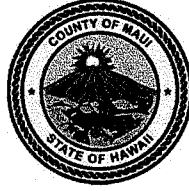


ALAN M. ARAKAWA
Mayor



DANILO F. AGSALOG
Director

MARK R. WALKER
DEPUTY DIRECTOR

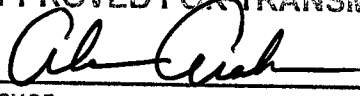
COUNTY OF MAUI
DEPARTMENT OF FINANCE
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

April 4, 2017

Ms. Lynn Araki-Regan
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

A handwritten signature in black ink, appearing to be "Alan Arakawa".

APPROVED FOR TRANSMITTAL

 4/4/17

Mayor Date

Honorable Alan M. Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable G. Riki Hokama
Chair, Budget and Finance Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Hokama:

SUBJECT: FISCAL YEAR ("FY") 2018 BUDGET (FN-5) (BF-1)

Please find our responses to your information request letter dated March 31, 2017:

1. Explain how your Department calculates salaries upon hiring, promotions, demotions, and or other employment action. Provide a copy of the bargaining unit contract applicable to your Department.

Response: When the department hires from an open recruitment, the employee will be compensated with the minimum pay range according to the bargaining unit. When the department hires via PWOE (Promotion Without Examination), please refer to the HGEA Bargaining Unit BU-03 White Collar Non-Supervisors or BU-13 Professional and Scientific Employees Contract Book, Article 13 – Promotions; and Article 14 – Compensation Adjustment.

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COUNTY COUNCIL

2. Provide the estimated cost to administer the Haleakala National Park and Volcanoes National Park commemorative license plates. Provide a range for the proposed fee to be included in Appendix B.

Response: The estimated cost to administer/issue commemorative license plates is \$15.00 for the initial issuance or replacement application. An administrative fee of \$5.00 upon each annual vehicle registration renewal will be added in addition to all existing registration fees and taxes. We propose the following to be included in Appendix B:

Description	Proposed	HRS
Special License Plates		
National Parks Commemorative License Plates upon initial and replacement application	\$15.00	249-9.5 (e)
National Parks Commemorative License Plates administrative fee upon each annual vehicle registration renewal	\$5.00	249-9.5 (e)

3. Provide an itemized breakdown of the \$50,000 for professional services (index 907074B, subobject 6132, on page 6-36 of the budget details).

Response: Below is the breakdown of the anticipated expense for professional services (index 907074B, subobject 6132):

QED Investment Software	\$ 15,000
Bloomberg Terminal Services	\$ 27,000
Bank of New York Portfolio	\$ 4,600
Bank of New York Administration Fee	\$ 3,000
Bank of New York Audit Confirmation	\$ 400
Total	\$ 50,000

4. Explain the increase of \$61,377 for bank charges (index 907074B, subobject 6133, on page 6-36 of the budget details).

Response: The increase of \$61,377 for bank charges is due primarily to the alignment of our budget with actual expenditures for this line item. From FY 2014 through FY 2016, the average expenditures for this item was \$146,000. Bank charges are calculated based on earnings credit of 0.180% (as of February 2017) of investable balance. The major services that account for the total analyzed fees are the regulatory/administration fee, ACH transactions, stop payment processing fee,

reconciliation of paid checks fee, cash deposits, returned items charge back, and returned items resubmitted.

In addition, we have seen an increase in the number and amount of Non-Sufficient Funds (NSF) checks received by the County, which has an impact on our monthly bank service charges. Below is a summary of the number and amount of NSF checks received in FY 2015, FY 2016 and FY 2017, to-date:

	NO. OF NSF CHECKS	AMOUNT OF NSF CHECKS	
BOH			
FY 2015	433	\$ 270,883.90	
FY 2016	445	\$ 357,133.07	
FY 2017	331	\$ 246,263.02	as of 3/16/2017
FHB			
FY 2015	130	\$ 169,954.13	
FY 2016	146	\$ 241,571.62	
FY 2017	107	\$ 178,895.60	as of 3/8/2017
TOTAL			
FY 2015	563	\$ 440,838.03	
FY 2016	591	\$ 598,704.69	
FY 2017	438	\$ 425,158.62	

5. Provide an itemized breakdown of the \$75,000 for security services (index code 907074B, subobject 6146, on page 6-36 of the budget details).

Response: The budgeted amount of \$75,000 is to pay for the contract with Pacific Courier Inc. (C6098) for armored services for various County agencies.

6. Provide an itemized breakdown of the \$30,000 for contractual service (index 907075B, subobject 6112, on page 6-37 of the budget details).

Response: The budgeted amount of \$30,000 is to pay for the contract with Masters Touch LLC (Contract No. C6047) for the design, printing and distribution of Real Property Tax bills.

7. Provide an itemized breakdown of the \$30,000 for professional services (index code 907075B, subobject 6132, on page 6-38 of the budget details).

Response: The budgeted amount of \$30,000 is to pay for the long-search titles that the County requested to Title Guaranty Hawaii in October 2016. Out of 200+

Honorable G. Riki Hokoma, Chair
and Members of Budget and Finance Committee
April 4, 2017
Page 4

properties requested, Title Guaranty Hawaii has provided us quotes for 10 properties, which approximately cost \$79,000. In FY 2017, we budgeted \$30,000 for this service, which we are anticipating to fully expend.


8. Explain the appropriations for 5301 Administrative Services on DMV pages 6-45 and 6-46.

Response: The Administrative Services appropriations are calculated at 10% of the (Salaries & Wages + Premium Pay + Payroll Fringes).

Thank you for the opportunity to respond to your questions. Should you have any questions, please feel free to contact me at Ext. 7475.

Sincerely,



 DANILO F. AGSALOG
Finance Director

Attachments