

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

October 20, 2006

**Committee**  
**Report No.**

06-119

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 3, 2006, makes reference to County Communication No. 06-234, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2007 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, CAPITAL IMPROVEMENT PROJECTS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)". (proposed Budget bill)

The purpose of the proposed Budget bill is to increase the Bond/Lapsed Bond appropriation by \$3,300,000; and to add a \$3,300,000 appropriation for the "Central Maui Landfill, Phase IV-B" project in the Wailuku-Kahului Community Plan District, Bond Fund.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3388, BILL NO. 35 (2006) RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI". (proposed Bond bill)

The purpose of the proposed Bond bill is to increase the general obligation bond authorization by \$3,300,000 for the "Central Maui Landfill, Phase IV-B" project in the Wailuku-Kahului Community Plan District, for a total bond principal amount not to exceed \$27,905,000.

By correspondence dated September 29, 2006, the Budget Director transmitted a revised proposed Budget bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2007 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, CAPITAL IMPROVEMENT PROJECTS, AND TOTAL

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APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)".  
The revised proposed Budget bill incorporates nonsubstantive revisions.

At its meeting, your Committee met with the Budget Director, the Director of Finance, the Director of Public Works and Environmental Management, the Solid Waste Division Chief from the Department of Public Works and Environmental Management, and a Deputy Corporation Counsel.

There was no public testimony.

At the meeting, the Director of Public Works and Environmental Management submitted a document entitled "County of Maui, Solid Waste Division, Central Maui Landfill Phase IV-B Construction".

The Solid Waste Division Chief provided an overview of the current operations at the Central Maui Landfill and the future improvements planned in the Central Maui Landfill, Phase IV-B project.

The Solid Waste Division Chief stated that the Central Maui Landfill, Phase IV-A project was completed in December 2005 and had an estimated useful life of two years, assuming the landfill received 400 tons of waste per day. He further stated that the existing landfill currently receives between 600 to 655 tons of waste per day and is expected to reach its capacity between December 2006 and February 2007.

The Solid Waste Division Chief stated that the Central Maui Landfill, Phase IV-B project primarily involves the excavation of an eight-acre site adjacent to the current landfill, installation of drain pipes and a liner, and the filling of a leachate lagoon. He further stated that the lowest bid for the construction of Phase IV-B was approximately \$5.2 million, which amounts to a \$2.2 million shortfall in the funds appropriated in the Fiscal Year (FY) 2006 Budget for this project.

Your Committee was concerned that the Administration had not evaluated whether existing funds from capital improvement projects funded in the FY 2006 and FY 2007 Budgets could be utilized to supplement this project before requesting additional bond funding.

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Your Committee was also concerned about the timeliness of the request, noting that the request for additional funds comes just a few months before the current landfill site will reach capacity.

The Solid Waste Division Chief stated that the Division has been concentrating its efforts on daily landfill operations and compliance with State and Federal regulations. He further stated that in hindsight, the Department should have started the procurement process earlier.

Your Committee voted to recommend passage of the revised proposed Budget bill and the proposed Bond bill on first reading, and filing of the communication.

Your Committee is in receipt of a revised proposed Budget bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2007 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, CAPITAL IMPROVEMENT PROJECTS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)", from the Department of the Corporation Counsel, containing a nonsubstantive revision.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. \_\_\_\_\_ (2006), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2007 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, CAPITAL IMPROVEMENT PROJECTS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)", be PASSED ON FIRST READING and be ORDERED TO PRINT;
  
2. That Bill No. \_\_\_\_\_ (2006), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3388, BILL NO. 35 (2006) RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI", be PASSED ON FIRST READING and be ORDERED TO PRINT; and

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3.       That County Communication No. 06-234 be FILED.

Adoption of this report is respectfully requested.

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Committee  
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\_\_\_\_\_  
DAIN P. KANE Chair

\_\_\_\_\_  
DANNY A. MATEO Member

\_\_\_\_\_  
G. RIKI HOKAMA Vice-Chair

\_\_\_\_\_  
MICHAEL J. MOLINA Member

\_\_\_\_\_  
MICHELLE ANDERSON Member

\_\_\_\_\_  
JOSEPH PONTANILLA Member

\_\_\_\_\_  
ROBERT CARROLL Member

\_\_\_\_\_  
CHARMAINE TAVARES Member

\_\_\_\_\_  
JO ANNE JOHNSON Member

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2006)

A BILL FOR AN ORDINANCE AMENDING  
THE FISCAL YEAR 2007 BUDGET FOR THE  
COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES,  
CAPITAL IMPROVEMENT PROJECTS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL  
IMPROVEMENT PROJECTS)

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

SECTION 1. Ordinance No. 3390, Bill No. 37 (2006), "Fiscal Year 2007 Budget", Section 2, is hereby amended as it pertains to the Estimated Revenues by increasing Bond/Lapsed Bond in the amount of \$3,300,000, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		\$194,138,436
Circuit Breaker Adjustment		(\$1,300,000)
Charges for Current Services		\$79,353,825
Transient Accommodations Tax		\$20,150,000
Public Service Company Tax		\$5,200,000
Licenses/Permits/Others		\$21,060,342
Fuel and Franchise Taxes		\$17,837,778
Special Assessments		\$11,914,000
Other Intergovernmental		\$30,047,123

