

ALAN M. ARAKAWA  
MAYOR



RECEIVED  
KEITH A. REGAN  
MANAGING DIRECTOR

2018 SEP 28 AM 9: 50

**OFFICE OF THE MAYOR**

Ke'ena O Ka Meia  
COUNTY OF MAUI – Kalana O Maui

OFFICE OF THE  
COUNTY CLERK


REFERENCE NO. BD-BA 19-33

September 28, 2018

Honorable Alan Arakawa  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Michael White, Chair  
and Members of the Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL  
  
Mayor  
9/28/18  
Date

Dear Chair White:

**SUBJECT: AMENDMENT TO THE FISCAL YEAR 2019 BUDGET**

On behalf of the Office of the Mayor, I am transmitting the attached proposed bill for the purpose of amending the Fiscal Year 2019 Budget by adding a \$475,000 grant appropriation to Kaupo Community Association, Inc. for the construction of infrastructure improvements at the old Kaupo School property.

A grant appropriation to the Kaupo Community Association was included in Mayor Arakawa's FY 2019 proposed budget, but was removed by Council due to site control issues. These issues have since been resolved. A description of the project has been provided by the association as is attached for your review.

Also attached is a Certification of Additional Revenues for Fiscal Year 2019 certifying the availability of General Fund carryover/savings to fund this request.

Thank you for your attention in this matter. Should you have any questions, please feel free to contact me at ext. 7212.

Sincerely,

  
SANANDA K. BAZ  
Budget Director

Attachments (3)

cc: Keith Regan, Managing Director  
Mark Walker, Director of Finance  
Teena Rasmussen, Economic Development Coordinator

COUNTY COMMUNICATION NO. 18-349

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;  
OFFICE OF THE MAYOR,  
ECONOMIC DEVELOPMENT PROGRAM;  
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 from the General Fund in the amount of \$475,000; and by increasing Total Estimated Revenues in the amount of \$475,000, 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	7,602,000
Other Intergovernmental	18,425,000

FROM OTHER SOURCES:

Interfund Transfers	38,485,216
Bond/Lapsed Bond	71,755,000
Carryover/Savings:	
General Fund	[19,654,424] <u>20,129,424</u>
Sewer Fund	4,241,008
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>17,385,400</u>

TOTAL ESTIMATED REVENUES [758,292,328] 758,767,328"

SECTION 2. Fiscal Year 2019 Budget is hereby amended as it pertains to Section 3.B.9.c.(3), Office of the Mayor, Economic Development Program, Grants and disbursements for culture, arts, and tourism by adding a B – Operation and Total appropriation for a grant to Kaupo Community Association, Inc., in the amount of \$475,000, to read as follows:

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
<b>"9. Office of the Mayor</b>				
<b>a. Administration Program</b>	<b>1,328,445</b>	<b>149,640</b>	<b>9,945</b>	<b>1,488,030</b>
(1) Provided, that disbursement for salaries and premium pay is not restricted by Section 5.				
(2) Provided, that \$664,223 from Category A shall be reserved for expenditure until after 12:00 noon on January 2, 2019. Further, provided, that funds available for the period of July 1, 2018 through 12:00 noon on January 2, 2019 shall not be used to pay for any increases in salary over the amounts per position, established on July 1, 2018, as presented in the FY 2019 budget.				
(3) Provided, that \$74,820 from Category B shall be reserved for expenditure until after 12:00 noon on January 2, 2019.				
(4) Grant to Akaku: Maui Community Television	0	80,000	0	80,000
<b>b. Budget Program</b>	<b>395,497</b>	<b>29,137</b>	<b>5,055</b>	<b>429,689</b>
(1) Provided, that disbursement for salaries and premium pay is not restricted by Section 5.				
(2) Provided, that \$201,307 from Category A shall be reserved for expenditure until after 12:00 noon on January 2, 2019. Further, provided, that funds available for the period of July 1, 2018 through 12:00 noon on January 2, 2019 shall not be used to pay for any increases in salary over the amounts per position, established on July 1, 2018, as presented in the FY 2019 budget.				

