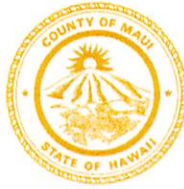


Michael P. Victorino
Mayor

Sananda K. Baz
Managing Director



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

REFERENCE NO. BD-BA 20-03

September 13, 2019

RECEIVED
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OFFICE OF THE
COUNTY CLERK

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino 9/13/19
Mayor Date

For Transmittal to:

Honorable Kelly T. King, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair King:

**SUBJECT: AMENDMENT TO THE FISCAL YEAR 2020 BUDGET
(DEPARTMENT OF ENVIRONMENTAL
MANAGEMENT, DEPARTMENT OF FINANCE,
DEPARTMENT OF LIQUOR CONTROL, AND
DEPARTMENT OF PUBLIC WORKS)**

I am transmitting the attached proposed bill for the purpose of amending the Fiscal Year 2020 Budget. The proposed revisions reflect the appropriate adjustments to the Countywide Costs in the Department of Finance and the Sewer, Solid Waste Management, Liquor Control, and Highway Funds relating to Fringe Benefit Costs and Administrative Overhead Charges. Furthermore, the Estimated Revenues are adjusted accordingly.

The proposed amendment eliminates the supplemental transfer from the General Fund to the Sewer Fund, to maintain its self-sufficiency. The Sewer Fund is self-funded by sewer assessment and user fees for wastewater-related operations.

Furthermore, the proposed amendment will make the necessary adjustments to the Fringe Benefit Costs, Administrative Overhead Charges, the respective reimbursement accounts, and interfund transfers to result in a balanced budget by sub-fund.

COUNTY COMMUNICATION NO. 19-387

Kelly T. King, Chair
September 13, 2019
Page 2

The Department of Finance is requesting that the proposed resolution be considered as soon as possible. Therefore, I respectfully request expeditious review and appropriate action by the Economic Development and Budget Committee.

Thank you for your attention in this matter. Should you have any questions, please contact me at ext. 7212 or May-Anne Alibin, Deputy Director of Finance at ext. 7475.

Sincerely,

A handwritten signature in black ink, appearing to read "Michele M. Yoshimura", with a stylized flourish at the end.

MICHELE M. YOSHIMURA
Budget Director

Attachment

cc: Scott Teruya, Director of Finance
May-Anne Alibin, Deputy Director of Finance

ORDINANCE NO. _____

BILL NO. _____ (2019)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2020 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, SEWER FUND; DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT, SOLID WASTE MANAGEMENT FUND;
DEPARTMENT OF FINANCE, COUNTYWIDE COSTS; DEPARTMENT OF LIQUOR CONTROL;
DEPARTMENT OF PUBLIC WORKS, HIGHWAY 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. 4988, Bill No. 36 (2019), Draft 1, as amended, "Fiscal Year 2020 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by decreasing Charges for Current Services in the amount of \$576, decreasing Licenses/Permits/Others in the amount of \$227,340; by decreasing Interfund Transfers by \$23,377, and by decreasing Total Estimated Revenues in the amount of \$251,293, to read as follows:

"ESTIMATED REVENUES"

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		358,462,076
Circuit Breaker Adjustment		(425,836)
Charges for Current Services	[159,250,948]	<u>159,250,372</u>
Transient Accommodations Tax		23,484,000
Public Service Company Tax		7,000,000
Licenses/Permits/Others	[42,473,029]	<u>42,245,689</u>
Fuel and Franchise Taxes		24,300,000
Special Assessments		21,068,650
Other Intergovernmental		9,653,290

FROM OTHER SOURCES:

Interfund Transfers	[45,623,028]	<u>45,599,651</u>
Bond/Lapsed Bond		85,896,411
Carryover/Savings:		
General Fund		22,958,458
Sewer Fund		7,878,180
Highway Fund		7,261,014
Solid Waste Management Fund		569,871
Environmental and Sustainability Fund		2,587,724
Liquor Fund		687,103
Bikeway Fund		387,208
Water Fund		<u>4,362,357</u>

TOTAL ESTIMATED REVENUES	[823,477,511]	<u>823,226,218"</u>
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SECTION 2. Fiscal Year 2020 Budget is hereby amended as it pertains to 1) Section 3.B.3.b., Department of Environmental Management, Wastewater Administration Program – Sewer Fund, by increasing the Contribution to General Fund Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA) by \$442; by increasing the Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF) by \$359; by increasing Contribution to General Fund – Other Post-Employment Benefits (OPEB) by \$173; and by increasing Administrative Overhead Charge by \$20,852; 2) Section 3.B.3.c., Department of Environmental Management, Wastewater Operations Program – Sewer Fund, by decreasing Category B – Operations by \$101,827; and 3) Section 3.B.3.d., Department of Environmental Management, Solid Waste Administration Program – Solid Waste Management Fund by decreasing Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA) by \$6,781, by decreasing Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF) by \$4,208, by decreasing Contribution to General Fund – Other Post-Employment Benefits (OPEB) by \$2,121, and by decreasing Administrative Overhead Charge by \$30,292, to read as follows:

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
"3. Department of Environmental Management				
a. Administration Program – General Fund	483,850	152,140	4,500	640,490
(1) Provided, that disbursement for salaries and premium pay is limited to 5.0 equivalent personnel.				
b. Wastewater Administration Program – Sewer Fund				
(1) General	1,587,398	1,415,345	72,000	3,074,743
(a) Provided, that disbursement for salaries and premium pay is limited to 20.0 equivalent personnel.				
(2) Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA)	0	[2,370,453] <u>2,370,895</u>	0	[2,370,453] <u>2,370,895</u>
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)	0	[1,422,952] <u>1,423,311</u>	0	[1,422,952] <u>1,423,311</u>
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)	0	[692,317] <u>692,490</u>	0	[692,317] <u>692,490</u>
(5) Debt Service	0	14,869,211	0	14,869,211
(6) Administrative Overhead Charge	0	[5,537,020] <u>5,557,872</u>	0	[5,537,020] <u>5,557,872</u>

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(7) Transfer to Countywide Sewer Capital Improvement Reserve Fund	0	1,483,047	0	1,483,047
c. Wastewater Operations Program – Sewer Fund	7,012,756	[15,812,262] <u>15,710,435</u>	868,600	[23,693,618] <u>23,591,791</u>
(1) Provided, that disbursement for salaries and premium pay is limited to 101.0 equivalent personnel and 1.0 Limited Term Appointment (LTA) equivalent personnel.				
(2) Provided, that the 1.0 LTA equivalent personnel shall be for an Operator Trainee position on Molokai.				
d. Solid Waste Administration Program – Solid Waste Management Fund				
(1) General	994,248	310,894	37,530	1,342,672
(i) Provided, that disbursement for salaries and premium pay is limited to 13.0 equivalent personnel.				
(2) Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA)	0	[1,992,115] <u>1,985,334</u>	0	[1,992,115] <u>1,985,334</u>
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)	0	[1,196,056] <u>1,191,848</u>	0	[1,196,056] <u>1,191,848</u>
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)	0	[581,519] <u>579,398</u>	0	[581,519] <u>579,398</u>
(5) Debt Service	0	4,970,006	0	4,970,006
(6) Administrative Overhead Charge	0	[3,980,879] <u>3,950,587</u>	0	[3,980,879] <u>3,950,587</u>
e. Solid Waste Operations Program – Solid Waste Management Fund	5,812,585	8,616,432	388,860	14,817,877
(1) Provided, that disbursement for salaries and premium pay is limited to 94.0 equivalent personnel.				

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(2) Provided, that 3.0 equivalent personnel shall be for one Operator I and two Laborer II positions for trash collection on Molokai.				
(3) Provided, that 2.0 equivalent personnel shall be for green waste operations on Sundays for the Central Maui Landfill.				
(4) Provided, that for the pilot project to open the Central Maui Landfill one Sunday a month for green waste, the County Council shall receive a quarterly report analyzing actual usage against cost to determine if the additional day per month justifies the additional expense.				
f. Environmental Protection and Sustainability Program – Environmental Protection and Sustainability Fund	347,538	7,450,882	8,000	7,806,420
(1) Provided, that disbursement for salaries and premium pay is limited to 6.0 equivalent personnel.				
(2) Grant to Malama Maui Nui	0	155,500	0	155,500
(3) Grant for Go Green West Maui recycling	0	118,220	0	118,220
(4) Grant to Community Work Day Program, dba Malama Maui Nui	0	251,090	0	251,090
(i) Provided, that \$35,090 shall be for trash pick-up and disposal for Pali to Puamana for community cleanup support.				
(5) Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA)	0	153,173	0	153,173
(6) Contribution to General Fund – Hawaii Employer-Union Health	0	91,954	0	91,954

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
Benefits Trust Fund (EUTF)				
(7) Contribution to General Fund – Other Post-Employment Benefits (OPEB)	0	44,728	0	44,728
(8) Administrative Overhead Charge	0	304,798	0	304,798"

