

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

June 6, 2008

Committee
Report No.

08-61

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 10, 2008 and May 13, 2008, makes reference to County Communication No. 08-36, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2008 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, LANAI COMMUNITY PLAN AREA GOVERNMENT FACILITIES, TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)".

The purpose of the proposed bill is to amend the Fiscal Year (FY) 2008 Budget by: (1) decreasing revenues from Bond/Lapsed Bond by \$1,900,000; (2) increasing Carryover/Savings in the General Fund by \$500,000; (3) adding an appropriation for a "Lanai Landfill Storm Water System Reconstruction" project to the Lanai Community Plan Area, Government Facilities, General Fund, in the amount of \$2,400,000; (4) and deleting an appropriation for the "Lanai Landfill Storm Water System Reconstruction" project, Lanai Community Plan Area, Lapsed Bond Proceeds, in the amount of \$1,900,000.

2. A document entitled "Certification of Additional Revenues for Fiscal Year 2008" dated January 31, 2008, pursuant to Section 9-9.1, Revised Charter of the County of Maui (1983), as amended.

The document certifies that \$500,000 of additional carryover/savings is available from the General Fund.

By correspondence dated March 3, 2008 the Budget Director transmitted the following:

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1. A revised proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2008 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, LANAI COMMUNITY PLAN AREA GOVERNMENT FACILITIES, LAPSED BOND PROCEEDS, TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)".

The purpose of the revised proposed bill is to amend the FY 2008 Budget by: (1) increasing the Carryover/Savings in the General Fund by \$500,000; (2) adding an appropriation for a "Lanai Landfill Storm Water System Reconstruction" project to the Lanai Community Plan Area, Government Facilities, General Fund, in the amount of \$2,400,000; (3) deleting an appropriation for a "Lanai City Affordable Housing Project", Lanai Community Plan Area, Other, General Fund, in the amount of \$500,000; (4) deleting an appropriation for the "Molokai Parks Baseyard" project in the amount of \$1,250,000 and for the "Cooke Memorial Pool Restroom Renovation" project in the amount of \$150,000, in the Molokai Community Plan Area, Parks and Recreation, General Fund; (5) deleting an appropriation for the "Lanai Landfill Storm Water System Reconstruction" project, Lanai Community Plan Area, Sanitation, Lapsed Bond Proceeds, in the amount of \$1,900,000; (6) adding an appropriation for a "Lanai City Affordable Housing Project", Lanai Community Plan Area, Other, Lapsed Bond Proceeds, in the amount of \$500,000; and (7) adding an appropriation for the "Molokai Parks Baseyard" project in the amount of \$1,250,000 and for the "Cooke Memorial Pool Restroom Renovation" project in the amount of \$150,000, in the Molokai Community Plan Area, Parks and Recreation, Lapsed Bond Proceeds.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3460, BILL NO. 26 (2007), RELATING TO THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUED IN EXCESS OF THE AMOUNTS REQUIRED FOR THE PURPOSES FOR WHICH SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING TO OTHER PUBLIC

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IMPROVEMENTS OR AUTHORIZED PURPOSES OF THE COUNTY OF MAUI”.

The purpose of the proposed bill is to: (1) delete an appropriation for the “Lanai Landfill Storm Water System Reconstruction” project, Lanai Community Plan Area, Sanitation, Lapsed Bond Proceeds, in the amount of \$1,900,000; (2) add an appropriation for a “Lanai City Affordable Housing Project”, Lanai Community Plan Area, Other, Lapsed Bond Proceeds, in the amount of \$500,000; and (3) add an appropriation for the “Molokai Parks Baseyard” project in the amount of \$1,250,000 and for the “Cooke Memorial Pool Restroom Renovation” project in the amount of \$150,000, in the Molokai Community Plan Area, Parks and Recreation, Lapsed Bond Proceeds.

At its meeting of March 10, 2008, your Committee met with the Budget Director, the Director of Finance, the Director of Environmental Management, and the First Deputy Corporation Counsel.

There was no public testimony.

Your Committee deferred consideration of the matter pending the Budget Director’s transmittal of a further revised proposed bill.

By correspondence dated April 3, 2008, the Budget Director transmitted a further revised proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2008 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, DEPARTMENT OF FINANCE COUNTYWIDE COSTS, LANAI COMMUNITY PLAN AREA SANITATION, TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)”.

The purpose of the revised proposed bill is to amend the FY 2008 Budget by: (1) increasing Interfund Transfers by \$500,000; (2) increasing Carryover/Savings in the General Fund by \$500,000; (3) increasing Total Estimated Revenues by \$1,000,000; (4) increasing the Supplemental Transfer to the Solid Waste Fund in the Department of Finance, Countywide Costs, by \$500,000; (5) increasing Total Operating Appropriations by \$500,000; (6) adding an appropriation for the “Lanai Landfill Storm Water System Reconstruction”, Lanai Community Plan Area, Sanitation, from the Solid Waste Funds

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for \$500,000; (7) increasing Total Capital Improvement Project Appropriations by \$500,000; and (8) increasing Total Appropriations (Operating and Capital Improvement Projects) by \$1,000,000.

At its meeting of May 13, 2008, your Committee met with the Budget Director; the Director of Finance; the Director of Environmental Management; the Solid Waste Division Chief, Department of Environmental Management; and the First Deputy Corporation Counsel.

There was no public testimony.

The Director of Environmental Management stated that the Lanai Landfill Storm Water System Reconstruction project is required by the State of Hawaii Department of Health (SDOH) to meet SDOH standards. The current storm water system is on property owned by Lanai Company, Inc. A memorandum of understanding setting forth the County's intent to purchase the property and a license agreement allowing the County to do the reconstruction work must be executed with Lanai Company, Inc. before reconstruction work may begin. The Director further stated that the County is negotiating to purchase the property and landfill cover material in lieu of landfill tipping fees due from Lanai Company, Inc.

The Solid Waste Division Chief stated that the additional funds of \$500,000 are required because contractor's bids were higher than anticipated, and the funds would allow for change orders to fulfill the SDOH requirements.

Your Committee questioned whether it was appropriate to provide an additional \$500,000 for the project considering that the County does not have the proper entitlements to the property.

The Director of Finance stated that he is monitoring the project with the Director of Environmental Management, and the notice to proceed will not be given to the contractor prior to the execution of a license agreement.

The First Deputy Corporation Counsel advised that proper land entitlements would be required before the project can be properly funded by lapsed bond proceeds.

Your Committee voted to recommend passage of the revised proposed bill and filing of the communication.

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Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. 51 (2008), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2008 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, DEPARTMENT OF FINANCE COUNTYWIDE COSTS, LANAI COMMUNITY PLAN AREA SANITATION, 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 County Communication No. 08-36 be FILED.

Adoption of this report is respectfully requested.

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BILL KAUAKEA MEDEIROS Member

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GLADYS C. BAISA Member

MICHAEL P. VICTORINO Member

JO ANNE JOHNSON Member

ORDINANCE NO. _____

BILL NO. 57 (2008)

A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2008 BUDGET
FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES,
DEPARTMENT OF FINANCE COUNTYWIDE COSTS,
LANAI COMMUNITY PLAN AREA SANITATION,
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. 3462, Bill No. 28 (2007), Draft 1, as amended, "Fiscal Year 2008 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing the Carryover/Savings General Fund in the amount of \$500,000, increasing Interfund Transfers in the amount of \$500,000, and increasing Total Estimated Revenues in the amount of \$1,000,000, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		215,964,279
Circuit Breaker Adjustment		(1,205,851)
Charges for Current Services		94,289,347
Transient Accommodations Tax		21,980,000
Public Service Company Tax		6,700,000
Licenses/Permits/Others		23,902,176
Fuel and Franchise Taxes		19,542,062
Special Assessments		7,594,000
Other Intergovernmental		31,900,000