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(3) Provided, that \$14,568 from Category B shall be reserved for expenditure until after 12:00 noon on January 2, 2019.				
c. Economic Development Program				
(1) General	804,738	352,137	4,921	1,161,796
(i) Provided, that disbursement for salaries and premium pay is not restricted by Section 5.				
(ii) Provided, that \$402,369 from Category A shall be reserved for expenditure until after 12:00 noon on January 2, 2019. Further, provided, that the funds available for the period of July 1, 2018 through 12:00 noon on January 2, 2019 shall not be used to pay for any increases in salary over the amounts per position, established on July 1, 2018, as presented in the FY 2019 budget.				
(iii) Provided, that \$176,068 from Category B shall be reserved for expenditure until after 12:00 noon on January 2, 2019.				
(2) Grants and disbursements for business development and technology				
(i) Business Research Library	0	70,000	0	70,000
(ii) Wailuku Economic Development and Cultural Programs	0	140,000	0	140,000
(1) Provided, that \$25,000 shall be for Aloha First to produce the Maui Makahiki Festival.				
(2) Provided, that \$25,000 shall be for the Maui Historical Society for the Hula and Oli Festival.				

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(3) Provided, that \$25,000 shall be for the Living Pono Project for the Canoe Crop Festival.				
(4) Provided, that \$20,000 shall be for HINA Organic for a natural farming symposium.				
(5) Provided, that \$25,000 shall be for First Friday Events.				
(6) Provided, that \$10,000 shall be for Waimoku for the restoration of `auwai (mauka to makai) on the northern side of Waihe`e Valley.				
(7) Provided, that \$10,000 shall be for marketing town party events.				
(iii) Kahului Economic Development and Cultural Programs	0	140,000	0	140,000
(1) Provided, that \$50,000 shall be for Maui Economic Development Board, Inc. for the Maui County Healthcare Partnership Mentoring/Career Awareness Pilot Program.				
(2) Provided, that \$20,000 shall be for the Barrio Fiesta.				
(3) Provided, that \$30,000 shall be for the Maui Fil-Am Foundation for heritage festivals.				
(iv) East Maui Economic Development and Cultural Programs	0	140,000	0	140,000
(v) Friends of Old Maui High School	0	65,000	0	65,000

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(vi) Haiku-Paia-Makawao Economic Development and Cultural Programs	0	140,000	0	140,000
(vii) Pukalani-Kula-Ulupalakua Economic Development and Cultural Programs	0	140,000	0	140,000
(viii) Ka Ipu Kukui Fellows Leadership (1) Provided, that funds shall be made available to encourage participation from Molokai and Lanai.	0	25,000	0	25,000
(ix) Lanai Economic Development and Cultural Programs (1) Provided, that \$25,000 shall be for the expansion of the Hui O Wa`a Kaulua program to include Lanai.	0	130,000	0	130,000
(x) Made in Maui County Festival	0	100,000	0	100,000
(xi) Ma Ka Hana Ka Ike, Inc.	0	95,000	0	95,000
(xii) Maui Economic Development Board, Inc. (1) Provided, that \$25,000 shall be for science and technology programs for Molokai Schools.	0	810,000	0	810,000
(xiii) Maui Economic Development Board, Inc., for Maui High School Program Model (1) Provided, that the program model is available to all Maui County High Schools.	0	45,000	0	45,000
(xiv) Maui Economic Opportunity, Inc., for Microenterprise Program (1) Provided, that funds shall be made available to provide a full-time position for a Molokai Loan Manager.	0	265,000	0	265,000

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(xv) Molokai Economic Development and Cultural Programs (1) Provided, that disbursements shall include, but not limited to, Molokai Ka Hula Piko, Ka Molokai Makahiki, Kulaia Canoe Festivals, Joy to the World Electric Parade, and Molokai 4-H Program.	0	140,000	0	140,000
(xvi) Small Business Promotion	0	50,000	0	50,000
(xvii) South Maui Economic Development and Cultural Programs (1) Provided, that \$25,000 shall be for the Whale Day Festival and Parade.  (2) Provided, that \$25,000 shall be for Fourth Friday events in Kihei.	0	140,000	0	140,000
(xviii) West Maui Economic Development and Cultural Programs	0	140,000	0	140,000
(3) Grants and disbursements for culture, arts, and tourism				
(i) Ka 'Ohana O Kalaupapa	0	25,000	0	25,000
(ii) Festivals of Aloha	0	100,000	0	100,000
(iii) Lahaina Boat Day	0	25,000	0	25,000
(iv) Maui Arts & Cultural Center	0	318,000	0	318,000
(v) Maui Arts & Cultural Center, for Capital	0	600,000	0	600,000
(vi) Maui Arts & Cultural Center for Arts in Education and Innovative Programs	0	424,360	0	424,360

