

MICHAEL P.
VICTORINO
Mayor

GLENN MUKAI
Director

GEORGETTE C.R.
TYAU
Deputy Director



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OFFICE OF THE
COUNTY COUNCIL

DEPARTMENT OF LIQUOR CONTROL
COUNTY OF MAUI
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April 22, 2019

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

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

APPROVED FOR TRANSMITTAL

[Signature] 4/22/19
Acting 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: REQUESTS/QUESTIONS FROM THE APRIL 11, 2019 MEETING (LC-5) (EDB-1)

1. Relating to page 9-5 of the Budget Details (index code 913012B; sub-object codes 6201 Airfare, Transportation, and 6222 Per Diem Non-Reportable), the Department is requesting \$38,270 for travel expenses and \$33,320 for per diem.
 - a. What is the purpose for these funds and how will they be used?

These funds will be utilized for the Liquor Commission and Liquor Control Adjudication Board members, from Molokai and Lanai, to attend their monthly and special meetings and hearings; travel for Commission members, staff, court reporter and Corporation Counsel for public hearings that are held on

Molokai and Lanai; travel for inspections and investigations, on Molokai and Lanai, by Liquor Control Officers in both the Administrative and Enforcement Divisions; travel for education and training for Department staff, members of the Liquor Commission and Liquor Control Adjudication Board, Deputy Prosecutor and Deputy Corporation Counsel; travel for State Legislature and liquor administrator's meetings; travel for Police to assist with minor decoy operations on Lanai and Molokai.

- b. Will the funds cover education expenses for liquor control officers, conference travel, or other?

Yes.

- c. Please explain why travel expenses and per diem have doubled from FY 2018 to FY 2019.

Same amount is being requested.

- d. Please detail the purpose for the air travel and per diem.

To conduct inspections and investigations and to attend meetings, training, conferences, etc. as stated in item "a" above.

- e. Please identify the staff and commissioners using air travel and per diem.

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- f. Please identify whether these funds are used for liquor control officers to travel to Lanai and Molokai.

These funds are used for liquor control officers to travel to Lanai and Molokai.

Honorable Keani Rawlins-Fernandez

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2. Why does page 9-4 of the Budget Details show a premium pay increase of \$30,000 (index code 913012A-5210), while page 347 of the Program Budget shows a premium pay increase of \$35,722?

There is no increase to 913012A-5215 Premium Pay. Premium pay request remains at \$30,000.

913012A-5250 Salary adjustments of \$38,872 is an increase by the Budget Office for Collective Bargaining Agreement increases.

The total of \$68,872 is reflected as Other Premium Pay on page 347.

FY20 Proposed of \$68,872 (premium pay 30,000 + 38,872 CBA adjustment) less FY19 adopted of \$33,150 (premium pay 30,000+3,150 lump sum payments)=\$35,722 change amount.

3. Please provide a justification for the increase in premium pay.

There is no increase to 913012A-5215 Premium Pay. Premium pay request remains at \$30,000.

FY20 Proposed of \$68,872 (premium pay 30,000 + 38,872 CBA adjustment) less FY19 adopted of \$33,150 (premium pay 30,000+3,150 lump sum payments)=\$35,722 change amount.

4. Last year's performance audit of the Department of Liquor Control, conducted by Harvey M. Rose Associates, LLC, found the "Department's proposed reorganization would unnecessarily increase licensing staffing." Your correspondence dated February 25, 2019, indicates you intend to proceed with the reorganization notwithstanding the auditor's recommendations against it. Please explain why the Department is not following the audit's recommendations against the proposed reorganization.

The audit was not against the proposed reorganization, but rather had opinions on certain aspects of the proposal, and also included some suggestions of their own.

The Department of Management is reviewing and processing the Department's proposed reorganization. A reorganization is required to address the deletion of a key position by Council in 2017. The reorganization takes into account all the new duties and responsibilities assigned to positions and is seeking fair and equitable status and compensation for the duties and responsibilities performed by positions. The Department has met with the Department of Management, and has since

updated the proposal after it was compared to other County Departments so that it is comparable throughout the County.

In regards to transferring the Liquor Control Officer II position to the Licensing and Permits Section, it is based on the feedback from applicants, licensees, legal counsel representing licensees, not for profit organizations, staff, etc. to improve and increase the effectiveness and efficiency of the section in addressing the increasing requirements, responsibilities and changes due to Hawaii Revised Statutes and Rules of the Liquor Commission. The audit did not take into consideration the other positions, in other Departments, in addressing the duties and responsibilities. Other Liquor Departments have clerks that address the duties and responsibilities which our Licensing liquor control officers are tasked with completing. The audit comparison also did not address duties and responsibilities completed by our Department and not addressed by other Liquor Departments.

The reorganization will enhance the operations of the Department and its customer service to include, but not limited to, increasing the efficiency and effectiveness of the Administrative Services Division by addressing and providing the necessary supervision needed due to the elimination of the Chief Liquor Control Officer position by Council. Most importantly, it will prevent the closure of the front counter cashiering and other services due to the shortage of personnel who are able to comply with the increased accounting and cashiering requirements by the County.

5. Given the 22 specific recommendations made to the Director in the audit, why have the Key Activity Goals & Measures in the Program Budget not been revised to reflect the audit's recommendations?

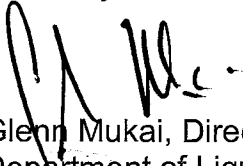
The Department has reviewed the performance audit report and disagrees with many of the factual findings. However, with regards to the recommendations directed to the Director of the Department of Liquor Control, several of the recommended changes have been made, and other recommendations are in the process of being implemented or will be subject to consultation with the Mayor, public employee unions, amendments to the Hawaii Revised Statutes, Rules of the Liquor Commission, or the Maui County Charter. Program goals and measures have always been reviewed and addressed by the current administration, and the Department will continue to work with Administration in complying with current requirements.

The Department has completed consultation with the Union and updated and revised the Departmental Orders and Operations, Policies and Procedures Manual. With these two consultations being completed, other audit recommendations can now be addressed.

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Regarding specific measurements recommended by the audit, the Department does provide the total license applications processed each fiscal year, total permit requests processed and granted each fiscal year, and annual cases investigated in operating under the influence incidents for current year. The Department will note within its annual report should there be any alcohol deaths relating to licensed premises, but the total number of annual alcohol related deaths for the current and past five years may be statistics for the Maui Police Department, other governmental agencies or public organizations which the Department of Liquor Control does not have access and which has no relation to the Department's enforcement statistics.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Mukai". The signature is stylized and written over the printed name.

Glenn Mukai, Director
Department of Liquor Control

GM/gcrt