

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

March 9, 2018

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 February 13, 2018, makes reference to County Communication 18-29, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF FINANCE, COUNTYWIDE COSTS; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)."

The purpose of the proposed bill is amend the Fiscal Year ("FY") 2018 Budget by 1) increasing Carryover/Savings from the General Fund by \$25,808; 2) amending Section 3.B.4.f.12, Department of Finance, Countywide Costs, One Main Plaza Lease, by increasing Category B (Operations) and Total appropriations by \$25,808; and 3) adjusting the totals accordingly.

2. A Certification of Additional Revenues for FY 2018, dated January 4, 2018, for \$25,808 in Carryover/Savings from the General Fund.

Your Committee notes the FY 2018 Budget appropriates \$373,451 for short-term lease costs at One Main Plaza for the Department of Housing and Human Concerns (Administration Office, Grants Management, and Immigration Services), the Office of Economic Development, and the Department of Management (Information & Technology Services Training Room).

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Your Committee further notes the FY 2018 Budget appropriates funds for long-term lease costs at One Main Plaza for the Department of Environmental Management, the Department of Planning, and the Department of Water Supply in each respective department's budget.

A representative from the Department of Finance said the County's base rent for FY 2018, not including common area maintenance fees or general excise tax, for all offices at One Main Plaza is approximately \$1,060,000. He said in addition to the base rent, common area maintenance is calculated at \$1.40 per square foot. The County leases a total of 35,751 square feet of office space at One Main Plaza.

He said the Department incorporated proposed rent reductions in the calculations for the FY 2018 Budget for the leases at One Main Plaza. The short-term leases, with proposed rent reductions, were not executed. As a result, the landlord continued to charge the higher rate, leaving a shortfall for FY 2018.

The representative said a total of four short-term leases are paid through the One Main Plaza appropriation. He said for FY 2018, three of the short-term leases are fully encumbered and partial funding is available for the fourth lease. The proposed amendment will provide the necessary funds for the fourth lease through the end of FY 2018.

The representative said short-term leases, with a term of five years or less, are structured for offices scheduled to move from One Main Plaza to the new County service center by 2020. He said the long-term leases are designed for offices to remain at One Main Plaza. Your Committee expressed a desire for all departments currently in One Main Plaza to eventually move to another location.

The representative informed your Committee the Department of Finance is currently in negotiations with the landlord of One Main Plaza for future lease agreements.

Your Committee voted 8-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair

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Hokama and members Atay, Carroll, Cochran, Crivello, Guzman, King, and Sugimura voted "aye." Committee Vice-Chair White 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 FY 2018 Budget.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2018), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF FINANCE, COUNTYWIDE COSTS; 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 18-29 be FILED.

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



RIKI HOKAMA, Chair

ORDINANCE NO. _____

BILL NO. _____ (2018)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF FINANCE, COUNTYWIDE COSTS;
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. 4456, Bill No. 65 (2017), Draft 1, as amended, "Fiscal Year 2018 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Carryover/Savings from the General Fund in the amount of \$25,808; and by increasing Total Estimated Revenues in the amount of \$25,808, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		303,548,805
Circuit Breaker Adjustment		(373,138)
Charges for Current Services		142,393,137
Transient Accommodations Tax		21,204,000
Public Service Company Tax		8,500,000
Licenses/Permits/Others		40,354,398
Fuel and Franchise Taxes		21,000,000
Special Assessments		6,002,000
Other Intergovernmental		36,450,000

FROM OTHER SOURCES:

Interfund Transfers		49,705,630
Bond		49,435,000
Carryover/Savings:		
General Fund	[6,365,004]	<u>6,390,812</u>
Sewer Fund		5,023,222
Highway Fund		1,530,866
Solid Waste Management Fund		298,920
Golf Fund		363,433
Liquor Fund		722,099
Bikeway Fund		47,276
Water Fund		<u>18,475,916</u>

TOTAL ESTIMATED REVENUES [711,046,568] 711,072,376"

SECTION 2. Fiscal Year 2018 Budget is hereby amended as it pertains to Section 3.B.4.f., Department of Finance, Countywide Costs, by increasing B – Operations and Total by \$25,808, to read as follows:

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
"4. Department of Finance				
a. Administration Program	617,636	90,612	1,500	709,748
(1) Provided, that disbursement for salaries and premium pay is limited to 8.8 equivalent personnel.				
b. Accounts Program	952,542	409,400	0	1,361,942
(1) Provided, that disbursement for salaries and premium pay is limited to 17.0 equivalent personnel.				
c. Financial Services Program				
(1) General	4,677,891	1,803,614	1,500	6,483,005
(i) Provided, that disbursement for salaries and premium pay is limited to 98.7 equivalent personnel.				
(ii) Provided, that two positions relating to maintaining geographic information systems maps for the County shall be in the Department of Finance, Financial Services Program, Real Property Tax Assessment Division, pursuant to Section 3.48.010(F), Maui County Code.				
(2) Countywide Service Center – Annual Lease Costs	0	570,000	0	570,000
d. Purchasing Program	375,198	68,331	3,600	447,129
(1) Provided, that disbursement for salaries and premium pay is limited to 7.0 equivalent personnel.				
e. Treasury Program	669,890	554,333	2,500	1,226,723
(1) Provided, that disbursement for salaries and premium pay is limited to 14.0 equivalent personnel.				
(2) Provided, that a minimum of two tax sales are held.				

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
f. Countywide Costs				
(1) Fringe Benefits	0	93,976,551	0	93,976,551
(i) Provided, that the expenditure of funds related to salary adjustments shall be limited to those cost items required to be authorized by the County Council pursuant to Chapter 89, Hawaii Revised Statutes.				
(ii) Provided, that the Council shall approve by resolution the expenditure of any funds for any bargaining unit supplemental agreement regarding EUTF contributions.				
(2) Fringe Benefits Reimbursement	0	(20,535,928)	0	(20,535,928)
(3) Bond Issuance and Debt Service	0	40,859,235	0	40,859,235
(4) Supplemental Transfer to the Golf Fund	0	2,153,414	0	2,153,414
(5) Supplemental Transfer to the Solid Waste Management Fund	0	14,952,702	0	14,952,702
(6) Insurance Programs and Self Insurance	0	12,700,000	0	12,700,000
(7) Transfer to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund	0	3,031,757	0	3,031,757
(8) Transfer to the Affordable Housing Fund	0	6,063,514	0	6,063,514
(9) General Costs	0	1,030,126	6,000	1,036,126
(10) Overhead Reimbursement	0	(21,176,292)	0	(21,176,292)
(11) Post-Employment Obligations	0	17,000,000	0	17,000,000
(i) Provided, that the funds are paid to the State of Hawaii Employer-Union Health Benefits Trust Fund prior to September 30, 2017.				

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(12) One Main Plaza Lease	0	[373,451] <u>399,259</u>	0	[373,451] <u>399,259</u>

SECTION 3. Fiscal Year 2018 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect a B – Operations and Total increase of \$25,808, to read as follows:

“TOTAL OPERATING APPROPRIATIONS	177,286,835	[378,510,723] <u>378,536,531</u>	6,314,619	[562,112,177] <u>562,137,985</u> ”
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SECTION 4. Fiscal Year 2018 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$25,808, to read as follows:

“TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)			[711,046,568]	<u>711,072,376</u> ”
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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