

**COUNCIL OF THE COUNTY OF MAUI**

# **BUDGET AND FINANCE COMMITTEE**

October 20, 2017

**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 3, 2017, makes reference to County Communication 17-285, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES – SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2018, HAWAIIAN CULTURAL RESTORATION REVOLVING FUND."

The purpose of the proposed bill is to amend Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds, Fiscal Year 2018 Budget, by adding a new revolving fund entitled "Hawaiian Cultural Restoration Revolving Fund (Chapter 3.38, Maui County Code)" and anticipated revenues of \$180,000 for Fiscal Year 2018.

Your Committee notes Ordinance 4393 (2016) established the Hawaiian Cultural Restoration Revolving Fund ("Fund"). The Fund receives all proceeds from the parking concession located on property under the control and management of the County on the area identified as tax map key (2) 4-6-007:036 in Lahaina, Maui, Hawaii. The funds deposited shall be used for the preservation and restoration of Hawaiian historic and cultural sites and artifacts relating to Moku`ula and the ponds of Mokuhinia, including maintenance of the site.

Your Committee noted the Fund was inadvertently omitted from the Fiscal Year 2018 Budget. The proposed bill is to add the Fund to Appendix A, Part II, and to recognize the anticipated revenues. The proposed bill does not include any request for expenditures to be made from the Fund.

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Your Committee also noted the parking lot concession was awarded to Diamond Parking. As a requirement of the request for proposals, an electronic monitoring system was installed to track parking activity.

The Interim Director of Finance said the County has received approximately \$75,000 in revenue since July 1, 2017, which will be deposited into the Fund. He confirmed there has been no expenditure made from the Fund to date.

He also said the agreement for the parking lot contemplates the County receiving 83 percent of the gross parking receipts collected by Diamond Parking, with a minimum of \$15,000 as the base rent. The average revenue to the County has been \$25,000 per month.

The Director of Parks and Recreation noted concerns relating to the maintenance and upkeep of the parking lot, and whether the current lease with the Friends of Moku`ula still requires the organization to maintain the parking lot.

Your Committee anticipates your Parks, Recreation, Energy, and Legal Affairs Committee will further review the contract awarded to Diamond Parking, the role of the Friends of Moku`ula including their existing lease with the County, and other matters relating to Moku`ula and the ponds of Mokuhinia.

By correspondence dated October 2, 2017, the Budget Director transmitted a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE GENERAL BUDGET PROVISIONS." The purpose of the proposed bill is to revise Section 14, General Budget Provisions, to include the Hawaiian Cultural Restoration Revolving Fund as item "T."

Your Committee did not take action on the proposed bill to amend the General Budget Provisions. However, recognizing the amendment to the General Budget Provisions is a housekeeping measure, your

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Committee recommended the revision be incorporated into the proposed bill transmitted via County Communication 17-285.

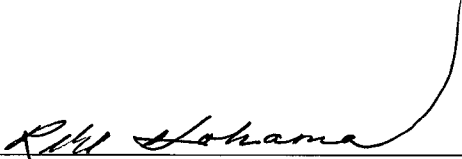
Your Committee voted 7-0 to recommend passage of the revised proposed bill on first reading and filing of the communication. Committee Chair Hokama and members Atay, Carroll, Cochran, Guzman, King, and Sugimura voted "aye." Committee Vice-Chair White and member Crivello were excused.

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revision.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill \_\_\_\_\_ (2017), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2018, HAWAIIAN CULTURAL RESTORATION REVOLVING FUND," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication 17-285 be FILED.

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

  
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RIKI HOKAMA, Chair

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2017)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A  
OF THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI  
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -  
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2018,  
HAWAIIAN CULTURAL RESTORATION REVOLVING FUND

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", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2018, is hereby amended by adding a new Revolving Fund entitled, "Hawaiian Cultural Restoration Revolving Fund", and anticipated revenues of \$180,000 for Fiscal Year 2018, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL  
FUNDS FOR FISCAL YEAR 2018**

	<u>ESTIMATED BALANCE AS OF 6/30/17</u>	<u>ANTICIPATED REVENUES FOR FY 2018</u>	<u>TOTAL FOR FY 2018</u>
A. Housing Interim Financing and Buy-Back Revolving Fund (Chapter 3.32, Maui County Code)	1,549,015	0	1,549,015
B. Naval Air Station Kahului Airport (NASKA) Sewage Pump Station Fund (Chapter 3.52, Maui County Code)	3,953	0	3,953
C. Fire Hazard Removal Revolving Fund (Chapter 3.68, Maui County Code)	3,394	0	3,394
D. Plan Review, Permit Processing, and Inspection Revolving Fund (Section 16.26B.108.2.1, Maui County Code) (1) Provided, that disbursement for salaries and premium pay is limited to \$900,995 and 16.0 equivalent personnel. (2) Provided, that disbursement for operations or services is limited to \$629,237. (3) Provided, that disbursement for equipment is limited to \$249,000.	2,462,781	1,091,371	3,554,152

