

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

November 4, 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 October 18, 2016, makes reference to County Communication 16-225, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, WAILUKU-KAHULUI COMMUNITY PLAN AREA, SANITATION, CENTRAL MAUI LANDFILL (CML) PHASE V GAS COLLECTION SYSTEM EXPANSION."

The purpose of the proposed bill is to amend the Fiscal Year 2017 Budget by: (1) increasing estimated revenues from Other Intergovernmental sources by \$2,500,000; (2) decreasing the Bond/Lapsed Bond Fund by \$2,500,000; and (3) changing the funding type under the Department of Environmental Management, Wailuku-Kahului Community Plan Area, Sanitation, from Bond Fund to State Revolving Loan Fund for the Central Maui Landfill (CML) Phase V Gas Collection System Expansion project.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4331, BILL NO. 59 (2016), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (CENTRAL MAUI LANDFILL (CML) PHASE V GAS COLLECTION SYSTEM EXPANSION)."

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The purpose of the proposed bill is to amend the FY 2017 general obligation bond authorization ordinance by deleting the Central Maui Landfill (CML) Phase V Gas Collection System Expansion project because the Bond Fund will no longer be the funding source for the project.

3. A proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S CLEAN WATER STATE REVOLVING FUND FOR THE CENTRAL MAUI LANDFILL (CML) PHASE V GAS COLLECTION SYSTEM EXPANSION, FISCAL YEAR 2017 BUDGET ORDINANCE."

The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement to finance the Central Maui Landfill (CML) Phase V Gas Collection System Expansion project with funds from a State Revolving Loan Fund not to exceed \$2,500,000.

Your Committee notes \$2,500,000 of general obligation bond funds were appropriated in FY 2017 for the construction of infrastructure expansion to collect and control landfill gas at the CML Phase V. During deliberations on the FY 2017 Budget, your Committee recommended the Department of Environmental Management consider using State Revolving Funds for the project.

The Budget Director informed your Committee the proposed change in the source of funding for the project from general obligation bond funds to the Hawaii Clean Water State Revolving Fund would save approximately \$578,000. He said interest for the project funded by general obligation bond funds would be approximately \$842,000, while the annual loan fee and interest for the SRF would be approximately \$264,000.

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He further noted the annual loan fee is 1 percent per year for a term of 20 years, and the interest cost is 0.25 percent. The terms of the loan are set upon execution of the loan agreement.

The Deputy Director of Environmental Management said the design of the project is complete and the opening of bids for the construction phase of the project has been held. He further said the project is ready to begin upon approval of the budget amendment.

Your Committee voted 6-0 to recommend passage of the proposed bills on first reading and filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Baisa, Carroll, Couch, and Crivello voted "aye." Committee members Cochran, Guzman, and Victorino 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 2017 Budget.

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 2017 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, WAILUKU-KAHULUI COMMUNITY PLAN AREA, SANITATION, CENTRAL MAUI LANDFILL (CML) PHASE V GAS COLLECTION SYSTEM EXPANSION," be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That Bill _____ (2016), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4331, BILL NO. 59 (2016), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (CENTRAL MAUI LANDFILL (CML) PHASE

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V GAS COLLECTION SYSTEM EXPANSION),” be PASSED ON FIRST READING and be ORDERED TO PRINT;

3. That Bill _____ (2016), as revised herein and attached hereto, entitled “A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII’S CLEAN WATER STATE REVOLVING FUND FOR THE CENTRAL MAUI LANDFILL (CML) PHASE V GAS COLLECTION SYSTEM EXPANSION, FISCAL YEAR 2017 BUDGET ORDINANCE,” be PASSED ON FIRST READING and be ORDERED TO PRINT; and
4. That County Communication 16-225 be FILED.

