

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

June 2, 2017

Committee
Report No. _____

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 16, 2017, makes reference to County Communication 17-178, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, WASTEWATER OPERATIONS PROGRAM - SEWER FUND, ENVIRONMENTAL PROTECTION AND SUSTAINABILITY PROGRAM - SOLID WASTE MANAGEMENT FUND; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)."

The purpose of the proposed bill is to amend the Fiscal Year 2017 Budget by 1) increasing estimated revenues for Interfund Transfers by \$175,789; 2) decreasing the appropriations by \$50,000 from Category A (Salaries) and \$125,789 from Category C (Equipment) under the Wastewater Operations Program - Sewer Fund; 3) increasing the appropriation by \$175,789, Category B (Operations) under the Wastewater Operations Program - Sewer Fund; 4) increasing the appropriation by \$175,789, Category B (Operations) under the Environmental Protection and Sustainability Program - Solid Waste Management Fund; and 5) adjusting the totals accordingly.

Your Committee notes Ordinance 4356 (2016) amended Appendix B of the Fiscal Year 2017 Budget by increasing the fee for biosolids from \$90 to \$103 per ton, increasing the fee for uncontaminated greenwaste from \$25 to \$36 per ton, and decreasing the fee for grease trap waste or contaminated cooking oil from \$67 to \$30 per ton.

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Your Committee further notes Ordinance 4401 (2017) amended the Fiscal Year 2017 Budget to include an increase in the appropriation for sludge disposal by \$201,307.

The Deputy Director of Environmental Management said cost estimates for Fiscal Year 2017 for sludge disposal were based on actual expenditures for a two-year period, using quantity and processing price. The increase in quantity and cost for sludge processing by \$13 per ton resulted in a budgetary shortfall. The higher tonnage may be a result of adding more residential units and commercial properties to the system.

He said the Wastewater Division analyzed the most recent four-month collection period to determine the amount of funds needed for the remainder of the current fiscal year.

The Deputy Director said the shortfall will be covered by savings in equipment purchases and salaries and wages from positions that are vacant because of retirements. He said bids for equipment were lower than appropriations and consolidating purchases resulted in better pricing.

Your Committee voted 8-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, Crivello, King, and Sugimura voted "aye." Committee member Guzman was excused.

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions that take into account prior amendments to the Fiscal Year 2017 Budget.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2017), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES;

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DEPARTMENT OF ENVIRONMENTAL MANAGEMENT,
WASTEWATER OPERATIONS PROGRAM – SEWER FUND,
ENVIRONMENTAL PROTECTION AND SUSTAINABILITY
PROGRAM – SOLID WASTE MANAGEMENT FUND; 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 17-178 be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



RIKI HOKAMA, Chair

bf:cr:17056aa:mmy

ORDINANCE NO. _____

BILL NO. _____ (2017)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT,
WASTEWATER OPERATIONS PROGRAM – SEWER FUND,
ENVIRONMENTAL PROTECTION AND SUSTAINABILITY PROGRAM – SOLID
WASTE MANAGEMENT FUND;
TOTAL OPERATING APPROPRIATIONS; AND
TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4334, Bill No. 62 (2016), Draft 1, as amended, "Fiscal Year 2017 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Interfund Transfers in the amount of \$175,789; and by increasing Total Estimated Revenues in the amount of \$175,789, to read as follows:

"ESTIMATED REVENUES"

FROM TAXES, FEES AND ASSESSMENTS:

| | | |
|------------------------------|--|-------------|
| Real Property Taxes | | 273,887,388 |
| Circuit Breaker Adjustment | | (398,235) |
| Charges for Current Services | | 136,035,737 |
| Transient Accommodations Tax | | 23,484,000 |
| Public Service Company Tax | | 9,100,000 |
| Licenses/Permits/Others | | 35,170,154 |
| Fuel and Franchise Taxes | | 23,606,500 |
| Special Assessments | | 5,975,000 |
| Other Intergovernmental | | 36,285,000 |

FROM OTHER SOURCES:

| | | |
|-----------------------------|--------------|-------------------|
| Interfund Transfers | [46,168,410] | <u>46,344,199</u> |
| Bond/Lapsed Bond | | 61,750,722 |
| Carryover/Savings: | | |
| General Fund | | 19,099,419 |
| Sewer Fund | | 4,112,252 |
| Highway Fund | | 4,886,279 |
| Solid Waste Management Fund | | 451,823 |
| Golf Fund | | 474,956 |
| Liquor Fund | | 797,883 |
| Bikeway Fund | | 311,997 |
| Water Fund | | <u>8,012,766</u> |

TOTAL ESTIMATED REVENUES [689,212,051] 689,387,840"