FROM OTHER SOURCES:

Interfund Transfers		\$31,390,430
Bond/Lapsed Bond	[\$31,715,000]	<u>\$35,015,000</u>
Carryover/Savings:		
General Fund		\$23,729,588
Wastewater Fund		\$1,318,854
Highway Fund		\$3,632,396
Solid Waste Fund		\$1,857,460
Golf Fund		\$0
Liquor Fund		\$591,866
Bikeway Fund		\$6,577
Water Supply Fund		<u>\$5,132,821</u>

TOTAL ESTIMATED REVENUES	[\$477,776,496]	<u><u>\$481,076,496"</u></u>
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SECTION 2. Ordinance No. 3390, Bill No. 37 (2006), "Fiscal Year 2007 Budget", Section 4.D., is hereby amended as it pertains to the Bond Fund by adding an appropriation in the amount of \$3,300,000 for a Sanitation project called "Central Maui Landfill, Phase IV-B" under the Wailuku-Kahului Community Plan District, to read as follows:

"PROJECT TITLE

D. From the Bond Fund		
1. Hana Community Plan District		
a. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:		\$1,950,000
(1) Kaholopo'o Bridge Replacement		
(2) Papahawahawa Bridge Replacement		
2. Paia-Haiku Community Plan District		
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) Baldwin Park Bikeway		\$500,000
(2) Upper Ulumalu Road		\$250,000
3. Makawao-Pukalani-Kula Community Plan District		
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) Kimo Drive Resurfacing		\$400,000
(2) Piiholo Road Resurfacing		\$200,000
(3) Alaluana Road Resurfacing		\$100,000
4. Wailuku-Kahului Community Plan District		
a. Drainage		
(1) Iao Stream Improvements		\$500,000
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) Market Street Improvements		\$2,000,000
c. Sewer		
(1) Wailuku-Kahului Wastewater Reclamation Facility (WWRF) Tsunami Protection		\$500,000
<u>d. Sanitation</u>		
<u>(1) Central Maui Landfill, Phase IV-B</u>		<u>\$3,300,000</u>
5. Kihei-Makena Community Plan District		
a. Sanitation		
(1) Kihei Recycling and Redemption Center		\$755,000

6. West Maui Community Plan District	
a. Drainage	
(1) Lahaina Watershed Flood Control	\$1,900,000
b. Parks and Recreation	
(1) Boys and Girls Club of Maui - Lahaina Unit	\$1,500,000
c. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
(1) Lower Honoapiilani Road Improvements	\$1,000,000
d. Sanitation	
(1) Lahaina Recycling Drop-box and Redemption Center	\$75,000
(2) Olowalu Convenience Center Resurfacing	\$150,000
e. Sewer	
(1) Lahaina Wastewater Reclamation Facility (WWRF) Modifications, Stage IA	\$2,500,000
7. Lanai Community Plan District	
a. Sanitation	
(1) Lanai Landfill Storm Water System Reconstruction	\$1,000,000
8. Molokai Community Plan District	
a. Drainage	
(1) Kaunakakai Drainage Improvement System	\$2,000,000
b. Water Supply	
(1) Pano and Puili Place Waterline Improvement	\$400,000
9. Countywide	
a. Drainage	
(1) Countywide Drainage Improvements	\$500,000
b. Government Facilities	
(1) New County Morgue	\$200,000
c. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	\$300,000
(1) Countywide Bridge Repair and Maintenance	
d. Sewer	
(1) Countywide Environmental Protection Agency (EPA) Consent Decree Wastewater Reclamation Facility (WWRF) Renovation Projects	\$1,900,000
(2) Environmental Protection Agency (EPA) Consent Decree Compliance Projects	\$1,000,000
e. Water Supply	
(1) Acquisition of Wailuku Water Company watershed and water-related assets Provided, that bond authorization is approved.	\$7,000,000
(2) Countywide Pump Replacements	\$1,000,000



f. Other

(1) Countywide Equipment

Provided, that the Bond shall be for the purchase of the following equipment:

- (a) Department of Public Works and Environmental Management, Solid Waste Division - D8 Bulldozer, Loader, Water Wagon, Service Truck, Diesel Tank, Backhoe, and Forklift with Trailer \$1,475,000
- (b) Department of Fire and Public Safety - Fire Pumper Truck (Lahaina) \$550,000"

SECTION 3. The Total Capital Improvement Project Appropriations is amended to reflect an increase in the amount of \$3,300,000, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS [ \$112,917,123]  \$116,217,123"

SECTION 4. The Total Appropriations (Operating and Capital Improvement Projects) is amended to reflect an increase in the amount of \$3,300,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) [ \$477,776,496]  \$481,076,496"

SECTION 5. Material to be replaced is bracketed. New material is underscored. In printing this ordinance, the County Clerk need not include the brackets, the bracketed materials or the underscoring.

