

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

June 16, 2017

**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 May 16, 2017 and June 6, 2017, makes reference to County Communication 16-110, from Councilmember Riki Hokama, relating to amendments to the Fiscal Year 2017 Budget to authorize transfers between categories of use that are within a program or department.

By correspondence dated April 26, 2017, the Budget Director transmitted a proposed resolution entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF FIRE AND PUBLIC SAFETY, FISCAL YEAR 2017 BUDGET."

The purpose of the proposed resolution is to amend the Fiscal Year 2017 Budget within the Department of Fire and Public Safety by transferring funds from the following: Administration/Maintenance Program, \$3,849 from Category C (Equipment); Training Program, \$74,000 from Category A (Salaries), \$4,000 from Category B (Operations), and \$4,312 from Category C (Equipment); Fire/Rescue Operations Program, \$624 from Category C (Equipment); Fire Prevention Program, \$119,000 from Category A (Salaries) and \$295 from Category C (Equipment); and Ocean Safety Program, \$230,000 from Category B (Operations) to Fire/Rescue Operations Program, Category A (Salaries) for a projected shortfall in salaries and premium pay.

The proposed resolution references Section 7 of the General Budget Provisions in the Fiscal Year 2017 Budget, which restricts disbursements for each program by category of use, with allocations specified for (a) salaries, premium pay, or reallocation pay (Category A); (b) operations or services (Category B); and (c) equipment (Category C).

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Your Committee notes Ordinance 4444 (2017) amends the Fiscal Year 2017 Budget by an increase of Carryover/Savings from the General Fund by \$913,000 and a transfer of \$347,000 between programs within the Department to cover an anticipated shortfall in payroll costs for the Fire/Rescue Operations Program.

The Fire Chief said the request for additional funds is to further cover the anticipated shortfall in salaries and premium pay for the Fire/Rescue Operations Program. He said shortly after your Committee recommended approval of a budget amendment in April, the Department realized a miscalculation occurred in determining the amount needed to cover the shortfall. The miscalculation resulted in the need to transfer additional funds between programs for Fiscal Year 2017.

He informed your Committee the Department calculated savings from positions assumed vacant because of retirement of personnel throughout the fiscal year. However, the Department did not take into consideration the positions were subsequently filled and the savings would be reduced. The actual savings should have been the difference in salary between the position filled with the new incumbent and the actual budgeted amount.

The Fire Chief said the anticipated shortfall is estimated based on an average of the pay periods from the start of the fiscal year. He said the difficulty in determining the shortfall is the uncertainty of incidents, such as a large brushfire, requiring additional personnel at the scene.

A representative from the Department informed your Committee a shortfall for Fiscal Year 2018 is anticipated for premium pay. He said the Department requested an additional \$2,000,000 for premium pay; however, it was not approved in the upcoming budget.

Your Committee noted there were no reductions made to the proposed Fiscal Year 2018 Budget from the Mayor for premium pay for the Fire/Rescue Operations program. Your Committee further noted that the Fiscal Year 2018 Budget becomes effective July 1, 2017, and stressed that

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a shortfall does not exist at the start of the year. The Department will need to manage its resources to its best ability to address their budgetary needs.

Your Committee expressed concerns over the amount of overtime incurred by the Department and the adequacy of controls to reduce overtime expenses. Your Committee noted that cost effectiveness and operational efficiency could be evaluated through a performance and fiscal audit. The outcome of such audit would greatly benefit the Department and the public.

Your Committee notes Resolution 17-78 authorizes the Council Chair to contract for a performance and fiscal audit of the Department of Fire and Public Safety. The scope of the audit would include a review of management and other aspects of operations, including an organizational analysis based on the scope of command, manpower and staffing, including overtime, procurement practices, and contractual requirements.

Your Committee voted 8-0 to recommend adoption of the proposed resolution. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, Crivello, Guzman, and Sugimura voted "aye." Committee member King was excused.

Your Budget and Finance Committee RECOMMENDS that Resolution \_\_\_\_\_, attached hereto, entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE WITHIN THE DEPARTMENT OF FIRE AND PUBLIC SAFETY, FISCAL YEAR 2017 BUDGET," be ADOPTED.

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

  
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RIKI HOKAMA, Chair

# Resolution

No. \_\_\_\_\_

AUTHORIZING THE TRANSFER OF AN UNENCUMBERED  
APPROPRIATION BALANCE WITHIN THE  
DEPARTMENT OF FIRE AND PUBLIC SAFETY,  
FISCAL YEAR 2017 BUDGET

WHEREAS, Section 9-10(2) of the Revised Charter of the County of Maui (1983), as amended ("Charter"), provides that, 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; and

WHEREAS, Section 7 of the General Budget Provisions in Ordinance No. 4334, Bill No. 62 (2016), Draft 1, as amended, ("Fiscal Year 2017 Budget"), states that, unless otherwise provided, 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 the disbursement is within the program and category of use for which it was appropriated; and

WHEREAS, Section 3.B.5. of the Fiscal Year 2017 Budget, relating to the Department of Fire and Public Safety, sets forth appropriations for the Administration/Maintenance Program, Training Program, Fire/Rescue Operations Program, Fire Prevention Program, and Ocean Safety Program; and

WHEREAS, pursuant to Section 9-10(2) of the Charter, Mayor Alan M. Arakawa has submitted a written request to transfer an unencumbered appropriation balance of \$3,849 from the Administration/Maintenance Program,

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Category C, \$74,000 from the Training Program, Category A, \$4,000 from the Training Program, Category B, \$4,312 from the Training Program, Category C, \$624 from the Fire/Rescue Operations Program, Category C, \$119,000 from the Fire Prevention Program, Category A, \$295 from the Fire Prevention Program, Category C, and \$230,000 from the Ocean Safety Program, Category B, to the Fire/Rescue Operations Program, Category A, in order to disburse \$436,080 for salaries, premium pay, or reallocation pay from the appropriate category; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That, pursuant to Section 9-10(2) of the Charter and Section 7 of the General Budget Provisions, and in accordance with the Fiscal Year 2017 Budget, it does hereby authorize the transfer of an unencumbered appropriation balance of \$3,849 from the Administration/Maintenance Program, Category C, \$74,000 from the Training Program, Category A, \$4,000 from the Training Program, Category B, \$4,312 from the Training Program, Category C, \$624 from the Fire/Rescue Operations Program, Category C, \$119,000 from the Fire Prevention Program, Category A, \$295 from the Fire Prevention Program, Category C, and \$230,000 from the Ocean Safety Program, Category B, to the Fire/Rescue Operations Program, Category A, in order to disburse \$436,080 for salaries, premium pay, or reallocation pay; and

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2. That certified copies of this resolution be transmitted to the Mayor,  
Director of Finance, Budget Director and Chief of Fire and Public Safety.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA  
Deputy Corporation Counsel  
County of Maui

