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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 23, 2026

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

Dear Mr. Taguchi:

**SUBJECT: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE
COUNTY OF MAUI (BFED-1) (OCA-01)**

May I please request you submit your response to the following questions by **April 6, 2026**. This will enable the Committee to comprehensively review the FY 2027 Budget.

Please restate each question followed by the corresponding response. Please also ensure the response is clear and legible using a minimum 12-point font, including any attachments or exhibits. This formatting allows Members and the community to clearly read the document once posted.

1. Please outline the major changes in your Department's budget from FYs 2026 to 2027. 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. For each vacancy, please include the position ID, job title, the date the position became vacant, and the anticipated hire date.
 - b. What are the consequences, if any, for removing funding for these vacant positions from the FY 2027 Budget?
 - c. Please use the following format to respond:

Position ID	Department	Program	Job Title	Date of Vacancy	Anticipated Hire Date	Impact of Removing or Reducing Funding
[insert]	[insert]	[insert]	[insert]	[insert]	[insert]	[insert]

3. If your Department’s FY 2026 Budget contained expansion positions, please provide the following:
 - a. A list of the expansion positions.
 - b. For each expansion position that has not been filled, please indicate whether the position is included in the FY 2027 Budget.
 - c. For each unfilled expansion position included in the FY 2027 Budget:
 - i. Please state how many months of funding are being requested.
 - ii. Please identify where the position is in the hiring process — position creation; Administration, Department of Personnel Services, or union review; recruitment; interview; or other stage.
 - d. Please use the following format to respond:

Position ID	Job Title	Department	Program	Filled?	Date Filled	Included in Fiscal Year 2027 Budget?	Months of Funding Requested in Fiscal Year 2027	Current Stage in Hiring Process
[insert]	[insert]	[insert]	[insert]	[Yes/No]	[insert or N/A]	[Yes/No]	[insert or N/A]	[insert]

4. If your Department is proposing expansion positions in the FY 2027 Budget, how do you plan to fill those positions? Please also identify whether there are any similar positions within the same division, section, or Department that are currently vacant. If so, please state how long each similar position has been vacant.
5. How many positions were filled in FY 2026 that were not expansion positions?
6. How did your Department recruit to fill vacancies and what were the most effective methods for attracting candidates?

7. The following questions are related to overtime payments:
 - a. How much OT has been paid in FY 2026, to date, and what was the reason for the overtime?
 - b. What is the Department's process for authorizing, approving, and reviewing OT worked and OT paid to employees?
 - c. Were any of these OT costs attributed to the number of vacant positions in your Department?
 - d. Do you anticipate that OT costs in FY 2027 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 2027:
 - a. Identify the programs and activities conducted by your Department because of a Federal or State mandate. Indicate 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 2026:
 - a. Provide the status of each CIP if it is different from the information provided in the FY 2026 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 Capital Improvement Projects for FY 2027:
 - a. Rank your proposed CIPs, by priority.

- b. Will CIP funding included in the FY 2027 Budget be encumbered by June 30, 2027? If not, how much do you anticipate will be encumbered by that date?
11. How many contracts did your Department execute in FY 2026? Please provide the total number and total dollar value of contracts awarded through each of the following procurement methods:
 - a. Request for Proposals.
 - b. Invitation for Bids.
 - c. Sole-Source Procurement.
12. If your Department manages a revolving fund:
 - a. Explain whether the revolving fund is still needed and why.
 - b. Provide the current balance.
13. If your Department manages grants:
 - a. Please provide a master list of all executed grants and all grants held up in review, including the reason each is being held.
 - b. 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.
 - c. Provide a breakdown of all grants that will be funded by your Department under Sub-object Code 6317, County grant subsidy.
14. What are your top three Department priorities for FY 2027? How does your Department's budget reflect those priorities?
15. Did your Department apply for any grant funding in FY 2026? If yes, how much was received?
16. How much has your Department spent on Professional Services in FY 2026? What projects and consultants were funded under this line item?

17. How much of your Department's expenditures in FY 2026 will be reimbursed by the Federal Emergency Management Agency for the August 2023 Maui Wildfires? What amount of FY 2027 expenditures are expected to be reimbursed?
18. If your Department is receiving Federal grants, including pass-through grants:
 - a. Provide the amount your Department is receiving for routine operations.
 - b. Provide the amount your Department is receiving for August 2023 Maui Wildfires disaster recovery.
 - c. Explain any factors that could jeopardize the receipt of Federal grants, including changes in Federal policies, compliance requirements, or expiration dates.
 - d. Explain whether any Federal grants your Department has received or anticipates receiving have been reduced, suspended, terminated, or otherwise cut by the awarding agency.
 - i. For each affected grant, provide the amount affected, the effective date, the stated reason, and the impact on your Department.
 - e. Explain how your Department will adjust if it does not receive the anticipated Federal grant funding.
19. 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.
20. If your Department is managing a Council-initiated condition or appropriation in FY 2026, explain any challenges your Department faced in implementing the condition or appropriation and what information would have assisted you.

Mr. Lance Taguchi
March 23, 2026
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The Department is not currently scheduled to present in person to the Committee. The schedule is subject to change and Committee staff will reach out if there are any changes to the schedule.

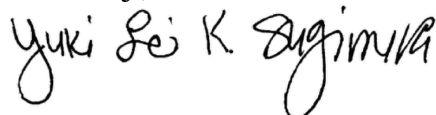
Please be prepared to give a presentation of up to 10 minutes on changes to your Department's budget from Fiscal Year 2026 to Fiscal Year 2027, addressing the following:

- Operations
- CIPs, if any
- Grants awarded by the Department, if any
- 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 **April 6, 2026**. 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, James Krueger at ext. 7661, or Pauline Martins at ext. 8039).

Sincerely,



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

BFED Committee

From: BFED Committee
Sent: Monday, March 23, 2026 9:35 PM
To: County Auditor
Subject: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF MAUI (BFED-1) (OCA-01)
Attachments: (OCA-1) Correspondence to County Auditor 03-23-2026.pdf



OFFICE OF THE COUNTY AUDITOR

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

April 6, 2026

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: **PROPOSED FISCAL YEAR ("FY") 2027 BUDGET FOR THE
COUNTY OF MAUI (BFED-1) (OCA-01)**

In response to your letter dated March 23, 2026, please see answers shown in *bold italic* text below.

1. Please outline the major changes in your Department's budget from FY 2026 to FY 2027.

Professional Services, \$30,000 expansion for a fraud, waste, and abuse hotline. Professional Services may be used to assist with Financial or Performance Audits, evaluations, and other projects. This may include, but is 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 2027 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?
- For each vacancy, please include the position ID, job title, the date the position became vacant, and the anticipated hire date.
 - What are the consequences, if any, for removing funding for these vacant positions from the FY 2027 Budget?
 - Please use the following format to respond:

Position ID	Department	Program	Job Title	Date of Vacancy	Anticipated Hire Date	Impact of Removing or Reducing Funding
P-30589	County Council	County Auditor	Senior Analyst	07/01/2023	4th Quarter FY 2026	If position cannot be filled, OT may increase; see response to 7d below.
P-33112	County Council	County Auditor	Senior Analyst	01/01/2024	4th Quarter FY 2026	If position cannot be filled, OT may increase; see response to 7d below.

3. If your Department's FY 2027 Budget contained expansion positions, please provide the following:

N/A – no expansion in FY 2027.

- A list of the expansion positions.
- For each expansion position that has not been filled, please indicate whether the position is included in the FY 2027 Budget.
- For each unfilled expansion position included in the FY 2027 Budget:
 - Please state how many months of funding are being requested.

- ii. Please identify where the position is in the hiring process – position creation: Administration, Department of Personnel Services, or union review; recruitment; interview; or other stage.

d. Please use the following format to respond:

Position ID	Department	Program	Job Title	Date of Vacancy	Anticipated Hire Date	Impact of Removing or Reducing Funding

- 4. If your Department is proposing expansion positions in the FY 2027 Budget, how do you plan to fill those positions? Please also identify whether there are any similar positions within the same division, section, or Department that are currently vacant. If so, please state how long each similar position has been vacant.

N/A – none requested.

- 5. How many positions were filled in FY 2026 that were not expansion positions?

Recruitment is ongoing.

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

The Office of the County Auditor takes an active role in recruitment, independent of Department of Personnel Services. All positions are exempt from civil service and serve at the pleasure of the County Auditor. Outreach to and referrals from other County departments, audit shops, or CPA firms have been successful.

7. The following questions are related to overtime payments:

- a. How much OT has been paid in FY 2026, to date, and what was the reason for the overtime?

None - no overtime costs because my staff adjusts work schedules according to deadlines and priorities. They are, however, entitled to choose to receive compensation for overtime hours performed.

- b. What is the Department's process for authorizing, approving, and reviewing OT worked and OT paid to employees?

No overtime costs, see response to 7a above. 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.

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

N/A.

- d. Do you anticipate that OT costs in FY 2027 will increase or decrease and what are the reasons for your assumption?

N/A - no overtime costs, see responses to 7a and 7b above. However, if we are unable to fill the current vacancies and hire qualified staff, overtime hours may increase to ensure mandates of Revised Charter of the County of Maui (1983), as amended ("Charter"), deadlines, priorities, and goals are met.

8. The following questions are related to your Department's program and activities for FY 2027:

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

As required by the Charter, the County Auditor conducts or causes to be conducted an independent annual financial audit of the County (i.e., Annual Comprehensive Financial Report). A related portion of this work is an audit of federal funds expended by the County (i.e., Single Audit Report). The Office of the County Auditor receives no Federal or State funding, however, such audits are often a requirement 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.