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(vii) Maui Community Theater	0	53,045	0	53,045
(viii) Maui Film Festival	0	25,000	0	25,000
(ix) Sister City Foundation	0	15,000	0	15,000
(x) Queen Keopuolani Celebration	0	75,000	0	75,000
<u>(xi) Kaupo Community Association, Inc.</u>	<u>0</u>	<u>475,000</u>	<u>0</u>	<u>475,000</u>
<b>(4) Grants and disbursements for Visitors Industry</b>				
<b>(i) Maui County Visitor Association</b>				
(1) Provided, that \$300,000 shall be used for having Maui Nui halau, entertaining musicians, and artists to be ambassadors of Aloha, spreading the Hawaiian culture in the form of hula, music, language, and other arts on behalf of Maui County.	0	4,000,000	0	4,000,000
<b>(ii) Grants and Disbursements for Visitor Education</b>				
(1) Provided, that funds shall be used in campaigns targeted at visitors that will mitigate visitor impacts on infrastructure and the environment. Topics may include, but are not limited to: sunscreen and reef health; safety in and around the ocean and on hiking trails; impacts of illegal short-term rentals on residential housing; identifying illegal vacation rentals; and learning to be respectful guests to culture and the environment.	0	200,000	0	200,000
<b>(5) Grants and Disbursements for Agricultural Promotion</b>				
<b>(i) Agricultural Promotion</b>				
(1) Provided, that \$115,000 shall be for the Hawaii	0	250,000	0	250,000



	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
Farmers Union United, Maui Chapter, Farm Apprentice Mentoring Program.				
(2) Provided, that \$25,000 shall be for the Maui School Garden Network to install school gardens.				
(3) Provided, that \$10,000 shall be for the Molokai Livestock Cooperative.				
(4) Provided, that \$75,000 shall be for the University of Hawaii, College of Tropical Agriculture and Human Resources (CTAHR).				
(ii) Maui County Farm Bureau	0	305,000	0	305,000
(iii) Maui Nui Botanical Gardens, Inc.	0	150,000	0	150,000
(iv) 4-H Upcountry Fair	0	35,000	0	35,000
(v) Molokai and Lanai Agriculture Production	0	100,000	0	100,000
(6) Grants and Disbursements for Water and Environmental Resource Protection and Conservation				
(i) Environmental Protection	0	1,416,000	0	1,416,000
(ii) Maui Soil/Water Conservation District	0	148,000	0	148,000
(iii) Soil/Water Conservation Districts – Molokai and Lanai	0	30,000	0	30,000
(iv) Coqui Frog Eradication Project	0	750,000	0	750,000
(7) Grants and Disbursements for Renewable Energy Program.	0	150,000	0	150,000

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 \$475,000, to read as follows:

"TOTAL OPERATING APPROPRIATIONS	189,535,671	[399,614,379]	9,919,486	[599,069,536]
		<u>400,089,379</u>		<u>599,544,536"</u>

SECTION 4. Fiscal Year 2019 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$475,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)		[758,292,328]	<u>758,767,328"</u>
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SECTION 5. Material to be repealed is bracketed. New material is underscored.

SECTION 6. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:

  
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JEFFREY UEOKA  
Deputy Corporation Counsel

## **The Kaupo Community Association, Inc. September 2018**

### **Re: Infrastructure for Kaupo School Restoration; Project Description**

Kaupo District of Southeast Maui is isolated, and the single road through the area is subject to regular closures due to rain events, fires and rockfalls. There are no public facilities to cater to community needs, or to shelter the thousands of visitors who tour the district daily and are often stranded between flowing rivers.

Kaupo Community Association, Inc. has a lease for the old Kaupo School property in the center of Kaupo, which ceased being a public school in the 1960's, and contains two historic 1923 buildings that are unsafe and in disrepair. Restoration carpentry work and materials for the two school buildings is being paid for by a Hawaii State Grant in Aid for \$975,000, along with \$70,000 from the Freeman Foundation through Historic Hawaii Foundation. These funds have been released, and permits are in process of being issued. A 2016 grant of \$30,000 from the Maui County Office of Economic Development, along with private donations and in-kind services has covered planning, building & septic system design and soft costs, which is complete.

This request is for Infrastructure rehabilitation; for a conforming septic system, water storage and purification, PV power, pads and accessible walkways. Two ancient cesspools will be replaced with a permitted commercial septic system.

The Kaupo area has no utility electrical service. These funds will design, provide, install and permit a photovoltaic, stand-alone power system to generate, store, control, and distribute firm electrical power throughout the property. The PV panels will be shed roof mounted on top of two secure 20' storage shipping containers, one of which has been purchased by 2016 Maui County OED funding, and one will be purchased with these funds. These will provide a secure storage and a mounting location for the power system components, landscape and building maintenance equipment, and disaster mitigation supplies.

