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Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

March 20, 2025

Mr. Lance Taguchi County, Auditor
Office of the County Auditor
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Taguchi:

SUBJECT: **FISCAL YEAR 2026 BUDGET** (BFED-1) (OC-01)

May I please request you submit your response to the following questions by **March 31, 2025**. This will enable the Committee to comprehensively review the FY 2026 Budget.

1. Please outline the major changes in your Department's budget from FY 2025 to FY 2026. If your budget will decrease, how will this impact your Department's operations and ability to serve the public?
2. How many vacant positions currently exist within your Department?
 - a. Please include the job titles for the vacancies and indicate how long the positions have been vacant.
 - b. What is the anticipated timeline for filling these vacancies?
 - c. What are the consequences, if any, for removing funding for these vacant positions from the FY 2026 Budget?
3. If your Department had expansion positions in the FY 2025 Budget, how many of those positions were filled? If they have not been filled, are they included in the FY 2026 Budget? How many months of funding are being requested?

Mr. Lance Taguchi

March 20, 2025

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4. If your Department is proposing expansion positions in the FY 2026 Budget, how do you plan to fill those positions?
5. How many positions were filled in FY 2025 that were not expansion positions?
6. Describe your recruitment process.
 - a. How did your Department recruit to fill vacancies and what were the most effective methods for attracting candidates?
 - b. Does your Department take an active role in recruitment or is recruitment handled primarily by the Department of Personnel Services? Please explain.
7. The following questions are related to overtime payments:
 - a. How much in overtime has been paid to date in FY 2025 and what was the reason for the overtime?
 - b. Were any of these overtime costs attributed to the number of vacant positions in your Department?
 - c. Do you anticipate that overtime costs in FY 2026 will increase or decrease and what are the reasons for your assumption?
8. The following questions are related to your Department's program and activities for FY 2026:
 - a. Identify the programs and activities conducted by your Department because of a Federal or State mandate. Indicate for each program and activity the amount of Federal or State funding your Department anticipates receiving and the amount of County funding your Department is requesting.
 - b. Identify the programs and activities conducted solely because of a Maui County Code mandate and indicate the amount your Department is requesting.
9. If your Department had Capital Improvement Projects in FY 2025:

- a. Provide the current status of each CIP, if different from the information provided in the Fiscal Year 2025 2nd Quarter CIP Report.
 - b. Provide information on how much funding has been encumbered or expended to date for each project.
- 10. If your Department has proposed CIPs for FY 2026:
 - a. Rank your proposed CIPs, by priority.
 - b. Will CIP funding included in the FY 2026 Budget be encumbered by June 30, 2026? If not, how much do you anticipate will be encumbered by that date?
- 11. If your Department manages a revolving fund:
 - a. Explain whether the revolving fund is still needed and why.
 - b. Provide the current balance.
- 12. If your Department manages grants:
 - a. For each grant line-item not designated for a specific recipient (e.g., Small Business Promotion; Youth Programs), provide a breakdown of the grants that will be funded by the line item.
 - b. Provide a breakdown of all grants that will be funded by your Department under Sub-object Code 6317, County grant subsidy.
 - c. Did your Department apply for any grant funding in FY 2025? If yes, how much grant funding was received?
- 13. Provide details on your Department's Carryover/Savings that were included in the FY 2026 Budget.
- 14. What are your top three Department priorities for FY 2026 and how does your Department's budget reflect that?

15. How much has your Department spent on Professional Services in FY 2025, and what projects and consultants were funded under this line item?
16. How much of your Department's expenditures in FY 2025 will be reimbursed by the Federal Emergency Management Agency in relation to the wildfires? What amount of FY 2026 expenditures are expected to be reimbursed?
17. If your Department is receiving Federal grants, including pass-through grants:
 - a. What amount is your Department receiving for routine operations?
 - b. What amount is your Department receiving for August 2023 Maui Wildfires disaster recovery?
 - c. Explain any factors that could jeopardize your receipt of Federal grants, including Federal policy changes, compliance requirements, or expiration dates.
 - d. Explain how your Department will adjust if it does not receive the anticipated Federal grant funding.
18. If your Department received funding to repair or replace equipment, locations, and structures destroyed in the wildfires, provide the current status for each. If there are items still pending repair or replacement, provide the estimated cost and timeline for the repair or replacement.

The Department is scheduled to present on **April 16, 2025**. The schedule is subject to change and Committee staff will reach out if there are any changes to the schedule.

Please be prepared to provide a ten-minute presentation on the changes in your Department's budget from FY 2025 to FY 2026, addressing the following:

- Operations
- CIPs, if any
- Grants awarded by the Department, if any

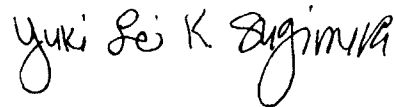
Mr. Lance Taguchi
March 20, 2025
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- Grants received by the Department, if any
- Revolving funds, if any
- Rates and fees, including any estimated increase or decrease in revenue as a result of the changes

Please transmit your response to bfed.committee@mauicounty.us by **March 31, 2025**. To ensure efficient processing, please include the Committee item number in the subject line. Please use a font size of at least 12 points for the response. This formatting allows Committee members and the community to clearly read the document once posted.

