

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

December 1, 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 November 7, 2017, makes reference to County Communication 17-202, from Mayor Alan M. Arakawa, informing the Department of Environmental Management estimates a \$275,000 shortfall in Solid Waste Management Fund revenue for Fiscal Year 2017.

The Budget Director said the estimated shortfall in revenue was absorbed within the Department's budget. She said vacant positions in the Solid Waste Division resulted in a cost savings in salaries and administrative overhead. She explained administrative overhead costs includes fringe benefits, such as healthcare premiums, retirement system costs, and payroll taxes. A reduction in salary costs directly results in overhead cost savings.

The Deputy Director of Environmental Management said the revenue for the Solid Waste Management Fund is generated from fees for service. He said the revenue projections are based on prior year data including tonnage received at the County landfills, greenwaste, construction and demolition materials, and residential refuse collection.

The Deputy Director was unable to identify exactly which revenue category was underestimated. Based on the limited data related to the collection of construction and demolition materials, he said this may have impacted the revenue projection.

Your Committee requested information from the Department to provide a breakdown of actual and estimated revenues for each fee category. Your Committee said the information is critical for the upcoming budget in order to determine the fee impacts on other components of the Solid Waste program.

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Your Committee voted 5-0 to recommend filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Atay, Crivello, and Sugimura voted "aye." Committee members Carroll, Cochran, Guzman, and King were excused.

Your Budget and Finance Committee RECOMMENDS that County Communication 17-202 be FILED.

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



RIKI HOKAMA, Chair

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