

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

June 3, 2005

**Committee**  
**Report No.**

\_\_\_\_\_ 05-66

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 May 18, 2005, makes reference to County Communication No. 05-70, from the Director of Public Works and Environmental Management, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A STATE WATER POLLUTION CONTROL REVOLVING FUND LOAN FOR THE KAHULUI WASTEWATER PUMPSTATION MODIFICATION".

The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement to finance the construction of the "Kahului Wastewater Pumpstation Modification" project (the Project) with a State Water Pollution Control Revolving Fund Loan (SRF loan).

By correspondence dated February 18, 2005, the Chair of your Committee requested that the Budget Director provide proposed bills to amend the Fiscal Year (FY) 2005 Budget, the Bond Fund, and the Lapsed Bond Fund to reflect the correct appropriation for the Project.

By correspondence dated April 8, 2005, the Budget Director transmitted the following proposed bills:

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 ESTIMATED REVENUES, CAPITAL IMPROVEMENT PROJECTS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)". (Budget bill)

The purpose of the proposed Budget bill is to amend the FY 2005 Budget by decreasing the "Bond/Lapsed Bond" revenue by \$2,580,000; increasing the "Other Intergovernmental" revenue by \$2,894,958; deleting the Project

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

June 3, 2005  
Page 2

**Committee**  
**Report No.**      05-66

and appropriation from the Bond Fund in the amount of \$2,420,000; deleting the Project and appropriation from Lapsed Bond Proceeds in the amount of \$80,000; adding the Project and appropriation to the State Revolving Loan Fund in the amount of \$2,894,958; and increasing the "Total Estimated Revenues", the "Total Capital Improvement Project Appropriations", and the "Total Appropriations (Operating and Capital Improvement Projects)" by \$314,958.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3184, BILL NO. 30 (2004), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI". (Bond bill)

The purpose of the proposed Bond bill is to delete the Project and appropriation from the bond authorization in the amount of \$2,420,000.

3. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3185, BILL NO. 31 (2004), RELATING TO THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUED IN EXCESS OF THE AMOUNTS REQUIRED FOR THE PURPOSES FOR WHICH SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING TO OTHER PUBLIC IMPROVEMENTS OR AUTHORIZED PURPOSES OF THE COUNTY OF MAUI". (Lapsed Bond bill)

The purpose of the proposed Lapsed Bond bill is to delete the Project and appropriation from the lapsed bond authorization in the amount of \$80,000.

At its meeting, your Committee met with the Deputy Director of Public Works and Environmental Management; the Division Chief of the Wastewater Division, Department of Public Works and Environmental Management; the Budget Director; and the First Deputy Corporation Counsel.

There was no public testimony.

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

June 3, 2005  
Page 3

**Committee**  
**Report No.**      05-66

The Budget Director provided a revised proposed Budget bill and revised proposed Bond bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating housekeeping changes because of prior budget amendments.

The Budget Director estimated that the current SRF loan rate is 3½ percent and the long-term bond rate is 5 percent. Because of the lower SRF loan interest rate, the Budget Director advised that it is advantageous for the County to enter into an agreement with the State for the SRF loan rather than pursue a bond authorization.

The Division Chief stated that the Kahului Wastewater Pump Station was built 30 years ago, and the modifications are necessary to upgrade the facility's reliability, and not for capacity expansion. He explained that the SRF loan includes a percentage of funds for engineering design costs. Since the County has already paid for engineering design costs under a previous contract, the additional funding will be available for unanticipated change orders, if needed.

Your Committee notes that the proposed Lapsed Bond bill includes two pages identified as page "2". The First Deputy Corporation Counsel informed your Committee that the correct page "2" begins with "improvements of the County...". The other page "2" should be removed.

Your Committee voted to recommend passage of the proposed bill authorizing the Mayor to enter into an intergovernmental agreement, the revised proposed Budget bill, the revised proposed Bond bill, and the revised proposed Lapsed Bond bill; and filing of the communication.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. \_\_\_\_\_ (2005), attached hereto, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A STATE WATER POLLUTION CONTROL REVOLVING FUND LOAN FOR THE KAHULUI WASTEWATER PUMPSTATION MODIFICATION", be PASSED ON FIRST READING and be ORDERED TO PRINT;

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

June 3, 2005  
Page 4

**Committee**  
**Report No.**      05-66

2.     That Bill No. \_\_\_\_\_ (2005), attached hereto, entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2005 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, CAPITAL IMPROVEMENT PROJECTS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)”, be PASSED ON FIRST READING and be ORDERED TO PRINT;
  
3.     That Bill No. \_\_\_\_\_ (2005), attached hereto, entitled “A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3184, BILL NO. 30 (2004), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI”, be PASSED ON FIRST READING and be ORDERED TO PRINT;
  
4.     That Bill No. \_\_\_\_\_ (2005), attached hereto, entitled “A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3185, BILL NO. 31 (2004), RELATING TO THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUED IN EXCESS OF THE AMOUNTS REQUIRED FOR THE PURPOSES FOR WHICH SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING TO OTHER PUBLIC IMPROVEMENTS OR AUTHORIZED PURPOSES OF THE COUNTY OF MAUI”, be PASSED ON FIRST READING and be ORDERED TO PRINT; and
  
5.     That County Communication No. 05-70 be FILED.

Adoption of this report is respectfully requested.

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

June 3, 2005  
Page 5

Committee  
Report No. 05-66

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**DAIN P. KANE** **Chair**

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**DANNY A. MATEO** **Member**

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**G. RIKI HOKAMA** **Vice-Chair**

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**MICHAEL J. MOLINA** **Member**

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**MICHELLE ANDERSON** **Member**

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**JOSEPH PONTANILLA** **Member**

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**ROBERT CARROLL** **Member**

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**CHARMAINE TAVARES** **Member**

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**JO ANNE JOHNSON** **Member**