

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

February 20, 2004

Committee
Report No.

04-30

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 27, 2004, makes reference to County Communication No. 03-297, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2004 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, DEPARTMENT OF FINANCE COUNTYWIDE COSTS, DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT LANDFILL DISPOSAL PROGRAM - SOLID WASTE FUND, OPERATING APPROPRIATIONS, CAPITAL IMPROVEMENT PROJECTS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)" (budget bill).

The purposes of the budget bill are to appropriate funds for the following:

1. Removal of junk cars at the Molokai and Hana landfills, by amending the Estimated Revenues to increase the Interfund Transfers by \$800,000, the Carryover/Savings in the General Fund by \$800,000, and the Supplemental Transfer to the Solid Waste Fund by \$800,000, and to add \$800,000 to the Landfill Disposal Program – Solid Waste Fund with a provision that the \$800,000 is for the removal of junk cars from the Molokai and Hana Landfills; and
2. Central Maui Landfill – Phase IV-A, by amending the Estimated Revenues to increase the Bond/Lapsed Bond by \$400,000, and to add an appropriation of \$400,000 in the Capital Improvement Project appropriation for the Wailuku-Kahului Community Plan District from the Bond Fund for the Central Maui Landfill - Phase IV-A project.

By correspondence dated December 9, 2003, the Department of the Corporation Counsel transmitted a proposed bill entitled "A BILL FOR AN

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ORDINANCE AMENDING ORDINANCE NO. 3123, BILL NO. 15 (2003), AS AMENDED, RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI” (bond bill). The purpose of the bond bill is to increase the bond authorization by \$400,000 for the Central Maui Landfill - Phase IV-A Capital Improvement Project.

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

There was no public testimony.

Your Committee received the following documents from the Budget Director:

1. A revised proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2004 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, DEPARTMENT OF FINANCE COUNTYWIDE COSTS, DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT LANDFILL DISPOSAL PROGRAM - SOLID WASTE FUND, OPERATING APPROPRIATIONS, CAPITAL IMPROVEMENT PROJECTS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)” (revised budget bill).

The revised budget bill amends the Estimated Revenues to increase the Bond/Lapsed Bond by \$400,000 and the Carryover/Savings in the Solid Waste Fund by \$800,000 for the Landfill Disposal Program – Solid Waste Fund with a provision that \$800,000 is for the removal of junk cars from the Molokai and Hana Landfills. The bill also incorporates housekeeping changes because of pending budget amendments, and changes the year from “2003” to “2004”.

2. A revised proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3123, BILL NO. 15 (2003), AS

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AMENDED, RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI” (revised bond bill).

The revised bond bill incorporates housekeeping changes because of pending budget amendments, and changes the year from “2003” to “2004”.

3. A document entitled “CERTIFICATION OF ADDITIONAL REVENUES FOR FISCAL YEAR 2004”.

The document certifies that \$800,000 is available for appropriation from the Solid Waste Fund and \$200,000 from the Highway Fund.

The Budget Director informed your Committee that the Estimated Revenues from Carryover/Savings in the Solid Waste Fund are higher than anticipated for Fiscal Year (FY) 2004. The revised budget bill appropriates \$800,000 from Carryover/Savings in the Solid Waste Fund as opposed to increasing the General Fund’s Supplemental Transfer to the Solid Waste Fund.

The Director of Public Works and Environmental Management provided an overview of the request for the Molokai and Hana landfills. He stated that past attempts to remove scrap metal (which include junk cars, appliances, and other metals) from the Molokai and Hana landfills have been inadequate. He noted that the estimates to remove scrap metal were significantly higher than the budget appropriation.

The Solid Waste Division Chief stated that because of the volume of scrap metal accumulated at the Molokai landfill and health and safety issues, the Solid Waste Division (Division) notified the State Department of Health (DOH) that the County was moving forward with removing the scrap metal. He stated that the DOH considers the County to be in violation of its permit. He did not know the amount of the fine the DOH would levy on the County.

Your Committee expressed concern that the Division did not take action to remove the scrap metal until health and safety issues were raised and the County was considered to be in violation of its permit.

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The Solid Waste Division Chief indicated that future budgets would contain appropriation requests for the ongoing removal of scrap metal for the protection of the public and the environment.

The Solid Waste Division Chief provided an overview of the request for the additional funds for the Central Maui Landfill – Phase IV-A project. He informed your Committee that when Phase IV-A was constructed, there were misunderstandings between the County and the DOH and the final design was not approved. Before the facility can be opened, deficiencies need to be corrected. He stated that \$300,000 of the estimated \$400,000 appropriation would be used to double the “operations layer” from 18 to 36 inches. The “operations layer” is a layer of gravel that covers the bottom of the landfill and protects liquid-repelling liners underneath. Another \$50,000 is required to replace a 3,000,000 gallon leachate lagoon with a 10,000 gallon tank. Leachate is rainwater contaminated by landfill waste that must be caught by the liners to prevent the liquid from percolating into the groundwater. The remainder will cover testing and relining of the landfill sump, where leachate collects before it is pumped into a containment system. Existing funds will cover the costs to reline a manhole station, and improve storm water control measures.

The Solid Waste Division Chief further noted that part of the deficiencies relate to a change in Federal code requirements.

Your Committee expressed concern that the Division and the DOH have had years to resolve the dispute, and that costs for the delay will be borne by County taxpayers.

Your Committee recommended that the revised budget bill be further revised to change “removal of junk cars” to “removal of scrap metal” and to delete the increase in bond authorization for the Central Maui Landfill - Phase IV-A.

Your Committee further recommended that the Administration review the bond-funded projects to determine whether other Capital Improvement Projects funded from the Bond Fund can be reprioritized to avoid increasing the appropriation for the Central Maui Landfill – Phase IV-A project.

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Your Committee voted to recommend passage of the revised budget bill relating to the removal of scrap metal at the Molokai and Hana Landfills on first reading.

Your Committee deferred discussion relating to the Central Maui Landfill - Phase IV-A project pending receipt of a revised bill.

Your Committee is in receipt of a revised budget bill, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2004 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT LANDFILL DISPOSAL PROGRAM – SOLID WASTE FUND OPERATING APPROPRIATIONS AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)", incorporating your Committee's recommendations.

Your Budget and Finance Committee RECOMMENDS that Bill No. _____ (2004), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2004 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT LANDFILL DISPOSAL PROGRAM – SOLID WASTE FUND OPERATING APPROPRIATIONS AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)" be PASSED ON FIRST READING and be ORDERED TO PRINT.

Adoption of this report is respectfully requested.

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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**