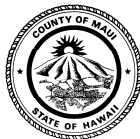


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Director of Council Services
David M. Raatz, Jr., Esq.

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

July 2, 2025

Ms. Marcy Martin, Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Martin:

**SUBJECT: ANNUAL COMPREHENSIVE FINANCIAL REPORT,
SINGLE AUDIT REPORT, AND DEPARTMENT OF
WATER SUPPLY'S FINANCIAL AUDIT REPORTS
(BFED-20(11))**

Thank you for participating in the Council's Budget, Finance, and Economic Development Committee's discussion of these matters at its meeting of July 1, 2025.

May I please request that you provide the following:

1. Related to Transient Accommodations Tax:
 - a. A summary of the dollar amounts owed to the County and the number of accounts, subtotaled by fiscal year.
 - b. The total dollar value and number of accounts, by fiscal year, that are currently considered uncollectible or at risk of being written off.
 - c. What is the County's formal process for reviewing and approving the write-off of uncollectible transient accommodations tax accounts, including whether Council approval is required by policy or practice. Please explain.
 - d. Does the Department assess penalty and interest to delinquent accounts? Why or why not?

- i. If yes, has the Department been actively collecting these charges? If so, how much has been collected to date?
 - ii. If no, please explain why not and why penalty and interest charges are not applied.
 - e. A copy of the existing policy and procedure for managing transient accommodations tax accounts. Please clarify whether potential write-offs will require Council approval.
 - f. The Department's plan for pursuing collection of older and unpaid liabilities. Specifically, does the Department plan to use an outside collection agency or take legal action? If so, under what conditions?
 - g. The Department's plan for identifying cases where entities may not have filed transient accommodations tax returns.
 - h. A summary of the project plan for the new software, including the projected cost, contract status, and a detailed implementation timeline with key milestones.
 - i. Will the implementation change current or projected staffing needs? Please explain.
 - ii. Will the new software reduce the manual work currently required for billing and collection? Please explain.
2. Related to staffing:
- a. For Accountant III and Accountant IV, please provide the number of vacancies for each, in addition to the following:
 - i. The position title and department division.
 - ii. The current starting salary.
 - iii. The vacancy date and days vacant.

- iv. The date recruitment was initiated and current status (open, closed, pending, candidate selected, etc.).
 - v. Whether the position is funded in the current fiscal year budget.
 - b. Which of these vacancies, if left unfilled, present the highest risk to the County's financial operations? For each high-risk vacancy, please describe the Department's mitigation strategy if the position cannot be filled in the near term.
 - c. The Department's plan to increase competitiveness in recruitment, including any proposed adjustments to compensation, recruitment outreach, or remote work options.
 - d. A description of the steps taken to mitigate staffing shortages, such as using temporary hires, contract accountants, or consultants. If these options have not been pursued, please explain why.
 - e. A description of any structural changes, such as reassigning responsibilities or creating new positions, that have been implemented or are under consideration to address internal control and processing issues.
 - f. A description of the Department's current staff training plan to improve financial reporting accuracy and federal grant compliance. Please also describe any recent improvements to internal controls and how the Department is monitoring progress.
 - g. Has the Department encountered significant delays in processing recruitments for vacant positions? Please explain.
 - h. The average turnover rate for each Department division for the last 12 months.
3. Related to Federal Grant Reimbursements and Cash Flow Planning:
- a. Please explain the County's current cash flow plan to manage the lag between federal grant expenditures and reimbursements,

particularly for the Community Development Block Grant Disaster Recovery and Federal Emergency Management Agency grants.

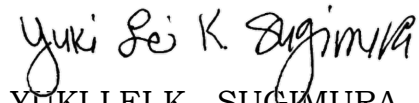
- b. What assurances does the Department have that the reimbursements will be timely and the County has the necessary cash flow should there be a lag or discrepancy in the expenditure? Please explain.
- c. The funding and drawdown process for the administrative component of the CDBG-DR grant. Please describe how these funds are requested, disbursed, and tracked.
- d. The County's plan for managing CDBG-DR grant reporting and compliance. Please include:
 - i. The process for preparing and submitting reimbursement requests.
 - ii. The roles and responsibilities of staff and any planned consultants.
 - iii. The steps the County is taking to ensure timely submissions, compliance with grant requirements, and ongoing monitoring.
- e. The current average processing time for FEMA and CDBG-DR reimbursements. Has the County experienced any reimbursement delays to date? Please explain.

Ms. Marcy Martin
July 2, 2025
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May I further request you transmit your response to bfed.committee@mauicounty.us by **July 16, 2025**. To ensure efficient processing, please include the Committee item number in the subject line.

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

Sincerely,

A handwritten signature in black ink, reading "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:ltr:020(11)afn02:kes

cc: Mayor Richard T. Bissen, Jr.

BFED Committee

From: BFED Committee
Sent: Thursday, July 3, 2025 7:50 AM
To: Marcy Martin
Cc: BFED Committee; 'Michelle Santos'; 'Zeke Kalua'; Maria.E.Zielinski@co.maui.hi.us; Stacey.M.Vinoray@co.maui.hi.us; finance
Subject: (BFED-20(11)); reply by 07/16/2025
Attachments: 020(11)afn02 signed.pdf