

COUNCIL OF THE COUNTY OF MAUI
ECONOMIC DEVELOPMENT AND
BUDGET COMMITTEE

March 22, 2019

Committee
Report No. _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Economic Development and Budget Committee, having met on February 28, 2019, makes reference to County Communication 18-391, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF MANAGEMENT, MAUI REDEVELOPMENT PROGRAM; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)."

The purpose of the proposed bill is to amend the Fiscal Year ("FY") 2019 Budget by: (1) increasing Carryover/Savings from the General Fund by \$250,000; (2) amending Section 3.B.8.c., Department of Management, Maui Redevelopment Program, by adding a grant entitled "Grant to Lokahi Pacific, Inc." with an appropriation for Category B (Operations) in the amount of \$250,000; and (3) adjusting the totals accordingly. The funds are to renovate the Harry and Jeanette Weinberg Pono Center at 62 North Market Street, Wailuku, Maui, Hawaii.

2. A Certification of Additional Revenues for FY 2019, dated October 25, 2018, for \$250,000 in Carryover/Savings from the General Fund.

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A representative of the Department of Management said the land is owned by the County and leased to Lokahi Pacific, a nonprofit organization that built the four-story structure in 2006.

The County Communication notes the \$250,000 appropriation would be for the following:

- \$130,000 for “maintenance and repair,” including roof replacement; and
- \$120,000 for plans to convert the ground floor into “a single restaurant space” and “a feasibility study to convert the third floor to additional affordable apartment rentals.”

Susie Thieman, Executive Director, Lokahi Pacific, informed your Committee of the history of the lease to Lokahi Pacific and construction, use of, and repairs to the building. Ms. Thieman said the appropriation would fund architectural renderings to convert the use of the third floor to six affordable apartments instead of incubator offices.

The representative of the Department of Management said it is advisable to convert the third floor to apartments. She said Lokahi Pacific has an exceptional record in developing and maintaining housing, the existing rental units on the fourth floor of the building have been consistently occupied, and there is a high demand for housing in the area.

Your Committee voted 9-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair Rawlins-Fernandez, Vice-Chair King, and members Hokama, Kama, Lee, Molina, Paltin, Sinenci, and Sugimura voted “aye.”

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

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amendments to the FY 2019 Budget and adjustments to reflect the expected passage of other pending legislation. The revised proposed bill also updates the year of the bill and changes the name of the entity to "Lokahi Pacific."

Your Economic Development and Budget Committee
RECOMMENDS the following:

1. That Bill _____ (2019), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF MANAGEMENT, MAUI REDEVELOPMENT PROGRAM; 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 18-391 be FILED.

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



KEANI N.W. RAWLINS-FERNANDEZ, Chair

ORDINANCE NO. _____

BILL NO. _____ (2019)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF MANAGEMENT,
MAUI REDEVELOPMENT PROGRAM;
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. 4861, Bill No. 57 (2018), as amended, "Fiscal Year 2019 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Carryover/Savings from the General Fund in the amount of \$250,000; and by increasing Total Estimated Revenues in the amount of \$250,000, to read as follows:

"ESTIMATED REVENUES"

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		321,907,576
Circuit Breaker Adjustment		(421,854)
Charges for Current Services		149,631,691
Transient Accommodations Tax		23,484,000
Public Service Company Tax		7,500,000
Licenses/Permits/Others		39,500,999
Fuel and Franchise Taxes		24,311,000
Special Assessments		7,615,000
Other Intergovernmental		19,698,000

FROM OTHER SOURCES:

Interfund Transfers		38,485,216
Bond/Lapsed Bond		119,684,680
Carryover/Savings:		
General Fund	[22,502,624]	<u>22,752,624</u>
Sewer Fund		4,494,008
Highway Fund		10,318,711
Solid Waste Management Fund		3,135,751
Golf Fund		419,510
Liquor Fund		945,163
Bikeway Fund		11,733
Water Fund		17,835,400

TOTAL ESTIMATED REVENUES [811,059,208] 811,309,208"

SECTION 2. Fiscal Year 2019 Budget is hereby amended as it pertains to Section 3.B.8.c., Department of Management, Maui Redevelopment Program, by adding a B – Operations and Total appropriation for a grant entitled, “Grant to Lokahi Pacific, Inc.”, in the amount of \$250,000, to read as follows:

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
“8. Department of Management				
a. Management Program	817,707	436,500	0	1,254,207
(1) Provided, that disbursement for salaries and premium pay is limited to 8.5 equivalent personnel.				
(2) Provided, that the Council authorizes the disbursement of funds for MD-0016 via Resolution. Further, provided, that the dollar amount established in the Fiscal Year 2019 Budget for MD-0016 shall not be available for disbursements if MD-0016 is not filled by July 15, 2018.				
(3) Provided, that no funding shall be expended for position MD-0034 prior to February 1, 2019.				
(4) Provided, that \$100,000 shall be for the Lahaina Civic Center Master Plan.				
(5) Provided, that \$100,000 shall be for the Hana Civic Center Master Plan.				
(6) Grant to Maui County Veterans Council	0	20,000	0	20,000
a. Provided, that \$1,000 each shall be for the Korean War Veterans Association, Inc., Maui No Ka Oi Chapter 282, and the Vietnam Veterans of Maui County, to rent tables and chairs for their annual candlelight service.				
(7) Grant to Molokai Veterans Caring for Veterans	0	35,000	0	35,000
a. Provided, that \$25,000 shall be for a Photovoltaic system.				
(8) Grant to West Maui Veterans Club	0	5,000	0	5,000

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
b. Information Technology Services (ITS) Program (1) Provided, that disbursement for salaries and premium pay is limited to 47.0 equivalent personnel and 1.0 Limited Term Appointment (LTA) equivalent personnel.	3,506,117	6,995,838	526,700	11,028,655
c. Maui Redevelopment Program (1) Provided, that disbursement for salaries and premium pay is limited to 3.0 equivalent personnel and 1.0 Limited Term Appointment (LTA) equivalent personnel.	260,563	1,060,000	16,200	1,336,763
<u>(2) Grant to Lokahi Pacific</u>	<u>0</u>	<u>250,000</u>	<u>0</u>	<u>250,000</u>

SECTION 3. Fiscal Year 2019 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect a B – Operations and Total increase of \$250,000, to read as follows:

“TOTAL OPERATING APPROPRIATIONS	190,108,788	[407,312,962]	10,229,986	[607,651,736]
		<u>407,562,962</u>		<u>607,901,736</u> ”


SECTION 4. Fiscal Year 2019 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$250,000, to read as follows:

“TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[811,059,208] <u>811,309,208</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