

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

January 25, 2008

Committee
Report No.

_____ 08-14

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 January 7, 2008, makes reference to County Communication No. 07-347, 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, MOLOKAI 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 increasing Carryover/Savings in the General Fund by \$12,350,000; and adding an appropriation to Section 4.A.7.a., Molokai Community Plan Area, Government Facilities, for the "New Kaunakakai Fire Station" project, in the amount of \$12,350,000.

2. A document entitled "Certification of Additional Revenues for Fiscal Year 2008" dated December 14, 2007, pursuant to Section 9-9.1, Revised Charter of the County of Maui (1983), as amended.

The document certifies that \$12,350,000 of additional Carryover/Savings is available from the General Fund.

Your Committee notes that a \$10,500,000 appropriation in the FY 2007 Budget for a New Kaunakakai Fire Station lapsed on December 31, 2007.

By correspondence dated December 31, 2007, the Council Vice-Chair transmitted correspondence dated December 13, 2007, from a Firefighter, to the Interim Fire Chief providing a chronology of the project.

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At its meeting, your Committee met with the Budget Director; the Director of Finance; the Interim Deputy Fire Chief and an Assistant Fire Chief, Department of Fire and Public Safety; and a Deputy Corporation Counsel.

There was no public testimony.

The Chair of your Committee provided correspondence dated January 6, 2008, from Duane Ting, President of Maui Master Builders, Inc., to the Department of Fire and Public Safety, offering to “hold” the negotiated bid proposal price of \$11,802,819 until June 30, 2008.

The Director of Finance stated that the Department of Fire and Public Safety made several attempts to contract for the construction of the New Kaunakakai Fire Station before the FY 2007 Budget appropriation lapsed on December 31, 2007. The lowest bid for a “scaled down” version of the fire station was \$11,802,819. He explained that the bill before your Committee proposes to add an appropriation of \$12,350,000 in the FY 2008 Budget for the New Kaunakakai Fire Station, and that the appropriation reflects the lowest bid and a contingency of \$547,181.

Your Committee noted that before construction may begin, the Department must subdivide the land from a larger parcel and finalize its purchase from Molokai Properties, Ltd.

The Assistant Fire Chief stated that preliminary subdivision approval was granted on August 13, 2007. Before final subdivision approval is granted, the Department must complete ten outstanding conditions and submit a revised “plat map”.

The Assistant Fire Chief stated that a Firefighter III has been assigned as project manager for this project and the Department will consider supporting the position with outside consultants. He said he is confident that the subdivision and purchase will be completed on a timely basis.

Your Committee was concerned that the proposed \$12,350,000 FY 2008 Budget appropriation for the scaled-down version of the New Kaunakakai Fire Station, is well in excess of the \$10,500,000 appropriated in the FY 2007 Budget. Your Committee was also concerned that the Department intends to award the contract to a company that has not completed its contract for the construction of the Wailea Fire Station.

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The Director of Finance stated that the contract for the construction of the New Kaunakakai Fire Station will require completion of the project within 540 days of the notice to proceed. He noted that the items in dispute for the Wailea Fire Station have not prevented the County from operating the facility.

Your Committee conducted extensive deliberations on the items deleted from the original bid specifications and their possible effects on the fire station's operations.

Your Committee recommended that the proposed bill be revised to incorporate nonsubstantive revisions because of pending budget amendments and to change the reference year of the proposed bill from "2007" to "2008".

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

Your Committee is in receipt of a revised proposed bill incorporating your Committee's recommendations.

Your Budget and Finance Committee **RECOMMENDS** the following:

1. That Bill No. _____ (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, MOLOKAI COMMUNITY PLAN AREA GOVERNMENT FACILITIES, 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. 07-347 be FILED.

Adoption of this report is respectfully requested.

