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Traci N. T. Fujita, Esq.

Deputy Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

April 18, 2023

Ms. Maria Zielinski, Budget Director
Office of the Mayor
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Zielinski:

SUBJECT: **FISCAL YEAR ("FY") 2024 BUDGET** (BFED-1) (BD-6)

May I please request your written response to the following:

1. Please confirm that the transfer of \$40,197,065 to the Emergency Fund is compliant with Section 9-14 of the Charter, stating that no amounts transferred into an emergency reserve fund or capital improvement reserve fund shall be deducted from amounts to be raised by taxes for ensuing years. What is the Administration's rationale for adding this amount to the Emergency Fund this fiscal year? This question was also sent to the Department of Finance. (Page 7, Budget Bill) (YLS)
2. Please explain the \$9,655,110 in Carryover/Savings in the Water Fund. (Page 1, Budget Bill) (YLS)
3. How did the Administration determine which capital improvements projects should be bonded? (YLS)
4. Have all obligations for Temporary Hazard Pay been satisfied? If not, how much is outstanding and how much is budgeted for it? (Page 6, Budget Bill) (YLS)
5. Does the \$39,887,306 in Carryover/Savings from the General Fund take into consideration the \$7 million budget amendment from FY 2023 for Temporary Hazard Pay, or will Carryover/Savings need to be reduced? (Page 1, Budget Bill) (YLS)

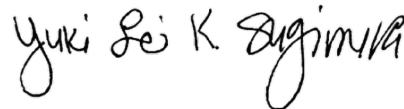
Ms. Maria Zielinski
April 18, 2023
Page 2

6. Please provide a copy of the letter from the Planning Director with their recommended order of priorities for proposed capital improvement projects, per Section 8-8.3 of the Charter. (Page 25, County Charter)
7. Please explain why each project with a lapse date of 2018 or prior listed in the CIP Quarterly Report has not been closed out. Can these contracts be closed out and monies lapsed into FY 2024? This question was also sent to relevant departments. (Appendix A-1) (YLS)
8. Is the Affordable Housing Fund considered a Capital Improvement Fund? Please explain. (TC)

May I further request you provide the requested information to bfed.committee@mauicounty.us no later than **April 21, 2023**. To ensure efficient processing, please include the relevant Committee item number in the subject line of your response.

Should you have any questions, please contact me or the Committee staff (Lesley Milner at ext. 7886, Kasie Apo Takayama at ext. 7665, Richelle Kawasaki at ext. 7137, or Yvette Bouthillier at ext. 7758). We appreciate your attention to this request.

Sincerely,



YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic Development
Committee

bfed:2024bgt:230418abd06:lpcm

cc: Mayor Richard T. Bissen, Jr.

BFED Committee

From: BFED Committee
Sent: Wednesday, April 19, 2023 7:48 AM
To: Maria Zielinski
Cc: Desiree Echalas; Janina Agapay; Michelle Santos; Zeke Kalua; BFED Committee
Subject: PLEASE READ attached letter re: Fiscal Year ("FY") 2024 Budget (BFED-1) (BD-6)
Attachments: (BD-6) Correspondence to Budget Director 04-18-2023.pdf

Ms. Zielinski: Please refer to the attached letter from the Budget, Finance, and Economic Development (BFED) Committee Chair, dated 04/18/2023.

Mayor's Office (Attention: Michelle Santos and Zeke Kalua): Please forward the attached letter to Mayor Bissen for his information.

Mahalo, Clarita Balala

RICHARD T. BISSEN, JR.
Mayor

KEKUHAUPIO R. AKANA
Managing Director



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

April 21, 2023

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

A handwritten signature in black ink, appearing to read "R.T. Bissen, Jr.", is written over a horizontal line. Below the line, the word "Mayor" is printed in green. To the right of the signature, the date "4.21.23" is handwritten in black ink, and the word "Date" is printed in green below it.

Dear Chair Sugimura:

SUBJECT: FISCAL YEAR ("FY") 2024 BUDGET (BFED-1) (BD-6)

Pursuant to your correspondence dated April 18, 2023, the following are responses to your questions.

1. Please confirm that the transfer of \$40,197,065 to the Emergency Fund is compliant with Section 9-14 of the Charter, stating that no amounts transferred into an emergency reserve fund or capital improvement reserve fund shall be deducted from amounts to be raised by taxes for ensuing years. What is the Administration's rationale for adding this amount to the Emergency Fund this fiscal year? This question was also sent to the Department of Finance.

Response: The Administration is recommending to reduce the Emergency Fund to \$39 million to be compliant with Section 9-14 of the Charter.

2. Please explain the \$9,655,110 in Carryover/Savings in the Water Fund.

Response: According to the Department of Water Supply, the Carryover/Savings of \$9,655,110 in the Water Fund resulted from lapsing of the department's FY 2022 CIP. Please see "Attachment 1" for the calculation provided by Department of Water Supply.

3. How did the Administration determine which capital improvements projects should be bonded?

Response: Recognizing the current unfavorable interest rate environment, the Administration minimized the amount of bond funding for CIP projects.

4. Have all obligations for Temporary Hazard Pay been satisfied? If not, how much is outstanding and how much is budgeted for it?

Response: According to Department of Finance, \$13.1 million in THP payments have been made as of 3/31/2023 and there is an estimated \$13.9 million remaining.

5. Does the \$39,887,306 in Carryover/Savings from the General Fund take into consideration the \$7 million budget amendment from FY 2023 for Temporary Hazard Pay, or will Carryover/Savings need to be reduced?

Response: The \$7 million budget amendment from FY 2023 for Temporary Hazard Pay is included in the \$39,887,306 Carryover/Savings and does not need to be reduced.

6. Please provide a copy of the letter from the Planning Director with their recommended order of priorities capital improvement projects, per Section 8-8.3 of the Charter.

Response: Please see "Attachment 2".

7. Please explain why each project with a lapse date of 2018 or prior listed in the CIP Quarterly Report has not been closed out. Can these contracts be closed out and monies lapsed into FY 2024? This question was also sent to relevant departments.

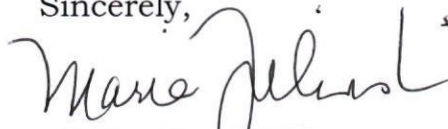
Response: Projects with a lapse date of 2018 or prior listed in CIP Quarterly Report have not been closed because the project might still have an encumbrance amount. Once the Departments have notified the Department of Finance – Accounts Division that the project is completed it can be closed. The process can be done through Construction Work in Progress (CWIP) done annually at Fiscal Year-end. Those lapsed funds will be then recognized in FY 2025 Budget.

8. Is the Affordable Housing Fund considered a Capital Improvement Fund?

Response: According to Department of Finance, the Affordable Housing Fund is considered as Special Revolving Fund. However, CIP projects may be appropriated from the fund.

Should you have any questions, please contact me at ext. 7212.

Sincerely,



MARIA ZIELINSKI
Budget Director

Attachments

ATTACHMENT 1

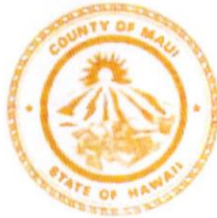
Carryover Fund used in FY2024 Budget of \$9,655,015 came from FY2022 CIP Lapsed fund.

	FY2022 Adopted Actual Expenses		Outstanding Encumbrance	Lapsed Fund
Countywide Facility Improvements	1,050,000.00	35,091.60	58,650.93	956,257.47
Countywide Water System Modification	500,000.00	306,423.04	172,027.15	21,549.81
Countywide Upgrades and Replacements	4,550,000.00	232,605.00	1,758,047.67	2,559,347.33
Kahului Tank II	860,000.00	0.00	0.00	860,000.00
West Maui Reliable Capacity	3,750,000.00	0.00	0.00	3,750,000.00
Acquisition of the Wailuku Water Company Water System	2,000,000.00	0.00	0.00	2,000,000.00
TOTAL CIP - Unrestricted Fund	<u>12,710,000.00</u>	<u>574,119.64</u>	<u>1,988,725.75</u>	<u>10,147,154.61</u>
Carryover Fund Used in FY2024 Budget				<u>(9,655,015.00)</u>
CARRYOVER/SAVINGS BALANCE for future used				<u>492,139.61</u>

