

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

December 11, 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 October 30, 2018, and November 13, 2018, makes reference to the following:

1. County Communication 18-362, from the Director of Finance, transmitting a copy of the Series 2018 General Obligation Bond ("GO Bond") Official Statement and a synopsis of the sales results.
2. County Communication 18-364, from the Director of Finance, informing of the sale of \$106,315,000 in County of Maui GO Bonds 2018 Series A, B, C, D, and E.

Your Committee notes the last bond issuance was in October 2015, when the County sold \$60,155,000 of GO Bonds 2015 Series A, B, C, and D. The competitive bid process resulted in the selection of Citigroup Global Markets, Inc. at a true interest cost of 2.089779 percent.

The Director of Finance ("Director") said the County sold \$106,315,000 of GO Bonds 2018 Series A, B, C, D, and E on September 18, 2018, through a competitive bid process. He said the winning bid was submitted by Bank of America Merrill Lynch at a true interest cost of 3.139106 percent. The closing sale date for the GO Bond was October 10, 2018.

He said the proceeds from the GO Bond sale will be used to refund certain outstanding GO Bonds and State Revolving Fund loans, reimburse the General Fund and Water Supply Fund for cash advances for on-going capital improvement projects, and fund new or ready projects authorized in various bond ordinances.

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The Director said in preparation for the issuance of the GO Bonds, the County's Bond Counsel identified \$7,833,061 in cash advances as disallowed expenditures for projects on a tax-exempt basis by Internal Revenue Service regulations for two reasons: 1) reimbursement cannot occur on a tax-exempt basis if the project expenditure is for a project that has been in service for more than 18 months prior to the bond closing date; and 2) individual project expenditures cannot be reimbursed on a tax-exempt basis if the expenditures were made more than 36 months prior to the bond closing date.

He said most of the reimbursements for disallowed expenditures were because of the "placed in service date" rule. The Director said the Department of Finance has never tracked the "placed in service date" for projects as it related to Federal tax regulations and the potential impact on reimbursements from tax-exempt bond proceeds.

He said the Finance Administration, Accounts Division, and the Treasury Division have developed procedures and internal controls to monitor project dates moving forward.

The Director said he made the decision to propose a 2018 supplemental taxable bond issuance to reimburse the General Fund based on the following reasons: 1) expenditures for the projects were originally and remain budgeted projects to be funded by bonds; 2) the General Fund would be reimbursed in Fiscal Year ("FY") 2019 and the funds would be reflected in the balances of the unrestricted fund balance in the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2019; 3) the ability to shorten the maturity period of the GO Bond to ensure the total debt burden cost to the County would be no more than if the disallowed expenditures were included in the tax-exempt issuance; and 4) there would be a reduced cost of issuance if the GO Bond was issued in calendar 2018.

The Director said potential credit rating issues might arise if the General Fund is not reimbursed in FY 2019. He recommended to 1) expeditiously refund the outstanding expenditures to avoid the County's

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credit rating from Moody's to be at risk; and 2) schedule the proposed resolution authorizing the hiring of bond counsel for the issuance of a taxable bond.

Your Committee opposed the issuance of a taxable bond to refund the General Fund. Your Committee recommended that the Director, Budget Director, and Mayor propose an alternative method to address the issue.

By correspondence dated November 7, 2018, the Budget Director transmitted 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 FINANCE, COUNTYWIDE COSTS, REIMBURSEMENT TO THE GENERAL FUND FOR PROJECTS DISQUALIFIED FROM TAX-EXEMPT BOND ISSUANCE; TOTAL OPERATING APPROPRIATIONS; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)" ("Budget bill").

