

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, May 2, 2016, and May 11, 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 April 22, 2016, 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; DEPARTMENT OF FIRE AND PUBLIC SAFETY; TOTAL OPERATING 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 Carryover/Savings from the General Fund by \$1,500,000; 2) decreasing the appropriation under the Department of Fire and Public Safety, Administration/Maintenance Program, by \$130,000; 3) decreasing the appropriation under the Department of Fire and Public Safety, Training Program, by \$175,000; 4) decreasing the appropriation under the Department of Fire and Public Safety, Fire Prevention Program, by \$95,000; and 5) increasing the appropriation under the Department of Fire and Public Safety, Fire/Rescue Operations Program, by \$1,900,000, because of projected premium pay and operational shortfalls.

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2. A Certification of Additional Revenues for FY 2016, dated April 22, 2016, for \$1,500,000 in Carryover/Savings from the General Fund.

According to the Budget Director, \$1,500,000 in Carryover/Savings from the General Fund was previously certified for amendments that will not be passed for FY 2016. The Department of Fire and Public Safety proposes transferring the balance needed for the appropriation from its Administration/Maintenance, Training, and Fire Prevention Programs.

Your Committee expressed concern over the Department's apparent inability to determine the amount of the budgetary shortfall. A representative from the Budget Office said the Office trimmed the Department's request significantly. The \$1,900,000 is what the Budget Office still felt would be the projected shortfall for FY 2016.

The representative said the \$1,500,000 in Carryover/Savings came from two previously proposed budget amendments. First, the Department of Housing and Human Concerns proposed \$1,255,582 for the homeless program. Second, the Mayor proposed \$367,991 for the clerk repricing proposal. These two proposed budget amendments were withdrawn by the Administration in order to fund the Department of Fire and Public Safety's projected shortfall.

A representative of the Department of Fire and Public Safety said that for FY 2016, the Department had requested \$4,238,624 in premium pay for its Rescue Operations Program, but received \$1,945,000. Your Committee notes FY 2016 was the fifth of the past six fiscal years that the Department has needed to request a budget amendment to address a shortfall. Rather than continue to operate under the assumption the Department will receive supplements to its budget each year, your Committee urged the Department to consider ways in which it could reorganize its staffing or otherwise adjust to the budget it was appropriated.

Your Committee requested the Department provide information relating to the \$1,900,000 shortfall, adjustments the Department made to

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accommodate projected shortfalls in funding, and amounts spent on most recent long-term fire incidents such as the fire in Kahikinui.

The Fire Chief provided statistics spanning the last ten years, citing factors contributing to greater demands being placed on the Department. He noted, by way of example, the mounting number of incidents and calls the Department has responded to; growing resident and visitor populations the Department serves; and increased community outreach efforts, training programs, and building permit plan reviews.

Your Committee notes the Fire Chief stressed the importance of training for his personnel, saying training is “imperative due to the dangerous and ever changing nature of fire and emergency services.” Nonetheless, the Fire Chief proposed the transfer of \$175,000 from the Department’s Training Program to fund the premium pay and operational shortfall.

Your Committee noted the significant amount of overtime being incurred by the Department comes at a cost, reducing funds available for other County and social services. Your Committee stressed there may be ways to manage schedules and minimum staff requirements per shift, implement rank-for-rank recall procedures, and consider other measures to reduce the Department’s reliance on premium pay.

Your Committee noted its fiduciary responsibility to carefully scrutinize the \$1,900,000 in premium pay and operational shortfalls. However, your Committee acknowledged the overall importance of public safety services provided by the Department for residents and visitors alike.

Your Committee voted 5-1 to recommend passage of the proposed bill on first reading. Committee Chair Hokama and members Baisa, Couch, Crivello, and Guzman voted “aye.” Committee Vice-Chair White voted “no.” Committee members Carroll, Cochran, and Victorino 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,

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incorporating nonsubstantive revisions that take into account prior amendments to the FY 2016 Budget.

Your Budget and Finance Committee RECOMMENDS 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; DEPARTMENT OF FIRE AND PUBLIC SAFETY; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)," 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

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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;
DEPARTMENT OF FIRE AND PUBLIC SAFETY;
TOTAL OPERATING 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 Carryover/Savings from the General Fund in the amount of \$1,500,000; and by increasing Total Estimated Revenues in the amount of \$1,500,000, 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		31,931,122
Carryover/Savings:		
General Fund	[26,110,482]	<u>27,610,482</u>
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 [636,725,791] 638,225,791"

SECTION 2. Fiscal Year 2016 Budget is hereby amended as it pertains to Section 3.B.5., Department of Fire and Public Safety, Administration/Maintenance Program, by decreasing the appropriation by \$130,000; Training Program, by decreasing the appropriation by \$175,000; Fire/Rescue Operations Program, by increasing the appropriation by \$1,900,000; and Fire Prevention Program, by decreasing the appropriation by \$95,000, to read as follows:

"5. Department of Fire and Public Safety			
a. Administration/Maintenance Program	[2,625,257]		<u>2,495,257</u>
(1) Provided, that disbursement for salaries and premium pay is limited to 20.0 equivalent personnel.			
b. Training Program	[1,258,598]		<u>1,083,598</u>
(1) Provided, that disbursement for salaries and premium pay is limited to 8.0 equivalent personnel.			
c. Fire/Rescue Operations Program	[26,543,757]		<u>28,443,757</u>
(1) Provided, that disbursement for salaries and premium pay is limited to 282.0 equivalent personnel.			
(2) Provided, that \$252,160 shall be for an apparatus equipment standardization program.			
d. Fire Prevention Program	[887,081]		<u>792,081</u>
(1) Provided, that disbursement for salaries and premium pay is limited to 9.0 equivalent personnel.			

SECTION 3. Fiscal Year 2016 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect an increase of \$1,500,000, to read as follows:

"TOTAL OPERATING APPROPRIATIONS	[524,348,711]	<u>525,848,711</u>
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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 \$1,500,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[636,725,791]	<u>638,225,791</u>
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SECTION 5. 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 Fire and Public Safety, by amending the Category A, Category B and Total appropriations, to read as follows:

"APPENDIX C A,B,C CATEGORIES (REFERENCED IN SECTION 7)				
I. FUNCTIONS AND PROGRAMS				
Department of Fire and Public Safety	A	B	C	Total
Administration/Maintenance Program	[\$ 1,580,792]	\$ 918,074	\$ 126,391	[\$ 2,625,257]
	<u>\$ 1,450,792</u>			<u>\$ 2,495,257</u>

Training Program	[\$ 722,720] \$ 597,720	[\$ 479,870] \$ 429,870	\$ 56,008	[\$ 1,258,598] \$ 1,083,598
Fire/Rescue Operations Program	[\$ 23,237,044] \$ 24,637,044	[\$ 2,793,358] \$ 3,293,358	\$ 513,355	[\$ 26,543,757] \$ 28,443,757
Fire Prevention Program	[\$ 765,016] \$ 705,016	[\$ 120,906] \$ 85,906	\$ 1,159	[\$ 887,081] \$ 792,081

SECTION 6. Material to be repealed is bracketed. New material is underscored.

SECTION 7. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel