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Director of Council Services
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

March 24, 2022

Mr. Scott Teruya, Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Teruya:

SUBJECT: FISCAL YEAR ("FY") 2023 BUDGET (BFED-1) (FN-1)

May I please request the following:

1. A copy of the Fringe Benefit rates used in preparing the proposed FY 2023 Budget.
2. A breakdown of actual costs of employee fringe benefits for FY 2018 to FY 2022, to date, by category and by fund. The categories include: Employees' Retirement System, Federal Insurance Contributions Act, Hawaii Employer-Union Health Benefits Trust Fund, and Other Post-Employment Benefits.
3. Explain any cost increases to each fringe benefit category and identify whether the increase is based on collective bargaining agreements, including the request for FY 2023.

May I further request you transmit your response no later than **March 30, 2022**, to enable the Committee to comprehensively review the FY 2023 Budget.

To ensure efficient processing, please transmit your response to bfed.committee@mauicounty.us and duplicate the coding in the subject line above for easy reference. Should you have any questions, please contact me or the Committee staff (Lesley Milner at ext. 7886, Jerry Paredes at ext. 7140, Richard Mitchell at ext. 7662, or Yvette Bouthillier at ext. 7758).

Mr. Scott Teruya
March 24, 2022
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Sincerely,

A handwritten signature in black ink, reading "Keani Rawlins-Fernandez". The signature is written in a cursive style with a large initial 'K'.

KEANI N.W. RAWLINS-FERNANDEZ, Chair
Budget, Finance, and Economic
Development Committee

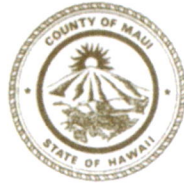
bfed:2023bgt:220323afn01:ljcm

cc: Mayor Michael P. Victorino
Budget Director

MICHAEL P. VICTORINO
Mayor

SCOTT K. TERUYA
Director

MAY-ANNE A. ALIBIN
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

March 30, 2022

Ms. Michele M. Yoshimura *MWJ*
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino *3-30-22*
Mayor Date

For Transmittal to:

Honorable Keani N.W. Rawlins-Fernandez, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

SUBJECT: FISCAL YEAR ("FY") 2023 BUDGET (BFED-1) (FN-1)

Dear Chair Rawlins-Fernandez:

This transmission is in receipt to your letter dated March 24, 2022, requesting the following information be submitted:

- 1. A copy of the Fringe Benefit rates used in preparing the FY 2023 Budget.**

Response: Attached is a copy of the Fringe Benefit Rate Memo for calendar year 2022.

- 2. A breakdown of actual costs of employee fringe benefits for FY 2018 to FY 2022, to date, by category and by fund. The categories include: Employees' Retirement System, Federal Insurance Contributions Act, Hawaii Employer-Union Health Benefits Trust Fund, and Other Post-Employment Benefits.**

Response: The table below provides a breakdown of actual costs of employee fringe benefits for FY 2018 to FY 2022, to-date, by category:

General Fund	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 as of 3/29/2022
Social Security - FICA	\$ 7,980,505	\$ 8,365,599	\$ 8,423,190	\$ 9,015,539	\$ 6,240,797
Retirement System - ERS	\$ 40,879,952	\$ 43,245,571	\$ 52,678,394	\$ 61,830,090	\$ 38,575,526
Hawaii Employer-Union Trust Fund - EUTF	\$ 33,400,009	\$ 36,878,984	\$ 39,946,780	\$ 43,695,575	\$ 11,720,465
Other Post-Employment Benefit - OPEB*	\$ 17,000,000	\$ 18,126,930	\$ 22,249,711	\$ 18,000,000	\$ 33,124,640

*For fiscal years prior to FY22, OPEB Annual Required Contribution was included in the EUTF totals.

Please note that actual costs of employee fringe benefits are posted in the Countywide Costs, Fringe Benefits, under the General Fund, which include costs relating to all employees in the County’s payroll regardless of the employees’ salaries funding source.

3. Explain any cost increases to each fringe benefit category and identify whether the increase is based on collective bargaining agreements, including the request for FY 2023.

Response: Cost increases to each fringe benefit category are primarily due to several factors such as the following, but not limited to historical and current expenditures, Actuarial Reports from the State of Hawaii, changes in the Employee Fringe Benefit rates, and adjustments relating to the changes in budgeted salaries (i.e. expansion positions, reallocation of positions, or terminal vacation pay). Below is a table showing the comparison between the current and ensuing fiscal years by category:

Fringe Benefits	FY 2022 Adopted	FY 2023 Proposed	Change	Explanation
Social Security -FICA	\$10,841,265	\$12,278,143	\$1,436,878	Based on historical and current activity.
Retirement System – ERS	\$64,277,650	\$71,277,650	\$7,000,000	Based on 24% rate for general employee and 41% for Police and Fire; includes estimated costs for spiking bill.
Hawaii Employer-Union Trust Fund – EUTF	\$22,300,530	\$24,072,000	\$1,771,470	Employer Portion of Health Care Premiums for current and active employees.
Annual Required Contribution	\$38,547,000	\$38,344,000	(\$203,000)	Based on Actuarial Reports from the State of Hawaii
Terminal Pay, Salary Adjustments	\$3,500,000	\$13,000,000	\$9,500,000	Anticipated salary increase based on Collective Bargaining Agreements for all Bargaining Units.

