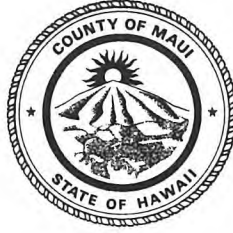


MICHAEL P. VICTORINO
Mayor

MOANA M. LUTEY
Acting Corporation
Counsel

EDWARD S. KUSHI, JR.
First Deputy

LYDIA A. TODA
Risk Management Officer



RECEIVED

2019 APR 11 PM 2: 10

DEPARTMENT OF THE CORPORATION COUNSEL
COUNTY OF MAUI
200 SOUTH HIGH STREET, 3RD FLOOR
WAILUKU, MAUI, HAWAII 96793-2155
TELEPHONE: (808) 270-7740
FACSIMILE: (808) 270-7152

OFFICE OF THE
COUNTY COUNCIL

April 10, 2019

Ms. Michele M. Yoshimura *MJY*
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

Michael P. Victorino 4/11/19
Mayor Date

For Transmittal to:

Honorable Keani Rawlins-Fernandez
Chair, Economic Development and Budget Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez

SUBJECT: **FISCAL YEAR ("FY") 2020 BUDGET** (CC-4) (EDB-1)

Below are responses to your April 4, 2019 correspondence regarding requests/questions from the April 1, 2019 Economic Development and Budget Committee meeting.

1. Provide a summary of court costs, settlement costs, and special counsel fees, noting the amount covered by the Self-Insurance Fund. (KK)

Response

Current amounts for expenses relating to court costs, settlement costs, and special counsel fees for the period 7/1/2018 – 4/5/2019 are as follows:

907816B-6132 – Professional Services – Litigation costs totaling: \$171,039.68
905018B-6132 – Professional Services – Litigation costs totaling: \$6,039.37
907816B-6558 – Settlements & Judgments totaling: \$655,948.17
907816B-6568 – Professional Services (Special Counsel payments) totaling: \$417,295.03

Note: 907816B is the Self-Insurance index code.

2. Explain how these expenditures relate to the Department's goal of reducing the number and associated cost of civil lawsuits. (KK)

Response

The Department does not have a specific goal of “reducing the number and associated costs of civil lawsuits,” however, with regard to the Department's Goal No. 2, “Continue to maintain and minimize the need for costly outside assistance with claims and legal proceedings against the county”, the Department is committed to settling matters where liability and damages have been established to minimize the number of lawsuits filed. When settlement is not possible, the Department maintains the litigation in-house, rather than retaining special counsel as much as possible. In matters where special counsel may need to be retained, the Department attempts to obtain flat fee contracts, or lower fees if able to.

3. Explain how funding for the Self-Insurance Fund is generated, including how costs are budgeted and tracked. (KK)

Response

Self-Insurance is funded through the General Fund and budgeted through discussions between the Budget Office and the Corporation Counsel on issues that would affect the need for funding the claims and settlements budget.

Pursuant to 3.16.020, Maui County Code, the Director of Finance files with the Council a quarterly report of all claims, settlements,

and judgements. Our department also monitors litigation expenses charged to Self-Insurance to ensure funds are not exhausted.

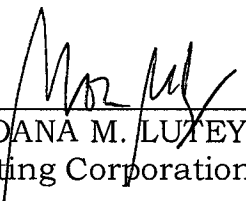
4. Are there monies appropriated in FY 2020 for the Self-Insurance Fund and if so, how much? (KK)

Response

The FY 2020 Mayor's Proposed Budget includes a \$6,000,000 appropriation for Self-Insurance.

Please do not hesitate to contact me with any further questions.

APPROVED FOR TRANSMITTAL:



MOANA M. LUTEY
Acting Corporation Counsel