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April 12, 2016

MEMO TO: Patrick K. Wong
Corporation Counsel

F R O M: Riki Hokama, Chair 
Budget and Finance Committee

SUBJECT: **FISCAL YEAR ("FY") 2017 BUDGET** (CC-10) (BF-1)

In proposing transfers within a department from one program to another this past year, the Mayor, via correspondence from the Budget Director, transmitted proposed bills rather than proposed resolutions to accomplish the transfers. Section 7 of the FY 2016 General Budget Provisions required transfers within a department, from one program to another, be authorized by resolution, while Section 9-10(2) of the Revised Charter of the County of Maui (1983), as amended, provides: "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."

The Mayor has deleted from the proposed FY 2017 General Budget Provisions the following requirement found in the FY 2016 Budget: "... provided 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."

May I please request you respond to the following:

1. May the FY 2017 Budget bill allow for transfers within a department, from one program to another, to be done by ordinance rather than resolution, without violating Charter Section 9-10(2)? Please explain.

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2. If your response to the question above is in the affirmative, please advise whether you will approve the language below as to form and legality, if incorporated as a revision to Section 7 of the proposed FY 2017 Budget bill (and assuming an Appendix C similar to the one contained in the FY 2016 Budget ordinance is incorporated).

Unless otherwise provided herein, 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 that the disbursement is within the program and category of use for which it was appropriated, as set forth in Appendix C (attached hereto and made a part hereof); and further provided that any transfer from one category of use to another shall be authorized by Council resolution, and any transfer from one department to another or from one program to another shall be authorized by ordinance.

May I further request you transmit your response no later than **April 18, 2016**, to enable the Committee to comprehensively review the FY 2017 budget. To ensure efficient processing, please duplicate the coding in the subject line above for easy reference.

Should you have any questions, please contact me or the Committee staff (Steve Selee at ext. 7687, Michele Yoshimura at ext. 7663, Shelly Espeleta at ext. 7134, or Yvette Bouthillier at ext. 7758).

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cc: Jeffrey Ueoka, Deputy Corporation Counsel
Budget Director