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Robert Carroll  
Elle Cochran  
Don Couch  
Stacy Crivello  
Riki Hokama



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](http://www.MauiCounty.us)

April 7, 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-9; BF-1)

This year, as with the past several years, the Council received as part of the Mayor's Fiscal Year 2017 budget presentation, two bound volumes. They are entitled as follows:

1. "FISCAL YEAR 2017 MAYOR'S BUDGET PROPOSAL," consisting of 920 pages (spiral-bound) ("Mayor's Budget Proposal"); and
2. "COUNTY OF MAUI FISCAL YEAR 2017 PROPOSED BUDGET DETAILS" (three-ring binder) ("Budget Details").

The Mayor's Budget Proposal is divided into the following sections: Introduction, Budget Overview, Budget and Financial Policies, Financial Summaries, Department Operating Program, Capital Program, and Glossary.

The proposed capital program required by Section 9-6 of the Revised Charter of the County of Maui (1983), as amended, is described by project type, project name, and capital budget system number. The Capital Program section of the Mayor's Budget Proposal contains a series of project sheets by capital budget system number, describing the project, providing a justification for it, stating how the project aligns with the relevant department's strategic plan, what impacts the project is anticipated to have on operations, funding details for the project, a schedule of activities, and methods of financing the project.

Patrick K. Wong  
April 7, 2016  
Page 2

By the attached correspondence dated April 7, 2016, the County Auditor informed the Committee that your Department had advised the Auditor that the description and justification of a project contained in the Mayor's Budget Proposal is not incorporated by reference into the annual Budget ordinance or Capital Program ordinance enacted by the Council.

The Committee's understanding in going through the Mayor's proposed budget each year is that the documents provided by the Mayor may be relied upon as informing the Committee of the basis for the items in the budget. Without conceding to your interpretation regarding the incorporation by reference of the Mayor's Budget Proposal, I would like to include language in the FY 2017 Budget bill to eliminate the possibility that this will be an ongoing problem.

Currently, Section 10 of the General Budget Provisions proposed by the Mayor states: "All program objectives and performance plans as described in the Budget Proposal for Fiscal Year 2017 are incorporated herein and made a part hereof, except as otherwise provided for in other sections of this ordinance."

This is the same language that was used in the Fiscal Year 2012 Budget ordinance (Ordinance 3840), which your Department apparently determined two years ago was inadequate to incorporate by reference information in the Mayor's Budget Proposal.

May I, therefore, request you provide the Committee with language that will require the Mayor to abide by the representations made in his Budget Proposal, including the information contained in capital improvement project sheets provided as part of the document? The language should take into account the fact that not all projects will be granted the funding requested by the Mayor.

This language could be written as an amendment to Section 10 of the General Budget Provisions. In whatever form you suggest, the language should be enforceable by the Council in the event representations made in the Mayor's Budget Proposal are not in compliance with actions taken, including the prospect of a capital improvement project proceeding in a manner clearly not consistent with the applicable project sheet, without an amendment to the budget first having been authorized by the Council.

I also intend to attach project sheets or other excerpts from the Mayor's Budget Proposal to the Fiscal Year 2017 Budget ordinance or the accompanying

Patrick K. Wong  
April 7, 2016  
Page 3

Capital Program ordinance, as an independent basis upon which the Council can rely on the integrity of the information provided.

May I further request you transmit your response no later than **April 15, 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).

bf:2017bgt:160407acc01:cmn

Attachment

cc: Jeffrey Ueoka, Deputy Corporation Counsel  
Budget Director



**OFFICE OF THE COUNTY AUDITOR**  
COUNTY OF MAUI  
2145 WELLS STREET, SUITE 106  
WAILUKU, MAUI, HAWAII 96793  
<http://www.mauicounty.gov/auditor>

OFFICE OF THE  
COUNTY AUDITOR

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RECEIVED

April 7, 2016

Honorable G. Riki Hokama, Chair  
and Members of the Budget and Finance Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

Dear Chair Hokama and Members:

**SUBJECT: PROPOSED FISCAL YEAR 2017 BUDGET FOR THE  
COUNTY OF MAUI (BF-1)**

The report on the audit of expenditures from the Fiscal Year 2012 Budget appropriation for the Old Wailuku Post Office Rehabilitation Project (OWPO Audit report) is anticipated to be issued later this year. Although the OWPO Audit report is not yet ready to be published, an issue was raised during the course of the audit which—if left unchecked—may have implications on the County's annual budget ordinance. Therefore, I am disclosing this specific issue prior to publication of the OWPO Audit report and prior to the Council's passage of the Fiscal Year 2017 Budget.

Transmitted for consideration during your deliberations on the proposed Fiscal Year 2017 Budget for the County of Maui is a July 31, 2015 written opinion from the Department of the Corporation Counsel (Exhibit A<sup>1</sup>). The opinion is in response to a request as part of my audit fieldwork (Exhibit B).

In summary, the Department of the Corporation Counsel opined that the detailed description of the Old Wailuku Post Office Rehabilitation project included in the Mayor's Proposed Budget is not incorporated in the annual budget ordinance passed by the Council.

According to the Department of the Corporation Counsel's opinion, the "Description and Justification" paragraph listed on page 28-6<sup>2</sup> "...described as and entitled 'Six Year Capital

<sup>1</sup>Exhibit "1" of the Department of the Corporation Counsel's July 31, 2015 opinion (specifically, Ordinance No. 3839, Bill No. 33 (2011) Draft 1, entitled "A BILL FOR AN ORDINANCE RELATING TO THE CAPITAL PROGRAM FOR THE FISCAL YEAR ENDING JUNE 30, 2012") is intentionally omitted and not transmitted herein.

<sup>2</sup>See page 2 of Exhibit B.

Honorable G. Riki Hokama, Chair  
and Members of the Budget and Finance Committee  
April 7, 2016  
Page 2

Program, Wailuku-Kahului, Old Wailuku Post Office Rehabilitation'..." is **NOT** "...incorporated into Ordinance No. 3840<sup>3</sup>, via Section 10..." of the General Budget Provisions.

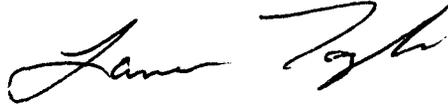
The Department's opinion further states:

"Whether the term "program objectives and performance plans" includes the "description and justification" stated in a CIP six year program proposal, in our opinion, is mere conjecture and not legally defensible. If the Council intended such inclusion, it could easily revise Section 10 to include the term "description and justification."

Although the written opinion addresses a specific issue, it may have broader implications because the supporting documents justifying the Mayor's Proposed Budget requests—which are reviewed by the Council and the public—may not legally be part of the final County budget passed by Council. If not legally part of the County's budget, accountability for spending taxpayer dollars may be diminished.

Please contact me at Ext. 3192 if you have any questions.

Sincerely,



LANCE T. TAGUCHI  
County Auditor

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Enclosures 2

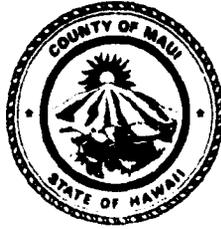
cc: Sananda Baz, Budget Director  
Edward S. Kushi, Jr., First Deputy Corporation Counsel  
Jeffrey Ueoka, Deputy Corporation Counsel

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<sup>3</sup>Fiscal Year 2012 Budget ordinance.

**COPY**

ALAN M. ARAKAWA  
Mayor



PATRICK K. WONG  
Corporation Counsel

EDWARD S. KUSHI  
First Deputy

LYDIA A. TODA  
Risk Management Officer  
Tel. No. (808) 270-7535  
Fax No. (808) 270-1761

DEPARTMENT OF THE CORPORATION COUNSEL  
COUNTY OF MAUI  
200 SOUTH HIGH STREET, 3<sup>RD</sup> FLOOR  
WAILUKU, MAUI, HAWAII 96793  
EMAIL: CORPCOUN@MAUICOUNTY.GOV  
TELEPHONE: (808) 270-7740  
FACSIMILE: (808) 270-7152

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COUNTY CLERK

MEMO TO: Lance T. Taguchi  
County Auditor

FROM: Edward Kushi, Jr.  
First Deputy Corporation Counsel

DATE: July 31, 2015

SUBJECT: REQUEST FOR A WRITTEN OPINION RELATING TO THE  
APPROPRIATION FOR THE OLD WALUKU POST OFFICE  
BUILDING

We respond to your request of July 24, 2015, as follows:

1) "Is the 'Description and Justification' paragraph on Attachment "1" incorporated within Ordinance No. 3840 (2011), specifically Section 10 of the General Budget Provisions? Please explain."

Short Answer: No.

Ordinance No. 3890 (Bill No. 34, 2011, Draft 1) was entitled "A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET FOR THE COUNTY OF MAUI FOR THE FISCAL YEAR JULY 1, 2011 TO JUNE 30, 2012" (emphasis added). Said bill contained 23 sections, the majority of which detailed various categories of revenues and expenditures.<sup>1</sup>

<sup>1</sup> Listed in the sections were:

- Section 2: Estimated Revenues
- Section 3: Functions and Programs
- Section 4: CIP Project for the subject fiscal year

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Lance T. Taguchi  
County Auditor  
July 31, 2015  
Page 2

The referenced Section 10 of Ordinance No. 3840 states:

“SECTION 10. All program objectives and performance plans as described in the Budget Proposal Fiscal Year 2012 are incorporated herein and made a part hereof, except as otherwise provided for in other sections of this ordinance.” (emphasis added)<sup>2</sup>

Attachment “1” to your request of July 24, 2015 is described as and entitled “Six Year Capital Program, Wailuku-Kahului, Old Wailuku Post Office Rehabilitation”. Listed in said document is a “Description and Justification” section/heading which states:

Rehabilitation of Old Wailuku Post Office acquired by the County of Maui 2009 to allow for occupancy for offices, meeting rooms, and storage. Improvements anticipated include rehabilitation of roof to prevent water intrusion and to extend life span, upgrade 50-year old electrical, removal of asbestos on the first and second floors, removal of lead where necessary throughout building, removal of mold in the basement, fire sprinkler improvements, exterior concrete repairs, and necessary structural repairs.

There is no listing, description nor section in said Attachment “1” entitled “program objectives and performance plans”, which then would be incorporated into Ordinance No. 3840, via Section 10 thereof. Whether the term “program objectives and performance plans” includes the “description and justification” stated in a CIP six year program proposal, in our opinion, is mere conjecture and not legally defensible. If the Council intended such inclusion, it could easily revise Section 10 to include the term “description and justification.”

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Sections 5-10:	General Budget Provisions
Sections 11-14:	Grant Revenues
Section 15:	Fees, rates, Assessments and Taxes
Section 16:	Encumbered and Unencumbered Funds
Section 17-22:	Financial Procedures

<sup>2</sup> We do not know nor are aware whether the term “program objectives and performance plans” is separately defined, a legal term, or an accounting “term of art” or practice.

Lance T. Taguchi  
County Auditor  
July 31, 2015  
Page 3

2) “If it is not incorporated within Ordinance no. 3840, please identify and provide examples.”

Pursuant to our review of the adopted FY'12 budget ordinances, we can only cite Ordinance No. 3839 (Bill No. 33, 2011, Draft 1) entitled “A BILL FOR AN ORDINANCE RELATING TO THE CAPITAL PROGRAM FOR THE FISCAL YEAR ENDING JUNE 30, 2012”, a copy of which is attached hereto as Exhibit “1”. Section 3 of said ordinance sets forth the proposed Capital program for Fiscal Years 2012 through 2017, and specifically, at page 8 of Appendix B, lists the Old Wailuku Post Office Rehabilitation project.

However, unlike Section 10 of Ordinance No. 3840, there is no provision in Ordinance No. 3839 to incorporate “program objectives and performance plans” or “description and justification” statements into said ordinance.

Contact this office if further discussion/clarification is needed.

ESK:lk  
Attachment

COPY

County Auditor  
Lance T. Taguchi



**OFFICE OF THE COUNTY AUDITOR**

COUNTY OF MAUI  
2145 WELLS STREET, SUITE 106  
WAILUKU, MAUI, HAWAII 96793

July 24, 2015

MEMO TO: Edward Kushi, Jr.  
First Deputy Corporation Counsel

F R O M: Lance T. Taguchi  
County Auditor

A handwritten signature in black ink, appearing to be "Lance T. Taguchi".

SUBJECT: **REQUEST FOR A WRITTEN OPINION RELATING TO THE  
APPROPRIATION FOR THE OLD WAILUKU POST OFFICE  
BUILDING**

This request is being made with the understanding that the Department of the Corporation Counsel has established a separation within its operations for the purposes of preventing a conflict of interest within your office to handle matters pertaining to my audit of the Old Wailuku Post Office appropriation.

Attached are the following:

1. Page 26-8 of the Mayor's Proposed Fiscal Year 2012 Capital Program relating to the Old Wailuku Post Office Rehabilitation (Attachment "1").
2. Pages 17 through 20 of Ordinance No. 3840 (2011), General Budget Provisions (Attachment "2").

Is the "Description and Justification" paragraph on Attachment "1" incorporated within Ordinance No. 3840 (2011), specifically Section 10 of the General Budget Provisions? Please explain.

If it is not incorporated within Ordinance No. 3840 (2011), please identify and provide examples.

May I request your written response to these questions by Tuesday, August 4, 2015.

Please contact me at ext. 3192 if you have any questions.

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Attachments

cc: Linden Joesting, Deputy Corporation Counsel

# SIX YEAR CAPITAL PROGRAM

Wailuku-Kahului

## Old Wailuku Post Office Rehabilitation

District Wailuku-Kahului

Department Management

Project Type Government Facilities

**Description and Justification** Rehabilitation of Old Wailuku Post Office acquired by the County of Maui in 2009 to allow for occupancy for offices, meeting rooms, and storage. Improvements anticipated include rehabilitation of roof to prevent water intrusion and to extend life span, upgrade 50-year old electrical, removal of asbestos on the first and second floors, removal of lead where necessary throughout building, removal of mold in the basement, fire sprinkler improvements, exterior concrete repairs, and necessary structural repairs.

**Operating Impact** No impact on staffing or operating budget anticipated.

**Anticipated Life** 20 Years

\$ in 1,000's

Project Phase	Fund	Prior Yrs Encb	Fiscal Year							6-Yr Total
			2011 Appr	2012	2013	2014	2015	2016	2017	
Construction	GB				4,250					4,250
Design	LB			1,500						1,500
<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>1,500</b>	<b>4,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,750</b>



Old Wailuku Post Office (right) with County Building and Old Wailuku Courthouse

Fund Source: BW = Bikeway Fund GB = G.O. Bond GF = General Fund FD = Federal Grant HF = Highway Fund LBF = Lapse Bond Fund OT = Other PA = Park Assessment Fund SRF = State Revolving Loan ST = State Grant SW = Solid Waste Fund WF = Wastewater Fund WR = Water Restricted Fund WU = Water Unrestricted Fund

## GENERAL BUDGET PROVISIONS

SECTION 5. As used herein, an "E/P" or equivalent personnel is the decimal equivalent of a full-time position. A full-time position is equal to 2,080 scheduled hours of work during the fiscal year. All positions are computed as an equivalent of 2,080 scheduled hours of work; 1.0 E/P equals 2,080 hours. This method of computing the number of authorized personnel in a department or program shall not be construed to grant to an incumbent in a position any rights beyond those already provided by law or collective bargaining contract. All positions shall be identified by an E/P designation. Disbursement shall be limited to the total number of E/Ps identified in a program appropriation. Any transfer of E/Ps from one program to another shall be approved by ordinance. As used herein, "LTA" or Limited Term Appointment means an appointment that is made from an eligible list or through a non-competitive promotion, transfer or demotion for a specified temporary period.

