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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

May 11, 2017

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OFFICE OF THE
COUNTY CLERK

The Honorable Mike White
Council Chair
County of Maui
Wailuku, Hawaii 96793

Dear Chair White:

**SUBJECT: FISCAL YEAR 2018 BUDGET BILL, ATTACHED TO
BUDGET AND FINANCE COMMITTEE REPORT**
(PAF 17-110)

May I request the matter relating to the attached proposed amendments to the Fiscal Year 2018 Budget bill be placed on the agenda for the May 19, 2017 Council meeting.

Sincerely,

A handwritten signature in cursive script that reads "Elle Cochran".

ELLE COCHRAN
Councilmember

paf:cmn:17-110b

Attachments

COUNTY COMMUNICATION NO. 17-196

MAUI COUNTY COUNCIL
Amendment Summary Form

Legislation: Fiscal Year 2018 Budget Bill

Proposer: Councilmember Elle Cochran

Description: Requires homes constructed on County-subsidized lots in the Fabmac Affordable Housing Project to remain affordable in perpetuity.

Motion: Move to amend the proposed Fiscal Year 2018 Budget Bill by adding a phrase in Appendix A.II., relating to Special Purpose Revenues, Section M., Affordable Housing Fund, third proviso, “, to remain affordable in perpetuity,” after the phrase “pre-fabricated homes” to read:

(3) “Provided, that \$1,500,000 shall be for the Fabmac Affordable Housing Project of Fabmac Homes, LLC to subsidize the acquisition of nine lots to construct pre-fabricated homes, to remain affordable in perpetuity, which will be sold to families earning below 80% of the area median income (six homes) and 90% - 100% of the area median income (three homes).

Effect: In Ramseyer format, the changes are as follows:

Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	5,986,221	6,063,514	12,049,735
(1) Provided, that no more than \$70,000 shall be for Administrative Expenses.			
(2) Provided, that \$2,500,000 shall be for Hale Mahaolu for the Hale Mahaolu Ewalu Senior Project Phase II to construct 22 rental units for seniors at 60% and below of the area median income.			

- (3) Provided, that \$1,500,000 shall be for the Fabmac Affordable Housing Project of Fabmac Homes, LLC to subsidize the acquisition of nine lots to construct pre-fabricated homes, to remain affordable in perpetuity, which will be sold to families earning below 80% of the area median income (six homes) and 90% - 100% of the area median income (three homes).
- (4) Provided, that \$100,000 shall be for the Kulamalu Affordable Housing project of the County of Maui.
- (5) Provided, that \$2,000,000 shall be for planning, design, and engineering of the Lanai Affordable Housing Project, Phase I.

paf:cmn:17-110a

MAUI COUNTY COUNCIL
Amendment Summary Form

Legislation: Fiscal Year 2018 Budget Bill

Proposer: Councilmember Elle Cochran

Description: Add a proviso under the Office of the Mayor, Economic Development Program, Grants and disbursements for Visitors Industry, Maui County Visitor Association (“MCVA”), to (1) require the MCVA, by December 31, 2017, to work in partnership with the appropriate Council committee to analyze visitor industry impacts on County environmental and infrastructural resources and identify mitigating measures for key negative impacts; and (2) make the receipt of 50 percent of the grant funds contingent upon the Council committee’s recommendation that a resolution be adopted finding this requirement has been fulfilled.

Motion: Move to amend the proposed Fiscal Year 2018 Budget Bill, Office of the Mayor, Economic Development Program, Grants and disbursements for Visitors Industry, Maui County Visitor Association, by inserting a proviso to read:

(1) Provided, that the Maui County Visitor Association shall, by December 31, 2017, work in partnership with the appropriate Council committee to analyze the impacts of the visitor industry on County environmental and infrastructural resources and identify mitigating measures to address key negative impacts; and further provided, that 50 percent of the grant shall be withheld until the Council committee recommends adoption of a resolution finding that this requirement has been fulfilled to its satisfaction.

Effect: See attached marked-up copy of page 19 of the Budget Bill.

Attachment: See attached as noted.

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(3) Provided, that \$63,000 shall be for the management of Kaehu Bay and \$12,000 shall be for improvements of access roads at the Kaehu Bay property.				
(ii) Maui Soil/Water Conservation District	0	175,000	0	175,000
(iii) Soil/Water Conversation Districts – Molokai and Lanai	0	22,000	0	22,000
(iv) Coqui Frog Eradication Project	0	750,000	0	750,000
(v) Grant for the restoration project for Moku`ula and Mokuhinia – Park Assessment Fund	0	400,000	0	400,000
(1) Provided, that the funds are awarded through a request for proposals process and the specifications contained within the request for proposals shall be reviewed by the appropriate Council committee, and approved by Council resolution.				
(7) Grants and disbursements for Visitors Industry				
(i) Maui County Visitor Association	0	4,000,000	0	4,000,000
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

(i) Provided, that the Maui County Visitor Association shall, by December 31, 2017, work in partnership with the appropriate Council committee to analyze the impacts of the visitor industry on County environmental and infrastructural resources and identify mitigating measures to address key negative impacts; and further provided, that 50 percent of the grant shall be withheld until the Council committee recommends adoption of a resolution finding that this requirement has been fulfilled to its satisfaction.

MAUI COUNTY COUNCIL
Amendment Summary Form

Legislation: Fiscal Year 2018 Budget Bill

Proposer: Councilmember Elle Cochran

Description: Recognize \$80,000 in Carryover/Savings from the Fiscal Year 2017 Budget, General Fund (from the Department of Fire and Public Safety, Ocean Safety Program, Category B (Operations)); appropriate the \$80,000 in the Fiscal Year 2018 Budget, Department of Fire and Public Safety, Ocean Safety Program, Category C (Equipment); and add a proviso under the appropriation to require the \$80,000 be used to purchase four jet skis, four sleds, and four trailers.

Motion: Move to amend the proposed Fiscal Year 2018 Budget Bill, by:

- (1) On page 1, increasing Carryover/Savings from the General Fund by \$80,000;
- (2) On page 1, increasing Total Estimated Revenues by \$80,000;
- (3) On page 8, Department of Fire and Public Safety, Ocean Safety Program, appropriating \$80,000 for Category C (Equipment) and adjusting the total appropriation accordingly;
- (4) On page 8, adding a second proviso under the Department of Fire and Public Safety, Ocean Safety Program, to read: "Provided, that \$80,000 shall be used to purchase four jet skis, four sleds, and four trailers.";
- (5) On page 26, Total Operating Appropriations, increasing the Equipment and Total columns by \$80,000;
- (6) On page 34, Total Appropriations (Operating and Capital Improvement Projects), increasing the Total by \$80,000; and

May 19, 2017 Council meeting

BF CR on FY 2018 Budget

(7) On page 38, increasing the Unencumbered funds
(carryover/savings) by \$80,000, from
\$32,385,599 to \$32,465,599.

Effect: See attached marked-up copy of pages 1, 8, 26, 34, and 38
of the Budget Bill.

Attachments: See attached as noted.

paf:cmn:17-116a

ORDINANCE NO. _____

BILL NO. _____ (2017)

A BILL FOR AN ORDINANCE RELATING TO THE
OPERATING BUDGET FOR THE COUNTY OF MAUI
FOR THE FISCAL YEAR JULY 1, 2017 TO JUNE 30, 2018

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

SECTION 1. This ordinance may be referred to as the "Fiscal Year 2018 Budget."

SECTION 2. The several amounts listed below are declared to be estimated revenues of the County of Maui for the Fiscal Year July 1, 2017 through June 30, 2018, and are appropriated to the functions, programs, funds, departments, and agencies for the purposes set forth in Sections 3 and 4.

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	38,694,419
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	45,705,000
Carryover/Savings:	
General Fund	6,273,867 6,353,867
Sewer Fund	5,023,222
Highway Fund	1,330,866
Solid Waste Management Fund	298,920
Golf Fund	363,433
Liquor Fund	722,099
Bikeway Fund	47,276
Water Fund	18,325,916

