

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



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 19, 2024

Mr. Layne Silva, Director
Department of Liquor Control
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Silva:

SUBJECT: **FISCAL YEAR ("FY") 2025 BUDGET** (BFED-1) (LC-1)

May I please request you submit your response to the following questions by **March 28, 2024**. This will enable the Committee to comprehensively review the FY 2025 Budget.

1. Please outline the major changes in your Department's budget from FY 2024 to FY 2025.
 - a. Explain any budget changes made because of the August 2023 wildfires.
 - b. 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 2025 Budget?

3. If your Department had expansion positions in the FY 2024 Budget, how many of those positions were filled? If they have not been filled, are they included in the FY 2025 Budget? How many months of funding are being requested?
4. If your Department is proposing expansion positions in the FY 2025 Budget, how do you plan to fill those positions?
5. How many positions were filled in FY 2024 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 in overtime has been paid to date in FY 2024 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 2025 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:
 - 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 the County receives for each program or activity, including how much for each the County expends.
 - b. Identify the programs and activities conducted solely because of a Maui County Code mandate and indicate the amount for each the County expends.
9. If your Department had Capital Improvement Projects ("CIPs") in FY 2024:

- a. Provide the current status of each CIP project, if different from the information provided in the Fiscal Year 2024 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 2025:
 - a. Rank your proposed CIPs, by priority.
 - b. Will CIP funding included in the FY 2025 Budget be encumbered by June 30, 2025? 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 Subobject Code 6317, County grant subsidy.
13. Provide details on your Department's Carryover/Savings that were included in the FY 2025 Budget.
14. What are your top three Department priorities for FY 2025 and how does your Department's budget reflect that?
15. Did your Department apply for any grant funding in FY 2024? If yes, how much in funding was received?
16. How much has your Department spent on Professional Services in FY 2024, and what projects and consultants were funded under this line item?

17. How much of your Department's expenditures in FY 2024 will be reimbursed by the Federal Emergency Management Agency in relation to the wildfires? What amount of FY 2025 expenditures are expected to be reimbursed?
18. Provide a list of equipment, locations, and structures used or managed by your Department that was destroyed in the wildfires. Explain for each whether your Department plans to repair or replace it. If it will be repaired or replaced, provide the estimated cost and timeline for the repair or replacement.

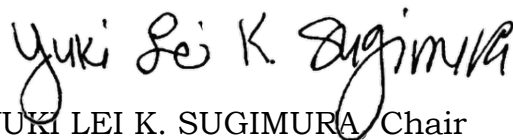
The Department is scheduled to present before the Committee on April 4, 2024. The schedule is subject to change and Committee staff will reach out if there are any changes to the schedule.

Please be prepared to provide a ten-minute presentation on the changes in your Department's budget from FY 2024 to FY 2025, addressing the following:

- Operations
- CIPs
- Grants awarded by the Department, if any
- Grants received by the Department, if any
- Revolving funds
- Rates and fees, including any estimated increase or decrease in revenue as a result of the changes

Thank you for your attention to this request. Should you have any questions, please contact me or the Committee staff (James Krueger at ext. 7761, Kasie Apo Takayama at ext. 7665, or Yvette Bouthillier at ext. 7758).

Sincerely,



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

bfed:2025bgt:240315altr01:jgk

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

BFED Committee

From: BFED Committee
Sent: Tuesday, March 19, 2024 6:02 PM
To: Layne Silva
Cc: BFED Committee; Jarrett Kahoohanohano; Lianne Suzuki; Michelle Santos; Zeke Kalua; Maria Zielinski; Lesley Milner; Kristina Cabbat
Subject: PLEASE READ attached letter re: FISCAL YEAR ("FY") 2025 BUDGET (BFED 1) (LC-1); reply by 03/28/2024
Attachments: 240319alc01.pdf

Mr. Silva: Please refer to the attached letter from the Budget, Finance, and Economic Development (BFED) Committee Chair, dated March 19, 2024. Please respond by **March 28, 2024**.