RICHARD T. BISSEN JR.
Mayor

KATHLEEN ROSS AOKI
Acting Planning Director

GARRETT E. SMITH
Deputy Director



ATTACHMENT 2



DEPARTMENT OF PLANNING
COUNTY OF MAUI
ONE MAIN PLAZA
2200 MAIN STREET, SUITE 315
WAILUKU, MAUI, HAWAI'I 96793

March 9, 2023

MEMORANDUM

TO: RICHARD T. BISSEN JR., MAYOR
MARIA ZIELINSKI, BUDGET DIRECTOR

FROM: KATHLEEN ROSS AOKI, ACTING PLANNING DIRECTOR *KRA*

**SUBJECT: REVIEW OF THE DRAFT FY2024 CAPITAL IMPROVEMENT
PROGRAM BUDGET**

Thank you for the opportunity to review and evaluate the Capital Improvement Program (CIP) for the Mayor's proposed FY2024 Budget. Section 8-8.3 of the Revised Charter of the County of Maui (1983) prescribes that the Planning Director consider the list of proposed capital improvement projects and recommend their order of priority to the Mayor. In addition, Maui County Code Section 2.80B.030 states that preparation of the County's annual operating budget and capital program shall implement the general plan to the extent possible.

We have reviewed the approximately 81 draft CIP projects and find that they all support goals, policies, objective and actions contained in the Countywide Policy Plan (CWPP), Maui Island Plan (MIP), Lana'i Community Plan or Moloka'i Island Community Plan. While we did not review every proposed CIP project against all of Maui island's six community plans, given that the MIP has more than sufficient language supporting the projects, we do note that some projects are also consistent with community plan language.

The CWPP contains a number of goals, policies, objectives and actions that relate to protecting the natural environment, improving parks and public facilities, improving physical infrastructure, and striving for good governance. All CIP projects submitted from the departments for consideration are supported by language contained in the CWPP, such as:

I. Improve Physical Infrastructure

GOAL: Maui County's physical infrastructure will be maintained in optimum condition and will provide for and effectively serve the needs of the County through clean and sustainable technologies.

Memorandum
 Re: FY2024 CIP Budget
 March 9, 2023
 Page 2

K. Strive for Good Governance

GOAL: Government services will be transparent, effective, efficient, and responsive to the needs of residents.

Objective 4: Adequately fund in order to effectively administer, implement, and enforce the General Plan.

We note that several infrastructure projects in the proposed FY2024 CIP budget are specifically identified in the plans. Following is a list of some of these projects and corresponding policies and implementing actions supporting their development:

1. CBS-1952: Kaanapali Resort R-1 Water Distribution System Expansion
2. CBS 3576: Lahaina Wastewater Reclamation Facility R-1 Process Expansion
3. CBS-6080: Lahaina Recycled Water Force Main Construction/Rehabilitation
4. CBS-7246: North Kihei R-1 Line Replacement

Maui Island Plan:

2.2.3-Action 1: Transition from the use of wastewater injection wells to appropriate, environmentally sound methods of wastewater disposal, and promote the beneficial reuse of wastewater effluent.

6.2.3.b: Expand the reuse of wastewater from the Central Maui, Kihei, Lahaina, and other wastewater systems.

5. CBS-1039: Bus Stops and Shelters

Maui Island Plan:

6.5.1.d: Provide adequate transit infrastructure (e.g., bus pullouts, waiting benches and shelters, signs) along existing and future transit right-of-ways.

6. CBS-6067: Countywide Traffic and Safety Program

Maui Island Plan:

6.4.1.a: Plan for an integrated multi-modal transportation system comprised of public transit, bicycle, pedestrian, automobile, and other transportation modes.

6.4.1.c: Encourage the use of "complete streets" design methods.

6.4.2.d: Identify and improve hazardous and substandard sections of roadways, drainage infrastructure, and bridges, provided that the historical integrity of the roads and bridges are protected.

