

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

June 4, 2004

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

04-83

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 May 12, 2004, makes reference to County Communication No. 04-101, 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 THE ESTIMATED REVENUES, THE DEPARTMENT OF FINANCE COUNTYWIDE COSTS, THE OFFICE OF THE MAYOR, THE DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT AND THE DEPARTMENT OF TRANSPORTATION".

The purpose of the proposed bill is to increase the Fiscal Year (FY) 2004 appropriation in the Department of Public Works and Environmental Management, Landfill Disposal Program – Solid Waste Fund, by \$380,000. The funds will supplement the operations account so that payments can be made to process sewage sludge until June 30, 2004.

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.

Your Committee received public testimony from two members of the public expressing concerns about the co-composting facility at the Central Maui Landfill.

Your Committee is in receipt of a revised proposed bill from the Budget Director. The bill incorporates housekeeping changes.

The Budget Director informed your Committee that the sources of funding for the \$380,000 appropriation in the Landfill Disposal Program include: (1) \$150,000 in unexpended funds from "Grants and disbursements for Dengue Fever, Anthrax, and other health-related issues" in the Office of the Mayor; (2) \$22,500 in unexpended funds from the "Government Accounting

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Standards Board Statement No. 34 compliance" (GASB 34) program in the Office of the Mayor; (3) \$50,000 from the Administration and Engineering Program - Wastewater Fund as a contribution to process the increase in sewage sludge; and (4) \$157,500 from "Grants and disbursements for Dialysis Transportation" from the Department of Transportation, which is no longer needed because the Department received a Federal grant for this purpose.

The Director of Public Works and Environmental Management stated that EKO Systems, Inc., dba Maui EKO Systems (EKO), has the contract with the County of Maui to process sewage sludge. He explained that the contract is a volume contract, which is based on an estimated volume of sewage sludge processed annually at a specified fee. The Director stated that the Department did not expect an increase of 15 percent in the volume of sewage sludge produced.

The Solid Waste Division Chief informed your Committee that, in addition to the unanticipated increase in the volume of sewage sludge, the Division is experiencing an increase in overtime costs, fuel costs, and the volume of fats, oils and grease that is being processed. He stated that without the additional funds, the Division will be unable to make payments on the EKO contract through the last three months of FY 2004.

Your Committee requested that the Department make timelier adjustments to its budgetary figures when it becomes apparent that actual expenditures are increasing at a faster rate than estimated.

Your Committee also cautioned that payments for invoices for work performed during the fiscal year need to be paid with funds from that fiscal year, rather than waiting until July 1, which creates a shortfall in the succeeding fiscal year's budget.

Your Committee requested that the revised proposed bill be further revised to correct nonsubstantive, typographical errors.

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

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Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions requested by your Committee.

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 THE ESTIMATED REVENUES, THE DEPARTMENT OF FINANCE COUNTYWIDE COSTS, THE OFFICE OF THE MAYOR, THE DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT AND THE DEPARTMENT OF TRANSPORTATION", be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication No. 04-101 be FILED.

Adoption of this report is respectfully requested.

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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**