SECTION 3. Fiscal Year 2020 Budget is hereby amended as it pertains to Section 3.B.4.f., Department of Finance, Countywide Costs by increasing Fringe Benefits Reimbursement by \$136,846, by increasing Supplemental Transfer to the Environmental Protection and Sustainability Fund by \$627,217, by decreasing the Supplemental Transfer to the Solid Waste Fund by \$670,635, by increasing the Supplemental Transfer to the Highway Fund by \$100,022, by deleting the Supplemental Transfer to the Sewer Fund of \$79,981, and by increasing the Overhead Reimbursement by \$49,628, to read as follows:

"4. Department of Finance				
a. Administration Program	779,230	101,612	1,500	882,342
(1) Provided, that disbursement for salaries and premium pay is limited to 10.8 equivalent personnel.				
b. Accounts Program	1,198,363	272,100	0	1,470,463
(1) Provided, that disbursement for salaries and premium pay is limited to 20.0 equivalent personnel, including an Accountant IV position for time-tracking functions of Workday.				
c. Financial Services Program				
(1) General	5,238,414	3,023,566	52,000	8,313,980
(i) Provided, that disbursement for salaries and premium pay is limited to 98.7 equivalent personnel and 8.0 Limited Term Appointment (LTA) equivalent personnel.				
(ii) Provided, that the LTA equivalent personnel shall be for Service Representative II positions in the Division of Motor Vehicles and Licensing.				
(2) Countywide Service Center – Annual Lease Costs	0	612,000	0	612,000

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
d. Purchasing Program	407,276	70,081	3,600	480,957
(1) Provided, that disbursement for salaries and premium pay is limited to 7.0 equivalent personnel.				
e. Treasury Program	756,590	682,864	4,000	1,443,454
(1) Provided, that disbursement for salaries and premium pay is limited to 15.0 equivalent personnel.				
f. Countywide Costs				
(1) Fringe Benefits	0	109,573,783	0	109,573,783
(a) Provided, that \$302,272 shall be for fringe costs for the Section 8 Housing Program.				
(2) Fringe Benefits Reimbursement	0	[(20,796,402)] <u>(20,933,248)</u>	0	[(20,796,402)] <u>(20,933,248)</u>
(3) Bond Issuance and Debt Service	0	55,854,195	0	55,854,195
(4) Supplemental Transfer to the Environmental Protection and Sustainability Fund	0	[1,410,942] <u>2,038,159</u>	0	[1,410,942] <u>2,038,159</u>
(5) Supplemental Transfer to the Solid Waste Fund	0	[1,546,253] <u>875,618</u>	0	[1,546,253] <u>875,618</u>
(6) Supplemental Transfer to the Highway Fund	0	[780,633] <u>880,655</u>	0	[780,633] <u>880,655</u>
[(7)] Supplemental Transfer to the Sewer Fund	0	79,981	0	79,981]
[(8)](7) Insurance Programs and Self Insurance	0	12,365,000	0	12,365,000
[(9)](8) Transfer to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund	0	3,580,362	0	3,580,362
[(10)](9) Transfer to the Affordable Housing Fund	0	14,321,450	0	14,321,450
[(11)](10) General Costs	0	1,136,000	26,000	1,162,000

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
[(12)](11) Overhead Reimbursement	0	[(19,192,625)] (19,242,253)	0	[(19,192,625)] (19,242,253)
[(13)](12) Transfer to the Emergency Fund	0	6,500,000	0	6,500,000
[(14)](13) Post-Employment Obligations (i) Provided, that the funds are paid to the State of Hawaii Employer-Union Health Benefits Trust Fund prior to September 30, 2019.	0	22,249,711	0	22,249,711
[(15)](14) One Main Plaza Lease	0	367,206	0	367,206
[(16)](15) Transfer to the Experimental and Demonstration Housing Projects Fund	0	1,000,000	0	1,000,000"

SECTION 4. Fiscal Year 2020 Budget is hereby amended as it pertains to Section 3.B.7.b. Department of Liquor Control – Liquor Fund, Administrative Overhead Charge by decreasing the appropriation by \$17,499, to read as follows:

"4. Department of Liquor Control – Liquor Fund

a. Liquor Control Program	1,461,005	444,954	16,048	1,922,007
(1) Provided, that disbursement for salaries and premium pay is limited to 25.0 equivalent personnel.				
(2) Provided, that air travel is capped at \$27,000 and non-reportable per diem is capped at \$23,000 and air travel and non-reportable per diem to Molokai and Lanai shall not fall below levels historically expended.				
(3) Provided, that \$25,000 shall be for professional services to update the Rules Governing the Manufacture and Sale of Intoxicating Liquor of the County of Maui, pursuant to audit recommendations.				
b. Administrative Overhead Charge	0	[1,040,203] <u>1,022,704</u>	0	[1,040,203] <u>1,022,704"</u>

