

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

December 3, 2004

**Committee
Report No.**

04-207

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 November 17, 2004, makes reference to County Communication No. 04-261, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2005 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE ESTIMATED REVENUES, AND THE DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT, TOTAL OPERATING APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)".

The purpose of the proposed bill is to amend the Fiscal Year (FY) 2005 Budget as follows:

1. increase the Carryover/Savings Solid Waste Fund by \$1,397,000;
2. increase the Landfill Disposal Program by \$1,315,000; and
3. increase the Residential Collection Program by \$82,000.

By correspondence dated November 9, 2004, the Budget Director transmitted a "Certification of Additional Revenues for Fiscal Year 2005" as required by Section 9-9.1 of the Charter of the County of Maui.

At its meeting, your Committee met with the Budget Director, the Director of Public Works and Environmental Management, the Acting Chief of the Solid Waste Division from the Department 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 \$800,000 of the request is for the removal of scrap metal

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from the Molokai and Hana landfills. The Department was not able to execute a contract prior to the end of FY 2004 because of a bid protest.

The Director of Public Works and Environmental Management stated that the Landfill Disposal Program is requesting \$140,000 for the Olowalu Convenience Center, \$30,000 for the Ka Lima O Maui Janitorial Services, \$100,000 for the Molokai Landfill as a result of higher than anticipated contract costs, \$100,000 for increased fuel costs, \$80,000 for additional overtime due to the delay in opening Phase IV of the Central Maui Landfill, and \$65,000 for additional cover material at the Phase IV facility.

The Director of Public Works and Environmental Management stated that the Residential Collection Program is requesting \$70,000 for additional fuel costs and \$12,000 for storage of automated refuse collection carts.

Your Committee expressed concerns that the Council supported the Solid Waste Division's request for a FY 2004 budget amendment for a supplemental transfer from the General Fund to the Solid Waste Fund. The request was needed for unanticipated increases in sewage sludge contractual costs through the end of FY 2004. At that time, your Committee was reluctant to transfer funds from the General Fund because unused monies transferred from the General Fund to the Solid Waste Fund cannot be returned to the General Fund. However, the Council approved the request based on the Administration's assurance that the Solid Waste Division did not have funds to pay for the additional contractual costs. It now appears that the Council's concern was justified, because the Administration has certified that there is an additional \$1,397,000 in Carryover/Savings for the Solid Waste Division.

Your Committee requested that the Budget Director provide a detailed explanation of the sources for the additional revenue in order to help prevent unnecessary transfers from the General Fund.

Your Committee requested that the Budget Director revise the proposed bill to: (1) add provisions for the increased expenditures as outlined in his transmittal letter dated October 29, 2004; and (2) revise the total for operating appropriations because of a pending budget amendment.

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

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, 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 2005 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE ESTIMATED REVENUES, AND THE DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT, TOTAL OPERATING APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)", be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication No. 04-261 be FILED.

Adoption of this report is respectfully requested.

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