SECTION 2. Fiscal Year 2017 Budget is hereby amended as it pertains to Section 3.B.3.c., Department of Environmental Management, Wastewater Operations Program - Sewer Fund, by decreasing A – Salaries by \$50,000 and C – Equipment by \$125,789, and increasing B – Operations in the amount of \$175,789; and Section 3.B.3.f., Environmental Protection and Sustainability Program – Solid Waste Management Fund, by increasing B – Operations and Total appropriation by \$175,789, to read as follows:

| | <u>A - Salaries</u> | <u>B - Operations</u> | <u>C - Equipment</u> | <u>Total</u> |
|--|---------------------|-----------------------|----------------------|--------------|
| "3. Department of Environmental Management | | | | |
| a. Administration Program – General Fund | 434,125 | 177,750 | 4,500 | 616,375 |
| (1) Provided, that disbursement for salaries and premium pay is limited to 5.0 equivalent personnel. | | | | |
| (2) Grant to Community Work Day Program, dba Malama Maui Nui | 0 | 205,500 | 0 | 205,500 |
| b. Wastewater Administration Program – Sewer Fund | | | | |
| (1) General | 1,364,576 | 1,597,375 | 6,000 | 2,967,951 |
| (i) Provided, that disbursement for salaries and premium pay is limited to 18.0 equivalent personnel. | | | | |
| (ii) Provided, that \$392,351 shall be for the new water and sewer billing system. | | | | |
| (2) Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA) | 0 | 1,838,476 | 0 | 1,838,476 |
| (3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF) | 0 | 1,288,052 | 0 | 1,288,052 |
| (4) Contribution to General Fund – Other Post-Employment Benefits (OPEB) | 0 | 719,727 | 0 | 719,727 |
| (5) Contribution to General Fund – Reimbursement for the Department of Environmental Management – Administration Program | 0 | 462,023 | 0 | 462,023 |
| (6) Debt Service | 0 | 8,975,616 | 0 | 8,975,616 |

| | <u>A - Salaries</u> | <u>B - Operations</u> | <u>C - Equipment</u> | <u>Total</u> |
|---|---------------------|-----------------------|----------------------|--------------|
| (7) Administrative Overhead Charge | 0 | 4,151,453 | 0 | 4,151,453 |
| (8) Transfer to Countywide Sewer Capital Improvement Reserve Fund | 0 | 2,678,431 | 0 | 2,678,431 |
| c. Wastewater Operations Program – Sewer Fund | [6,401,648] | [14,578,770] | [898,560] | 21,878,978 |
| (1) Provided, that disbursement for salaries and premium pay is limited to 100.0 equivalent personnel. | <u>6,351,648</u> | <u>14,754,559</u> | <u>772,771</u> | |
| (2) Provided, that \$50,000 shall be for professional services for painting and maintenance, and that a report shall be provided by the end of the third quarter on the efficacy of a professional services allocation as compared to an additional 1.0 equivalent personnel. | | | | |
| d. Solid Waste Administration Program – Solid Waste Management Fund | 1,004,892 | 304,944 | 9,300 | 1,319,136 |
| (1) Provided, that disbursement for salaries and premium pay is limited to 14.0 equivalent personnel. | | | | |
| (2) Contribution to General Fund – Employees’ Retirement System (ERS) and Federal Insurance Contributions Act (FICA) | 0 | 1,558,937 | 0 | 1,558,937 |
| (3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF) | 0 | 1,092,205 | 0 | 1,092,205 |
| (4) Contribution to General Fund – Other Post-Employment Benefits (OPEB) | 0 | 610,293 | 0 | 610,293 |
| (5) Contribution to General Fund – Reimbursement for the Department of Environmental Management – Administration Program | 0 | 354,621 | 0 | 354,621 |
| (6) Debt Service | 0 | 5,027,310 | 0 | 5,027,310 |

| | <u>A - Salaries</u> | <u>B - Operations</u> | <u>C - Equipment</u> | <u>Total</u> |
|--|---------------------|-----------------------|----------------------|------------------|
| (7) Administrative Overhead Charge | 0 | 5,226,264 | 0 | 5,226,264 |
| e. Solid Waste Operations Program – Solid Waste Management Fund | 4,790,754 | 7,628,761 | 140,000 | 12,559,515 |
| (1) Provided, that disbursement for salaries and premium pay is limited to 82.0 equivalent personnel. | | | | |
| (2) Provided, that \$569,050 shall be for construction and demolition landfill expenditures because of the Maalaea landfill closure. | | | | |
| f. Environmental Protection and Sustainability Program – Solid Waste Management Fund | 174,820 | [5,512,979] | 1,200 | [5,688,999] |
| (1) Provided, that disbursement for salaries and premium pay is limited to 3.0 equivalent personnel. | | <u>5,688,768</u> | | <u>5,864,788</u> |
| (2) Provided, that \$25,000 shall be for Community Work Day Program, dba Malama Maui Nui, to conduct West Maui recycling events. | | | | |

SECTION 3. Fiscal Year 2017 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect an A – Salaries decrease of \$50,000, B – Operations increase of \$351,578, C – Equipment decrease of \$125,789 and Total increase of \$175,789, to read as follows:

| | | | | |
|---------------------------------|--------------------|--------------------|------------------|--------------------|
| "TOTAL OPERATING APPROPRIATIONS | [176,086,266] | [363,102,103] | [8,601,046] | [547,789,415] |
| | <u>176,036,266</u> | <u>363,453,681</u> | <u>8,475,257</u> | <u>547,965,204</u> |

SECTION 4. Fiscal Year 2017 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$175,789, to read as follows:

| | | |
|--|---------------|--------------------|
| "TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) | [689,212,051] | <u>689,387,840</u> |
|--|---------------|--------------------|

SECTION 5. Material to be repealed is bracketed. New material is underscored.

SECTION 6. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel