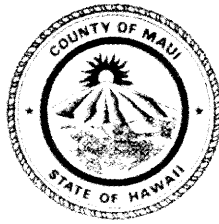


MICHAEL P.  
VICTORINO  
Mayor

GLENN MUKAI  
Director

GEORGETTE C.R.  
TYAU  
Deputy Director



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COUNTY COUNCIL

DEPARTMENT OF LIQUOR CONTROL  
COUNTY OF MAUI  
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April 15, 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

*Michael P. Victorino* 4/16/19  
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: REQUESTS/QUESTIONS FROM THE APRIL 8, 2019 MEETING (LC-4) (EDB-1)**

1. Please explain how the components of the Liquor Control Program's "Success Measurements" ensures a fair licensing and permit process. (Narrative, pgs. 348-349, Program Description and Goal 3.1)

Conditions associated with the importation, manufacture, sale, and service of alcoholic beverages is primarily tied to State laws, Rules of the Liquor Commission and conditions set by the Liquor Commission. The Department strives to provide a "level playing field" to all licensees, and takes a proactive role in changing the conditions for licensing and permits by but not limited to adopting, amending or deleting Rules of the Liquor Commission, State law, etc.

eg: By working in partnership with liquor administrators and licensees at the State Legislature, the federal tax clearance requirement and many of the contentious requirements for not for profit organizations were eliminated; required criminal background check time span was greatly reduced by month(s) by obtaining an electronic fingerprint scanner, etc.

2. Please explain why salary adjustments based on collective bargaining (\$38,872) are reflected in the "Other Premium Pay" category rather than in wages and salaries. Please advise which bargaining unit this adjustment is for (ex. 3, 4 or 14). (Narrative, pg. 352 / Details, pg. 9-4)

Collective Bargaining Adjustments are done by the Budget Office, and any question regarding the category should be directed to the Budget Office.

This adjustment is for BU03, BU04 and BU13.

3. Please explain why the Liquor Control Fund does not cover FICA/ERS/EUTF/OPEB contributions for personnel costs as opposed, for example, to how these contributions are line-itemed within the Solid Waste Management Fund and Sewer Fund. (Narrative, pg. 351 / Details, pg. 9-6)

These costs are covered through the 70% Overhead paid into the County's General Fund. The County Council addressed this issue at last year's budget hearing. The court civil litigation settlement agreement between the Hawaii Hotel Association and the Liquor Control Commission of the County of Maui, states in part, "LC and COUNTY agree that the annual allocation for overhead costs for services provided and expenses assumed by the COUNTY charged by the COUNTY to the LC shall be fixed at no more than 70% of budgeted salaries ("A" account)". This document was provided to the Department of the Corporation Counsel.

4. Please explain why the deletion of lump sum payments for BU03/04 are not reflected as a \$1,693 reduction to the Department's proposed FY20 budget.

There was actually a deletion of \$3,150 for lump sum payments in "A" account.

The \$1,693 is the continuation request for Liquor Overhead Charges, "B" account, because the Department needs to budget for 70% of salaries budgeted.

Honorable Keani Rawlins-Fernandez  
April 15, 2019  
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- a. Wouldn't this reduction then result in the Department's FY20 proposal dropping from \$1,578,179 to \$1,576,469?  
(Narrative, pg. 351 / Details, pg. 9-6)

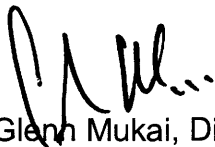
The \$1,578,179 is for "B" account (operations + OH). The \$1,693 is the difference between the overall increase in OH and OH increase due to Collective Bargaining Adjustments.

"A" account increase of \$5,569 less lump sum deletion of \$3,150=\$2,419  
 $\$2,419 \times 70\% = \$1,693$  which the Department has to budget for because it is a mandatory increase.

5. Please explain why annual employee appraisals/evaluations are not included as a key goal of the Department.

Annual employee evaluations are confidential. Goals have always been a collaborative effort between the Department and the Administration in an effort to align strategically with the overall County plan. This issue, of including personnel information, would better be addressed by the Department of Management.

Sincerely,



Glenn Mukai, Director  
Department of Liquor Control

GM/gcrt