<p>E. Highway Beautification and Disposal of Abandoned or Derelict Vehicles Revolving Fund (Section 3.25.030, Maui County Code)</p> <p>(1) Provided, that disbursement for salaries and premium pay is limited to \$111,565 and 2.0 equivalent personnel for the Environmental Protection and Sustainability Program.</p> <p>(2) Provided, that \$865,165 shall be for disbursement for operations or services for the Environmental Protection and Sustainability Program.</p> <p>(3) Provided, that \$10,000 shall be for Teens On Call to maintain the Paia By-Pass.</p> <p>(4) Provided, that \$310,000 shall be for disbursement for operations or services for the Highway Beautification Street Tree Trimming Program.</p>	238,363	1,515,667	1,754,030
<p>F. Molokai Diversified Agricultural Revolving Loan Program (Act 387, Session Laws of Hawaii 1988)</p>	244,748	0	244,748
<p>G. Liquor Education Fund (Hawaii Revised Statutes 281-16, 281-17(2), 281-17(3))</p>	204,730	38,560	243,290
<p>H. Animal Management Revolving Fund (Chapter 3.84, Maui County Code)</p> <p>(1) Provided, that \$31,500 shall be granted to Maui Humane Society to replace fencing and purchase computers.</p> <p>(2) Provided, that \$35,000 shall be for a vehicle for the Department of Police for animal control on Molokai.</p> <p>(3) Provided, that \$81,740 shall be for a 30-hour dispatcher and a full-time animal control officer for the Maui Humane Society.</p>	144,893	67,277	212,170
<p>I. Plan Review, Processing, and Inspection Revolving Fund (Fire) (Section 16.04C.060, Maui County Code)</p> <p>(1) Provided, that disbursement for salaries and premium pay is limited to \$235,372 and 2.0 equivalent personnel.</p> <p>(2) Provided, that disbursement for operations or services is limited to \$83,500.</p>	125,620	214,677	340,297

J.	Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund (Section 9-19, Revised Charter of the County of Maui (1983), as amended; Chapter 3.88, Maui County Code)	3,986,832	3,031,757	7,018,589
	(1) Provided, that \$304,500 shall be for land acquisition and related costs for TMK: (2) 4-8-002:057, Ukumehame, Maui, Hawaii, totaling approximately 9.1 acres, subject to Chapter 3.88, Maui County Code.			
	(2) Provided, that \$300,000 shall be for debt service for the purchase of approximately 186 acres at Launiupoko, Maui, Hawaii, TMKs: (2) 4-7-001:030 and (2) 4-7-001:026 (por.).			
	(3) Provided, that \$210,000 shall be for grants and disbursements to the Hawaiian Islands Land Trust for land acquisition for a perpetual conservation easement over TMKs: (2) 1-1-003:041 and (2) 1-1-003:065, Keanae, Maui, Hawaii, totaling approximately six acres, subject to Chapter 3.88, Maui County Code.			
	(4) Provided, that \$250,000 shall be for the acquisition of Dole Park, Lanai, and related costs.			
	(5) Provided, that \$500,000 shall be for land acquisition and related costs for a Lanai agricultural park.			
	(6) Provided, that \$400,000 shall be used to negotiate the purchase of vacant lands, or a portion thereof, identified as TMKs: (2) 4-3-007-026:0000 and (2) 4-3-007-027:0000 and located at the south side of Honokeana Cove in West Maui for beach access.			
K.	Emergency Fund (Section 9-14, Revised Charter of the County of Maui (1983), as amended; Chapter 3.96, Maui County Code)	28,924,919	0	28,924,919
L.	Ocean Recreational Activity Fund (Section 13.04A.370, Maui County Code)	521,468	60,850	582,318
	(1) Provided, that \$135,000 shall be available for three vehicles, which may be purchased for the Department of Parks and Recreation to be utilized for Commercial Ocean Recreational Activity enforcement.			

	(2) Provided, that \$20,000 shall be for the purchase of a jet ski, sled, and trailer to be utilized to further Commercial Ocean Recreational Activity purposes.			
M.	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 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.			
N.	Kaunoa Senior Services Leisure Program Activities Revolving Fund (Chapter 3.37, Maui County Code)	370,388	239,694	610,082
	(1) Provided, that \$240,000 shall be for Leisure Program Activities.			
O.	Alarm System Fund (Chapter 8.34, Maui County Code)	53,508	75,000	128,508
	(1) Provided, that \$30,000 shall be for contractual services for alarm system registrations.			
P.	Countywide Sewer Capital Improvement Reserve Fund (Section 9-14, Revised Charter of the County of Maui (1983), as amended)	4,546,998	1,659,979	6,206,977

Q.	Upcountry Water System Expansion Capital Improvement Reserve Fund (Section 9-14, Revised Charter of the County of Maui (1983), as amended)	6,440,718	0	6,440,718
R.	Economic Development Revolving Fund (Chapter 3.81, Maui County Code)	20,127	0	20,127
S.	Fireworks Auditor Fund (Chapter 3.95, Maui County Code)	2,000	2,000	4,000
<u>T.</u>	<u>Hawaiian Cultural Restoration Revolving Fund (Chapter 3.38, Maui County Code)</u>	<u>0</u>	<u>180,000</u>	<u>180,000</u>

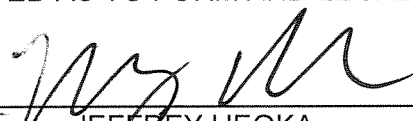
SECTION 2. Ordinance No. 4456, Bill No. 65 (2017), Draft 1, as amended, "Fiscal Year 2018 Budget", is hereby amended as it pertains to Section 14, General Budget Provisions, by revising the reference set forth under "A through S" to "A through T", to read as follows:

"SECTION 14. The special purpose revenues set forth in Appendix A, Part II (attached hereto and made a part hereof), are expected to be on hand as of June 30, 2017, or derived by the County during Fiscal Year 2018, from the programs or activities described in the Revised Charter of the County of Maui (1983), as amended, the Maui County Code, or the Hawaii Revised Statutes at the references set forth under A through [S] T therein. The balance remaining in each of the special purpose revenue funds as of June 30, 2017, is hereby re-appropriated to the particular fund. Revenues derived from the particular program or activities during the fiscal year shall be deposited into the applicable special purpose revenue fund. Expenditures from a fund shall be through appropriations set forth in Appendix A.II. of the annual budget ordinance."

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:

  
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 JEFFREY UEOKA  
 Deputy Corporation Counsel