SECTION 5. Fiscal Year 2020 Budget is hereby amended as it pertains to Section 3.B.15.e. Department of Public Works, Highways Administration Program – Highway Fund by increasing Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA) by \$2,180, by increasing Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF) by \$1,765, by increasing Contribution to General Fund – Other Post-Employment Benefits (OPEB) by \$850, and by increasing Administrative Overhead Charge by \$94,665, to read as follows:

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
"15. Department of Public Works				
a. Administration Program – General Fund	577,110	51,300	0	628,410
(1) Provided, that disbursement for salaries and premium pay is limited to 7.0 equivalent personnel.				
b. Engineering Program – General Fund	2,519,900	1,355,452	1,429	3,876,781
(1) Provided, that disbursement for salaries and premium pay is limited to 35.0 equivalent personnel.				
(2) Provided, that \$100,000 shall be for a title search and survey for Lower Nahiku Bridge, including an assessment update of the existing structure, and an estimate for infrastructure upgrades.				
c. Special Maintenance Program – General Fund	2,337,791	2,640,244	362,000	5,340,035
(1) Provided, that disbursement for salaries and premium pay is limited to 40.0 equivalent personnel.				
(2) Provided, that \$500,000 shall be for tree removal service and survey in Olinda.				
(3) Provided, that \$330,000 shall be for planning and permitting for the Kahana Nui Desilting Basin.				
(4) Provided, that \$2,500 shall be for a 10-ton floor jack for Lanai.				
(5) Provided, that \$11,500 shall be for an ice maker for Lanai.				

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
d. Development Services Administration Program – General Fund	2,330,880	214,703	0	2,545,583
(1) Provided, that disbursement for salaries and premium pay is limited to 37.0 equivalent personnel.				
(2) Provided, that \$50,000 shall be for a user fee study to determine building, electrical, plumbing, grading, and grubbing permit costs.				
e. Highways Administration Program – Highway Fund				
(1) General	552,431	96,479	0	648,910
(i) Provided, that disbursement for salaries and premium pay is limited to 7.0 equivalent personnel.				
(2) Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA)	0	[2,395,195] <u>2,397,375</u>	0	[2,395,195] <u>2,397,375</u>
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)	0	[1,437,442] <u>1,439,207</u>	0	[1,437,442] <u>1,439,207</u>
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)	0	[700,049] <u>700,899</u>	0	[700,049] <u>700,899</u>
(5) Contribution to General Fund for Engineering Program Service	0	1,063,134	0	1,063,134
(6) Debt Service	0	7,258,762	0	7,258,762
(7) Administrative Overhead Charge	0	[5,235,093] <u>5,329,758</u>	0	[5,235,093] <u>5,329,758</u>

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
f. Road, Bridge, and Drainage Maintenance Program – Highway Fund	7,209,752	4,776,900	2,547,000	14,533,652
(1) Provided, that disbursement for salaries and premium pay is limited to 134.0 equivalent personnel.				
(2) Provided, that 5.0 additional equivalent personnel shall be for Laborer II positions.				
(3) Provided, that the following shall be for Lanai: \$45,000 for two message boards; \$42,000 for two light towers; and \$80,000 for a tire roller compactor.				
(4) Provided, that \$120,000 shall be for one crack sealer hot pot and one replacement crew cab utility vehicle for West Maui.				
g. Traffic Management Program – Highway Fund	907,120	650,190	0	1,557,310"
(1) Provided, that disbursement for salaries and premium pay is limited to 15.0 equivalent personnel.				

SECTION 6. Fiscal Year 2020 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect a decrease of \$251,293 in both B – Operations and Total, to read as follows:

"TOTAL OPERATING APPROPRIATIONS	196,855,262	[462,369,045] <u>462,117,752</u>	11,413,378	[670,637,685] <u>670,386,392"</u>
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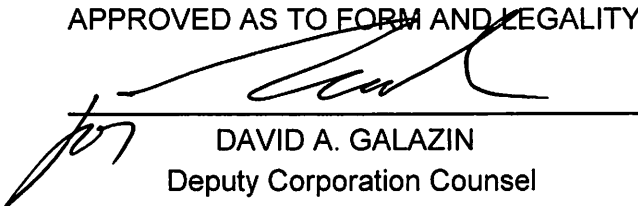
SECTION 7. Fiscal Year 2020 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect a decrease of \$251,293, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[823,477,511]	<u>823,226,218"</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:



DAVID A. GALAZIN
Deputy Corporation Counsel