Mayor's Office (attention: Michelle Santos and Zeke Kalua): Please forward the attached letter to Mayor Bissen for his information.

Ms. Zielinski: FYI

Thank you,
Yvette Bouthillier, Secretary
BFED Committee

RICHARD T. BISSEN, JR.
Mayor

LAYNE N. SILVA
Director

JARRETT K. KAHO'OHANO
Deputy Director



DEPARTMENT OF LIQUOR CONTROL
COUNTY OF MAUI
110 'ALA'IHI STREET, ROOM 212
KAHULUI, MAUI, HAWAII 96732
TELEPHONE: (808) 243-7753

March 28, 2024

Ms. Maria Zielinski
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

A handwritten signature in black ink, appearing to read "Maria Zielinski".

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

A handwritten signature in black ink, appearing to read "Richard T. Bissen, Jr.", written over a green line. To the right of the signature is the date "3/28/24" written in black ink. Below the signature and date are the words "Mayor" and "Date" in green ink.

For Transmittal to:

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

Dear Chair Sugimura:

SUBJECT: FISCAL YEAR ("FY") 2025 BUDGET (BFED-1) (LC-1)

Thank you for your letter of March 19, 2024. My responses are as follows:

1. Please outline the major changes in your Department's budget from FY 2024 to FY 2025.

Increase in salary costs associated with CBA ATB increases.

Increase in operational costs associated with replacing unsupported Licensing and Investigative software with a Cloud-Based system.

Increase in operational costs associated with purchasing equipment to support the new Cloud-Based system.

Increase in operational costs associated with the anticipated increase in the cost of travel.

- a. Explain any budget changes made because of the August 2023 wildfires.

The Department had no budget changes made because of the August 2023 wildfires.

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

Not applicable.

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

Currently, there are four (4) vacant positions in our Department.

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

Liquor Control Officer IV	-	8 years, funding reinstated in FY23
Liquor Control Officer III	-	1 month (Pending reallocation to LCO Trainee)
Liquor Control Officer I	-	3 years (Previously LCO III)
Liquor Control Officer Trainee	-	5 months (Previously LCO III)

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

The Department anticipates filling these vacancies within the next 3 months.

- c. What are the consequences, if any, for removing funding for these vacant positions from the FY 2025 Budget?

The Department urgently looks to fill the vacancies to ensure it can continue to protect the health, safety and welfare of the general public by regulating and controlling the liquor industry in the importation, manufacture, sale, and service of alcoholic beverages, and providing a safe and healthy environment for the people of Maui County as we support, recover and rebuild from the wildfires.

3. If your Department had expansion positions in the FY 2024 Budget, how many of those positions were filled? If they have not been filled, are they included in the FY 2025 Budget? How many months of funding are being requested?

The Department did not have any expansion positions in FY 2024.

4. If your Department is proposing expansion positions in FY 2025 Budget, how do you plan to fill those positions?

The Department is not proposing any expansion positions in FY 2025.

5. How many positions were filled in FY 2024 that were not expansion positions?

Six (6)

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

Open recruitment and PWOE. Open recruitment was most effective.

7. The following questions are related to overtime payments:

a. How much in overtime has been paid to date in FY 2024 and what was the reason for the overtime?

Overtime paid to date in FY 2024 is \$34,307.14 (as of March 15, 2024).

This is due to the vacancies that currently exist and fluctuations in Support Services Division. CBA ATB increases also impacted overtime pay.

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

Yes.

c. Do you anticipate that overtime costs in FY 2025 will increase or decrease and what are the reasons for your assumption?

The Department anticipates that overtime costs in FY 2025 will decrease as positions are almost all filled.

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

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 the County receives for each program or activity, including how much for each the County expends.