The purpose of the proposed bill is to amend the FY 2019 Budget by 1) increasing Estimated Revenues for Carryover/Savings from the General Fund by \$1,500,000 and from the Bond/Lapsed Bond Fund by \$6,334,000; 2) amending Section 3.4.f, Department of Finance, Countywide Costs, by adding Category B (Operations) an appropriation entitled "Reimbursement to the General Fund for Projects Disqualified from Tax-Exempt Bond Issuance," in the amount of \$7,834,000; 3) amending Section 4.D.1.b., Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, Wailuku Civic Complex, by increasing the appropriation for the Bond Fund by \$2,000,000 and deleting the appropriation from the General Fund; 4) amending Section 4.E.4.a., Department of Parks and

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Recreation, Lanai Community Plan Area, Parks and Recreation, by changing the funding source for the Lanai Park Maintenance Building and Lanai Community Center Commercial Kitchen from General Fund to Bond Fund; 5) amending Section 4.E.7.a., Paia-Haiku Community Plan Area, Parks and Recreation, by decreasing the appropriation from the General Fund for the Paia-Haiku Parks System by \$950,000 and adding an appropriation from the Bond Fund for the Paia-Haiku Parks System for \$950,000; 6) amending Section 4.E.8.a., Wailuku-Kahului Community Plan Area, Parks and Recreation, by changing the funding source for the Wells Park Master Plan Implementation from General Fund to Bond Fund; 7) amending Section 4.E.9.a., West Maui Community Plan Area, Parks and Recreation, by decreasing the appropriation from the General Fund for the West Maui Parks System by \$286,000 and adding an appropriation from the Bond Fund for the West Maui Parks System by \$286,000; 8) amending Section 4.F.1.a., Department of Police, Countywide, Government Facilities, by changing the funding source for the Countywide Police Facilities from General Fund to Bond Fund; and 9) adjusting the totals accordingly.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4858, BILL NO. 54 (2018), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE AND DELIVERY OF SAID BONDS (DEPARTMENT OF MANAGEMENT, DEPARTMENT OF PARKS AND RECREATION, DEPARTMENT OF POLICE)" ("Bond bill").

The purpose of the proposed bill is to amend the FY 2019 general obligation bond authorization ordinance by 1) increasing the appropriation for the Department of Management for the Wailuku Civic Complex by \$2,000,000; 2) by adding an appropriation for the Department of Parks and Recreation for the a) Lanai Parks Maintenance Building, \$1,200,000; b) Lanai Community Center Commercial Kitchen,

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\$900,000; c) Paia-Haiku Parks System, \$950,000; d) Wells Park Master Plan Implementation, \$150,000; and e) West Maui Parks System, \$286,000; and 3) adding an appropriation for the Department of Police for Countywide Police Facilities in the amount of \$848,000.

3. A Certification of Additional Revenues for FY 2019, dated November 7, 2018, for \$1,500,000 in Carryover/Savings from the General Fund.

By correspondence dated November 8, 2018, the Budget Director transmitted a revised proposed Budget 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 FINANCE, COUNTYWIDE COSTS, REIMBURSEMENT TO THE GENERAL FUND FOR PROJECTS DISQUALIFIED FROM TAX-EXEMPT BOND ISSUANCE; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)."

The revised proposed Budget bill amends the bill's title by deleting "TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS," making nonsubstantive revisions to the page numbers and section numbers, and adjusting the totals accordingly.

Your Committee notes Section 18 of the General Budget Provisions allows for temporary transfers or loans not to exceed the amount of general obligation bonds or notes authorized but not issued. At any time, the aggregate amount of such transfers and loans that shall be unreimbursed shall not exceed \$55,000,000. Furthermore, the fund from which transfers or loans are made shall be reimbursed, from time to time in whole or in part based on expenditures or anticipated expenditures, by the Director of Finance from the proceeds of the sale of general obligation bonds or notes upon the eventual issuance and sale of such bonds or notes.

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Your Committee further notes the transfer or loan shall be reimbursed or repaid within 24 months after the later of (i) the date of the transfer or loan; or (ii) the date the public improvement funded by the transfer or loan was placed in service, but in no event later than three years after the expenditure has been made.

