU COMMUNITY CENTER).”

The purpose of the proposed bill is to amend the FY 2016 general obligation bond authorization ordinance by adding \$1,950,000 for the Hana Community Plan Area, Government Facilities, for the Nahiku Community Center.

Your Committee notes Ordinance 4073, effective October 18, 2013, amended Chapter 12.40, Maui County Code, to name the proposed Nahiku Community Center located at 0 Nahiku Road, Nahiku, Maui, the David Kanaloa Kaho`okele Jr. Nahiku Community Center.

Your Committee notes the County has sued Maui Kuponu Builders LLC, in the Circuit Court of the Second Circuit, State of Hawaii, Civil 15-1-0421(1), for breach of the construction contract for the proposed Nahiku Community Center. Among other things, the complaint alleges the contractor failed to: (1) submit a construction schedule; (2) commence work on the site; and (3) provide a performance bond as required by the contract.

The Corporation Counsel said the requested funds are for the construction and design of the Nahiku Community Center. In response to concerns raised by testifiers, he assured your Committee there is no doubt the project as presented previously was compliant with the law.

The Corporation Counsel said the project will need to go out for a bid again, and the amount set forth in the proposed budget amendment is an estimate that would include contract oversight. He also noted the Mayor is pursuing matching funds from the State for the project. He recommended the proposed bills be passed.

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

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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.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2016), 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; HANA COMMUNITY PLAN AREA, GOVERNMENT FACILITIES, NAHIKU COMMUNITY CENTER; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That Bill _____ (2016), 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 (NAHIKU COMMUNITY CENTER)," 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;
HANA COMMUNITY PLAN AREA, GOVERNMENT FACILITIES,
NAHIKU COMMUNITY CENTER;
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 \$1,950,000; and by increasing Total Estimated Revenues in the amount of \$1,950,000, 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 | | 31,672,421 |
| Fuel and Franchise Taxes | | 22,430,000 |
| Special Assessments | | 480,000 |
| Other Intergovernmental | | 39,046,700 |

FROM OTHER SOURCES:

| | | |
|-----------------------------|--------------|-------------------|
| Interfund Transfers | | 46,968,913 |
| Bond/Lapsed Bond | [29,981,122] | <u>31,931,122</u> |
| Carryover/Savings: | | |
| General Fund | | 26,110,482 |
| Sewer Fund | | 3,305,538 |
| Highway Fund | | 4,142,020 |
| 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 [634,775,791] 636,725,791"

SECTION 2. Fiscal Year 2016 Budget is hereby amended as it pertains to Section 4.D.1., From the Bond Fund, Hana Community Plan Area, by adding an appropriation for a capital project entitled, "Nahiku Community Center" under the project type, Government Facilities, in the amount of \$1,950,000, to read as follows:

"D. From the Bond Fund

| | |
|--|-------------------------|
| 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 |
| (3) Keanae Road Safety Improvements | 400,000 |
| <u>b. Government Facilities</u> | |
| <u>(1) Nahiku Community Center</u> | <u>1,950,000</u> |
| 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) Old Haleakala Highway Reconstruction | 1,381,750 |
| 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 |

| | | |
|--|--|-----------|
| 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 | | 3,847,500 |
| (i) 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. | | |
| (ii) Provided, that \$988,000 shall be for a D8 Dozer with Ripper Attachment for the Iao Flood Control Project. | | |
| (iii) Provided, that \$697,000 shall be for a Pumper Truck for the Pukoo Fire Station. | | |
| d. Parks and Recreation | | |
| (1) Large Capacity Cesspool Closure | | 550,000" |

SECTION 3. Fiscal Year 2016 Budget is hereby amended as it pertains to the Total Capital Improvement Project Appropriations to reflect an increase of \$1,950,000, to read as follows:

| | | |
|---|---------------|---------------------|
| "TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS | [110,427,080] | <u>112,377,080"</u> |
|---|---------------|---------------------|

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 \$1,950,000, to read as follows:

| | | |
|--|---------------|---------------------|
| "TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) | [634,775,791] | <u>636,725,791"</u> |
|--|---------------|---------------------|

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
(NAHIKU COMMUNITY CENTER)

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 [~~\$28,981,122~~] \$30,931,122 (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) Piihoni Highway Roadway and Embankment Repairs at Waiopai | 500,000 |
| | (2) Waiopai Bridge Improvements | 600,000 |
| | (3) Keanae Road Safety Improvements | 400,000 |
| b. | <u>Government Facilities</u> | |
| | (1) <u>Nahiku Community Center</u> | <u>1,950,000</u> |
| 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) Old Haleakala Highway Reconstruction | 1,381,750 |
| 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 |
| 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 (Namuau 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 | 3,847,500 |
| | (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 \$697,000 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

LF 2014-3082

BF-38(2) 2016-05-05 Ordinance Nahiku Community Center