

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

June 18, 2004

Committee

Report No. 04-86

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 1, 2004, makes reference to County Communication No. 04-120, from the Community Development Block Grant Coordinator, transmitting a proposed resolution entitled "AMENDING RESOLUTION NO. 99-59 TO CHANGE THE SUBRECIPIENT FOR THE MAUI MOBILE DENTAL CLINIC PROJECT FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM".

The purpose of the proposed resolution is to amend Resolution No. 99-59, relating to the Community Development Block Grant (CDBG) Program to change the subrecipient for the Maui Mobile Dental Clinic Project from The Roman Catholic Church, Office of Social Ministry (OSM), to Maui Community College - Maui Oral Health Clinic (MOHC).

Your Committee notes that Resolution No. 99-59 authorized a grant to the OSM, in the amount of \$100,000 to equip and renovate a truck trailer to be used as the Maui Mobile Dental Care Clinic (mobile clinic). The grant was funded through the CDBG Program from the United States Department of Housing and Urban Development (HUD). The mobile clinic's purpose was to provide dental care for the uninsured, needy families of Maui County.

Your Committee further notes that the subrecipient agreement between the County of Maui and the OSM specifies that should the subrecipient cease to use any real or personal property acquired with CDBG funds for the purpose described in the agreement, the subrecipient shall either: 1) pay the County the current fair market value of the asset; or 2) transfer the control of the asset to the County.

Your Committee received a copy of correspondence dated May 21, 2004, from the Mayor to Kaye Lundburg, Program Director of the Mobile Care Health Project for the OSM, which chronicles the request for the transfer of assets purchased with CDBG funds, from the OSM to the MOHC. The correspondence

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also states that the OSM's action of transferring the assets effective March 9, 2004, was premature since approval by the Council had not been received.

At its meeting, your Committee met with the Budget Director and the First Deputy Corporation Counsel.

Your Committee received public testimony from two representatives of the OSM, requesting your Committee's support of the proposed resolution. They stated that the OSM's intention was to get the mobile clinic back into operation as soon as possible in order to assist the families in need of dental care. Your Committee was informed that the mobile clinic was not in use from July 1, 2003 until March 15, 2004, as the result of a funding shortage for operational costs.

The Budget Director stated that according to the CDBG Coordinator, the MOHC is willing and able to utilize the mobile clinic, and is requesting a transfer of the assets to its control in order to provide dental care for the low-income population.

Your Committee recognized the need for accessible and affordable dental care for the underserved in Maui County. However, it expressed concern that the OSM transferred the assets that were purchased with CDBG funds to the MOHC, prior to your Committee's review and Council approval.

Your Committee further noted that, although there is no question about the need for the mobile clinic and the OSM's good intentions, County and Federal guidelines must be followed when public funds are involved, and the grantee must be held accountable for its actions. Finally, your Committee expressed concern that communication between government agencies must be better coordinated to ensure timely and efficient management of programs and/or projects.

Your Committee voted to recommend adoption of the proposed resolution and filing of the communication.

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Your Budget and Finance Committee RECOMMENDS the following:

1. That Resolution No. _____, attached hereto, entitled "AMENDING RESOLUTION NO. 99-59 TO CHANGE THE SUBRECIPIENT FOR THE MAUI MOBILE DENTAL CLINIC PROJECT FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM", be ADOPTED; and
2. That County Communication No. 04-120 be FILED.

Adoption of this report is respectfully requested.

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