The Budget Director said the proposed amendment changes the funding source for qualified projects in the FY 2019 Budget from the General Fund to Bond Fund. The proposed amendment also recognizes \$1,500,000 in Carryover/Savings from the General Fund. The combination of the proposed amendments would resolve the issue of refunding the General Fund for cash advances for bond-funded projects without having to issue a taxable bond.

Your Committee voted 7-1 to recommend passage of the revised proposed Budget bill and the proposed Bond bill on first reading and filing of communications. Committee Chair Hokama and members Carroll, Cochran, Crivello, Guzman, King, and Sugimura voted "aye." Committee member Atay voted "no." Committee Vice-Chair White was excused.

Your Committee is in receipt of a further revised proposed Budget 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 2019 Budget.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2018), 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 FINANCE, COUNTYWIDE COSTS, REIMBURSEMENT TO THE GENERAL FUND FOR PROJECTS DISQUALIFIED FROM TAX-EXEMPT BOND ISSUANCE; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)," be PASSED ON FIRST READING and be ORDERED TO PRINT;

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2. That Bill _____ (2018), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4858, BILL NO. 54 (2018), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE AND DELIVERY OF SAID BONDS (DEPARTMENT OF MANAGEMENT, DEPARTMENT OF PARKS AND RECREATION, DEPARTMENT OF POLICE)," be PASSED ON FIRST READING and be ORDERED TO PRINT;
3. That County Communication 18-362 be FILED; and
4. That County Communication 18-364 be FILED.

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



RIKI HOKAMA, Chair

bf:cr:18176aa:mmy

ORDINANCE NO. _____

BILL NO. _____ (2018)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF FINANCE, COUNTYWIDE COSTS,
REIMBURSEMENT TO THE GENERAL FUND FOR PROJECTS
DISQUALIFIED FROM TAX-EXEMPT BOND ISSUANCE;
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 General Fund in the amount of \$1,500,000, increasing Bond/Lapsed Bond in the amount of \$6,334,000; and by increasing Total Estimated Revenues in the amount of \$7,834,000, 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	[111,610,000]	<u>117,944,000</u>
Carryover/Savings:		
General Fund	[20,254,424]	<u>21,754,424</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		<u>17,835,400</u>

TOTAL ESTIMATED REVENUES [800,736,328] 808,570,328"

SECTION 2. Fiscal Year 2019 Budget is hereby amended as it pertains to Section 3.4.f., Department of Finance, Countywide Costs, by adding a B – Operations and Total appropriation entitled, “Reimbursement to the General Fund for Projects Disqualified from Tax-Exempt Bond Issuance”, in the amount of \$7,834,000, 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	583,754	90,612	1,500	675,866
(1) Provided, that disbursement for salaries and premium pay is limited to 8.8 equivalent personnel.				
(2) Provided, that funds for the Internal Control Officer position are available in the Department of Finance, Countywide Costs and shall be available for transfer upon completion of the Council’s audit of the Department of Finance, review of the final report, and recommendations by the appropriate Council Committee. Said transfer shall be completed in accordance with law.				
b. Accounts Program	1,071,549	423,100	0	1,494,649
(1) Provided, that disbursement for salaries and premium pay is limited to 18.0 equivalent personnel.				
(2) Provided, that funds for the Assistant Accounts System Administrator position are available in the Department of Finance, Countywide Costs and shall be available for transfer upon completion of the Council’s audit of the Department of Finance, review of the final report, and recommendations by the appropriate Council Committee. Said transfer shall be completed in accordance with law.				
c. Financial Services Program				
(1) General	5,017,276	2,349,511	11,000	7,377,787
(i) Provided, that disbursement for salaries and premium pay is limited to 99.7 equivalent personnel.				

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(2) Countywide Service Center – Annual Lease Costs	0	570,000	0	570,000
d. Purchasing Program	400,448	70,081	3,600	474,129
(1) Provided, that disbursement for salaries and premium pay is limited to 7.0 equivalent personnel.				
e. Treasury Program	703,286	688,814	14,330	1,406,430
(1) Provided, that disbursement for salaries and premium pay is limited to 14.0 equivalent personnel.				
f. Countywide Costs				
(1) Fringe Benefits	0	96,048,913	0	96,048,913
(2) Fringe Benefits Reimbursement	0	(20,683,536)	0	(20,683,536)
(3) Bond Issuance and Debt Service	0	40,395,403	0	40,395,403
(4) Supplemental Transfer to the Golf Fund	0	3,172,170	0	3,172,170
(5) Supplemental Transfer to the Environmental Protection and Sustainability Fund	0	3,937,382	0	3,937,382
(6) Insurance Programs and Self Insurance	0	14,245,384	0	14,245,384
(7) Transfer to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund	0	3,214,857	0	3,214,857
(8) Transfer to the Affordable Housing Fund	0	6,429,714	0	6,429,714
(9) General Costs	108,332	1,140,126	6,000	1,254,458
(10) Overhead Reimbursement	0	(19,401,799)	0	(19,401,799)
(11) Transfer to the Emergency Fund	0	6,500,000	0	6,500,000
(12) Post-Employment Obligations	0	18,126,930	0	18,126,930
(i) Provided, that the funds are paid to the State of Hawaii Employer-Union Health				

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
Benefits Trust Fund prior to September 30, 2018.				
(13) One Main Plaza Lease	0	373,451	0	373,451
(14) <u>Reimbursement to the General Fund for Projects Disqualified from Tax-Exempt Bond Issuance</u>	<u>0</u>	<u>7,834,000</u>	<u>0</u>	<u>7,834,000</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 \$7,834,000, to read as follows:

“TOTAL OPERATING APPROPRIATIONS	189,510,671	[399,639,379]	9,919,486	[599,069,536]
		<u>407,473,379</u>		<u>606,903,536</u> ”

SECTION 4. Fiscal Year 2019 Budget is hereby amended as it pertains to Section 4.D.1.b., Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, by increasing the Bond Fund appropriation for the Wailuku Civic Complex capital project by \$2,000,000 and removing the \$2,000,000 General Fund appropriation, to read as follows:

<u>PROJECT TITLE</u>			<u>APPROPRIATION</u>
“D. Department of Management			
1. Wailuku-Kahului Community Plan Area			
a. Other Projects			
(1) General Fund			
(i) Data Center Air Conditioning Replacement			250,000
b. Government Facilities			
(1) Bond Fund			
(i) Wailuku Civic Complex			[80,000,000] <u>82,000,000</u>
[(2) General Fund			
(i) Wailuku Civic Complex			2,000,000] ”
[(3)] (2) Lapsed Bond Proceeds			
(i) Wailuku Civic Complex			2,195,000
2. Countywide			
a. Other Projects			
(1) Bond Fund			
(i) Public Safety Radio System Replacement			1,200,000”

SECTION 5. Fiscal Year 2019 Budget is hereby amended as it pertains to Section 4.E.4.a., Department of Parks and Recreation, Lanai Community Plan Area, Parks and Recreation, by changing the funding source for the Lanai Parks Maintenance Building and Lanai Community Center Commercial Kitchen capital projects from General Fund to Bond Fund; Section 4.E.7.a., Paia-Haiku Community Plan Area, Parks and Recreation, by decreasing the General Fund appropriation for the Paia-Haiku Parks System capital project by \$950,000 and adding a Bond Fund appropriation in the amount of \$950,000; Section 4.E.8.a., Wailuku-Kahului Community Plan Area, Parks and Recreation, by changing the funding source for the Wells Park Master Plan Implementation capital project from General Fund to Bond Fund; and Section 4.E.9.a., West Maui Community Plan Area, Parks and Recreation, by decreasing the General Fund appropriation for the West Maui Parks System capital project by \$286,000 and adding a Bond Fund appropriation in the amount of \$286,000, to read as follows:

“E. Department of Parks and Recreation

1. Countywide

a. Parks and Recreation

(1) General Fund

(i) Countywide Parks Americans with Disabilities Act (ADA) Improvements	300,000
(ii) Countywide Park Playground Improvements	1,000,000
(iii) Countywide Light Ordinance Compliance	600,000
(iv) Countywide Building Maintenance Repairer Baseyard	225,000

2. Hana Community Plan Area

a. Parks and Recreation

(1) General Fund

(i) Hana-Keanae-Kailua Parks System	675,000
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3. Kihei-Makena Community Plan Area

a. Parks and Recreation

(1) General Fund

(i) South Maui Parks System	345,000
(a) Provided, that \$150,000 shall be for Kalama Park playground resurfacing.	
(ii) Kenolio Recreational Complex Open Building Repair	50,000

(2) Park Assessment Fund

(i) South Maui Community Park	500,000
(ii) Kamaole Point Pavilion	250,000
(iii) South Maui Parks System	492,000
(iv) South Maui Community Park Recreation Center	900,000

4. Lanai Community Plan Area

a. Parks and Recreation

(1) General Fund

(i) Lanai Parks System	350,000
[(ii) Lanai Parks Maintenance Building	1,200,000]
[(iii) Lanai Community Center Commercial Kitchen	900,000]

(2) Bond Fund

<u>(i) Lanai Parks Maintenance Building</u>	<u>1,200,000</u>
<u>(ii) Lanai Community Center Commercial Kitchen</u>	<u>900,000</u>

5. Makawao-Pukalani-Kula Community Plan Area		
a. Parks and Recreation		
(1) Bond Fund		
(i) Waiakoa Gym Improvements		175,000
(2) General Fund		
(i) Makawao-Pukalani-Kula-Ulupalakua Parks System		415,000
(ii) Hannibal Tavares Community Center Improvements		1,000,000
(3) Park Assessment Fund		
(i) Kula Park Playground		95,000
(ii) Upcountry Skate Park		25,000
(iii) Pickleball Courts at Eddie Tam Memorial Park		40,000
6. Molokai Community Plan Area		
a. Parks and Recreation		
(1) General Fund		
(i) Molokai Parks System		635,000
7. Paia-Haiku Community Plan Area		
a. Parks and Recreation		
(1) Bond Fund		
(i) Alfred "Flako" Boteilho, Sr. Gym Improvements		1,500,000
(ii) <u>Paia-Haiku Parks System</u>		<u>950,000</u>
(2) General Fund		
(i) Paia-Haiku Parks System	[1,000,000]	<u>50,000</u>
8. Wailuku-Kahului Community Plan Area		
a. Parks and Recreation		
(1) Bond Fund		
(i) War Memorial Complex Paving Improvements		500,000
(ii) New Kahului Community Center		400,000
(iii) <u>Wells Park Master Plan Implementation</u>		<u>150,000</u>
(2) General Fund		
(i) Kepaniwai Heritage Gardens Improvements		330,000
(ii) Central Maui Parks System		390,000
(a) Provided, that \$150,000 shall be for park playground improvements at the Wailuku Heights Park, provided that the Wailuku Heights Extension Community Association contributes \$5,000 for improvements to the park.		
[(iii)] <u>Wells Park Master Plan Implementation</u>		150,000]
[(iv)] [(iii)] Kokua Pool Improvements		450,000
[(v)] [(iv)] Ichiro "Iron" Maehara Baseball Stadium Improvements		500,000
9. West Maui Community Plan Area		
a. Parks and Recreation		
(1) General Fund		
(i) West Maui Parks System	[748,000]	<u>462,000</u>