SECTION 6. Appropriations for salaries and premium pay may be disbursed within the pertinent office, department, agency, or program for the following: (1) a temporary position to functionally replace a permanent employee who is on long-term sick or disability leave, or who has been temporarily assigned to replace a permanent employee who is on long-term sick or disability leave; provided that disbursement shall be limited in duration to the sick or disability leave of the permanent employee who is on long-term sick or disability leave; and, provided, that disbursement shall end when the permanent employee terminates County employment and the permanent position is subsequently filled; and (2) a temporary position to be filled by a permanent employee who is deemed to have a long-term temporary disability, and who is certified by a doctor of medicine to be able to perform the duties of the temporary position; provided that disbursement shall end when the permanent employee vacates the temporary position; and (3) trainee positions for which there is an existing or anticipated vacancy for which hiring and replacing is critical to continued operations, provided, that funds are available; and (4) a temporary position to functionally replace a permanent or probationary employee who has been called to active duty in the United States Armed Forces or who has been temporarily assigned to replace a permanent or probationary employee who has been called to active duty in the United States Armed Forces; provided that disbursement shall be limited in duration to the period of the employee's active duty status in the United States Armed Forces; and, provided, that disbursement shall end when the permanent or probationary employee terminates County employment and the permanent or probationary position is subsequently filled.

SECTION 7. Unless otherwise provided herein, appropriations for each program may be disbursed for salaries, premium pay, reallocation pay, operations, services, and equipment within the office, department, or agency for which the appropriation is made. Disbursements for salaries, premium pay, and reallocation pay shall include temporary assignments pay, overtime pay, night differential pay, hazardous pay, standby pay, and emergency call back pay, and for reallocations and reclassifications. Funds shall not be disbursed for reallocations and reclassifications that involve a change in supervisory duties and responsibilities until the County Council receives written notice setting forth: (1) an explanation of the reasons for the change, and (2) organizational charts showing the existing organization and the proposed organization of the department, as it relates to the positions involved. The County Council shall receive notice of any reallocation or reclassification when a position is transferred from the blue collar compensation plan, white collar non-professional compensation plan, white collar professional compensation plan, uniformed fire compensation plan, or uniformed police compensation plan to a different compensation plan. The County Council shall receive notice of any temporary assignment, temporary transfer, and temporary reallocation that is expected to be in effect for more than thirty (30) days with an explanation of the action. Receipt of written notice by the County Clerk shall constitute receipt by the County Council.

A. Effective July 1, 2007, the Department of Public Works and Environmental Management split into a Department of Public Works and a Department of Environmental Management. Notwithstanding the

provisions contained in Section 7, appropriations may be disbursed by the Department of Environmental Management to reimburse the Department of Public Works, and vice versa, for the temporary assignment of employees, provided that a report is transmitted to the County Council, within 45 days after the end of each quarter, of each position temporarily assigned and the program from which the position was assigned, a description of the work performed, and the amounts reimbursed.

SECTION 8. Any increase or decrease in revenues or any increase or decrease in appropriations to any department or program, or any transfer of funds from one department to another, or any transfer of funds within a department, shall be made in accordance with law.

SECTION 9. All provisions of law contained in the Maui County Code and Hawaii Revised Statutes, both as amended, that affect the expenditure of the revenues from the rates, fees, assessments and taxes herein adopted, are hereby referred to and incorporated by reference. All provisions of law limiting the expenditure of fund revenues are hereby referred to and incorporated by reference.

SECTION 10. All program objectives and performance plans as described in the Budget Proposal Fiscal Year 2012 are incorporated herein and made a part hereof, except as otherwise provided for in other sections of this ordinance.

#### GRANT REVENUES

SECTION 11. The grant revenues, which include revenues from grants and revenues with restricted uses, set forth in Appendix A, Part I (attached hereto and made a part hereof), are expected to be derived by the County from Federal, State, or private sources during Fiscal Year 2012. These grant revenues are hereby appropriated in the amounts set forth in Appendix A, Part I, to the programs and uses identified therein; provided, that disbursement is conditioned on: (1) receipt of a notification of grant award from the grantor, or receipt of notification from the grantor that the grant award will be forthcoming and that the County is authorized to incur costs pursuant to such grant award; and (2) written notice to the County Council, to which a copy of the notification from the grantor is attached. When a specific amount from a grant is appropriated for a specific position, the individual in that position shall be paid only the amount so specified during this fiscal year and no more, notwithstanding that the terms or rules and regulations of the grant may allow additional pay for said position. Unless specifically authorized, grant revenues shall not be used for salaries and personnel services for a County position.

A. Subject to the requirements of this section, the Mayor is hereby authorized to execute any documents to receive and expend the funds for the grants and programs identified in Part I of Appendix A.

B. Grant revenues derived during Fiscal Year 2012 that are not included in Part I of Appendix A shall be subject to Sections 12 and 13, as may be appropriate.

SECTION 12. Whenever the County is notified that grant revenues are available from Federal or State sources for programs other than those identified in Part I of Appendix A, the County Council may authorize the acceptance of such revenues by adding the revenues to Part I of Appendix A. The following procedure shall apply.

A. These grant revenues are deemed appropriated upon enactment of an ordinance adding the estimated revenues to Part I of Appendix A; provided, that disbursement is conditioned on: (1) receipt of a notification of grant award from the grantor, or receipt of notification from the grantor that the grant award will be forthcoming and that the County is authorized to incur costs pursuant to such grant award; and (2) written notice to the County Council, to which a copy of the notification from the grantor is attached.

B. Subject to the requirements of this Section, the Mayor is hereby authorized to execute any documents to receive and expend the funds for the programs identified in the grant award.

SECTION 13. Whenever the County receives donations of monies from private sources not provided for in Part I of Appendix A, the County Council may approve its acceptance and authorize its expenditure in accordance with Chapter 3.56, Maui County Code.

SECTION 14. The special purpose revenues set forth in Appendix A, Part II (attached hereto and made a part hereof), are expected to be on hand as of June 30, 2011, or derived by the County during Fiscal Year 2012, from the programs or activities described in the Maui County Code at the references set forth under A through P therein. The balance remaining in each of the revolving or special funds as of June 30, 2011, is hereby reappropriated to the particular fund for expenditure for the purposes identified in the ordinance establishing the revolving or special fund. Revenues derived from the particular program or activities during the fiscal year are hereby appropriated for expenditure for the purposes identified in the ordinance establishing the revolving or special fund.

#### FEES, RATES, ASSESSMENTS AND TAXES

SECTION 15. The fees, rates, assessments and taxes as set forth in Appendix B (attached hereto and made a part hereof) are hereby adopted and set in accordance with Section 9-7 of the Revised Charter of the County of Maui (1983), as amended.

#### ENCUMBERED AND UNENCUMBERED FUNDS

SECTION 16. The several amounts listed below are declared to be the estimated encumbered and unencumbered County funds on hand as of July 1, 2011. The estimated amounts set forth in this section are shown in accordance with Section 9-3 of the Revised Charter of the County of Maui (1983), as amended. The actual amounts of any encumbered and unencumbered funds that the County will have on hand as of June 30, 2011, will be set forth in the Comprehensive Annual Financial Report.