SECTION 6. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:

*for*   
TRACI FUJITA VILLAROSA  
First Deputy Corporation Counsel

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ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2006)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3388,  
BILL NO. 35 (2006), RELATING TO THE ISSUANCE OF  
GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI

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

SECTION 1. Ordinance No. 3388, Bill No. 35 (2006), 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 [~~\$24,605,000~~] \$27,905,000 (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. 3388, Bill No. 35 (2006), 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 Operating Budget and Capital Improvements Program Ordinance, including amendments and supplements thereto, duly adopted by the Council of the County for the fiscal year ending June 30, 2007; 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 this Council deems should not be applied to such purposes, may be applied to finance such other public improvements of the County as the Council of the County 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 Operating Budget and Capital Improvements Program Ordinance, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:

Estimated Project Cost

1. Hana Community Plan District
  - a. Road Improvements (and related improvements \$1,950,000 beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:
    - (1) Kaholopo`o Bridge Replacement
    - (2) Papahawahawa Bridge Replacement
  
2. Paia-Haiku Community Plan District
  - 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) Baldwin Park Bikeway \$ 500,000
    - (2) Upper Ulumalu Road \$ 250,000
  
3. Makawao-Pukalani-Kula Community Plan District
  - 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) Kimo Drive Resurfacing \$ 400,000
    - (2) Piiholo Road Resurfacing \$ 200,000
    - (3) Alaluana Road Resurfacing \$ 100,000

4. Wailuku-Kahului Community Plan District
  - a. Drainage
    - (1) Iao Stream Improvements \$ 500,000
  - 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) Market Street Improvements \$2,000,000
  - c. Sewer
    - (1) Wailuku-Kahului Wastewater Reclamation Facility (WWRF) Tsunami Protection \$ 500,000
  - d. Sanitation
    - (1) Central Maui Landfill, Phase IV-B \$3,300,000
  
5. Kihei-Makena Community Plan District
  - a. Sanitation
    - (1) Kihei Recycling and Redemption Center \$ 755,000
  
6. West Maui Community Plan District
  - a. Drainage
    - (1) Lahaina Watershed Flood Control \$1,900,000
  - b. Parks and Recreation
    - (1) Boys and Girls Club of Maui - Lahaina Unit \$1,500,000
  - c. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:
    - (1) Lower Honoapiilani Road Improvements \$1,000,000
  - d. Sanitation
    - (1) Lahaina Recycling Drop-box and Redemption Center \$ 75,000
    - (2) Olowalu Convenience Center Resurfacing \$ 150,000
  - e. Sewer
    - (1) Lahaina Wastewater Reclamation Facility (WWRF) Modifications, Stage IA \$2,500,000
  
7. Lanai Community Plan District
  - a. Sanitation
    - (1) Lanai Landfill Storm Water System Reconstruction \$1,000,000
  
8. Molokai Community Plan District

- a. Drainage
    - (1) Kaunakakai Drainage Improvement System \$2,000,000
  - b. Water Supply
    - (1) Pano and Puili Place Waterline Improvement \$ 400,000
9. Countywide
- a. Drainage
    - (1) Countywide Drainage Improvements \$ 500,000
  - b. Government Facilities
    - (1) New County Morgue \$ 200,000
  - c. 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 Repair and Maintenance \$ 300,000
  - d. Sewer
    - (1) Countywide Environmental Protection Agency (EPA) Consent Decree Wastewater Reclamation Facility (WWRF) Renovation Projects \$1,900,000
    - (2) Environmental Protection Agency (EPA) Consent Decree Compliance Projects \$1,000,000
  - e. Water Supply
    - (1) Countywide Pump Replacements \$1,000,000
  - f. Other
    - (1) Countywide Equipment
      - Provided, that the Bond shall be for the purchase of the following equipment
      - (a) Department of Public Works and Environmental Management, Solid Waste Division - D8 Bulldozer, Loader, Water Wagon, Service Truck, Diesel Tank, Backhoe, and Forklift with Trailer \$1,475,000
      - (b) Department of Fire and Public Safety - Fire Pumper Truck (Lahaina) \$ 550,000

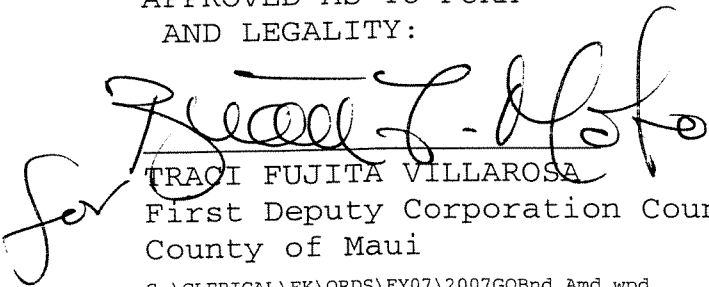
The cost of issuance of the Bonds or any series thereof, including without limitation, the initial fee of paying agents and registrars, the fees of financial consultants and bond counsel, the

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. In printing this ordinance, the County Clerk need not include the brackets, the bracketed material, or the underscoring.

SECTION 4. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM  
AND LEGALITY:

  
TRACI FUJITA VILLAROSA  
First Deputy Corporation Counsel  
County of Maui

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