

**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 18-125, from Mayor Alan Arakawa, informing that the Department of Parks and Recreation estimates a \$355,000 shortfall in golf fund revenues for Fiscal Year ("FY") 2018.

By correspondence dated May 4, 2018, the Budget Director transmitted 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, DEPARTEMENT OF PARKS AND RECREATION WAIEHU GOLF COURSE PROGRAM – GOLF FUND; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)."

The purpose of the proposed bill is to amend the Fiscal Year 2018 Budget by 1) decreasing revenues for Charges for Current Services by \$355,000; 2) increasing estimated revenues for Interfund Transfers by \$110,000; 3) increasing Carryover/Savings in the General Fund by \$110,000; 4) amending Section 3.B.4.f.(1), Department of Finance, by increasing the Countywide Costs, Fringe Benefits, by \$110,000 under Category B (Operations), and adjusting the total accordingly; 5) amending Section 3.B.10.d.(1), Department of Parks and Recreation, by decreasing the Waiehu Golf Course Program – Golf Fund, General, by

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\$85,000 under Category A (Salaries), decreasing \$160,000 under Category B (Operations), and decreasing the Total by \$245,000, and decreasing Total by \$135,000; and 6) adjusting Total Operating Appropriations and Total Appropriations (Operating and Capital Improvement Projects) accordingly.

2. A Certification of Additional Revenues for Fiscal Year 2018, dated May 4, 2018, for \$110,000 in Carryover/Savings from the General Fund.

Pursuant to Section 9-10.1 of the Revised Charter of the County of Maui (1983), as amended, the Mayor must notify the Council if it appears probable that the revenues available will be insufficient to meet the amount appropriated, indicating the estimated amount of the deficit, any remedial action taken by the Mayor, and recommendations as to any further action to be taken.

At the meeting, the Budget Director provided your Committee with a revised 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, DEPARTMENT OF PARKS AND RECREATION, WAIIEHU GOLF COURSE PROGRAM – GOLF FUND; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)," approved as to form and legality by the Department of the Corporation Counsel.

The purpose of the revised proposed bill is to amend Section 2 to read "5) Section 3.B.4.f.(4), Department of Finance, by increasing the Countywide Costs, Supplemental Transfer to the Golf Fund, by \$110,000 under Category B (Operations), and adjusting the total accordingly."

The Director of Parks and Recreation said the Department is proceeding with the upgrades to the back nine holes of the Waiehu Golf Course. The upgrades to the municipal course will improve the conditions and allow for sanctioned tournaments.

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Your Committee noted the FY 2019 Budget accounted for adjustments to the estimated revenues and expenditures because of the on-going improvements at the Waiehu Golf Course. Your Committee considered the impact to the number of individual rounds, the impact to groups and tournaments, and the effect on the concessions when making decisions for the FY 2019 Budget.

He confirmed the golf course would not be closed during the renovations to the back nine holes. He added that temporary greens are available for those who want to play on the back nine holes. The Director said the golfers are also given the option to play the front nine holes twice should they choose to play 18 holes, similar to playing at the Maui Country Club golf course.

The Director said the Department of Finance has worked with the owner of the pro shop, including golf cart rentals and driving range, to make adjustments to the concession agreement. The Department and the owner has agreed to a reduction in the monthly rent amount.

Your Committee voted 6-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, and Sugimura voted "aye." Committee members Crivello, Guzman, and King were excused.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill \_\_\_\_\_ (2018), 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, DEPARTMENT OF PARKS AND RECREATION, WAIEHU GOLF COURSE PROGRAM – GOLF FUND; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)," be PASSED ON FIRST READING and be ORDERED TO PRINT; and

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2. That County Communication 18-125 be FILED.

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

  
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RIKI HOKAMA, Chair

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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,  
DEPARTMENT OF PARKS AND RECREATION,  
WAIIEHU GOLF COURSE PROGRAM - GOLF FUND;  
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 decreasing Charges for Current Services in the amount of \$355,000; increasing Interfund Transfers in the amount of \$110,000; increasing Carryover/Savings from the General Fund in the amount of \$110,000; and by decreasing Total Estimated Revenues in the amount of \$135,000, 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	[142,543,137]	<u>142,188,137</u>
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]	<u>49,815,630</u>
Bond		53,237,716
Carryover/Savings:		
General Fund	[6,390,812]	<u>6,500,812</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 [715,025,092] 714,890,092"

SECTION 2. Fiscal Year 2018 Budget is hereby amended as it pertains to Section 3.B.4.f.(4), Department of Finance, Countywide Costs, Supplemental Transfer to the Golf Fund, by increasing B – Operations and Total appropriations by \$110,000, 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] <u>2,263,414</u>	0	[2,153,414] <u>2,263,414</u>
(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)

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

SECTION 3. Fiscal Year 2018 Budget is hereby amended as it pertains to Section 3.B.10.d.(1), Department of Parks and Recreation, Waiehu Golf Course Program – Golf Fund, General, by decreasing A – Salaries by \$85,000, decreasing B – Operations by \$160,000 and Total appropriations by \$245,000, to read as follows:

10. Department of Parks and Recreation

a. Administration Program

(1) General	1,767,644	361,032	3,500	2,132,176
(i) Provided, that disbursement for salaries and premium pay is limited to 35.5 equivalent personnel.				
(2) Grant to The Lahaina Restoration Foundation	0	184,904	0	184,904
(3) Grant to Maui Community Correctional Center for Workline Program	0	117,000	0	117,000
(4) Grant for maintenance of County-owned land at Peahi	0	25,000	0	25,000

b. Parks Program

(1) Provided, that disbursement for salaries and premium pay is limited to 52.0 equivalent personnel.	2,808,081	2,908,168	100,197	5,816,446
(2) Provided, that \$20,000 shall be for gates, barriers, and signage at County-owned land identified as TMKs: 2-7-007-079; 081; 082; and 083.				



	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
c. Recreation and Support Services Program	11,883,766	8,289,726	328,000	20,501,492
(1) Provided, that disbursement for salaries and premium pay is limited to 294.8 equivalent personnel and 8.0 Limited Term Appointment (LTA) equivalent personnel.				
(2) Provided, that \$10,000 shall be for a professional boxing ring for the Alfred "Flako" Boteilho, Sr. Gym in Paia.				
d. Waiehu Golf Course Program – Golf Fund				
(1) General	[920,810]	[766,060]	185,000	[1,871,870]
(i) Provided, that disbursement for salaries and premium pay is limited to 19.5 equivalent personnel.	<u>835,810</u>	<u>606,060</u>		<u>1,626,870</u>
(2) Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA)	0	272,024	0	272,024
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)	0	173,443	0	173,443
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)	0	80,853	0	80,853
(5) Debt Service	0	231,022	0	231,022
(6) Administrative Overhead Charge	0	1,176,047	0	1,176,047

SECTION 4. Fiscal Year 2018 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect an A - Salaries decrease of \$85,000, B - Operations decrease of \$50,000, and Total decrease of \$135,000, to read as follows:

"TOTAL OPERATING APPROPRIATIONS	[177,286,835]	[378,483,851]	6,517,299	[562,287,985]
	<u>177,201,835</u>	<u>378,433,851</u>		<u>562,152,985</u>

SECTION 5. Fiscal Year 2018 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect a decrease of \$135,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[715,025,092]	<u>714,890,092"</u>
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SECTION 6. Material to be repealed is bracketed. New material is underscored.

SECTION 7. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:

  
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JEFFREY UEOKA  
Deputy Corporation Counsel