

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 16-110, from Councilmember Riki Hokama, relating to amendments to the Fiscal Year 2017 Budget to authorize transfers between categories of use that are within a program or department.

By correspondence dated April 19, 2017, the Budget Director transmitted a proposed resolution entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF PUBLIC WORKS, FISCAL YEAR 2017 BUDGET."

The purpose of the proposed resolution is to amend the Fiscal Year 2017 Budget within the Department of Public Works by transferring \$100,000 from the Special Maintenance Program – General Fund, Category B (Operations) to Category C (Equipment) for additional funding for replacement fuel tanks at the Wailuku baseyard.

The proposed resolution references Section 7 of the General Budget Provisions in the Fiscal Year 2017 Budget, which restricts disbursements for each program by category of use, with allocations specified for (a) salaries, premium pay, or reallocation pay (Category A); (b) operations or services (Category B); and (c) equipment (Category C).

Your Committee notes Resolution 16-168 authorized a transfer of funds of \$551,300 between various accounts within the Department of Public Works. The transfer included an appropriation of \$150,000 to Category C (Equipment) for the replacement of the Wailuku baseyard fuel tanks.

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The Director of Public Works said the estimated cost for the fuel tanks was \$150,000. He said three bids were received for the project. The lowest bid was \$240,000, while the other two bids were in excess of \$300,000. The bids were higher than anticipated because the concrete lining within the existing tanks are saturated with fuel. Therefore, handling and disposal of the tanks will cost more than originally anticipated.

The Director indicated the new fuel tanks will not have a concrete liner. Rather, the tanks will be double-lined, steel tanks with a 30-year warranty. The existing tanks are 22 years old.

Your Committee questioned whether the tanks will be mobile once installed. The Director said the tanks will be hardwired in and bolted to the ground, but it would be possible to move the tanks to another site if a new baseyard is developed.

Your Committee also inquired whether above-ground fuel tanks containing petroleum are allowed. The Director said they are allowed if there is a containment system for spillage from the fuel tanks. He said the tanks include a leak detection system to indicate any leaks or spillage.

Your Committee voted 8-0 to recommend adoption of the proposed resolution. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, Crivello, King, and Sugimura voted "aye." Committee member Guzman was excused.

Your Budget and Finance Committee **RECOMMENDS** that Resolution _____, attached hereto, entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF PUBLIC WORKS, FISCAL YEAR 2017 BUDGET," be **ADOPTED**.

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



RIKI HOKAMA, Chair

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Resolution

No. _____

AUTHORIZING THE TRANSFER OF AN UNENCUMBERED
APPROPRIATION BALANCE WITHIN THE
DEPARTMENT OF PUBLIC WORKS,
FISCAL YEAR 2017 BUDGET

WHEREAS, Section 9-10(2) of the Revised Charter of the County of Maui (1983), as amended (“Charter”), provides that, upon written request of the Mayor, part or all of any unencumbered appropriation balance may be transferred within a department by resolution or from one department to another by ordinance; and

WHEREAS, Section 7 of the General Budget Provisions in Ordinance No. 4334, Bill No. 62 (2016), Draft 1, as amended, (“Fiscal Year 2017 Budget”), states that, unless otherwise provided, appropriations for each program may be disbursed for the following categories of use: (a) salaries, premium pay, or reallocation pay, (b) operations or services, and (c) equipment; provided the disbursement is within the program and category of use for which it was appropriated; and

WHEREAS, Section 3.B.15.c. of the Fiscal Year 2017 Budget, relating to the Department of Public Works, sets forth appropriations for the Special Maintenance Program – General Fund; and

WHEREAS, pursuant to Section 9-10(2) of the Charter, Mayor Alan M. Arakawa has submitted a written request to transfer an unencumbered appropriation balance of \$100,000 from the Special Maintenance Program – General Fund, Category B, to the Special Maintenance Program – General Fund,

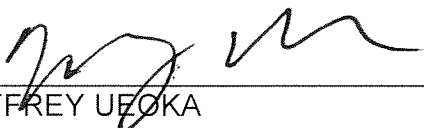
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Category C, in order to disburse \$100,000 for equipment from the appropriate category; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That, pursuant to Section 9-10(2) of the Charter and Section 7 of the General Budget Provisions, and in accordance with the Fiscal Year 2017 Budget, it does hereby authorize the transfer of an unencumbered appropriation balance of \$100,000 from the Special Maintenance Program – General Fund, Category B, to the Special Maintenance Program – General Fund, Category C, for equipment; and
2. That certified copies of this resolution be transmitted to the Mayor, Director of Finance, Budget Director, and Director of Public Works.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel
County of Maui