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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

March 28, 2026

Ms. Marcy Martin, Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Martin:

SUBJECT: **PROPOSED FISCAL YEAR 2027 BUDGET FOR THE
COUNTY OF MAUI** (BFED-1) (FN-02)

Please be prepared to answer the following questions at the Council's Budget, Finance, and Economic Development Committee meeting of **April 1, 2026**. This will enable the Committee to comprehensively review the FY 2027 Budget.

May I further request that, after approval by the Office of the Mayor, you transmit your responses to bfed.committee@mauicounty.us by **12:00 p.m.** on **April 6, 2026**.

Overall

1. Provide the Employee Fringe Benefit Rates - Calendar Year 2026 memorandum and confirm the rates that were used to prepare the FY 2027 Budget. (Pages 8-56 to 8-57, Budget Details) (TP)
2. Provide a detailed breakdown of actual employee fringe benefit costs from FYs 2022 to 2026, to date, by category and by fund. Include the following categories: ERS, FICA, EUTF, and OPEB. (Pages 8-55 to 8-57, Budget Details) (TP)

3. Explain the cost increase for each fringe benefit category, identify whether each increase is based on a collective bargaining agreement, and include the request for FY 2027. (Pages 8-55 to 8-57, Budget Details) (TP)
4. Identify any recruitment and retention pay programs the Department has developed to address staffing challenges and explain how each program is being used. (Pages 258 - 259, Program Budget) (TP)
5. Explain whether the Maui County Transient Accommodations Tax office should remain in the Administration Program or be moved to the Treasury Program, and the reasons for that determination. (Pages 256 - 259, Program Budget) (YLS)
6. Relating to Goal 6, Administration Program, provide the following information:
 - a. Explain why the Department is not tracking or reporting the percentage of documented operational policies and procedures, the percentage of divisions that completed and implemented an operational deadline checklist, and the percentage of online fillable forms implemented by the Director's Office.
 - b. Identify where the Department's documented operational policies and procedures may be found.
 - c. Identify which operational policies and procedures still need to be documented.
 - d. Explain whether any of those operational policies and procedures are administrative rules.
 - e. Explain whether the County Policies and Procedures Committee is a new committee, identify the authority under which it was created, when it was created, and identify its members.

(Pages 259 - 261, Program Budget) (TP)

7. Identify the expenditures the Department has reviewed and the contracts and grants it is monitoring in connection with the \$1.6 billion United States Department of Housing and Urban Development CDBG-DR grant. (Page 257, Program Budget) (NUH)
8. Relating to Goal 6, item 1, Accounts Program, identify the departments that have received reimbursement procedures training and the fiscal responsibilities of grantees, explain whether that training has been consistent and coordinated across departments that administer grants, and explain whether the Department of the Corporation Counsel has participated. (Page 268, Program Budget) (NUH)
9. Explain why the Administration has received no grant revenue from the Local Assistance and Tribal Consistency Fund for the past two fiscal years, and anticipated not to receive any again in FY 2027, and explain how that affects County revenue planning. (Page 265, Program Budget) (KB)
10. What are the estimated total wildfire tax waiver amounts for FY 2025-2026 and FY 2026-2027, and identify the ordinances that apply to wildfire tax waivers for FY 2027. (Page 272, Program Budget) (TP)
11. Relating to Goal 4, Motor Vehicles and Licensing Program, explain the basis for the FY 2026 estimate of a 40-minute average wait time for all locations, provide any mid-FY preliminary average wait time data for all locations, and explain whether that estimate is the basis for the proposed increase in equivalent personnel for Service Representative II. (Pages 278 - 280, Program Budget) (KB)
12. Relating to the Motor Vehicles and Licensing Program, explain whether staff are reallocated to busier satellite centers when the main office serves fewer customers than the satellite centers. (Page 277, Program Budget) (TP)

13. Relating to Goal 2, explain why the projected percentage of real property-related documents to be scanned into the system is decreasing and what effect that decrease is expected to have on the Department. (Page 260, Program Budget) (GJ)
14. Based on the Department's review rate of 900 agriculture parcels each year, state the approximate review cycle for each agriculture parcel, and explain whether the Department has sufficient staff and expertise to verify agricultural use to prevent abuse of the program. (Page 273, Program Budget) (GJ)
15. Explain whether the Grant Revenue Fund Expenditures by Character bar graph is missing data for FYs 2026 and 2027. (Page 264, Program Budget) (TP)
16. Explain why the (+/-) OVER FY 2026 Adopted amounts appear unredacted throughout the budget details. (For example, Page 8-45, Budget Details) (YLS)

Salaries and Wages (Category "A")

1. Provide a current list of the Department's vacancies, by program, including the position number, title, number of days the position has been vacant, and the recruitment status. (Pages 8-3 - 8-20, Budget Details) (TC) (TP) (YLS)
2. Relating to expansion positions requested or approved in FYs 2025 and 2026, including positions requested by budget amendment, proposed position reallocations, the Maui County Transient Accommodations Tax Office positions P-X3011 Tax Auditor IV and P-X3013 Tax Information Specialist I, and the Treasury Program positions P-XX166 Accountant II and P-XX167 Accountant II, provide the following information for each position:
 - a. The position title and position number.
 - b. Whether the position was requested, approved, created, or proposed for reallocation, as applicable.

