

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

October 3, 2008

**Committee
Report No.**

08-117

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 September 15, 2008, makes reference to County Communication No. 08-191, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2009 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE DEPARTMENT OF TRANSPORTATION".

The purpose of the proposed bill is to amend the Fiscal Year (FY) 2009 Budget by reducing the Grant to Maui Economic Opportunity, Inc. (MEO) for Dialysis Transportation by \$182,000 and increasing the Grant to MEO for Transportation Service by \$182,000.

By correspondence dated September 11, 2008, the Chair of your Committee transmitted a six-page document entitled "Maui Economic Opportunity, Inc. Molokai to Maui Ferry Commuter Program", received by electronic mail from MEO.

At its meeting, your Committee met with the Budget Director; the Director of Finance; the Director of Transportation; the Corporation Counsel; and Sandy Baz, Executive Director, MEO.

Your Committee received public testimony from the General Manager of the Westin Maui Resort and Spa in support of the proposed bill.

The Director of Transportation explained that the Molokai Ferry has recently raised their commuter round trip fares by \$10, from \$15 to \$25, in response to the economic down-turn and escalating fuel costs. The proposed bill would increase the grant to MEO for transportation services and allow MEO to establish a program to subsidize the commuter fares for workers from Molokai who utilize the ferry for jobs on Maui, at a minimum of four times a week.

Mr. Baz stated that MEO will provide a \$10 subsidy to Sealink of Hawaii, Inc., the owner-operator of the Molokai Ferry, for each qualified commuter round trip. He

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further stated that MEO will verify that each commuter is eligible for the subsidy and will monitor the commuters to ensure continued eligibility.

Your Committee noted that the Revenue and Expenditure Budget for the Molokai Ferry Commuter Program submitted by MEO in coordination with the Department of Transportation includes a significant surplus of funds.

The Director of Transportation stated that the surplus was available to expand the program for additional commuters in the Molokai Ferry Commuter Program.

Your Committee was concerned that there is no subsidy program for residents that commute between Lanai and Maui.

Your Committee acknowledged that as a tri-island County, ferry service is an essential transportation option, and that interisland commuters who use the ferry service for transportation to and from work should be able to benefit from County transportation services. Moreover, these benefits should be available to all eligible County residents.

Your Committee recommended that the Department of Transportation utilize the surplus funds to establish a similar subsidy program for residents that commute between Lanai and Maui.

Your Committee noted that it may be difficult for the County to continue the subsidy in future years and strongly encouraged employers to take advantage of any Federal tax benefit programs relating to transportation.

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

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. _____ (2008), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2009 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE DEPARTMENT OF TRANSPORTATION", be PASSED ON FIRST READING and be ORDERED TO PRINT; and

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2. That County Communication No. 08-191 be FILED.

Adoption of this report is respectfully requested.

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ORDINANCE NO. _____

BILL NO. _____ (2008)

A BILL FOR AN ORDINANCE AMENDING THE
FISCAL YEAR 2009 BUDGET FOR THE
COUNTY OF MAUI AS IT PERTAINS TO THE
DEPARTMENT OF TRANSPORTATION

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

SECTION 1. Ordinance No. 3573, Bill No. 55 (2008), as amended, "Fiscal Year 2009 Budget", is hereby amended as it pertains to Section 3.B.16.a., Department of Transportation, Administration Program, by decreasing the appropriation for the Grant to Maui Economic Opportunity, Inc. for Dialysis Transportation in the amount of \$182,000 and increasing the Grant to Maui Economic Opportunity, Inc. for Transportation Service in the amount of \$182,000, to read as follows:

<u>"FUNCTIONS AND PROGRAMS</u>	<u>APPROPRIATION</u>
16. Department of Transportation	
a. Administration Program	493,386
(1) Provided, that disbursement for salaries and premium pay is limited to 5.0 equivalent personnel.	
(2) Grants and disbursements for Air Ambulance Program	672,215
(3) Grant to Maui Economic Opportunity, Inc. for Ala Hou Program	428,704
(4) Grant to Maui Economic Opportunity, Inc. for Dialysis Transportation	[921,905] <u>739,905</u>
(5) Grant to Maui Economic Opportunity, Inc. for Transit Center	700,000
(6) Grant to Maui Economic Opportunity, Inc. for Transportation Service	[4,497,864] <u>4,679,864</u>
(7) Grants and disbursements for Bus Replacement Grant	1,181,552
(8) Grants and disbursements for Bus Replacement Matching Fund	200,000
(9) Public Transit Program - Bus Stop Signage, Schedules, Maps, Marketing, etc. - General Fund	100,000
(10) Grants and disbursements for Public Transit Program - Highway Fund	6,550,000"

SECTION 2. Material to be repealed is bracketed. New material is underscored.

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

APPROVED AS TO FORM AND LEGALITY:


TRACI FUJITA VILLAROSA
First Deputy Corporation Counsel