

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

June 1, 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 May 15, 2018, makes reference to County Communication 17-255, from Councilmember Riki Hokama, relating to amendments to the Fiscal Year (“FY”) 2018 Budget to authorize transfers between categories of use that are within a program or department.

By correspondence dated May 7, 2018, the Budget Director transmitted a proposed resolution entitled “AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF DEPARTMENT OF PARKS AND RECREATION, FISCAL YEAR 2018 BUDGET.”

The purpose of the proposed resolution is to amend the FY 2018 Budget within the Department of Parks and Recreation by transferring \$24,799 from the Administration Program, Category B (Operations) to Category A (Salaries) for salary and premium pay shortfall; \$18,982 from the Administration Program, Category B (Operations) to Category C (Equipment) for security system equipment; \$55,000 from the Administration Program, Category B (Operations) to the Recreation and Support Services Program, Category B (Operations) for budgetary shortfall for various contracts; and \$38,837 from the Recreation and Support Services Program, Category A (Salaries) to Category B (Operations) for a shortfall in the Ka Lima O Maui contract.

The proposed resolution references Section 7 of the General Budget Provisions in the FY 2018 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).

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At the meeting, the Budget Director provided your Committee with a revised proposed resolution, entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF PARKS AND RECREATION, FISCAL YEAR 2018 BUDGET," approved as to form and legality by the Department of the Corporation Counsel.

The purpose of the revised proposed resolution is to amend the FY 2018 Budget within the Department of Parks and Recreation by transferring \$98,781 from the Administration Program, Category B (Operations) to the Recreation and Support Services Program, Category B (Operations) because of a budgetary shortfall for various service contracts; and \$38,837 from the Recreation and Support Services Program, Category A (Salaries) to Category B (Operations) for a shortfall in the Ka Lima O Maui contract for West Maui parks.

The Budget Director explained the transfer of funds is to provide additional funds for service contracts. He said the original resolution included transfers to cover salaries and premium pay. However, after further analysis of the Department's budget and allowable transfer from the Countywide salary adjustment appropriation, the Department does not require any additional funds to be transferred to Category A (Salaries). Therefore, the revised proposed resolution was provided for consideration.

The Director of Parks and Recreation said the savings from the Administration Program was from an unencumbered appropriation for a security contract. He said the FY 2018 Budget included funding for three months of a security contract while the department recruited for additional park security officers. However, the security service vendor was non-compliant with the Hawaii State Procurement policy therefore the contract could not be executed resulting in savings to Category B (Operations).

He said the transfer of funds from the Administration Program to the Recreation and Support Services Program will cover the shortfall for additional portable toilet contracts and refuse collection service contracts

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not factored into the FY 2018 Budget. The Director also said the increase in the County's landfill fees and sewer fees resulted in higher contract costs, resulting in a budgetary shortfall for the Department.

The Director noted the increase costs relating to three new parks added to the Department's inventory were not factored into the FY 2018 Budget.

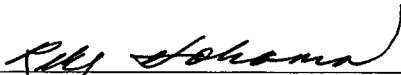
The Director said if additional funds are not provided for the Ka Lima O Maui contract, several parks will not be maintained by the agency for the remainder of the fiscal year.

Your Committee voted 7-0 to recommend adoption of the revised proposed resolution. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, Crivello, and Sugimura voted "aye." Committee members Guzman and King were excused.

Your Committee is in receipt of a revised proposed resolution, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions.

Your Budget and Finance Committee RECOMMENDS that Resolution _____, entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF PARKS AND RECREATION, FISCAL YEAR 2018 BUDGET," be ADOPTED.

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



RIKI HOKAMA, Chair

Resolution

No. _____

AUTHORIZING THE TRANSFER OF AN UNENCUMBERED
APPROPRIATION BALANCE WITHIN THE
DEPARTMENT OF PARKS AND RECREATION,
FISCAL YEAR 2018 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. 4456, Bill No. 65 (2017), Draft 1, as amended, (“Fiscal Year 2018 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.10. of the Fiscal Year 2018 Budget, relating to the Department of Parks and Recreation, sets forth appropriations for the Administration Program and the Recreation and Support Services Program; 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 \$98,781 from the Administration Program, Category B (Operations), to the Recreation and Support Services Program, Category B

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(Operations), and \$38,837 from the Recreation and Support Services Program, Category A (Salaries) to the Recreation and Support Services Program, Category B (Operations), in order to disburse \$137,618 for operations 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 2018 Budget, it does hereby authorize the transfer of an unencumbered appropriation balance of \$98,781 from the Administration Program, Category B (Operations), to the Recreation and Support Services Program, Category B (Operations), and \$38,837 from the Recreation and Support Services Program, Category A (Salaries) to the Recreation and Support Services Program, Category B (Operations), in order to disburse \$137,618 for operations; and

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2. That certified copies of this resolution be transmitted to the Mayor,
Director of Finance, Budget Director, and Director of Parks and Recreation.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY DEOKA
Deputy Corporation Counsel
County of Maui