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 2017 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT,
WAILUKU-KAHULUI COMMUNITY PLAN AREA, SANITATION,
CENTRAL MAUI LANDFILL (CML) PHASE V GAS COLLECTION
SYSTEM EXPANSION

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

SECTION 1. Ordinance No. 4334, Bill No. 62 (2016), Draft 1, as amended, "Fiscal Year 2017 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Other Intergovernmental in the amount of \$2,500,000; and by decreasing Bond/Lapsed Bond Fund in the amount of \$2,500,000, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		273,887,388
Circuit Breaker Adjustment		(398,235)
Charges for Current Services		136,035,737
Transient Accommodations Tax		23,484,000
Public Service Company Tax		9,100,000
Licenses/Permits/Others		35,170,154
Fuel and Franchise Taxes		23,606,500
Special Assessments		5,975,000
Other Intergovernmental	[32,775,000]	<u>35,275,000</u>

FROM OTHER SOURCES:

Interfund Transfers		45,967,103
Bond/Lapsed Bond	[38,679,000]	<u>36,179,000</u>
Carryover/Savings:		
General Fund		17,978,419
Sewer Fund		3,800,945
Highway Fund		4,886,279
Solid Waste Management Fund		22,086
Golf Fund		458,756
Liquor Fund		797,883
Bikeway Fund		311,997
Water Fund		<u>7,751,766</u>

TOTAL ESTIMATED REVENUES

660,289,778"

SECTION 2. Fiscal Year 2017 Budget is hereby amended as it pertains to Section 4.A.5.a., Department of Environmental Management, Wailuku-Kahului Community Plan Area, Sanitation, by changing the fund type for a capital project entitled, "Central Maui Landfill (CML) Phase V Gas Collection System Expansion", from Bond Fund to State Revolving Loan Fund, to read as follows:

"A. Department of Environmental Management

1. Countywide

a. Sanitation

(1) Solid Waste Management Fund

(i) Countywide Landfill PV/Wind Turbine Lighting	195,000
(ii) Environmental Compliance System Design and Construction	250,000

b. Sewer

(1) Sewer Fund

(i) Countywide Environmental Protection Agency (EPA) Compliance Projects	500,000
(ii) Countywide Environmental Protection Agency (EPA) Consent Decree Wastewater Reclamation Facility Renovation Projects	1,600,000
(iii) Countywide Satellite Recycled Water Facilities	200,000
(iv) Countywide Wastewater System Modifications	500,000

(2) State Revolving Loan Fund

(i) Countywide Wastewater Reclamation Facility (WWRF) Chlorination System Upgrade	2,000,000
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2. Hana Community Plan Area

a. Sanitation

(1) Bond Fund

(i) Hana Landfill Makai Berm Waste Removal	2,000,000
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3. Kihei-Makena Community Plan Area

a. Sewer

(1) Sewer Fund

(i) Kenolio Road/Koki Place Sewer Rehabilitation	50,000
(ii) Kihei Wastewater Reclamation Facility (WWRF) RTU Upgrades	1,500,000
(iii) North Kihei Mauka Transmission System	200,000

(2) State Revolving Loan Fund

(i) Kulanihakoi Street Recycled Water Line Extension	1,700,000
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4. Molokai Community Plan Area