Memorandum
 Re: FY2024 CIP Budget
 March 9, 2023
 Page 3

7. CBS-6667: Puko`o (Moloka`i) Fire Station (property acquisition and renovation)

Moloka`i Island Community Plan:

Action 9.3.02 (Priority 1): Explore options for relocating Puko`o Fire Station to a location that is not vulnerable to flooding and tsunamis, and best meets the needs of East End residents.

8. CBS-4621: Kula Agricultural Park Phase I Expansion – Upcountry Maui Agricultural Park

Maui Island Plan:

4.3.1.a: Strive to substitute food/agricultural product imports with a reliable supply of locally produced food and agricultural products.

9. CBS-2789: Wailuku Civic Hub

Maui Island Plan:

2.1.1.a: Perpetuate the spirit of aloha and celebrate the host Hawaiian culture and other ethnic cultures.

6.7.1.d: Recognize Wailuku Town as Maui's Civic Center and support the revitalization of the Civic Center District by consolidating government office spaces, enhancing landscape beautification, and providing adequate public parking.

6.7.1.h: Focus future expenditures for additional government office space, parking, and related facilities in Wailuku's Civic Center District.

We recognize that the County's infrastructure needs significantly exceed available resources and that there are insufficient funds to support every project proposed throughout the various general plan documents. This draft FY2024 CIP budget appears fiscally and responsibly restrained and its adoption would provide funding for programs and investments the community has established as priorities. Given the complexity of the CIP process, including identifying needed CIP projects, identifying funding sources, implementing the general plan, obtaining public input, prioritizing projects, etc., we suggest that top priority should be given to projects that have clear health and safety effects (aging infrastructure) and that address environmental or legal mandates (regulatory requirements); next should be projects that are clearly supported by the long-range plans as noted above; and lastly should be projects that involve new or upgraded infrastructure and that have a minor improvement to quality of life, health or safety.

Please feel free to contact me if you have any questions or need additional information.

xc: Kekuhaupio Akana, Managing Director (pdf)

Scott Forsythe, Acting Planning Program Manager (pdf)

KRA:SJF:rh1

S:\ALLPID\CIP - Annual Proposed Budget Consistency Review\FY2024\BudgetReviewMemo.docx

BFED Committee

From: Desiree Echalas <Desiree.B.Echallas@co.maui.hi.us>
Sent: Friday, April 21, 2023 11:21 AM
To: Lesley J. Milner
Cc: BFED Committee
Subject: RE: FY 2024 (BFED-1) (BD-5) **Renamed as (BD-6)**
Attachments: FY24 (BFED-1)(BD-6) Response.pdf

Hi Lesley,

I'm attaching the correction. It should be BD-6. Thank you for pointing that out.

Desiree

>>> "Lesley J. Milner" <Lesley.Milner@mauicounty.us> 4/21/2023 10:17 AM >>>

Hi Desiree,

I think this should be BD-6. Thank you!

-Lesley

From: BFED Committee <BFED.Committee@mauicounty.us>
Sent: Friday, April 21, 2023 9:42 AM
To: Lesley J. Milner <Lesley.Milner@mauicounty.us>; Kasie M. Takayama <Kasie.Apotakayama@mauicounty.us>; Yvette Bouthillier <Yvette.Bouthillier@mauicounty.us>; Clarita Balala <Clarita.Balala@mauicounty.us>; Maria L. Leon <maria.leon@mauicounty.us>
Subject: FW: FY 2024 (BFED-1) (BD-5)

From: Desiree Echalas <Desiree.B.Echallas@co.maui.hi.us>
Sent: Friday, April 21, 2023 9:40:36 AM (UTC-10:00) Hawaii
To: BFED Committee <BFED.Committee@mauicounty.us>
Subject: FY 2024 (BFED-1) (BD-5)

Attached is response BD-5 from Office of the Mayor, Budget Office.

Desiree Echalas

Budget Specialist

County of Maui

Office of the Mayor

Desiree.B.Echallas@co.maui.hi.us

Phone: (808) 270-8239