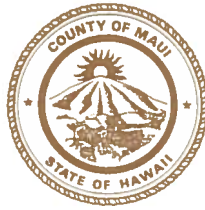


ALAN M. ARAKAWA
MAYOR

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OFFICE OF THE
COUNTY CLERK



KEITH A. REGAN
MANAGING DIRECTOR

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

April 19, 2017

Honorable Mike White, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair White:

SUBJECT: FY 2017 SOLID WASTE FUND ESTIMATED REVENUE SHORTAGE

Per discussions between the Budget Office and the Department of Environmental Management that took place this morning, and, pursuant to Section 9-10.1 of the Maui County Charter, I am writing to inform you that the Department of Environmental Management estimates a \$275,000 shortfall in solid waste revenue in FY 2017.

Please be advised that the estimated revenue shortfall is anticipated to be absorbed by a combination of salary savings as well as savings related to anticipated administrative overhead costs. The administrative overhead cost savings is essentially the difference between the budgeted overhead costs, which are based on total department salaries (and not taking into consideration vacancies) and the actual administrative overhead costs reimbursed to the General Fund from the Solid Waste Management Fund. Actual overhead costs are based on actual payroll incurred.

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at Ext. 7855.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan M. Arakawa".

ALAN M. ARAKAWA
Mayor, County of Maui

cc: Lynn Araki-Regan, Budget Director
Herman Andaya, Chief of Staff
Keith Regan, Managing Director
Stewart Stant, Environmental Management Director

COUNTY COMMUNICATION NO. 17-202