Should you have any questions, please contact me or the Committee staff (Kirsten Szabo at ext. 7662, James Krueger at ext. 7761, or Pauline Martins at ext. 8039).

Sincerely,

A handwritten signature in black ink that reads "Yuki Lei K. Sugimura". The signature is written in a cursive, flowing style.

YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

bfed:2026bgt:253019aoc01:kes

cc: Mayor Richard T. Bissen, Jr.
Budget Director



OFFICE OF THE COUNTY AUDITOR

COUNTY OF MAUI

2145 WELLS STREET, SUITE 303
WAILUKU, MAUI, HAWAII 96793
<http://www.mauicounty.gov/auditor>

March 31, 2025

Honorable Yuki Lei K. Sugimura, Chair
and Members of the Budget, Finance, and Economic
Development Committee
County of Maui
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura and Members:

SUBJECT: **FISCAL YEAR ("FY") 2026 BUDGET** (BFED-1) (OCA-01)

In response to your letter dated March 20, 2025, please see answers shown in ***bold italic*** text below.

1. Please outline the major changes in your Department's budget from FY 2025 to FY 2026.

\$250,000 expansion for Professional Services. Professional Services may be used to assist with Financial or Performance Audits, evaluations, and other projects. This may include, but are not limited to the following areas: accounting, architecture, engineering, finance, law, planning, property management, real property appraisal, etc.

If your budget will decrease, how will this impact your Department's operations and ability to serve the public?

The remainder of the Office of the County Auditor's proposed FY 2026 Budget remains flat. Proposed funding levels allow the Office of the County Auditor to achieve our goals of retaining and hiring qualified staff, as well as conducting Financial and Performance Audits, evaluations, and other projects. Any increase or decrease to those funding levels will affect our ability to achieve those goals.

2. How many vacant positions currently exist within your Department?

Two.

- a. Please include the job titles for the vacancies and indicate how long the positions have been vacant.

Two Senior Analyst positions have been vacant this FY. These positions are exempt from civil service and serve at the pleasure of the County Auditor. Prior to reappointment, the inability to ensure/offer long-term employment hampered our ability to attract qualified applicants.

- b. What is the anticipated timeline for filling these vacancies?

The Council approved the reappointment of the County Auditor at its meeting of March 7, 2025. Recruitment is ongoing.

- c. What are the consequences, if any, for removing funding for these vacant positions from the FY 2026 Budget?

Positions cannot be filled.

3. If your Department had expansion positions in the FY 2025 Budget, how many of those positions were filled? If they have not been filled, are they included in the FY 2026 Budget? How many months of funding are being requested?

N/A – no expansion in FY 2025.

4. If your Department is proposing expansion positions in the FY 2026 Budget, how do you plan to fill those positions?

N/A – none requested.

5. How many positions were filled in FY 2025 that were not expansion positions?

None, see responses to 2a and 2b above.

6. Describe your recruitment process.

- a. How did your Department recruit to fill vacancies and what were the most effective methods for attracting candidates?

Outreach to and referrals from other County departments, audit shops, or CPA firms.

- b. Does your Department take an active role in recruitment or is recruitment handled primarily by the Department of Personnel Services (“DPS”) Please explain.

Yes, the Office of the County Auditor takes an active role in recruitment. All positions in the Office of the County Auditor are exempt from civil service and serve at the pleasure of the County Auditor. Thus, recruitment is independent of DPS.

7. The following questions are related to overtime payments:

- a. How much in overtime has been paid to date in FY 2025 and what was the reason for the overtime?

None - no overtime costs. My staff adjusts work schedules according to deadlines and priorities.

- b. Were any of these overtime costs attributed to the number of vacant positions in your Department?

N/A.

- c. Do you anticipate that overtime costs in FY 2026 will increase or decrease and what are the reasons for your assumption?

I have assembled a team of seasoned and licensed professionals and will continue to allow staff the option to adjust work schedules according to deadlines and priorities. However, if we are unable to fill the vacancies and hire qualified staff, overtime hours may increase to ensure deadlines, priorities, and goals are met.

8. The following questions are related to your Department's program and activities for FY 2026:

- a. Identify the programs and activities conducted by your Department because of a Federal or State mandate. Indicate for each program and activity the amount of Federal or State funding your Department anticipates receiving and the amount of County funding your Department is requesting.

The County Auditor annually contracts a third-party Certified Public Accounting firm to conduct an audit of federal funds (i.e., Single Audit Report). The Office of the Auditor receives no Federal or State funding, however, audits are a condition of Federal and State grants the County receives.

- b. Identify the programs and activities conducted solely because of a Maui County Code mandate and indicate the amount your Department is requesting.

N/A – none required solely by Maui County Code. In accordance with Sections 3-9.2.1.a and 9-13 of the Revised Charter of the County of Maui (1983), as amended, the County Auditor contracts a third-party Certified Public Accounting firm to conduct the County's annual financial audit (i.e., Annual Comprehensive Financial Report).

9. If your Department had Capital Improvement Projects ("CIPs") in FY 2025:

N/A - none.

- a. Provide the current status of each CIP project, if different from the information provided in the Fiscal Year 2025 2nd Quarter CIP Report.
- b. Provide information on how much funding has been encumbered or expended to date for each project.

10. If your Department has proposed CIPs for FY 2026:

N/A - none.

- a. Rank your proposed CIPs, by priority.
- b. Will CIP funding included in the FY 2026 Budget be encumbered by June 30, 2026? If not, how much do you anticipate will be encumbered by that date?

11. If your Department manages a revolving fund:

N/A - none.

- a. Explain whether the revolving fund is still needed and why.
- b. Provide the current balance.

12. If your Department manages grants:

N/A - none.

- a. For each grant line item not designated for a specific recipient (e.g., Small Business Promotion; Youth Programs), provide a breakdown of the grants that will be funded by the line item.
- b. Provide a breakdown of all grants that will be funded by your Department under Subobject Code 6317, County grant subsidy.
- c. Did you Department apply for any grant funding in FY 2025? If yes, how much grant funding was received?

13. Provide details on your Department's Carryover/Savings that were included in the FY 2026 Budget.

The Administration determines Carryover/Savings.

14. What are your top three Department priorities for FY 2026 and how does your Department's budget reflect that?

Proposed funding levels allow the Office of the County Auditor to achieve our goals of retaining and hiring qualified staff, as well as conducting Financial and Performance Audits, evaluations, and other projects.

15. How much has your Department spent on Professional Services in FY 2025?

\$200,419.

What projects and consultants were funded under this line item?

The Office of the County Auditor contracted a third-party Certified Public Accounting firm to conduct a Countywide Fraud Risk Assessment. Preliminary work is also currently underway to determine feasibility of contracting other/additional consultant and/or professional services for FY 2026.

16. How much of your Department's expenditures in FY 2025 will be reimbursed by the Federal Emergency Management Agency in relation to the wildfires? What amount of FY 2026 expenditures are expected to be reimbursed?

N/A - none.

17. If your Department is receiving Federal grants, including pass-through grants:

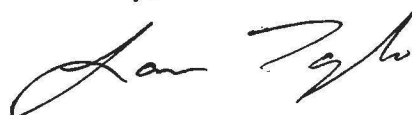
N/A - none.

- a. What amount is your Department receiving for routine operations?
- b. What amount is your Department receiving for August 2023 Maui Wildfires disaster recovery?

- c. Explain any factors that could jeopardize your receipt of Federal grants, including Federal policy changes, compliance requirements, or expiration dates.
 - d. Explain how your Department will adjust if it does not receive the anticipated Federal grant funding.
18. If your Department received funding to repair or replace equipment, locations, and structures destroyed in the wildfires, provide the current status for each. If there are items still pending repair or replacement, provide the estimated cost and timeline for the repair or replacement.

N/A - none.

Sincerely,

A handwritten signature in black ink, appearing to read "Lance Taguchi", written in a cursive style.

LANCE T. TAGUCHI, CPA
County Auditor

BFED Committee

From: County Auditor
Sent: Tuesday, April 1, 2025 11:16 AM
To: BFED Committee
Cc: Lance Taguchi
Subject: OCA-01 response RE: FISCAL YEAR 2026 BUDGET (BFED 1) (OC-1)
Attachments: 250331a01-BFED-1_OCA-01-signed.pdf

Aloha, BFED Committee. As requested, please see attachment. Thank you.

Camille Sakamoto
Administrative Officer
Office of the County Auditor
County of Maui
2145 Wells Street, Suite 303
Wailuku, Maui, HI 96793
(808) 463-3192
<http://www.mauicounty.gov/auditor>

From: BFED Committee <BFED.Committee@mauicounty.us>
Sent: Thursday, March 20, 2025 7:54 PM
To: Lance Taguchi <Lance.Taguchi@mauicounty.us>
Cc: Camille Sakamoto <Camille.Sakamoto@mauicounty.us>; 'Michelle Santos' <Michelle.Santos@co.maui.hi.us>; 'Zeke Kalua' <Zeke.Kalua@co.maui.hi.us>; Lesley Milner <Lesley.J.Milner@co.maui.hi.us>
Subject: FISCAL YEAR 2026 BUDGET (BFED 1) (OC-1)