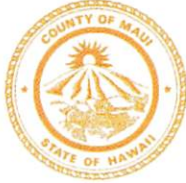


RICHARD T. BISSEN, JR.
Mayor

JOSIAH NISHITA
Managing Director



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COUNTY CLERK

OFFICE OF THE MAYOR
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

REFERENCE NO. BD-BA 24-74

May 14, 2024

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Richard T. Bissen, Jr.

Mayor Date 5/14-24

For Transmittal to:

Honorable Alice L. Lee, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Lee and Members:

**SUBJECT: AMENDMENTS TO THE FISCAL YEAR 2024 BUDGET
(REVENUES; CAPITAL IMPROVEMENT PROJECTS,
OFFICE OF THE MAYOR, COUNTYWIDE; AND APPENDIX
C, OFFICE OF THE MAYOR, COUNTYWIDE)**

I am transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET FOR THE COUNTY OF MAUI, REVENUES; CAPITAL IMPROVEMENT PROJECTS, OFFICE OF THE MAYOR, COUNTYWIDE; AND APPENDIX C, OFFICE OF THE MAYOR, COUNTYWIDE."

The purpose of the proposed bill is to amend the Fiscal Year 2024 Budget, by 1) adding "Other Revenue Source" to the section entitled "From Other Sources" in the amount of \$29,927,529 and increasing the total accordingly; 2) adding a new appropriation to Capital Improvement Projects following Department of Agriculture for K. Office of the Mayor, Countywide, Other Projects, Finance Purchase entitled "Johnson Controls Energy Performance Contract" in the amount of \$29,927,529; and updating the Total Capital Improvement Project Appropriations and Total Appropriations accordingly; and 3) amending Appendix

Alice L. Lee, Chair
May 14, 2024
Page 2

C to add a new project and project description for Office of the Mayor, Countywide entitled "Johnson Controls Energy Performance Contract" in the amount of \$29,928,529.

This amendment is requested for fiscal reporting purposes only. In 2022, the County entered into a Phase I agreement with Johnson Controls, Inc. This approximately \$29 million agreement is structured as a tax exempt lease purchase, where the obligation will be paid down annually as debt service and covered by savings from the energy efficiency measures. After discussions with the Department of Finance, it was determined that, for audit purposes, it would be appropriate to include the entirety of the funds in the Fiscal Year 2024 Budget as a Capital Improvement Project.

The agreement's terms require Johnson Controls to guarantee energy and water efficiency savings, measured annually. Johnson Controls will provide maintenance support to maintain efficient and if there is underperformance in the projects annual savings in a given year, the contractor must write a check to the County for the difference and take actions to improve energy efficiency.

Thank you for your attention in this matter. Should you have any questions, please contact me at ext. 8239.

Sincerely,



LESLEY MILNER
Acting Budget Director

Attachment

cc: Leo Caires, Chief of Staff
Maria Zielinski, Acting Director of Finance