

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

June 3, 2005

Committee
Report No.

_____ 05-64 _____

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 15, 2005, February 22, 2005, and May 18, 2005, makes reference to County Communication No. 05-65, from the Budget Director, transmitting the following:

1. A proposed resolution entitled "AUTHORIZING THE ACCEPTANCE OF A GRANT OF FUNDS FROM THE STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, RELATING TO FEDERAL TRANSIT ADMINISTRATION (FTA) SECTION 5309 BUS AND BUS-RELATED ALLOCATIONS".

The purpose of the proposed resolution is to authorize acceptance of a \$1,082,046 grant from the State of Hawaii, Department of Transportation, for FTA Section 5309 Bus and Bus-Related Allocations.

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 THE DEPARTMENT OF TRANSPORTATION".

The purpose of the proposed bill is to amend Appendix A, Part I, of the Fiscal Year (FY) 2005 Budget, relating to grant revenues, as it pertains to the Department of Transportation, by appropriating \$1,082,046 for FTA Section 5309 – Bus and Bus-Related Allocations.

Your Committee notes that the FY 2005 Budget appropriates \$150,000 to the Department of Transportation for a consultant who would be hired to recommend a five-year transportation plan, provided the plan is transmitted to the Council by December 1, 2004.

Your Committee further notes that at the January 21, 2005 Council meeting, the Department of Transportation transmitted a report prepared by Urbitran Associates, Inc.,

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entitled "County of Maui Short Range Transit Plan Final Report" (County Communication No. 05-76). The short-range transit plan was referred to your Planning Committee.

At its meeting of February 15, 2005, there was no public testimony.

Your Committee deferred the matter without discussion.

At its meeting of February 22, 2005, your Committee met with the Budget Director, the Director of Transportation, and the First Deputy Corporation Counsel.

There was no public testimony.

The Director of Transportation stated that the Administration is requesting that the Council accept FTA Section 5309 funds in order to purchase buses for the County's transit system. He indicated that the Department received one response to a request for proposals for buses. The cost is approximately \$97,000 per bus. The Director of Transportation noted that there is a six- to nine-month lead time before the buses are delivered.

The Director of Transportation explained that the Department is working with the Department of the Corporation Counsel to develop language for the transit system contract. Under the contract, the County would own the buses, and the service provider would register and maintain the buses. The First Deputy Corporation Counsel stated that the County would be added to the service provider's liability insurance policy, which would require the service provider to purchase a substantial amount of liability insurance.

Your Committee was concerned that the Department of Transportation appeared to be moving forward with the short-range transit plan as presented by Urbitran Associates, Inc., although the Council had not yet accepted the plan.

Your Committee further expressed concerns about deficiencies in the short-range transit plan, including the following: (1) that representatives of the Department of Transportation as well as Urbitran Associates, Inc. had previously stated that similar plans prepared for other jurisdictions have normally required six months to complete, while the plan prepared for Maui County was completed in one month; (2) that meetings with the community and surveys conducted by Urbitran Associates, Inc. did not include a

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broader spectrum of the community; and (3) that the County's financial investment would be substantial.

Because of these concerns, your Committee was not convinced that the County should own the buses. Your Committee decided that further discussion was needed regarding the short-range transit plan before a decision could be made on the proposed resolution and bill. The Chair of your Planning Committee indicated that the Planning Committee would consider the short-range transit plan at its meeting on March 3, 2005.

Your Committee deferred the matter pending further discussion.

At its meeting of May 18, 2005, your Committee met with the Budget Director, the Director of Transportation, the Deputy Director of Transportation, and the First Deputy Corporation Counsel.

There was no public testimony.

The Director of Transportation submitted a document entitled "FTA Section 5309 Funding". He stated that the Department's plan is to purchase nine buses with the \$1,082,046 Federal grant. The grant requires a 20 percent local match, which is included in the FY 2005 Budget. The nine buses will eliminate approximately \$180,000 in annual lease costs for buses from the service provider. The buses will comply with the Americans with Disabilities Act (ADA) standards and will include fare boxes.

The Director of Transportation explained that the County will retain ownership of the buses and will lease the buses to the service provider. The service provider will register, insure, operate, and maintain the buses. He explained that this arrangement is pervasive with transit agencies in other states.

The Director of Transportation further explained that Maui Economic Opportunity, Inc. (MEO) will be returning seven buses to the County, which were procured with FTA Section 5309 funds, for use in the transit program. Three of the buses will be used for Routes 1 and 2. The other four buses are smaller and will be used for the FTA-mandated ADA paratransit service, which is for persons unable to use the fixed route system.

Your Committee notes that the transit route system, as discussed during the Council's consideration of the FY 2006 Budget, will require nine buses: three for

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Routes 1 and 2 (Central Maui); one each for Routes A (South Maui), B (West Maui), C (connection to Central Maui), and D (Napili); and two spare buses.

The Director of Transportation stated that the Department intends to order nine 25-passenger buses similar to those used by MEO. The buses will be medium-duty and equipped with fare boxes, bike racks and interior advertising space. He explained that the intent is to establish a brand identity for the County's transit system. The "County of Maui Short Range Transit Plan Final Report" suggests that the buses be identified with a blue/green flower design and the name "maibus". The Director of Transportation stated that the identity has not been finalized, and he would provide the Council with pictures of the design. Your Committee suggested that the Department consider changing the name of the transit system to "The Maui Bus".

Your Committee requested that the Department of Transportation consider using biodiesel fuel in the new buses in support of alternative fuels.

Your Committee received a revised proposed resolution, approved as to form and legality by the Department of the Corporation Counsel, correcting the second "WHEREAS" clause by deleting the "Department of Health" and inserting the "Department of Transportation".

Your Committee voted to recommend adoption of the revised proposed resolution, passage of the proposed bill, and filing of the communication.

Your Budget and Finance Committee **RECOMMENDS** the following:

1. That Resolution No. _____, as revised herein and attached hereto, entitled "AUTHORIZING THE ACCEPTANCE OF A GRANT OF FUNDS FROM THE STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, RELATING TO FEDERAL TRANSIT ADMINISTRATION (FTA) SECTION 5309 BUS AND BUS-RELATED ALLOCATIONS" be **ADOPTED**;

2. That Bill No. _____ (2005), attached hereto, 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 DEPARTMENT OF TRANSPORTATION" be **PASSED ON FIRST READING** and be **ORDERED TO PRINT**; and

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3. That County Communication No. 05-65 be FILED.

Adoption of this report is respectfully requested.

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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**