

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

December 18, 2015

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 November 23, 2015, makes reference to County Communication 15-164, from Councilmember Riki Hokama, relating to amendments to the Fiscal Year ("FY") 2016 Budget.

By correspondence dated October 9, 2015, the Budget Director transmitted a proposed resolution entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF FINANCE FISCAL YEAR 2016 BUDGET."

The purpose of the proposed resolution is to transfer, from Category B (operations or services) to Category C (equipment), \$6,000 within the Department of Finance, Countywide Costs, General Costs, for copying machine expenses. The transfer is intended to appropriately account for the use of funds appropriated in the FY 2016 Budget.

At the request of the Chair of your Committee, the Budget Director transmitted a revised proposed resolution, entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF FINANCE, FISCAL YEAR 2016 BUDGET," approved as to form and legality. The revised proposed resolution incorporates nonsubstantive revisions and references to Section 7 of the General Budget Provisions in the FY 2016 Budget, which restricts disbursements for each program by category of use, with allocations specified for: (a) salaries, premium pay, or reallocation pay (Category A); (b) operations or services (Category B); and (c) equipment (Category C).

Section 7 authorizes any transfer from one program to another or one category of use to another by resolution, and any transfer from one department to another by ordinance.

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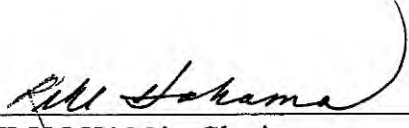
Your Committee requested the Director of Finance provide the guidelines used by his Department to determine when equipment-related expenditures are recorded in Category B and when they are recorded in Category C. The Director explained the determination involves factors such as acquisition cost and useful life of the equipment, and in the case of an equipment lease, whether the lease is considered a capital lease, transferring virtually all rewards and risks to the lessee, or an operating lease. Capital leases would be treated as a Category C expense, and operating leases as a Category B expense. He noted the majority of equipment leases entered into by the County are deemed capital leases.

The Deputy Director of Finance said the \$6,000 is for annual lease payments for two of the County's copiers.

Your Committee voted 5-0 to recommend adoption of the revised proposed resolution. Committee Chair Hokama and members Baisa, Carroll, Cochran, and Crivello voted "aye." Committee Vice-Chair White and members Couch, Guzman, and Victorino were excused.

Your Budget and Finance Committee **RECOMMENDS** that Resolution _____, attached hereto, entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF FINANCE, FISCAL YEAR 2016 BUDGET," be **ADOPTED**.

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



RIKI HOKAMA, Chair

Resolution

No. _____

AUTHORIZING THE TRANSFER OF AN UNENCUMBERED
APPROPRIATION BALANCE WITHIN THE
DEPARTMENT OF FINANCE,
FISCAL YEAR 2016 BUDGET

WHEREAS, Section 9-10(2) of the Revised Charter of the County of Maui (1983), as amended ("Charter"), provides that, upon written request of the Mayor, part or all of any unencumbered appropriation balance may be transferred within a department by resolution or from one department to another by ordinance; and

WHEREAS, Section 7 of the General Budget Provisions in Ordinance No. 4231, Bill No. 38 (2015), Draft 1, as amended, ("Fiscal Year 2016 Budget"), states that, unless otherwise provided, appropriations for each program may be disbursed for the following categories of use: (a) salaries, premium pay, or reallocation pay, (b) operations or services, and (c) equipment; provided the disbursement is within the program and category of use for which it was appropriated, as set forth in Appendix C; and

WHEREAS, Section 7 of the General Budget Provisions further provides that any transfer from one program to another or one category of use to another shall be authorized by Council resolution, and any transfer from one department to another shall be authorized by ordinance; and

Resolution No. _____

WHEREAS, Section 3.B.4.f. of the Fiscal Year 2016 Budget, relating to the Department of Finance, sets forth appropriations for Countywide Costs, General Costs; and

WHEREAS, pursuant to Section 9-10(2) of the Charter and Section 7 of the General Budget Provisions, Mayor Alan M. Arakawa has submitted a written request to transfer an unencumbered appropriation balance of \$6,000 from the Countywide Costs, General Costs, Category B, to the Countywide Costs, General Costs, Category C, in order to disburse \$6,000 for Copying Machine Expense from the appropriate category; now, therefore,

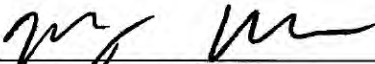
BE IT RESOLVED by the Council of the County of Maui:

1. That, pursuant to Section 9-10(2) of the Charter and Section 7 of the General Budget Provisions, and in accordance with the Fiscal Year 2016 Budget, it does hereby authorize the transfer of an unencumbered appropriation balance of \$6,000 from the Countywide Costs, General Costs, Category B, to the Countywide Costs, General Costs, Category C, for Copying Machine Expense; and

Resolution No. _____

2. That certified copies of this resolution be transmitted to the Mayor,
Director of Finance, and Budget Director.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel
County of Maui