The Department consists of one program. The Liquor Control Program ("Program") is mandated by Chapter 281, HRS. The program's core functions are regulating and controlling the liquor industry in the importation, manufacture, sale and service of alcoholic beverages to provide a safe and healthy environment for the people of Maui County. All funding for the operation of the Department is derived solely from the liquor license fees. This program also administers the Liquor Education Revolving Fund, pursuant to Chapters 281-16, 281-17(3), HRS. Revenue deposited to the Fund is derived from the assessment of fines imposed on the liquor license.

- b. Identify the programs and activities conducted solely because of a Maui County Code mandate and indicate the amount for each the County expends.

None.

- 9. If your Department had Capital Improvement Projects (“CIPs”) in FY 2024:

The Department had no CIPs in FY 2024.

- a. Provide the current status of each CIP project, if different from the information provided in the Fiscal Year 2024 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 2025:

The Department does not have any CIPs for FY 2025.

- a. Rank your proposed CIPs, by priority.
- b. Will CIP funding included in the FY 2025 Budget be encumbered by June 30, 2025? If not, how much do you anticipate will be encumbered by that date?

- 11. If your Department manages a revolving fund:

The Department, through its Liquor Control Program (as described in #8 above), administers the Liquor Education Revolving Fund. The Department does not have equivalent personnel funding through the Revolving Fund.

- a. Explain whether the revolving fund is still needed and why.

The Liquor Education Revolving Fund is pursuant to Chapters 281-16, 281-17(3), HRS. Revenue deposited to the Fund is derived from the assessment of fines imposed on the liquor license.

- b. Provide the current balance.

The estimated balance as of June 30, 2024 is \$272,480.00.

12. If your Department manages grants:

The Department does not manage grants. However, the Department supplements funds from its Liquor Education Fund to assist agencies that have already received grant approval and will be fully funded by the Department of Housing & Human Concerns, Grants Management Division (DHHC). The agencies have already gone through the application for grant and vetting process through DHHC, which manages and operates the grants. The objective is to educate youths and prevent underage drinking in the County of Maui.

- 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.

13. Provide details on your Department's Carryover/Savings that were included in the FY 2025 Budget.

Any carryover funds are used to calculate annual gross liquor sales percentage fees.

14. What are your top three Department priorities for FY 2025 and how does your Department's budget reflect that?

- a. Cloud-based system to replace antiquated and unsupported Investigative/Licensing software and the equipment necessary to support this system.
- b. Furniture and equipment to accommodate employees as positions are filled.
- c. External Investigation Services. (per Liquor Commission's request)

15. Did the Department apply for any grant funding in FY 2024? If yes, how much in funding was received?

No, the Department did not apply for any grant funding in FY 2024?

16. How much has the Department spent on Professional Services in FY 2024, and what projects and consultants were funded under this line item?

As of March 15, 2024, the Department has paid:

- a. Ralph Rosenberg Court Reporter - \$4,661.77
- b. eSkill (online certification for licensees) - \$13,000.00

Honorable Yuki Lei K. Sugimura
Chair, Budget, Finance and Economic Development Committee
March 28, 2024
Page 6

17. How much of the Department's expenditures in FY 2024 will be reimbursed by the Federal Emergency Management Agency in relation to the wildfires? What amount of FY 2025 expenditures are expected to be reimbursed?

The Department did not have expenditures in FY 2024 in relation to the wildfires.

Sincerely,



LAYNE N. SILVA

Director of Liquor Control

LNS/ss

BFED Committee

From: Janina Agapay <Janina.E.Agapay@co.maui.hi.us>
Sent: Thursday, March 28, 2024 4:02 PM
To: BFED Committee
Cc: Lesley Milner
Subject: (BFED-1)(LC-1)
Attachments: (BFED-1)(LC-1).pdf

Hello,

Please see attached correspondence from Budget.

Thank you,

Janina Agapay

County of Maui

Budget Office

(808) 270-7836

Janina.E.Agapay@co.maui.hi.us