Encumbered funds	\$ 98,924,139
Unencumbered funds (carryover/savings)	\$ 81,515,207

#### FINANCIAL PROCEDURES

SECTION 17. For the purpose of this section, "County fund" excludes pension or retirement funds, funds under the control of any independent board or commission, funds set aside for the redemption of bonds or the payment of interest thereon, park dedication funds, or special purpose funds. In the event there are monies in any County fund that, in the judgment of the Director of Finance, are in excess of the amounts necessary for the immediate requirements of the respective funds, and where in the judgment of the Director of Finance, such action will not impede the necessary or desirable financial operation of the County, the Director of Finance may make temporary transfers or loans therefrom without interest to the Bond Fund or the Housing Interim Financing and Buy-Back Revolving Fund. The amount of such temporary transfers or loans shall not exceed the amount of general obligation bonds or notes authorized but not issued. At any time the aggregate amount of such transfers and loans that shall be unreimbursed shall not exceed \$55,000,000. Monies transferred or loaned shall be expended only for appropriations from the Bond Fund or the Housing Interim Financing and Buy-Back Revolving Fund, which are specified to be financed from the sale of general obligation bonds or notes. The fund from which transfers or loans are made shall be reimbursed, from time to time in whole or in part based on expenditures or anticipated expenditures, by the Director of Finance from the proceeds of the sale of general obligation bonds or notes upon the eventual issuance and sale of such bonds or notes. Within 30 days after each transfer or loan, the Director of

Finance shall report to the County Council on: (1) the amount of transfer or loan requirement; (2) the reason or justification for the transfer or loan; (3) the source of funding to reimburse or repay the transfer or loan; and (4) the time schedule proposed for reimbursement or repayment of the transfer or loan. The transfer or loan shall be reimbursed or repaid within eighteen (18) months after the later of: (i) the date of the transfer or loan; or (ii) the date that the public improvement funded by the transfer or loan was placed in service, but in no event later than three (3) years after the expenditure has been made.

At the close of each quarter, the Director of Finance shall submit to the County Council a Combined Statement of Cash Receipts and Disbursements showing for each month for each individual fund the cash balance at the start of the accounting period, the cash receipts and disbursements during the period, and the cash balance at the end of the period. Within thirty (30) days after the close of each quarter, the Director of Finance shall submit a separate report showing the accumulated balance of any fund or account which exceeds \$100,000, and which would be available for appropriation upon certification by the Mayor.

SECTION 18. The Director of Finance is hereby authorized to establish appropriate individual and separate accounts for receipts and expenditures except as otherwise provided herein.

SECTION 19. The Director of Finance is further authorized to establish accounts for items of receipt and expenditures for the departments, agencies, or divisions as required by law in order to establish accounting and financial procedures under utility and other enterprise fund accounting. The Director of Finance is authorized to transfer appropriations from programs under countywide costs to departments where generally accepted accounting principles require such transfer to properly reflect the financial accounting of such department; provided, however, that the total appropriation transferred shall not exceed the appropriation of the respective program in countywide costs; and provided, further, that the County Council shall receive notice of such transfer with an explanation of the action. Receipt of said written notices by the County Clerk shall constitute receipt by the County Council.

SECTION 20. Whoever intentionally or knowingly violates this ordinance shall be fined not more than \$1,000 or imprisoned not more than thirty (30) days or both.

SECTION 21. If any appropriation set forth in this ordinance is held invalid by a court of competent jurisdiction, the Self Insurance fund appropriation shall be adjusted to the extent necessary to maintain the equality of estimated revenues, proposed expenditures and total appropriations, as required by Section 9-5 of the Revised Charter of the County of Maui (1983), as amended.

SECTION 22. If any provision of this ordinance, or the application thereof to any person or circumstance, is held invalid by a court of competent jurisdiction, the invalidity does not affect other provisions or applications of the ordinance, which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable.

SECTION 23. This ordinance shall take effect on July 1, 2011.

APPROVED AS TO FORM AND LEGALITY:

  
ADRIANNE HEELY

Deputy Corporation Counsel  
County of Maui