a. Sanitation

(1) Solid Waste Management Fund

(i) Molokai Landfill – Environmental Assessment Amendment	160,000
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5. Wailuku-Kahului Community Plan Area		
a. Sanitation		
(1) [Bond Fund] <u>State Revolving Loan Fund</u>		
(i) Central Maui Landfill (CML) Phase V Gas Collection System Expansion		2,500,000
(2) Solid Waste Management Fund		
(i) Central Maui Landfill System Control and Data Acquisition		80,000
(ii) Leachate Collection and Recovery and Electrical Distribution System Upgrades		80,000
b. Sewer		
(1) Sewer Fund		
(i) Environmental Protection Agency (EPA) Sewer Rehabilitation		1,000,000
(2) State Revolving Loan Fund		
(i) Wailuku-Kahului Wastewater Reclamation Facility Solids Building Renovation		1,000,000
6. West Maui Community Plan Area		
a. Government Facilities		
(1) Bond Fund		
(i) Lahaina Refuse Office		250,000
b. Sewer		
(1) Sewer Fund		
(i) Lahaina Wastewater Reclamation Facility Upgrade for Direct Potable Reuse		150,000
(ii) Napili No. 3 Force Main Replacement		200,000
(iii) Napili No. 4 Force Main Replacement		200,000
(iv) Napili Nos. 5 and 6 Force Main Replacements		3,200,000
(2) State Revolving Loan Fund		
(i) Lahaina Wastewater Reclamation Facility (WWRF) Modifications, Stage IA		12,500,000
(ii) Sheraton Wastewater Pump Station Modifications		1,000,000"

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:



 JEFFREY UEOKA
 Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2016)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4331,
BILL NO. 59 (2016), RELATING TO THE ISSUANCE
OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI
(CENTRAL MAUI LANDFILL (CML) PHASE V GAS COLLECTION SYSTEM
EXPANSION)

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

SECTION 1. Ordinance No. 4331, Bill No. 59 (2016), 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 [~~\$30,303,000~~] \$27,803,000 (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. 4331, Bill No. 59 (2016), 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 2017 Budget, including amendments and supplements thereto, duly approved by the Council of the County (the "Council") for the fiscal year ending June 30, 2017 (the "Fiscal Year 2017 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 2017 Budget, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:

Estimated Project Cost

A. Department of Environmental Management		
1. Hana Community Plan Area		
a. Sanitation		
(1) Hana Landfill Makai Berm Waste Removal		2,000,000
[2. Wailuku-Kahului Community Plan Area		
a. Sanitation		
(1) Central Maui Landfill (CML) Phase V Gas Collection System Expansion		2,500,000]
[3.]2. West Maui Community Plan Area		
a. Government Facilities		
(1) Lahaina Refuse Office		250,000
B. Department of Finance		
1. Countywide		
a. Other Projects		
(1) Countywide Equipment		3,190,000
C. Department of Management		
1. Countywide		
a. Other Projects		
(1) Public Safety Radio System Replacement		4,550,000
2. Wailuku-Kahului Community Plan Area		
a. Government Facilities		
(1) Waikapu Baseyards		550,000
D. Department of Parks and Recreation		
1. Countywide		
a. Parks and Recreation		
(1) Countywide Park Playground Improvements		200,000
(2) Countywide Toilet Trailers		440,000

2.	Hana Community Plan Area	
	a. Parks and Recreation	
	(1) Helene Hall Improvements	50,000
3.	Kihei-Makena Community Plan Area	
	a. Parks and Recreation	
	(1) South Maui Building Maintenance Repairer Baseyard	150,000
	(2) South Maui Community Park	650,000
	(3) South Maui Parks System	303,000
4.	Lanai Community Plan Area	
	a. Parks and Recreation	
	(1) Lanai Parks System	425,000
5.	Makawao-Pukalani-Kula Community Plan Area	
	a. Parks and Recreation	
	(1) Upcountry Skate Park	1,100,000
	(2) Waiakoa Gym Improvements	75,000
6.	Molokai Community Plan Area	
	a. Parks and Recreation	
	(1) Molokai Parks System	580,000
7.	Paia-Haiku Community Plan Area	
	a. Parks and Recreation	
	(1) Paia-Haiku Parks System	400,000
8.	Wailuku-Kahului Community Plan Area	
	a. Parks and Recreation	
	(1) Central Maui Parks System	461,000
	(2) Waiehu Golf Course Starter Booth and Restaurant	500,000
	(3) Waiehu Golf Course Wastewater Improvements	50,000
	(4) Waikapu Community Center Basketball Court Improvements	500,000
	(5) Waikapu Community Center Expansion	500,000
	(6) Wailuku Pool Improvements	50,000
	(7) War Memorial Complex Paving Improvements	100,000

