

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

March 11, 2005

Committee

Report No. 05-10

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 1, 2005, makes reference to County Communication No. 04-281, from the Budget Director, transmitting the following:

1. 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, 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 2005 Budget by recognizing \$1,225,000 in General Fund Carryover/Savings and appropriating \$1,225,000 for the "Abandoned Vehicles and Scrap Metal Program – General Fund" to the Department of Public Works and Environmental Management.

2. 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 PART II. SPECIAL PURPOSE REVENUES".

The purpose of the proposed bill is to amend Appendix A, Part II. Special Purpose Revenues - Schedule of Revolving Special Funds for Fiscal Year 2005, by adding a provision to the Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund (Section 286-51, Hawaii Revised Statutes (HRS) and Section 3.25.030, Maui County Code) to provide that disbursement for salaries and premium pay is limited to 2.0 equivalent personnel for the Abandoned Vehicles and Scrap Metal Program ("Program").

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

March 11, 2005
Page 2

Committee
Report No. 05-10

3. A "Certification of Additional Revenues for Fiscal Year 2005", pursuant to Section 9-9.1, Charter of the County of Maui (Charter).

Your Committee notes that Section 286-51, HRS, allows the counties to charge up to \$5 per registered vehicle (\$1 for rental vehicles) for highway beautification and removal of abandoned vehicles; however, no more than \$2 can be spent for highway beautification efforts.

Your Committee further notes that County Communication No. 04-281 was referred to the prior Council's Budget and Finance Committee at the Council meeting of November 19, 2004.

At its meeting of November 30, 2004, the Budget and Finance Committee recommended that County Communication No. 04-281 be referred to the Council Chair for the term beginning January 2, 2005, for a recommendation as to referral or other disposition.

At its meeting of January 21, 2005, the Council referred County Communication No. 04-281 to your Budget and Finance Committee (County Communication No. 05-12).

At its meeting of February 1, 2005, 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, the Director of Finance, the Manager of the Motor Vehicles and Licensing Division from the Department of Finance, and the First Deputy Corporation Counsel.

Your Committee received oral and written testimony from one member of the public providing comments about the issue of abandoned vehicles.

The Director of Public Works and Environmental Management provided an overview of the request to add \$1,225,000 for the Program. He stated that the County has been using the closed Waikapu Landfill for storage of abandoned vehicles since there is no properly licensed business to process abandoned and derelict vehicles. The funding request for the Program is needed to (1) process the approximately 1,000 vehicles stored at the closed Waikapu Landfill;

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

March 11, 2005
Page 3

Committee
Report No. 05-10

(2) process abandoned and derelict vehicles from the roadsides for the remainder of the fiscal year; (3) process "white goods", such as refrigerators, dryers, washers; and (4) plan for a long-term solution for abandoned vehicles. The proposed County Program allows for the removal of white goods, scrap metal and abandoned vehicles on roadways outside the area under the ownership and control of each county.

The Director of Public Works and Environmental Management stated that the intent of the proposed bill amending Appendix A is to authorize expenditures from the highway beautification special fund, to create two new positions in the Solid Waste Division to administer the Program.

The Director of Public Works and Environmental Management informed your Committee that the Department received five proposals in response to a Request for Proposals (RFP) for the processing of abandoned vehicles. He stated that a purchase order was issued to allow for the processing of abandoned vehicles until a contract is executed. He noted that a bid protest was filed, but he believed the contract would be executed since there was only one qualified vendor.

Your Committee expressed concern that the proposed measures unnecessarily undermine the integrity of the various funds involved. The Solid Waste Division administers the Program, and the Division's activities are supported by the Solid Waste Fund. However, the Administration proposes to use General Fund carryover/savings to pay for the Program directly, instead of through a transfer to the Solid Waste Fund. Moreover, the Administration proposes to use a special purpose fund, i.e., the Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund, to finance permanent positions for a program involving scrap metal disposal.

The Director of Finance stated that the recognition and appropriation of carryover/savings is seriously considered by the Administration. In this case, the need to address abandoned vehicles was critical and could not be postponed any longer. Because unappropriated revenues were not available in the appropriate special funds, the Administration submitted the budget amendment to appropriate carryover/savings in the General Fund.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

March 11, 2005
Page 4

Committee
Report No. 05-10

Your Committee requested that the 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, DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT, TOTAL OPERATING APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS" be revised to (1) change the year of the bill from "2004" to "2005"; (2) reduce the General Fund carryover/savings amount by \$400,000, from "\$1,225,000" to "\$825,000"; and (3) reduce the appropriation for the Abandoned Vehicles and Scrap Metal Program by \$400,000, from "\$1,225,000" to "\$825,000".

Your Committee requested that the Administration provide further information regarding the scope of the RFP and the appropriateness of issuing a purchase order for contract services.

Your Committee voted to recommend passage of the 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, DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT, TOTAL OPERATING APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)", as revised. Your Committee deferred action on the 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 PART II. SPECIAL PURPOSE REVENUES".

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 that Bill No. _____ (2005), 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, 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.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

March 11, 2005
Page 5

Committee
Report No. 05-10

Adoption of this report is respectfully requested.

bf:cr:0554aa:trk

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

March 11, 2005
Page 6

Committee
Report No. 05-10

DAIN P. KANE **Chair**

DANNY A. MATEO **Member**

G. RIKI HOKAMA **Vice-Chair**

MICHAEL J. MOLINA **Member**

MICHELLE ANDERSON **Member**

JOSEPH PONTANILLA **Member**

ROBERT CARROLL **Member**

CHARMAINE TAVARES **Member**

JO ANNE JOHNSON **Member**