

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

November 17, 2017

**Committee
Report No. _____**

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on October 31, 2017, makes reference to County Communication 17-314, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES – SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2018, LIQUOR EDUCATION FUND."

The purpose of the proposed bill is to amend Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds, Fiscal Year 2018 Budget, relating to the Liquor Education Fund (Hawaii Revised Statutes 281-16, 281-17(2), and 281-17(3)), by adding an appropriation of \$68,287 in disbursements for operations and services.

The Director of Liquor Control said the proposed funds would be used for 1) educational purposes such as informing licensees of new rules and how to verify proper documentation or identification; 2) transportation costs and training of licensees on Molokai and Lanai; 3) a \$20,000 grant for the Maui Youth and Family Services, Inc., Underage Drinking Prevention Coalition Program; and 4) other related costs.

The Director said State law limits use of the Liquor Education Fund for educational programs for the commission staff, commissioners, liquor control education board members, and licensees and employees.

The Director said the Department expanded its services to provide liquor education programs and certification exams to the licensee and its employees at the licensed premises. Previously, all services provided by the Department were conducted at either their Wailuku or Lahaina office. He said the services are also available to Molokai and Lanai businesses,

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where upon request the Department employee will travel to conduct the certification exam or educational programs at the licensed establishment. The Director acknowledged the amount of time and cost for travel for those on Molokai and Lanai.

He further noted the Department conducts quarterly certification exams and liquor educational classes on Molokai and Lanai. Your Committee recognizes the need for the services and added a proviso to the proposed bill stating "disbursements for travel and travel-related costs are restricted to Maui, Molokai, and Lanai."

The Director said the funds will also be used for the certification of the use of sound meters. He said the liquor control officers use sound meters to determine whether a noise violation has occurred and they must be certified annually. The Department of Health, Noise and Radiation Division, conducts training and certification relating to sound meters.

Your Committee recognized the importance of the Underage Drinking Prevention Coalition Program through Maui Youth and Family Services, Inc. Your Committee asked whether the amount of the grant could be increased from \$20,000. The Director said the Liquor Commission would have to take the appropriate action to approve the increase.

Your Committee notes Hawaii Revised Statutes 281-17(3) restricts public liquor-related education to 10 percent per year of fines accumulated in the fund. The Budget Director said as of September 30, 2017, the balance of the Liquor Education Fund is approximately \$244,000 so the request for the grant is in compliance.

Your Committee voted 8-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, Crivello, Guzman, and Sugimura voted "aye." Committee member King was excused.

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Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revisions and nonsubstantive revisions.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2017), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2018, LIQUOR EDUCATION FUND," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication 17-314 be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



RIKI HOKAMA, Chair

bf:cr:17073aa:mmy/jgk

ORDINANCE NO. _____

BILL NO. _____ (2017)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A
OF THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2018,
LIQUOR EDUCATION FUND

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4456, Bill No. 65 (2017), Draft 1, as amended, "Fiscal Year 2018 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2018, is hereby amended as it pertains to the Liquor Education Fund, by adding a proviso, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL
FUNDS FOR FISCAL YEAR 2018**

	<u>ESTIMATED BALANCE AS OF 6/30/17</u>	<u>ANTICIPATED REVENUES FOR FY 2018</u>	<u>TOTAL FOR FY 2018</u>
G. Liquor Education Fund (Hawaii Revised Statutes 281-16, 281-17(2), 281-17(3))	204,730	38,560	243,290
(1) <u>Provided, that disbursement for operations and services is limited to \$68,287.</u>			
(2) <u>Provided, that disbursements for travel and travel-related costs shall be restricted to Maui, Molokai, and Lanai."</u>			

SECTION 2. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel