

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

December 11, 2018

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 13, 2018, makes reference to County Communication 17-335, from Councilmember Riki Hokama, relating to the design, construction, and funding for the Wailuku Civic Complex ("Complex").

By correspondence dated November 7, 2018, the Budget Director transmitted the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF MANAGEMENT, WAILUKU CIVIC COMPLEX; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)" ("Budget bill").

The purpose of the proposed bill is to amend the Fiscal Year ("FY") 2019 Budget by 1) increasing Estimated Revenues for Bond/Lapsed Bond by \$40,000,000; 2) amending Section 4.D.1.b.(1), Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, Bond Fund, by increasing the appropriation for the Complex by \$40,000,000; and 3) adjusting the totals accordingly.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4858, BILL NO. 54 (2018), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE AND

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DELIVERY OF SAID BONDS (DEPARTMENT OF
MANAGEMENT – WAILUKU CIVIC COMPLEX)” (“Bond bill”).

The purpose of the proposed bill is to amend the FY 2019 general obligation bond authorization ordinance by increasing the appropriation under the Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, Complex, by \$40,000,000.

3. A proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX C – CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF MANAGEMENT, WAILUKU-KAHULUI COMMUNITY PLAN AREA, WAILUKU CIVIC COMPLEX” (“Appendix C bill”).

The purpose of the proposed bill is to amend the FY 2019 Budget, Appendix C, Capital Improvement Projects, Department of Management, by increasing the appropriation for the Complex by \$40,000,000.

Your Committee notes it previously reported on this matter through Committee Report 18-28, which recommended that proposed resolutions entitled “AUTHORIZING THE ACQUISITION OF UNITS 100 AND 200 OF THE ONE MEDICAL PLAZA BUILDING”; and “AUTHORIZING THE ACQUISITION OF UNITS 300 AND 400 OF THE ONE MEDICAL PLAZA BUILDING,” be adopted. At its meeting of March 9, 2018, the Council adopted Resolutions 18-21 and 18-22.

Your Committee further notes it previously reported on this matter through Committee Report 18-87, which recommended that the proposed resolution entitled “AUTHORIZING THE ACQUISITION OF THE PARCELS LOCATED AT 2091 WEST VINEYARD STREET,” be adopted. At its meeting of June 1, 2018, the Council adopted Resolution 18-99.

Furthermore, your Committee notes funding, to date, for the Complex includes: 1) \$44,195,000 in FY 2019 for construction of Phase

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1A, which includes road and traffic management, sewer lines, water lines, drainage, and other utility improvements; and Phase 1B, which includes a parking structure and Americans with Disabilities Act access; 2) \$4,300,000 in FY 2018 for land acquisition; 3) \$3,380,447 in FY 2017 for roadwork and utility design; and 4) \$7,460,304 in FY 2016 for a design, planning, and feasibility study.

Your Committee notes Phase 1A has been advertised for bids. The closing date to submit proposals was November 21, 2018, at 2:00 p.m. and bids received by the County would be opened at that time.

Since the project's Planner was unavailable to attend your Committee meeting, the Chair of your Committee provided comments and the justification for the additional funds needed for the Complex. He noted the timing of the request is appropriate because large construction projects, such as the State's project at the Kahului Airport, are nearing completion. The Chair said there are concerns in the community as to whether the employment base will be able to continue at the level it is now. He added this may be the opportune time for better bid results for construction; maintaining a steady workforce; and better pricing for materials, consultants, and other related work.

The Chair acknowledged the funds for the Complex were reduced by \$40,000,000 in the FY 2019 Budget. However, since the FY 2019 Budget deliberations, there has been a growing interest from the public sector, as well as the State, to redevelop and reinvest in Wailuku. By increasing the appropriation for the Complex, the project could keep moving forward and other entities would be able to plan and participate in the redevelopment.

He said civic development would help move forward much needed regional planning to address the needs of the Waikapu, Piihana, Waihee, and Waiehu areas. The Chair said regional planning consists of: 1) traffic and roadway systems, including a bridge across the Wailuku River; 2) a housing plan; and 3) water and sewer system plans.

The Chair said the Complex should be viewed as a part of a regional project, not only as a civic component but as a community project.

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Regional opportunities are available in adjacent areas such as the land beneath Hale Makua, which is under executive order to the County; and Saint Anthony School, to further educational development.

The Chair explained the various options before your Committee which includes: 1) passage of the Budget bill to appropriate the additional \$40,000,000 from the Bond Fund, passage of the Bond bill to authorize the bond appropriation, and passage of the Appendix C bill to include the increase in funding for the Complex; 2) passage of the Budget bill and Appendix C bill, and withhold the authorization of the Bond bill to allow the Council to further review the Complex project; and 3) defer action of the proposed bills.

Your Committee recommended passage of the proposed Budget Bill and Appendix C bill. Your Committee deferred action on the proposed Bond bill. Your Committee expressed its preference to further review the Complex project prior to authorizing the bond funds.

