

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 4, 2008

Committee
Report No.

_____ 08-45 _____

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 4, 2008, makes reference to the following:

1. County Communication No. 07-326, from the Director of Finance, transmitting the Finance Director's Quarterly Report and the Capital Improvement Projects Report for Fiscal Year July 1, 2007 to June 30, 2008 (as of September 30, 2007); and
2. County Communication No. 08-57, from the Director of Finance, transmitting the Finance Director's Quarterly Report and the Capital Improvement Projects Report for Fiscal Year July 1, 2007 to June 30, 2008 (as of December 31, 2007).

Your Committee notes that Section 8-4.3, Revised Charter of the County of Maui (1983), as amended, requires the Director of Finance to submit to the Council, a quarterly report through the Mayor, showing the exact financial condition of the County and of each of its agencies and executive departments.

At its meeting, your Committee met with the Director of Finance; the Deputy Director of Public Works; a Civil Engineer, Engineering Division, Department of Public Works; the Wastewater Reclamation Division Chief, Department of Environmental Management; the Fiscal Officer, Department of Water Supply; a Civil Engineer, Engineering Division, Department of Water Supply; and the First Deputy Corporation Counsel.

There was no public testimony.

The Director of Finance stated that as of December 31, 2007, the County has collected 52 percent of total revenues projected for the Fiscal Year (FY) 2008 Budget. He further stated that based on departmental expenditures as of December 31, 2007, it

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appears that adequate funds are available for most of the departments for the remainder of the fiscal year.

Your Committee questioned why 70 percent of fuel and franchise taxes were not collected by the midpoint of the fiscal year.

The Director of Finance explained that some franchise tax revenue is not realized until the end of the year. He further explained that soaring gas prices may have caused a reduction in the amount of fuel purchased, and since fuel taxes are levied on each gallon of gas purchased, the amount of fuel tax revenues the County may receive is less than the projected revenue.

The Director of Finance stated that revenue from the Solid Waste Fund is significantly less than projected revenues. He further stated that the Administration is concerned that this shortfall could affect operations in the Solid Waste Division and, therefore, has transmitted to the Council a proposed bill to amend the FY 2008 Budget to provide additional resources.

Your Committee noted the considerable amount of vacant positions in various departments as of December 31, 2007 and noted its concern with funding vacant positions in the FY 2008 Budget when the departments are unable to fill these positions during the fiscal year.

Your Committee voted to recommended filing of the communications.

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

1. That County Communication No. 07-326 be FILED; and
2. That County Communication No. 08-57 be FILED.

Adoption of this report is respectfully requested.

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