- (2) Park Assessment Fund
 - (i) Launiupoko Master Plan 500,000
- (3) Bond Fund
 - (i) West Maui Parks System 286,000”

SECTION 6. Fiscal Year 2019 Budget is hereby amended as it pertains to Section 4.F.1.a., Department of Police, Countywide, Government Facilities, by changing the funding source for the Countywide Police Facilities capital project from General Fund to Bond Fund, to read as follows:

- “F. Department of Police
 - 1. Countywide
 - a. Government Facilities
 - (1) [General] Bond Fund
 - (i) Countywide Police Facilities 848,000”

SECTION 7. Fiscal Year 2019 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$7,834,000, to read as follows:

“TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[800,736,328]	<u>808,570,328”</u>
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SECTION 8. Material to be repealed is bracketed. New material is underscored.

SECTION 9. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA

Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. ____ (2018)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4858,
BILL NO. 54 (2018), RELATING TO THE ISSUANCE OF GENERAL
OBLIGATION BONDS OF THE COUNTY OF MAUI
ISSUANCE, SALE AND DELIVERY OF SAID BONDS
(DEPARTMENT OF MANAGEMENT, DEPARTMENT OF
PARKS AND RECREATION, DEPARTMENT OF
POLICE)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4858, Bill No. 54 (2018), is amended by
amending Section 1 to read as follow:

SECTION 1. Authorization of General Obligation Bonds. Pursuant to Chapter 47, Hawaii Revised Statutes, as amended, and particularly Part I thereof, there are hereby authorized to be issued and sold from time to time general obligation bonds of the County of Maui, State of Hawaii (the "County") in an aggregate principal amount not to exceed [~~\$68,515,000~~] \$74,849,000 (the "Bonds"), the proceeds derived from the sale of which shall be used to pay all or part of the cost of appropriations for the public improvements of the County described in Section 2 hereof.

SECTION 2. Disposition of Bond Proceeds. All or any portion of the proceeds derived from the sale of the Bonds or any notes issued in anticipation of the Bonds shall be used to pay all or part of the cost of any of the public improvements listed below in accordance with appropriations contained in the Fiscal Year 2019 Budget, including amendments and supplements thereto, duly approved by the Council of the County (the "Council") for the fiscal year ending June 30, 2019 (the "Fiscal Year 2019 Budget"); provided, however, that pursuant to Section 47-5, Hawaii Revised Statutes, the part of such proceeds which are in excess of the amounts required for the purposes for which the Bonds are initially issued from time to time, or which may not be applied to such purposes, or which the Council deems should not be applied to such purposes, may be applied to finance such other public improvements of the County as the Council shall, by ordinance approved by an affirmative vote of two-thirds of all of its members, determine; and provided further that the actual use and application of the proceeds of Bonds issued pursuant to this ordinance shall not in any way affect the validity or legality of such Bonds. No proceeds of the Bonds shall be applied to any public improvement listed in this section unless and until there shall be a valid appropriation of general obligation bond proceeds in effect for such public improvement. The public improvements provided for or to be provided for in the Fiscal Year 2019 Budget, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:

Estimated Project Cost

<u>PROJECT TITLE</u>	<u>APPROPRIATION</u>
A. Department of Environmental Management	
1. Hana Community Plan Area	
a. Sanitation	
(1) Hana Landfill Makai Berm Waste Removal	1,000,000
2. Wailuku-Kahului Community Plan Area	
a. Drainage	
(1) Central Maui Landfill Stormwater Management Improvements	750,000
b. Sanitation	
(1) Central Maui Landfill Monitoring Well Design/Construction	500,000
(2) Central Maui Landfill Land Purchase	250,000
(3) Central Maui Landfill Phase III	250,000
B. Department of Finance	
1. Countywide	
a. Other Projects	
(1) Countywide Equipment	4,175,000
C. Department of Management	
1. Countywide	
a. Other Projects	
(1) Public Safety Radio System Replacement	1,200,000
2. Wailuku-Kahului Community Plan Area	
a. Government Facilities	
(1) Wailuku Civic Complex	[40,000,000] <u>42,000,000</u>
D. Department of Parks and Recreation	
1. Makawao-Pukalani-Kula Community Plan Area	
a. Parks and Recreation	
(1) Waiakoa Gym Improvements	175,000
2. Paia-Haiku Community Plan Area	
a. Parks and Recreation	
(1) Alfred "Flako" Boteilho, Sr. Gym Improvements	1,500,000
(2) <u>Paia-Haiku Parks System</u>	<u>950,000</u>

