

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

August 5, 2016

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 July 14, 2016, makes reference to County Communication 16-126, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF WATER SUPPLY, ADMINISTRATION PROGRAM – WATER FUND; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)."

The purpose of the proposed bill is to amend the Fiscal Year 2017 Budget by: 1) increasing Carryover/Savings from the Water Fund by \$219,000; and 2) adding a grant for Lokahi Pacific, Inc. for \$219,000 under Category B – Operations.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX C – CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF WATER SUPPLY, COUNTYWIDE, COUNTYWIDE UPGRADES AND REPLACEMENTS."

The purpose of the proposed bill is to amend the Fiscal Year 2017 Budget Appendix C, Capital Improvement Projects, by: 1) deleting the project to change the existing 6-inch waterline to an 8-inch waterline on Mokuhaul Road in Happy Valley, Department of Water Supply, Countywide, Countywide

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

Page 2

Committee
Report No. _____

Upgrades and Replacements; and 2) adding a proviso to support escalated costs and ancillary work for approved capital improvement projects.

3. A Certification of Additional Revenues for Fiscal Year 2017, dated June 24, 2016, for \$219,000 in Carryover/Savings from the Water Fund.

Your Committee notes the Capital Improvement Projects for Fiscal Year 2017 for the Department of Water Supply include a Countywide Upgrades and Replacements project to change an existing 6-inch waterline to an 8-inch waterline on Mokuhau Road in Happy Valley, Wailuku, Maui, Hawaii, by December 31, 2016.

The Budget Director informed your Committee the project has been designed, but the Department has determined it is more cost-effective for the nonprofit developer, Lokahi Pacific, Inc., to incorporate the waterline improvement into the nearby affordable-housing project on Mokuhau Road. The proposed bill would appropriate a grant to Lokahi Pacific, Inc. for \$219,000 for the waterline improvement project.

The Director of Water Supply said Lokahi Pacific, Inc. has obtained a bid from its contractor, P.B. Sullivan Construction, Inc., for the project. Once the project is completed, the waterline will be dedicated to the County.

Your Committee noted the improvements will be beneficial to all existing water customers along Mokuhau Road and not only the Lokahi Pacific, Inc. development.

Your Committee recognizes the importance of providing affordable housing and supports the grant to Lokahi Pacific, Inc. for the development of the waterline to benefit the affordable-housing project and the existing water customers in the area.

Your Committee voted 7-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

Page 3

Committee
Report No. _____

Hokama, Vice-Chair White, and members Baisa, Carroll, Cochran, Crivello, and Victorino voted "aye." Committee members Couch and Guzman were excused.

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2016), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF WATER SUPPLY, ADMINISTRATION PROGRAM - WATER FUND; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication 16-126 be FILED.

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



RIKI HOKAMA, Chair

ORDINANCE NO. _____

BILL NO. _____ (2016)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF WATER SUPPLY,
ADMINISTRATION PROGRAM – WATER FUND;
TOTAL OPERATING APPROPRIATIONS; AND
TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4334, Bill No. 62 (2016), Draft 1, "Fiscal Year 2017 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Carryover/Savings from the Water Fund in the amount of \$219,000; and by increasing Total Estimated Revenues in the amount of \$219,000, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes	273,887,388
Circuit Breaker Adjustment	(398,235)
Charges for Current Services	135,887,152
Transient Accommodations Tax	23,484,000
Public Service Company Tax	9,100,000
Licenses/Permits/Others	35,170,154
Fuel and Franchise Taxes	23,606,500
Special Assessments	5,975,000
Other Intergovernmental	32,775,000

FROM OTHER SOURCES:

Interfund Transfers	46,486,467
Bond/Lapsed Bond	38,129,000
Carryover/Savings:	
General Fund	17,578,419
Sewer Fund	3,800,945
Highway Fund	4,886,279
Solid Waste Management Fund	22,086
Golf Fund	458,756
Liquor Fund	797,883
Bikeway Fund	311,997
Water Fund	[7,532,766] 7,751,766

TOTAL ESTIMATED REVENUES

[659,491,557] 659,710,557"

SECTION 2. Fiscal Year 2017 Budget is hereby amended as it pertains to Section 3.B.17.a., Department of Water Supply, Administration Program – Water Fund, by adding an appropriation under B - Operations and Total for a grant entitled, "Grant for Lokahi Pacific, Inc.", in the amount of \$219,000, to read as follows:

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
"17. Department of Water Supply				
a. Administration Program – Water Fund	4,852,890	4,664,939	79,053	9,596,882
(1) General				
(i) Provided, that disbursement for salaries and premium pay is limited to 75.0 equivalent personnel.				
(2) Grant for Auwahi Forest Restoration	0	37,000	0	37,000
(3) Grant for Countywide Watershed Protection	0	80,000	0	80,000
(4) Grant for East Maui Watershed Protection	0	505,000	0	505,000
(5) Grant for East Molokai Watershed Protection	0	250,000	0	250,000
(6) Grant for Hawaii Agriculture Research Center	0	68,000	0	68,000
(7) Grant for Honokowai/Wahikuli Watershed	0	65,000	0	65,000
(8) Grant for Leeward Haleakala Forest Restoration	0	195,000	0	195,000
(9) Grant for Miconia Containment and Removal	0	250,000	0	250,000
(10) Grant for Pu'u Kukui Watershed Preserve	0	300,000	0	300,000
(11) Grant for West Maui Watershed Protection	0	350,000	0	350,000
(12) Transfer to Upcountry Water System Expansion Capital Improvement Reserve Fund	0	1,440,718	0	1,440,718
<u>(13) Grant for Lokahi Pacific, Inc.</u>	<u>0</u>	<u>219,000</u>	<u>0</u>	<u>219,000</u>

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
b. Departmental Expenses – Water Fund				
(1) Debt Service	0	6,049,827	0	6,049,827
(2) Contribution to General Fund – Employee Benefits	0	6,106,654	0	6,106,654
(3) Insurance	0	475,000	0	475,000
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)	0	1,210,084	0	1,210,084
(5) Administrative Overhead Charges	0	5,789,592	0	5,789,592
(6) Refund for Mainline Expenses	0	500,000	0	500,000
c. Water Operations Program – Water Fund	9,210,774	23,813,072	374,900	33,398,746"
(i) Provided, that disbursement for salaries and premium pay is limited to 143.0 equivalent personnel and 2.0 Limited Term Appointment (LTA) equivalent personnel.				

SECTION 3. Fiscal Year 2017 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect a B – Operations and Total increase of \$219,000, to read as follows:

"TOTAL OPERATING APPROPRIATIONS	174,988,440	[362,607,798]	8,025,405	[545,621,643]
		<u>362,826,798</u>		<u>545,840,643"</u>


SECTION 4. Fiscal Year 2017 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$219,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[659,491,557]	<u>659,710,557"</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