The water system in Kaupo, which services the Ranch and a small number of residences, is a unique non-potable hybrid system operated by Kaupo Ranch LLC. It is limited in size and non-expandable, due to non-compliance with EPA requirements for domestic systems. Most of the resident families do not have any water meters or access to safe drinking water. Kaupo Community Association, Inc. has a 5/8" water meter on this system located at the school property, which is not potable or safe for domestic use.

OED funds will be utilized to transport water from the existing 5/8" meter and from roof rain-catchment to two new 15,000 gallon lined, covered galvanized water storage tanks. This system will include adequate fire-flow reserve and standpipe for fire requirements. There will also be a small pressure tank and demand pump for rain-catchment water, a filtration bank of canister filters down to 1 micron, and ultraviolet contactor treatment to provide limited quantities of safe drinking water which is currently not available anywhere in the Kaupo district. Mahalo!

**Kaupo School Building Restoration and Infrastructure Project Funding Requirements**

<b>Description of Proposed Activities</b>	<b>fy2019 Maui County</b>	<b>State Of Hawaii</b>	<b>Historic Hawaii</b>	<b>Maui County 2016</b>	<b>Private Grants</b>	<b>Total</b>
	<b>Funds Requested</b>	<b>GIA Released</b>	<b>Released</b>	<b>OED Finalled</b>	<b>Received</b>	
Archeological Assessment & Monitoring	\$5,000					\$5,000
Insurance, Bookkeeping					\$8,000	\$8,000
Architectural, Planning, Engineering	\$20,000			\$20,000	\$14,000	\$54,000
Construction Document & Bid Preparation	\$5,000	\$30,000				\$35,000
Surveying				\$2,000		\$2,000
Permitting	\$5,000	\$12,000				\$17,000
Landscaping	\$5,000					\$5,000
Rehabilitation of Classroom & Teachers' Cottage		\$913,000				\$913,000
Concrete pad & accessible walkways	\$20,000					\$20,000
Project/Const/Grant Management	\$10,000	\$20,000				\$30,000
Septic System Engineering Design & Permits				\$2,500		\$2,500
Septic System Construction	\$85,000					\$85,000
Septic, Water & Power Lines & Trenching	\$15,000					\$15,000
Water Tanks, Pumps, Filtration, UV Contactor	\$120,000					\$120,000
Power, PV, Inverters, Batteries, Controls	\$135,000					\$135,000
2 Storage Containers for Tools, PV	\$5,500			\$5,500		\$11,000
Shed Roof over Containers/PV panel Support	\$45,000					\$45,000
Kaupo School Historic/Cultural Study					\$8,000	\$8,000
Replacement Windows & Doors			\$70,000			\$70,000
<b>Project Cash Total</b>	<b>\$475,500</b>	<b>\$975,000</b>	<b>\$70,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$1,580,500</b>



CERTIFICATION OF ADDITIONAL REVENUES FOR FISCAL YEAR 2019

I, ALAN M. ARAKAWA, Mayor of the County of Maui, State of Hawaii, pursuant to Section 9-9.1 of the Revised Charter of the County of Maui (1983), as amended, do hereby certify that there is available for appropriation revenue received from anticipated sources but in excess of the budget estimates for Fiscal Year 2019. The amount available for appropriation is:

From Carryover/Savings:

General Fund \$475,000.00

*Alan Arakawa*

ALAN M. ARAKAWA  
Mayor, County of Maui

STATE OF HAWAII )  
 ) SS.  
COUNTY OF MAUI )

On this 28th day of September, 2018, before me appeared Alan M. Arakawa, to me personally known, who being by me duly sworn did say that he is the Mayor of the County of Maui, a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed on behalf of said County of Maui pursuant to Section 9-18 of the Charter of the County of Maui; and the said ALAN M. ARAKAWA acknowledged the said instrument to be the free act and deed of said County of Maui.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Doc. Date: <sup>Undated at time of Notary</sup>            # Pages: 1  
Jennifer Okamura Second Circuit  
Doc. Description Certification of  
Additional Revenues for  
Fiscal Year 2019

Jennifer Okamura 9/28/2018  
Notary Signature Date

NOTARY CERTIFICATION

*Jennifer Okamura*

Jennifer Okamura  
Notary Public, State of Hawaii  
My commission expires: June 29, 2020