9.	West Maui Community Plan Area	
a.	Parks and Recreation	
(1)	West Maui Parks System	1,915,000
E. Department of Police		
1.	Molokai Community Plan Area	
a.	Government Facilities	
(1)	Kaunakakai Police Station	390,000
F. Department of Public Works		
1.	Countywide	
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)	Countywide Bridge Improvements	370,000
2.	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)	Kalepa Revetment and Seawall Repairs	500,000
(2)	Koukouai Bridge Rehabilitation	600,000
(3)	Piilani Highway Road Improvements at Nuanualoa	147,000
3.	Kihei-Makena 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)	North South Collector Road – Lokelani School to Auhana Road	100,000
(2)	Pavement Rehabilitation at Various Locations – South Maui	1,860,000
4.	Lanai Community Plan Area	
a.	Government Facilities	
(1)	Lanai Baseyard Improvements	300,000

5.	Makawao-Pukalani-Kula Community Plan Area	
a.	Drainage	
(1)	Ditch Improvements at Waipoli Road	800,000
6.	Molokai Community Plan Area	
a.	Drainage	
(1)	Kaunakakai Drainage System B	200,000
b.	Government Facilities	
(1)	Molokai Baseyard	1,297,000
7.	Wailuku-Kahului Community Plan Area	
a.	Drainage	
(1)	Papa Avenue Drainage Improvements	400,000
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)	Kahakuloa Stream Bridge	650,000
(2)	Onehee Avenue and Kea Street Pavement Rehabilitation	200,000
8.	West Maui Community Plan Area	
a.	Drainage	
(1)	Lahaina Watershed Flood Control	500,000
G.	Department of Transportation	
1.	Countywide	
a.	Other Projects	
(1)	Bus Stops and Shelters	500,000

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:

A handwritten signature in black ink, consisting of a stylized 'M' followed by a wavy line.

Deputy Corporation Counsel
County of Maui

2016-0345

BF-112 2016-10-18 Bond Amendment EM Central Maui Landfill (CML) Phase V Gas Collection System Expansion

ORDINANCE NO. _____

BILL NO. _____ (2016)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S CLEAN WATER STATE REVOLVING FUND FOR THE CENTRAL MAUI LANDFILL (CML) PHASE V GAS COLLECTION SYSTEM EXPANSION, FISCAL YEAR 2017 BUDGET ORDINANCE

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

SECTION 1. Request for Loan. The County of Maui, pursuant to Section 342D-83 through Section 342D-87, Hawaii Revised Statutes, has submitted an application for Clean Water State Revolving Fund Loan ("SRF loan") to the Director of the Department of Health, State of Hawaii, to finance the following project:

Central Maui Landfill (CML) Phase V Gas Collection System Expansion..... \$2,500,000
("Project").

Under the terms and conditions anticipated with regard to such SRF loan, the County shall repay, over a term of twenty years, the principal amount, which shall not exceed the amount of such loan stated above, at a fixed rate of interest that shall not exceed the Bond Buyer's 20-year general obligation bond issue.

SECTION 2. Council Authorization. Pursuant to Section 2.20.020, Maui County Code, the Council of the County of Maui hereby authorizes the Mayor to enter into an intergovernmental agreement, which would include the execution of all necessary documents between the State of Hawaii and the

County of Maui relating to the SRF loan, to finance the construction of the Project, including a pledge of the County's full faith and credit, including but not limited to the County's general taxing power, as security for repayment of the loan and payment of interest and loan fees, and a covenant to exercise the County's authority as needed. The repayment of principal, interest, and any loan fees shall be a first charge on the General Fund of the County.

SECTION 3. Effective Date. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM
AND LEGALITY:



RICHELLE M. THOMSON
Deputy Corporation Counsel
County of Maui

LF2014-3082