

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

March 5, 2004

Committee  
Report No.

04-42

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 February 17, 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.

Your Committee notes that it previously reported on this matter through Committee Report No. 04-30, which recommended that a proposed bill entitled

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

March 5, 2004  
Page 2

Committee  
Report No. 04-42

“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. The proposed bill authorized an appropriation for the removal of scrap metal at the Molokai and Hana landfills. Your Committee deferred discussion relating to the Central Maui Landfill - Phase IV-A project pending receipt of a revised bill to delete the increase in bond authorization for the project. At its meeting of February 20, 2004, the Council adopted Committee Report No. 04-30 (Bill No. 15 (2004)).

By correspondence dated February 9, 2004, the Budget Director transmitted the following:

1. A revised proposed budget bill entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2004 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO CAPITAL IMPROVEMENT PROJECTS”. The purpose of the revised proposed budget bill is to amend the Fiscal Year 2004 budget relating to Capital Improvement Program (CIP) projects to reduce the appropriation in the Molokai Community Plan District Drainage System Projects by \$600,000, and appropriate the funds as follows:
  - a. Wailuku-Kahului Community Plan District (\$400,000 for the Central Maui Landfill - Phase IV-A; and
  - b. Kihei-Makena Community Plan District (\$200,000 for the Wailea Alanui Culvert Replacement).
2. A proposed bill entitled “A BILL FOR AN 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 proposed bond bill is to amend the CIP projects in the Wailuku-Kahului Community Plan District, the Kihei-Makena Community

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

March 5, 2004  
Page 3

Committee  
Report No. 04-42

Plan District, and the Molokai Community Plan District with no increase in total bond authorization.

At its meeting, your Committee met with the Budget Director, the Director of Public Works and Environmental Management, and the First Deputy Corporation Counsel.

There was no public testimony.

The Director of Public Works and Environmental Management informed your Committee that the Department had reviewed pending CIP projects and concluded that the Kaunakakai Drainage Project in the Molokai Community Plan District is currently stalled due to unforeseen circumstances. He noted that the project could not resume until a ruling is made by the State Department of Health (DOH) and the United States Environmental Protection Agency (EPA) regarding an oil leak discovered during the drainage excavation.

Your Committee requested that the Kaunakakai Drainage Project continue to remain a high priority on the Department's CIP list, and that the Department monitor the resolution of the oil leak with the DOH and the EPA.

The Director stated that of the \$600,000 from the Molokai Community Plan District Drainage Projects, \$400,000 would be used to complete the Central Maui Landfill – Phase IV-A project, and \$200,000 would be used for the Wailea Alanui Culvert Replacement project. Funding for the latter project was needed to repair damages caused by flooding that created a large sinkhole.

Your Committee noted that, according to the report of contracts for December 2003, from the Director of Finance, funds were encumbered for the Molokai Community Plan District Drainage Projects. Therefore, these funds are not available for reappropriation. The First Deputy Corporation Counsel concurred that \$600,000 must be unencumbered from the contract before the Council can act on the proposed budget amendment.

The Budget Director informed your Committee that the Department of Public Works and Environmental Management had initiated a request to amend the contract for the drainage project and to unencumber the funds. The Budget

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

March 5, 2004  
Page 4

Committee  
Report No. 04-42

Director stated that he believed there is sufficient time to provide your Committee with a certification of available funds prior to first reading of the proposed bill.

The First Deputy Corporation Counsel advised your Committee that it could vote to recommend adoption of the proposed bill, but the Council could not act on the recommendation until the Mayor certified the availability of funds.

Your Committee recommended that the budget bill and the bond bill be further revised to incorporate housekeeping changes because of pending budget amendments.

Your Committee voted to recommend passage of the revised budget bill and the revised bond bill on first reading, and filing of the communication.

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 CAPITAL IMPROVEMENT PROJECTS", and a revised bond bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3123, BILL NO. 15 (2003), AS AMENDED, RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI", incorporating your Committee's recommendations.

Your Budget and Finance Committee RECOMMENDS the following:

1. 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 CAPITAL IMPROVEMENT PROJECTS", be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That Bill No. \_\_\_\_\_ (2004), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3123, BILL NO. 15 (2003), AS AMENDED, RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI", be PASSED ON FIRST READING and be ORDERED TO PRINT; and
3. That County Communication No. 03-297 be FILED.

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

March 5, 2004  
Page 5

**Committee**  
**Report No.**     04-42

Adoption of this report is respectfully requested.

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

March 5, 2004  
Page 6

Committee  
Report No. 04-42

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

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

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

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

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**ROBERT CARROLL** **Member**

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**JOSEPH PONTANILLA** **Member**

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

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**CHARMAINE TAVARES** **Member**

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