Your Committee voted 5-3 to recommend passage of the proposed Budget bill and Appendix C bill on first reading. Committee Chair Hokama and members Carroll, Crivello, Guzman, and Sugimura voted "aye." Committee members Atay, Cochran, and King voted "no." Committee Vice-Chair White was excused.

Your Committee is in receipt of a revised proposed Budget bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions that take into account prior amendments to the FY 2019 Budget.

Your Budget and Finance Committee **RECOMMENDS** the following:

1. That Bill _____ (2018), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF MANAGEMENT, WAILUKU CIVIC COMPLEX; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS

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(OPERATING AND CAPITAL IMPROVEMENT PROJECTS),” be PASSED ON FIRST READING and be ORDERED TO PRINT; and

2. That Bill _____ (2018), attached hereto, entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX C – CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF MANAGEMENT, WAILUKU-KAHULUI COMMUNITY PLAN AREA, WAILUKU CIVIC COMPLEX,” be PASSED ON FIRST READING and be ORDERED TO PRINT.

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



RIKI HOKAMA, Chair

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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;
DEPARTMENT OF MANAGEMENT,
WAILUKU CIVIC COMPLEX;
TOTAL CAPITAL IMPROVEMENT PROJECT 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 Bond/Lapsed Bond in the amount of \$40,000,000, and by increasing Total Estimated Revenues in the amount of \$40,000,000, 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		7,615,000
Other Intergovernmental		19,698,000

FROM OTHER SOURCES:

Interfund Transfers		38,485,216
Bond/Lapsed Bond	[71,610,000]	<u>111,610,000</u>
Carryover/Savings:		
General Fund		20,254,424
Sewer Fund		4,494,008
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>17,835,400</u>

TOTAL ESTIMATED REVENUES [760,736,328] 800,736,328"

SECTION 2. Fiscal Year 2019 Budget is hereby amended as it pertains to Section 4.D.1.b.(1), Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, Bond Fund by increasing the appropriation for the Wailuku Civic Complex capital project by \$40,000,000, to read as follows:

<u>PROJECT TITLE</u>	<u>APPROPRIATION</u>
"D. Department of Management	
1. Wailuku-Kahului Community Plan Area	
a. Other Projects	
(1) General Fund	
(i) Data Center Air Conditioning Replacement	250,000
b. Government Facilities	
(1) Bond Fund	
(i) Wailuku Civic Complex	[40,000,000] <u>80,000,000</u>
(2) General Fund	
(i) Wailuku Civic Complex	2,000,000
(3) Lapsed Bond Proceeds	
(i) Wailuku Civic Complex	2,195,000
2. Countywide	
a. Other Projects	
(1) Bond Fund	
(i) Public Safety Radio System Replacement	1,200,000"

SECTION 3. Fiscal Year 2019 Budget is hereby amended as it pertains to the Total Capital Improvement Project Appropriations to reflect an increase of \$40,000,000, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS	[161,666,792]	<u>201,666,792"</u>
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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 \$40,000,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[760,736,328]	<u>800,736,328"</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:



JEFFREY UEOKA
Deputy Corporation Counsel

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 APPENDIX C - CAPITAL IMPROVEMENT PROJECTS,
DEPARTMENT OF MANAGEMENT,
WAILUKU-KAHULUI COMMUNITY PLAN AREA,
WAILUKU CIVIC COMPLEX

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", Appendix C – Capital Improvement Projects, is hereby amended as it pertains to the Department of Management, Wailuku-Kahului Community Plan Area, by increasing the appropriation for a capital improvement project entitled, "Wailuku Civic Complex", in the amount of \$40,000,000 to read as follows:

APPENDIX C - Capital Improvement Projects		
Capital improvement project funding may not be used for any purpose other than as described in this appendix.		
CBS NO.	PROJECT TITLE/DESCRIPTION	APPROPRIATION
	<u>Department of Management</u>	
	<u>1. Countywide</u>	
CBS-1009	a. Public Safety Radio System Replacement	1,200,000
	Site improvements, construction, and required components for the replacement of the Public Safety Radio System (PSRS). Fiscal Year 2019 scope to include: Replacement of microwave links and related equipment and completion of additional work at Waiakeakua (Lanai).	
	<u>2. Wailuku-Kahului Community Plan Area</u>	
CBS-2789	a. Wailuku Civic Complex [44,195,000]	<u>84,195,000</u>
	Land acquisition, design, planning, permitting, construction, and construction management of a multipurpose facility in the Wailuku Redevelopment Area. Project to also include interior design for the Real Property Assessment Office to be located within the Wailuku Civic Complex.	
CBS-XXXX	b. Information Technology Data Center Improvements	250,000"
	Replacement of air conditioning system for the Data Center in the Department of Management (Information Technology Services).	

SECTION 2. Material to be repealed is bracketed. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel