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

April 2, 2018

Mr. Herman Andaya, Administrator
Emergency Management Agency
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Andaya:

**SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT
("CAFR") (FISCAL YEAR 2017) (BF-3(2))**

At its meeting of March 28, 2018, the Budget and Finance Committee reviewed a report, entitled "COUNTY OF MAUI, STATE OF HAWAII COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017," submitted by the County's designated independent auditor, N&K CPAs, Inc.

The Comprehensive Annual Financial Report ("CAFR") states "approximately \$6 million from [the] Emergency Fund [was expended] in Fiscal Year 2017 to cover expenditures related to the Iao Valley flood" for repairs at Kepaniwai Park and surrounding infrastructure.

May I please request you respond to the following:

1. Provide the actual amount expended for repairs following the Iao Valley flood, by department. Indicate whether the expenditures are eligible for reimbursement from the Federal Emergency Management Agency and provide the amount.
2. Of the eligible expenditures, provide the amount that has been reimbursed to the County. If the funds have not been received, provide a status on when the County anticipates the reimbursements.

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3. When the County receives reimbursements, do the funds go to the General Fund or do they reimburse the Emergency Fund? Explain.

May I further request you provide your response no later than **Friday, April 13, 2018**. To ensure efficient processing, please include the relevant Committee item number in the subject line of your response.

Should you have any questions, please contact me or the Committee staff (Michele Yoshimura at ext. 7663, James Krueger at ext. 7761 or Yvette Bouthillier at ext. 7758).

Sincerely,



RIKI HOKAMA, Chair
Budget and Finance Committee

bf:ltr:003(2)aema01:jgk

Attachment

cc: Mayor Alan M. Arakawa

In pursuit of its strategic goal of providing, “*An Efficient, Effective and Responsive Government*”, many departments of the County of Maui continued to review their processes and procedures in an effort to improve or expand service delivery. Some of these FY 2017 initiatives and service expansion efforts are highlighted below:

- Maui County was awarded the prestigious Certificate of Achievement by the International City/County Management Association (ICMA), one of only 19 jurisdictions awarded, for its efforts on personnel performance measures to ensure optimal effectiveness, efficiency, and transparency. (*Management*)
- Installed the Q-matic on-line appointment system for the DMVL which allows customers to book appointments on-line thus reducing customer wait times. (*Finance*)
- All of the meeting materials for eight boards and commissions is now available online as soon as the agendas are posted. (*Planning*)
- Was awarded \$527,046 in an Assistance to Firefighters Grant funded by the Federal Emergency Management Agency to start the process of replacing all 130 of its aging Self-Contained Breathing Apparatuses. (*Fire*)
- Provided Maui Youth and Family Services, Inc. a \$20,000 grant for their Underage Drinking Prevention Coalition program to encourage and support the education of Maui County's youth. (*Liquor*)
- Amended the flood hazard ordinance in accordance with federal requirements and allows Maui County to continue participating in the National Flood Insurance Program. (*Planning*)
- Identified measures to save taxpayer dollars by forming a “Cost Reduction Unit” which analyzed and accomplished the following; (1) pCards - reviewed and revised the County’s pCard policies and procedures, (2) Overtime - updated the County’s overtime policy by requiring pre-approval for all overtime and review of any overtime of eight or more hours in any week; and, (3) Travel - formed a “Travel Review Committee” that carefully scrutinizes all travel requests to ensure that publically-funded travel is approved only when the County will derive a clear and specific benefit. (*Management*)
- Completed the multi-year refunding of GO bonds thereby saving County taxpayers an estimated \$10.9 million (PV) in future debt payments. (*Finance*)
- Integrated 61 Ocean Safety Officers and 1 clerical staff into its ranks from the Department of Parks and Recreation after Maui County residents voted in favor of the change. (*Fire*)

For The Future. Historically the County of Maui has been financially judicious in its fiscal policies as it moves towards its goals of long term financial stability and sustainability while maintaining the necessary levels of service for the community. This conservative and responsible approach has paid dividends for the County of Maui as its financial strength has led to bond ratings that are the highest of any governmental agency in the State of Hawaii. In this regard, the County was able to use approximately \$6 million from its Emergency Fund in Fiscal 2017 to cover expenditures related to the Iao Valley flood that severely damaged the popular Kepaniwai Park, area roadways and infrastructure. The County expects to recoup the majority, if not all of its costs, as a reimbursement from FEMA. This will however, take several years to accomplish. It is the policy goal of the Administration to diligently fund its Emergency Fund to a level equal to 20% of annual