TOTAL ESTIMATED REVENUES

705,215,452
~~705,215,452~~

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
5. Department of Fire and Public Safety				
a. Administration Program	1,233,924	592,568	2,570	1,829,062
(1) Provided, that disbursement for salaries and premium pay is limited to 15.0 equivalent personnel.				
b. Training Program	712,808	358,131	22,353	1,093,292
(1) Provided, that disbursement for salaries and premium pay is limited to 8.0 equivalent personnel.				
c. Fire/Rescue Operations Program	24,836,285	3,063,808	63,000	27,963,093
(1) Provided, that disbursement for salaries and premium pay is limited to 284.0 equivalent personnel and 2.0 Limited-Term Appointment (LTA) equivalent personnel.				
(i) Provided, that the 2.0 LTA equivalent personnel shall be for Battalion Chiefs.				
d. Fire Prevention Program	774,280	98,096	1,159	873,535
(1) Provided, that disbursement for salaries and premium pay is limited to 9.0 equivalent personnel.				
e. Ocean Safety Program	3,285,996	265,626	80,000	3,631,622
(1) Provided, that disbursement for salaries and premium pay is limited to 52.0 equivalent personnel.			-0-	3,551,622
6. Department of Housing and Human Concerns				
a. Administration Program	422,461	28,775	3,600	454,836
(1) Provided, that disbursement for salaries and premium pay is limited to 5.0 equivalent personnel.				
b. Housing Program				
(1) General	458,780	113,808	2,410	574,998
(i) Provided, that disbursement for salaries and premium pay is limited to 8.0 equivalent personnel.				
(2) Grants and disbursements for affordable rental housing programs	0	1,000,000	0	1,000,000
(2) Provided, that \$80,000 shall be used to purchase four jet skis, four sleds, and four trailers.	8			

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
c. Water Operations Program – Water Fund	9,016,770	19,746,733	665,212	29,428,715
(i) Provided, that disbursement for salaries and premium pay is limited to 143.0 equivalent personnel and 2.0 Limited Term Appointment (LTA) equivalent personnel.				
TOTAL OPERATING APPROPRIATIONS	<u>177,286,835</u>	<u>379,074,216</u>	6,314,619 <i>6,394,619</i>	562,675,670 <i>562,755,670</i>

(2) Water Supply Fund - Unrestricted	
(i) West Maui Reliable Capacity	
(1) Mahinahina Well #1 Development	5,000,000

TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS	<u>142,539,782</u>
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TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	<u>705,295,452</u>
	705,215,452

ENCUMBERED AND UNENCUMBERED FUNDS

SECTION 17. The several amounts listed below are declared to be the estimated encumbered County Funds as of June 30, 2017 and unencumbered County Funds on hand as of July 1, 2017. The estimated amounts set forth in this section are shown in accordance with Section 9-3 of the Revised Charter of the County of Maui (1983), as amended. The actual amounts of any encumbered and unencumbered funds that the County will have on hand as of June 30, 2017, will be set forth in the Comprehensive Annual Financial Report.

Encumbered funds	\$89,636,362
Unencumbered funds (carryover/savings)	\$32,385,599 <i>\$22,465,599</i>

FINANCIAL PROCEDURES

SECTION 18. For the purpose of this section, "County fund" excludes pension or retirement funds, funds under the control of any independent board or commission, funds set aside for the redemption of bonds or the payment of interest thereon, park dedication funds, or special purpose funds. In the event there are monies in any County fund that, in the judgment of the Director of Finance, are in excess of the amounts necessary for the immediate requirements of the respective funds, and where in the judgment of the Director of Finance, such action will not impede the necessary or desirable financial operation of the County, the Director of Finance may make temporary transfers or loans therefrom without interest to the Bond Fund or the Housing Interim Financing and Buy-Back Revolving Fund. The amount of such temporary transfers or loans shall not 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. Monies transferred or loaned shall be expended only for appropriations from the Bond Fund or the Housing Interim Financing and Buy-Back Revolving Fund, which are specified to be financed from the sale of general obligation bonds or notes. 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. Within 30 days after each transfer or loan, the Director of Finance shall report to the County Council on: (1) the amount of transfer or loan requirement; (2) the reason or justification for the transfer or loan; (3) the source of funding to reimburse or repay the transfer or loan; and (4) the time schedule proposed for reimbursement or repayment of the transfer or loan. The transfer or loan shall be reimbursed or repaid within twenty-four (24) months after the later of: (i) the date of the transfer or loan; or (ii) the date that the public improvement