FROM OTHER SOURCES:

Interfund Transfers	[41,899,375]	<u>42,399,375</u>
Bond/Lapsed Bond		31,825,000
Carryover/Savings:		
General Fund	[48,304,608]	<u>48,804,608</u>
Wastewater Fund		3,044,471
Highway Fund		6,477,241
Solid Waste Fund		3,550,000
Golf Fund		
Liquor Fund		1,105,915
Bikeway Fund		250,057
Water Supply Fund		<u>4,922,910</u>

TOTAL ESTIMATED REVENUES [562,045,590] 563,045,590"

SECTION 2. Ordinance No. 3462, Bill No. 28 (2007), Draft 1, as amended, "Fiscal Year 2008 Budget", is hereby amended as it pertains to Section 3.B.4.e.(5), Department of Finance, Countywide Costs, by increasing the Supplemental Transfer to the Solid Waste Fund in the amount of \$500,000, to read as follows:

"4. Department of Finance

e. Countywide Costs

(1) Fringe Benefits		44,952,142
(2) Fringe Benefit Reimbursements		(10,674,135)
(3) Bond Issuance and Debt Service		36,253,568
(4) Supplemental Transfer to the Golf Fund		329,126
(5) Supplemental Transfer to the Solid Waste Fund	[14,239,993]	<u>14,739,993</u>
(6) Insurance Programs and Self Insurance		13,550,000
(7) Transfer to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund		2,147,584
(8) Transfer to the Affordable Housing Fund		4,295,169
(9) General Costs		4,173,100
(10) Overhead Reimbursements		(6,480,210)
(11) Transfer to Emergency Fund		3,000,000
(12) Transfer to the First-Time Home Buyers' Revolving Fund		400,000
(13) Transfer to the Post-Employment Obligations Fund		11,618,360
(14) Supplemental Transfer to the Highway Fund		2,529,688"

SECTION 3. The Total Operating Appropriation is amended to reflect an increase of \$500,000, to read as follows:

"TOTAL OPERATING APPROPRIATIONS	[435,465,590]	<u>435,965,590"</u>
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SECTION 4. Ordinance No. 3462, Bill No. 28 (2007), Draft 1, as amended , "Fiscal Year 2008 Budget", is hereby amended as it pertains to Section 4.G, From the Solid Waste Funds, by adding an appropriation for the Lanai Community Plan area, Sanitation, Lanai Landfill Storm Water System Reconstruction in the amount of \$500,000, to read as follows:

"G. From the Solid Waste Funds

1. Wailuku-Kahului Community Plan Area

a. Sanitation

(1) Abandoned Vehicle, Scrap Metal, and White Goods Facility Design	200,000
(2) Central Maui Landfill (CML) Gulch Crossing Preliminary Engineering/ Permitting/Design	300,000
(3) Central Maui Landfill (CML) I & II Landfill Gas Preliminary Engineering Report	200,000
(4) Central Maui Landfill (CML) Phase V	300,000
(5) Central Maui Landfill (CML) Wind Barriers Design/Construction	500,000
(6) Materials Recovery Facility (MRF) Preliminary Engineering and Permitting	500,000
(7) Wailuku Baseyard Refuse Office	500,000

2. Lanai Community Plan Area

a. Sanitation

<u>(1) Lanai Landfill Storm Water System Reconstruction</u>	<u>500,000"</u>
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SECTION 5. The Total Capital Improvement Project Appropriations is amended to reflect an increase of \$500,000, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS [126,580,000] 127,080,000"

SECTION 6. The Total Appropriations (Operating and Capital Improvement Projects) is amended to reflect an increase of \$1,000,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) [562,045,590] 563,045,590"

SECTION 7. Material to be repealed is bracketed. New material is underscored. In printing this ordinance, the County Clerk need not include the brackets, the bracketed material or the underscoring.

SECTION 8. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



TRACI FUJITA VILLAROSA
First Deputy Corporation Counsel

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