Honorable Keani N.W. Rawlins-Fernandez, Chair


March 30, 2022

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Should you have any questions, please feel free to contact me at ext. 7474 or Deputy Director May-Anne Alibin at ext. 7475.

Sincerely,



 SCOTT K. TERUYA
Director of Finance

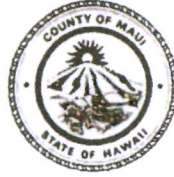
SKT:maa

Attachment

MICHAEL P. VICTORINO
Mayor

SCOTT K. TERUYA
Director

MAY-ANNE A. ALIBIN
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov



October 5, 2021

MEMORANDUM

TO: ALL DEPARTMENTS AND AGENCIES

SUBJECT: EMPLOYEE FRINGE BENEFIT RATES- CALENDAR YEAR 2022

The County of Maui has reviewed and revised the employee fringe benefit rates utilizing the actual cost data and salary base for the prior fiscal year which ended on June 30, 2021 (Fiscal 2021). These rates are to be used from January 1, 2022 through December 31, 2022 (Calendar Year 2022).


EMPLOYEE FRINGE BENEFIT RATES BASED UPON EMPLOYER'S CONTRIBUTION	Personnel (except Police, Fire)		DWS (a)		Police & Fire (b)	
	<u>1/1/2022</u>	<u>7/1/2022(c)</u>	<u>1/1/2022</u>	<u>7/1/2022(c)</u>	<u>1/1/2022</u>	<u>7/1/2022(c)</u>
Employee's Retirement System (ERS)	24.00%	24.00%	24.00%	24.00%	41.00%	41.00%
Social Security/Medicare	7.65%	7.65%	7.65%	7.65%	1.45%	1.45%
Subtotal	31.65%	31.65%	31.65%	31.65%	42.45%	42.45%
Unemployment	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Workers' Compensation	1.72%	1.72%	2.71%	2.71%	1.72%	1.72%
Medical, Drug, Dental, Vision, Life	23.43%	23.43%	23.43%	23.43%	23.43%	23.43%
Other Post-Employment Benefits (OPEB)	9.66%	9.66%	9.66%	9.66%	9.66%	9.66%
Total Employer's Contribution (Use for internal reimbursement)	<u>66.56%</u>	<u>66.56%</u>	<u>67.55%</u>	<u>67.55%</u>	<u>77.36%</u>	<u>77.36%</u>

EMPLOYEE FRINGE BENEFIT RATES BASED UPON EMPLOYER'S CONTRIBUTION	Personnel (except Police & Fire)		DWS (a)		Police & Fire (b)	
	<u>1/1/2022</u>	<u>7/1/2022(c)</u>	<u>1/1/2022</u>	<u>7/1/2022(c)</u>	<u>1/1/2022</u>	<u>7/1/2022(c)</u>
<u>LEAVE BENEFITS</u>						
Vacation	8.08%	8.08%	8.08%	8.08%	8.08%	8.08%
Sick	5.38%	5.38%	5.38%	5.38%	5.38%	5.38%
Holiday	5.38%	5.38%	5.38%	5.38%	5.38%	5.38%
Others (Admin Leave, Union)	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%
Total Leave Benefits	19.61%	19.61%	19.61%	19.61%	19.61%	19.61%
Total Fringe Benefit Rate (Straight Time Rate) (Use for grant reimbursement)	<u>86.17%</u>	<u>86.17%</u>	<u>87.16%</u>	<u>87.16%</u>	<u>96.97%</u>	<u>96.97%</u>
Total Fringe Benefit Rate (Overtime Rate) (Use for internal transfer and grant reimbursement including FEMA reimbursements)	<u>33.47%</u>	<u>33.47%</u>	<u>34.46%</u>	<u>34.46%</u>	<u>44.27%</u>	<u>44.27%</u>
(a) For DWS personnel only: Workers' Compensation rate 2.71% as DWS pays their own expenses directly.						
(b) For Police & Fire personnel only: ERS rate = 41.00% + 1.45% (for Medicare) = 42.45%.						
(c) ERS rate will remain the same for July 1, 2022 until statutory changes are implemented.						

If you have any questions on the above employee fringe benefit rates, please call Accounting System Assistant Administrator, Robin Arita-Chang at ext. no. 7206.

Respectfully Submitted,



 SCOTT K. TERUYA
Director of Finance

BFED Committee

From: Melissa Agtunong <Melissa.P.Agtunong@co.maui.hi.us>
Sent: Wednesday, March 30, 2022 4:39 PM
To: BFED Committee
Subject: FY 2023 Budget (FN-1)
Attachments: (FN-1) Response.pdf

Please see attached response from the Department of Finance.

Mahalo,
Melissa Jahja (Agtunong)
Office of the Mayor | County of Maui
(808)270-8263