

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

July 8, 2003

Committee  
Report No.

03-48

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 June 17, 2003, makes reference to County Communication No. 03-103, from the Chair of the Cost of Government Commission, transmitting a document entitled "REPORT OF FINDINGS AND RECOMMENDATIONS FOR COMMISSION YEAR APRIL 1, 2002 TO MARCH 31, 2003" (Report, attached hereto as Exhibit "1").

Your Committee notes that the Report was submitted to the Council pursuant to Subsection 8-15.2(4) of the Charter of the County of Maui (Charter).

At its meeting, your Committee met with an Executive Assistant to the Mayor; a Deputy Corporation Counsel; and Jack Crow, Chair of the Cost of Government Commission.

Your Committee notes that Mr. Crow spoke as an individual and not as a representative of the Cost of Government Commission (Commission). He provided insight into the Report and explained how the Commission reached its conclusions.

Your Committee received a copy of Chapter 15 of the Charter, relating to the Cost of Government Commission.

Your Committee further notes that the Report's format is divided into two sections. The first section is a follow-up on the items in last year's report; the second section addresses new areas. The report includes 12 items in section one and 7 items in section two.

Your Committee received an overview of the first seven items of section one. The overview is summarized as follows.

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

July 8, 2003  
Page 2

Committee  
Report No. 03-48

County Vehicle Usage:

The Commission recommended that individual County departments develop policies regarding the use of County vehicles. One area of concern related to the potential for liability when people other than County employees ride in County vehicles.

The Executive Assistant to the Mayor stated that the prior Administration issued a high-level, broad policy regarding the use of County vehicles. However, due to the unique nature of each department, it was difficult to develop a single policy that would cover all situations for the County. For example, the vehicles used by the Department of Housing and Human Concerns for its senior services program may also transport non-County employees.

Mr. Crow explained that the Commission operates in an advisory capacity only, its time to review issues is limited, and it can only make recommendations to the Mayor and the Council. The Commission cannot demand that changes be made.

Real Property Leases/Licenses by and to the County:

Mr. Crow explained that the number of problem leases have been reduced from 46 to 12. He stated that the issue is a lack of overall direction and coordination regarding leases and licenses. He further noted that the Commission will continue to follow-up on this matter.

Small Tools and Equipment:

Mr. Crow stated that the concern is the accountability for items costing less than \$500. He further stated that the Commission would continue to follow-up on this matter, which primarily relates to the Department of Parks and Recreation.

Puunene Area License and Permits:

The Commission raised concerns that: (1) the Valley Isle Timing Association was not paying the fees for individual events; (2) \$85,000 was an excessive expenditure for paving part of the drag strip; and (3) the area was

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

July 8, 2003  
Page 3

Committee  
Report No. 03-48

never used by the Department of Police for police officer pursuit driver training. Mr. Crow indicated that the issue of payment of fees has since been resolved.

Your Committee notes that the \$85,000 to pave part of the drag strip was a County grant to the Valley Isle Timing Association, and that the use of the facility by the Department of Police was secondary to the purpose of the paving.

Old Wailuku Post Office Building:

The Commission was concerned that the building is not being used to its highest and best use. An investigative report prepared by a committee of the Commission raised concerns regarding the lack of proper maintenance of the building, the need to protect the records stored in the building, and the lack of a proper records management system.

Your Committee recognized that the Old Wailuku Post Office Building, which is located in a central location near the existing County buildings (the Old Circuit Court, Kalana O Maui, and Kalana Pakui buildings), could provide additional office space for County services. Your Committee expressed interest in the County acquiring the building either by purchase or condemnation.

Hana Marketplace:

The Commission was concerned that after an investment of \$2.2 million, the Hana Marketplace (Marketplace) was still incomplete and not being utilized. Mr. Crow stated that other options for using the Marketplace had not been considered by the Commission. He further stated that the Commissioners felt that the Marketplace should be completed because of the large investment and the need for economic development in the Hana community.

Your Committee notes that the investment included funds from the Federal government, Office of Hawaiian Affairs (OHA) and the County. The County's share was \$180,000 or 9 percent of the total investment. Your Committee further notes that OHA has jurisdiction over the Marketplace.

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

July 8, 2003  
Page 4

Committee  
Report No. 03-48

Homeowner's Exemption:

The Commission was informed of situations in South Maui where condominium owners, who may not be entitled to the homeowner's exemption, are claiming such an exemption. Upon further questioning, Mr. Crow stated that the Commission's information was obtained on a confidential basis and specific information could not be disclosed.

Your Committee expressed concern that if specific information cannot be disclosed, the Department of Finance is unable to verify or defend the accusations. The Department relies on the taxpayer's statement of residency and would have a difficult time to reduce or eliminate the errors in homeowner's exemptions when taxpayers are not accurate regarding their residency or use of their condominiums.

The Director of Finance informed your Committee that he had discussed the situation with the Real Property Tax Administrator and did not believe the situation was as widespread as the Commission estimated. He stated that the Department is considering conducting another survey of condominium owners' residency, noting that the last survey was completed in 1992.

Your Committee voted to recommend referral of the item relating to the County's Vehicle Usage to the Committee of the Whole, referral of the item relating to the Old Wailuku Post Office Building to the Government Relations Committee, and referral of the item relating to the Hana Marketplace to the Energy and Economic Development Committee for further consideration.

Your Committee deferred the matter pending further discussion.

Your Budget and Finance Committee RECOMMENDS the following:

1. That the matter relating to the County's Vehicle Usage (as it relates to the Cost of Government Commission's Report) be REFERRED to the Committee of the Whole for further consideration;

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

July 8, 2003  
Page 5

**Committee**  
**Report No.**     03-48

2.     That the matter relating to the Old Wailuku Post Office Building (as it relates to the Cost of Government Commission's Report) be REFERRED to the Government Relations Committee for further consideration; and
  
3.     That the matter relating to the Hana Marketplace (as it relates to the Cost of Government Commission's Report) be REFERRED to the Energy and Economic Development Committee for further consideration.

Adoption of this report is respectfully requested.

bf:cr:0311aa:trk

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

July 8, 2003  
Page 6

Committee  
Report No. 03-48

---

**G. RIKI HOKAMA** **Chair**

---

**DANNY A. MATEO** **Member**

---

**WAYNE K. NISHIKI** **Vice-Chair**

---

**MICHAEL J. MOLINA** **Member**

---

**ROBERT CARROLL** **Member**

---

**JOSEPH PONTANILLA** **Member**

---

**JO ANNE JOHNSON** **Member**

---

**CHARMAINE TAVARES** **Member**

---

**DAIN P. KANE** **Member**