However, as stated in response 8a above, in accordance with Sections 3-9.2.1.a and 9-13 of the Charter, the County Auditor shall conduct or cause to be conducted an independent annual financial audit of the County (i.e., Annual Comprehensive Financial Report). Further, Section 3-9.2.5 of the Charter requires the County Auditor to assess the fiscal impacts of any proposed amendment to the Charter within sixty days prior to the general election.

9. If your Department had Capital Improvement Projects in FY 2026:

N/A - none.

- a. Provide the status of each CIP project if it is different from the information provided in the FY 2026 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 Capital Improvement Projects for FY 2027:

N/A - none.

- a. Rank your proposed CIPs, by priority.
- b. Will CIP funding included in the FY 2027 Budget be encumbered by June 30, 2027? If not, how much do you anticipate will be encumbered by that date?

11. How many contracts did your Department execute in FY 2026?

Four (4) amendments to existing contracts. One additional amendment is pending.

Please provide the total number and total dollar value of contracts awarded through each of the following procurement methods:

- a. Request for Proposals.

Four (4) amendments to existing contracts, \$663,669 as follows:

C7989 Amendment 3, Pu`umakani Publishing, LLC, \$43,250 (Administrative services to support the Cost of Government Commission, time of performance runs through July 31, 2026);

C8085 Amendment 5, N&K CPAs Inc., \$420,000 (County's annual financial audits, time of performance runs through June 30, 2027); and

C8377 Amendments 2 and 3, Spire Hawaii LLP, \$200,419 (Fraud Risk Assessment, time of performance runs through December 31, 2026).

- b. Invitation for Bids.

N/A - none.

- c. Sole Source Procurement.

N/A - none.

12. 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.

13. If your Department manages grants:

N/A - none.

- a. Please provide a master list of all executed grants and all grants held up in review, including the reason each is being held.
- b. 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.
- c. Provide a breakdown of all grants that will be funded by your Department under Subobject Code 6317, County grant subsidy.

14. What are your top three Department priorities for FY 2027? How does your Department's budget reflect those priorities?

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

15. Did your Department apply for any grant funding in FY 2026? If yes, how much was received?

N/A - none.

April 6, 2026

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16. How much has your Department spent on Professional Services in FY 2026? What projects and consultants were funded under this line item?

None at this time. The Office of the County Auditor contracted a third-party Certified Public Accounting firm to conduct a Countywide Fraud Risk Assessment. The Assessment was transmitted to the County Council and Mayor on February 18, 2026. Work is underway to establish a fraud, waste, and abuse hotline. Preliminary work is underway to determine feasibility of contracting other/additional consultants and/or professional services for FY 2026 and FY 2027.

As stated in response 1 above, Professional Services may be used to assist with Financial or Performance Audits, evaluations, and other projects. This may include, but is not limited to the following areas: accounting, architecture, engineering, finance, law, planning, property management, real property appraisal, etc.

17. How much of your Department's expenditures in FY 2026 will be reimbursed by the Federal Emergency Management Agency for the August 2023 Maui Wildfires? What amount of FY 2027 expenditures are expected to be reimbursed?

N/A - none.

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

N/A - none.

- a. Provide the amount your Department is receiving for routine operations.
- b. Provide the amount your Department is receiving for August 2023 Maui Wildfires disaster recovery.
- c. Explain any factors that could jeopardize the receipt of Federal grants, including changes in Federal policies, compliance requirements, or expiration dates.
- d. Explain whether any Federal grants your Department has received or anticipates receiving have been reduced, suspended, terminated, or otherwise cut by the awarding agency.

Honorable Yuki Lei K. Sugimura, Chair
and Members of the Budget, Finance, and Economic
Development Committee
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- i. For each affected grant, provide the amount affected, the effective date, the stated reason, and the impact on your Department.
 - e. Explain how your Department will adjust if it does not receive the anticipated Federal grant funding.
19. 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.

20. If your Department is managing a Council-initiated condition or appropriation in FY 2026, explain any challenges your Department faced in implementing the condition or appropriation and what information would have assisted you.

N/A - none.

Sincerely,



LANCE T. TAGUCHI, CPA
County Auditor

BFED Committee

From: County Auditor
Sent: Monday, April 6, 2026 4:11 PM
To: BFED Committee
Cc: Lance Taguchi
Subject: OCA response - RE: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF MAUI (BFED-1) (OCA-01)
Attachments: 26040601-BFED-1_oca-01.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
<https://www.mauicounty.gov/auditor>

From: BFED Committee <BFED.Committee@mauicounty.us>
Sent: Monday, March 23, 2026 9:35 PM
To: County Auditor <County.Auditor@mauicounty.us>
Subject: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF MAUI (BFED-1) (OCA-01)