3.	Wailuku-Kahului Community Plan Area	
	a. Parks and Recreation	
	(1) War Memorial Complex Paving Improvements	500,000
	(2) <u>Wells Park Master Plan Implementation</u>	<u>150,000</u>
4.	<u>West Maui Community Plan Area</u>	
	a. Parks and Recreation	
	(1) <u>West Maui Parks System</u>	<u>286,000</u>
5.	<u>Lanai Community Plan Area</u>	
	a. Parks and Recreation	
	(1) <u>Lanai Parks Maintenance Building</u>	<u>1,200,000</u>
	(2) <u>Lanai Community Center Commercial Kitchen</u>	<u>900,000</u>
E.	Department of Public Works	
	1. Countywide	
	a. Drainage	
	(1) Countywide Drainage Improvements	1,300,000
	b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Countywide Federal Aid Program	2,000,000
	2. Hana Community Plan Area	
	a. Drainage	
	(1) Mahalawa Bridge Replacement	250,000
	b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Kalepa Revetment and Seawall Repairs	500,000
	(2) Maka'ala Road Resurfacing	550,000
	3. Kihei-Makena Community Plan Area	
	a. Drainage	
	(1) South Maui Drainline Repairs	2,300,000
	b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	


(1)	North South Collector Road (Namuau Place to Kulanihakoi Street)	500,000
4. Molokai Community Plan Area		
a. Drainage		
(1)	Kaunakakai Drainage System B	2,000,000
b. Government Facilities		
(1)	Molokai Baseyard	250,000
5. Wailuku-Kahului Community Plan Area		
a. Drainage		
(1)	Central Maui Drainline Repairs	1,500,000
(2)	Central Maui Drainline Assessment	700,000
(3)	Hauoli Street Drainage Basin & Outlet Repair	1,000,000
(4)	Iao Stream Bank Stabilization at Millyard	500,000
b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:		
(1)	Waiale Road Improvements (Kaohu Street to Wainu Road)	150,000
(2)	Kamehameha Avenue at Maui Lani Parkway Intersection Improvements	2,865,000
6. West Maui Community Plan Area		
a. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:		
(1)	Front Street Breakwall Repair Fronting Lahaina Center	500,000
(2)	Front Street Deck and Rail Repair Near Lahainaluna Road	700,000
F. Department of Transportation		
1. Wailuku-Kahului Community Plan Area		
a. Government Facilities		
(1)	Central Maui Transit Hub	650,000
G. Department of Police		
1. Countywide		
a. Government Facilities		
(1)	<u>Countywide Police Facilities</u>	<u>848,000</u>

The cost of issuance of the Bonds or any series thereof, including without limitation, the initial fee of paying agents and registrars, the fees of financial consultants and bond counsel, the cost of preparation of any Official Statement relating to the Bonds, any notices of sale and forms of bid and the definitive Bonds, and the costs of publication of any notices of sale, may be paid from the proceeds of the Bonds or any series thereof and such costs shall be allocated pro rata to each of the foregoing projects financed from such proceeds.

SECTION 3. Material to be repealed is bracketed. New material is underscored.

SECTION 4. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM
AND LEGALITY:



Deputy Corporation Counsel
County of Maui
2018-0310
2018-11-07 Accompany Bond Management Wailuku Civic Center and Parks Community Plan Area