

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

September 21, 2004

Committee
Report No. 04-154

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 September 1, 2004, makes reference to County Communication No. 04-202, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2005 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE OFFICE OF THE MAYOR".

The purpose of the proposed bill is to change the grant recipient from "Maui Economic Opportunity Business Development Corporation" to "Maui Economic Opportunity, Inc." for the Microenterprise program.

At its meeting, your Committee met with the Budget Director, the Economic Development Coordinator, the First Deputy Corporation Counsel, and the Executive Director of Maui Economic Opportunity, Inc. (MEO).

There was no public testimony.

The Economic Development Coordinator informed your Committee that the request is for a change in the name of the grant recipient only, and that the Microenterprise program will not reduce its services to clients.

The Executive Director of MEO informed your Committee that a separate affiliate corporation, known as the Maui Economic Opportunity Business Development Corporation (Corporation), was created in order to qualify for a certain type of Federal funds. The Federal program, known as the Community Development Financial Institutions (CDFI), required that the applicant for the Federal funds certify that its primary activity was lending. The purpose of the Corporation was to lend money to individuals who were unable to obtain business loans at regular lending institutions as a result of inadequate or poor credit. According to MEO's Executive Director, the Corporation has been unsuccessful in obtaining Federal funds since the Corporation was established over four years ago. As a result of reduced funding for the CDFI program and a

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larger competitive pool of applicants, the Board of Directors of MEO has decided to dissolve the Corporation in order to reduce costs and preserve the Microenterprise program. The Executive Director stated that MEO would oversee the Microenterprise program.

The Budget Director provided a revised bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2005 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE OFFICE OF THE MAYOR", approved as to form and legality, to correct a typographical error in the title.

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

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 2005 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE OFFICE OF THE MAYOR", be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication No. 04-202 be FILED.

Adoption of this report is respectfully requested.

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WAYNE K. NISHIKI **Vice-Chair**

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