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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

April 10, 2024

Ms. Maria Zielinski, Acting Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Zielinski:

SUBJECT: FISCAL YEAR ("FY") 2025 BUDGET (BFED-1) (FN-11)

May I please request your response to the following:

1. Under Bill 60 (2024), Countywide Costs, there is a supplemental transfer of \$19,393,708 to the Highway Fund. Does this transfer relate to any Capital Improvement Projects ("CIP") under the Department of Public Works? Please explain.
2. Appendix A-1, attached to Bill 61 (2024), provides a CIP report as of December 31, 2023, including the allotted balance for current CIPs, while other CIPs have a balance of zero dollars. Please explain whether the allotted balance consists of unencumbered funds for CIPs.
 - a. Page 17 of Appendix A-1, relating to 13-907 Roads notes a total encumbrance amount of \$94,145,259.21, with a total allotment balance of \$34,071,279.24. For projects listed with no expenditures in the current year, are these contracts completed? Can these contracts be closed out? How often are encumbrances reviewed by the Department?
 - b. How long can funds remain encumbered for a project? For instance, on page 16, CW Safety Improvements, CBS-1024, has funds encumbered since FY 2013. Please explain.

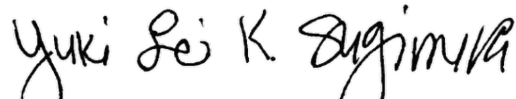
Ms. Maria Zielinski
April 10, 2024
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3. What would the estimated revenue for Motor Vehicle Weight Tax be for all other motor vehicles exceeding 6,500 pounds if the rate increased in increments of \$0.0050? Please provide a revenue analysis starting at the current rate of \$0.0541 per pound and ending at \$0.0841 per pound.

May I further request you transmit your response to bfed.committee@mauicounty.us by **April 16, 2024**. To ensure efficient processing, please include the relevant Committee item number in the subject line of your response.

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:2025budget:240409afn01:jpp

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

BFED Committee

From: BFED Committee
Sent: Wednesday, April 10, 2024 11:20 AM
To: Maria Zielinski
Cc: BFED Committee; Steve Tesoro; Didi Hamai; Michelle Santos; Zeke Kalua; Lesley Milner; Kristina Cabbat
Subject: PLEASE READ attached letter re: FISCAL YEAR ("FY") 2025 BUDGET (BFED 1) (FN 11); reply by 4/16/24
Attachments: (FN-11) Correspondence to Finance 04-10-2024.pdf
Categories: Processed

Ms. Zielinski: Please refer to the attached letter from the Budget, Finance, and Economic Development (BFED) Committee Chair, dated April 10, 2024. Please respond by **April 16, 2024**.

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

Ms. Milner: FYI

Thank you,
Yvette Bouthillier, Senior Secretary
BFED Committee

RICHARD T. BISSEN, JR.
Mayor


MARIA E. ZIELINSKI
Acting Director

STEVE A. TESORO
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

April 11, 2024

Ms. Lesley Milner 
Acting Budget Director, County of Maui
200 South High Street
Wailuku, HI 96793

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

For Transmittal to:

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

Dear Chair Sugimura:

SUBJECT: FISCAL YEAR (“FY”) 2025 BUDGET (BFED-1) (FN-11)

Pursuant to your letter dated April 10, 2024, regarding the Fiscal Year 2025 Budget, below are the responses to the following:

1. Under Bill 60 (2024), Countywide Costs, there is a supplemental transfer of \$19,393,708 to the Highway Fund. Does this transfer relate to any Capital Improvement Projects (“CIP”) under the Department of Public Works? Please explain.

Response: The \$19,393,708 interfund transfer from the General Fund to the Highway Fund does not relate to any CIP project. The interfund transfer

APPROVED FOR TRANSMITTAL


Mayor **Date** 4-12-24

reflects the funds needed to cover Highway Fund expenditures. As indicated in our response to (BFED-1) (FN-5) question #4, the interfund transfer from the General Fund was necessary given the minimal public bus fare revenue to cover transportation-related costs.

2. Appendix A-1, attached to Bill 61 (2024), provides a CIP report as of December 31, 2023, including the allotted balance for current CIPs, while other CIPs have a balance of zero dollars. Please explain whether the allotted balance consists of unencumbered funds for CIPs.

- a. Page 17 of Appendix A-1, relating to 13-907 Roads notes a total encumbrance amount of \$94,145,259.21, with a total allotment balance of \$34,071,279.24. For projects listed with no expenditures in the current year, are these contracts completed? Can these contracts be closed out? How often are encumbrances reviewed by the Department?

Response: We would defer to the department as the absence of current year expenditures listed on this report does not necessarily mean that a project is completed. Every year the Accounts Division provides a listing of all open encumbrances for contracts that have had no activity for 2 years or more. The departments need to seek approval from the Budget Director and Managing Director to keep these encumbrances active and open.

- b. How long can funds remain encumbered for a project? For instance, on page 16, CW Safety Improvements, CBS-1024, has funds encumbered since FY 2013. Please explain.

Response: Please refer to response in 2a. above. During this process in the fall of 2023, the department requested approval to keep the encumbrance open.

3. What would the estimated revenue for Motor Vehicle Weight Tax be for all other motor vehicles exceeding 6,500 pounds if the rate increased in increments of \$0.0050? Please provide a revenue analysis starting at the current rate of \$0.0541 per pound and ending at \$0.0841 per pound.

Response: Each \$0.005 increase equates to an increase of \$550,970. Note that the rate becomes effective January 1st of the following year which equates to \$275,485. Please see attachment.

Thank you for your attention to this matter. Should you have any

Chair Yuki Lei K. Sugimura
Budget, Finance, and Economic Development Committee
April 10, 2024
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questions, please contact me at extension 7212.

Sincerely,

A handwritten signature in cursive script that reads "Maria Zielinski". The signature is written in black ink and is positioned above the printed name and title.

Maria E. Zielinski
Acting Finance Director

Attachment

Vehicle Weight Tax Scenario Analysis Model

Calendar Year Model - Rates become effective January 1 of the following year after enactment.

Vehicle Class	Vehicle Type	[1] [A] Total Number of Registered Vehicles	[2] [B] Median Weight (lbs)	[3] [C] Rate/lb	[B] x [C] = [D] Revenue per Vehicle	[A] x [D] Total Revenue per Vehicle Class
Passenger	Vehicles	147,519	3,100	\$ 0.0350	108.50	16,005,811.50
	Trucks	19,563	4,500	\$ 0.0350	157.50	3,081,172.50
	Motorcycles	3,576	800	\$ 0.0350	28.00	100,128.00
	Buses	138	12,000	\$ 0.0350	420.00	57,960.00
	AMB/PAT/HR	17	10,000	\$ 0.0350	350.00	5,950.00
Sub-Total		170,813				19,251,022.00
Freight	Trailer	3,664	2,000	\$ 0.0541	108.20	396,444.80
	Trucks	10,914	9,000	\$ 0.0541	486.90	5,314,026.60
	Trk/Trac	82	20,000	\$ 0.0541	1,082.00	88,724.00
	Trk/Crane	100	30,000	\$ 0.0541	1,623.00	162,300.00
Sub-Total		14,760				5,961,495.40
Grand Total		185,573				25,212,517.40

All Other MV Estimated Revenues

Rate/lb	Revenue	
\$ 0.0541	\$5,961,495.40	
\$ 0.0591	\$6,512,465.40	\$550,970.00
\$ 0.0641	\$7,063,435.40	
\$ 0.0691	\$7,614,405.40	
\$ 0.0741	\$8,165,375.40	
\$ 0.0791	\$8,716,345.40	
\$ 0.0841	\$9,267,315.40	

BFED Committee

From: Shirley Blackburn <Shirley.Blackburn@co.maui.hi.us>
Sent: Friday, April 12, 2024 10:16 AM
To: BFED Committee
Cc: Marci Sato; Maria Zielinski; Steve Tesoro
Subject: (BFED-1) (FN-11)
Attachments: Shirley Blackburn.vcf; (BFED-1) (FN-11).pdf

Aloha,

Please see attached correspondence from Department of Finance.

Mahalo,

Shirley L. Blackburn

Budget Specialist

County of Maui

Office of the Mayor

shirley.blackburn@co.maui.hi.us

(808) 270-7516