- c. The status of recruitment and whether the position has been filled, including the date created, date posted, and date filled, if applicable.
- d. The percentage of salary funding requested in FY 2027.
- e. If the position remains vacant, the reason it has not been filled.
- f. For each proposed reallocation, explain whether salary adjustments are included in the request to cover the reallocation.
- g. Explain why P-25520 Buyer II is not proposed for reallocation with other Purchasing Program positions.
- h. For the seven expansion positions in FY 2026 that were pending creation and reorganization approval, explain whether they have been created, posted, and filled.
- i. For the eight expansion positions requested for FY 2027, explain whether reorganization approval is needed and identify the steps that must be completed before each position can be posted.

(Pages 8-3 - 8-20, Budget Details / Page 258, Program Budget) (TC) (TP)
(YLS)

- 3. Relating to the replacement of the proposed Land Management Administrator position with the Land Acquisition Officer position, provide the following information:
 - a. Explain why the Land Management Administrator position was removed and the Land Acquisition Officer position was added.
 - b. Explain the differences between the proposed Land Management Administrator position and the Land Acquisition Officer position, including whether the Land Acquisition Officer is performing duties that were intended for the Land Management Administrator.

- c. Explain whether the P-34696 Land Acquisition Officer position has been created, posted, and filled, and if it remains vacant, when the Department expects to fill it.

(Page 263, Program Budget / Page 8-3, Budget Details) (GJ) (TP) (YLS)

4. Relating to the adjustment for WIRP and Executive Order No. 2025-02, provide the following information:

- a. Explain what WIRP is and identify the classifications and salary ranges affected by it.
- b. Explain the basis for the adjustment and the resulting salary increases for the affected positions.
- c. Identify the parameters, or guidelines used to select the positions affected by the Executive Order.
- d. Provide a copy of Executive Order No. 2025-02 and explain how the EO provides the authority for the salary increases.

(Pages 263, 271, 276, 280, 285, and 291 Program Budget / Pages 8-3, 8-9, 8-15 - 8-16, 8-20, 8-28 - 8-29, and 8-33, Budget Details) (TC) (YLS)

5. Explain whether the County would have sufficient staff capacity to support County participation if a Community Facilities District is formed in FY 2027. (Pages 60 to 61 and 843 to 844, Program Budget) (ALL)
6. Explain what other capital project funding mechanisms, besides Community Facilities Districts, have been discussed and may warrant consideration. (Pages 60 to 61 and 843 to 844, Program Budget) (ALL)

Operations and Equipment (Categories “B” and “C”)

1. Explain whether the County Property Management System has received the updated programming support from the Information Technology Services Division and, if not, provide the current status and expected completion timeline. (Pages 259 to 260, Program Budget) (TP)

2. Relating to Maui County transient accommodations tax, provide the following information:
 - a. Identify the transient accommodations tax software, indicate when the County purchased it, and explain whether the software fully supports tax payments, refund processing, reconciliation, collections, aging reports, appeals, audits, enforcement, data analysis, and reporting needed to improve compliance.
 - b. Explain the current status of reconciliations, including whether all erroneous accounts receivable filings have been matched to the correct taxpayer accounts.
 - c. Identify the calendar year clean-up work that staff are currently completing and explain whether the County is on track to meet the three-year statute of limitations for assessment.
 - d. State the total amount of Maui County transient accommodations tax collected to date in FY 2026 and explain whether that amount includes delinquent taxes from prior tax years, penalties, and interest.
 - e. Indicate how much delinquent Maui County transient accommodations tax revenue has been collected to date since last year's reported \$3.5 million of the projected \$9.3 million referenced in County Auditor's Report 23-1.
 - f. Relating to Goal 3, item 2, explain the current status of the software that will allow reconciliation with State data and record accounts receivable by taxpayer account, including any progress made since the Council approved additional funding.

(Page 260 and 263, Program Budget) (TP) (NUH)
3. Relating to 907014B-6132 Professional Services and 907014C-7032 Software Programs for internal control processes and procedures, provide the following information:

- a. Explain the need for the \$125,000 expansion request for consultant services and describe the scope of work.
- b. Identify the expected deliverables and the timeline for those deliverables under the consultant contract.
- c. Explain how the Department has addressed these issues in the past, how they are being addressed now, and whether this work could be done in-house, including through prior recommendations from the County Auditor.
- d. Explain how the proposed software would address these issues.
- e. Explain why funding for the software is proposed while the consultant's work is still underway and what effect delaying that funding until the consultant's work is complete would have.

(Page 264, Program Budget / Pages 8-6 and 8-8, Budget Details) (GJ)
(NUH) (YLS)

4. Relating to the Meeder Investment Portfolio Management Fee under 907074B-6132 Professional Services, provide the following information:
 - a. Explain the purpose of the fee.
 - b. Explain why an additional \$50,000 is needed in FY 2027.
 - c. Explain the value of the investment portfolio covered by the fee.
 - d. Clarify the current fee and the total proposed budgeted fee for FY 2027.

(Page 291, Program Budget / Page 8-12, Budget Details) (KB) (YLS)

Countywide

1. Provide the proposed FY 2027 total budget, explain the primary drivers of year-over-year growth, and identify how much of the increase is attributable to structural costs, including personnel costs and union contracts, as compared to one-time or grant-dependent items. (Page 5, Program Budget) (ALL)
2. Explain the Administration's contingency plan if Federal clawbacks or rescissions affect FY 2027 and identify which departments' budgets are most exposed. (Page 257, Program Budget) (ALL)
3. Explain why the Department seeks to reinstate the Council's FY 2026 reduction and whether the Department anticipates any FY 2026 shortfall. If the Department anticipates a shortfall, explain the basis for that shortfall. (Page 8-5, Budget Details) (TC)
4. Explain how much General Fund money is anticipated to be advanced in FY 2027 for capital improvement projects before bond proceeds or other funding sources are secured. (Pages 60 to 61 and 843 to 844, Program Budget) (ALL)
5. Explain whether bond issuance could be increased by moving General Fund capital improvement projects to bond funding, and explain any fiscal, legal, or policy constraints on that approach. (Page 292, Program Budget) (SS)
6. Explain whether the Administration has discussed having the Department of Water Supply issue its own bonds and the outcome of those discussions. (Page 27, Budget Ordinance / Page 844, Program Budget) (ALL)
7. Relating to the Employees' Retirement System contribution, provide the following information:
 - a. Explain the amount allocated or estimated for the spiking bill.
 - b. Explain how that amount was calculated.

- c. Explain what measures may be taken to stop or reduce spiking.
- d. Provide a copy of the spiking bill.

(Page 8-56, Budget Details) (NUH) (YLS)

8. Relating to the Temporary Hazard Pay payouts for the Department of Fire and Public Safety, provide the following information:

- a. Explain whether those payouts were treated as premium pay or overtime.
- b. Explain how those payouts affect retirement benefits for employees hired before July 1, 2012.

(Page 8-60, Budget Details) (NUH)

9. Explain the basis for the increase in FY 2027 Social Security costs and whether the FY 2026 Budget provides sufficient funding given actual expenditures in FYs 2024 and 2025 and the FY 2026 budgeted amount. (Page 8-56, Budget Details) (YLS)

10. Relating to healthcare benefit funding in FY 2027, provide the following information:

- a. Explain the basis for the increase.
- b. Explain whether the FY 2026 Budget provides sufficient funding if the increase is for healthcare benefits for current employees.
- c. Explain whether this appropriation also covers the \$200 payment for employees who do not receive healthcare benefits from the County.
- d. Explain the funding for the County of Maui Supplemental Waiver Program under the Employer-Union Health Benefits Trust Fund.

(Pages 8-56 - 8-57, Budget Details) (YLS)

11. Relating to the Council's appropriation for employee healthcare coverage, provide the following information:
 - a. Explain how much of the appropriation has been expended to date.
 - b. Explain how much of the appropriation is expected to be expended by the end of FY 2026.
 - c. Explain whether any remaining funds may be used for healthcare stipends for employees who did not receive benefits from that appropriation.
 - d. Explain whether the Administration plans to implement a more equitable method of distributing healthcare subsidies to employees in FY 2027.

(Page 292, Program Budget) (KB)

12. Explain how the County plans to use fringe benefit funds for supplemental agreements to the master agreements. (Page 8-57, Budget Details) (GJ)
13. Explain why fringe benefit costs are higher in FY 2027 while fringe benefit reimbursements are lower. (Pages 8-55 - 8-57, Budget Details) (TP)
14. Explain whether the supplemental health benefits program for which the County pays the co-pay for the 75-25 plans is ending. (Page 8-57, Budget Details) (TP)
15. Relating to bond issuance and debt service, provide the following information:
 - a. Explain debt service arbitrage and yield restriction payments, and explain why those payments are treated as bond floatation costs.
 - b. Explain the \$2,500,000 request for arbitrage expenses and why those expenses were not budgeted in prior fiscal years.

- c. Explain why interest costs are increasing and provide a breakdown for general obligation bonds and the JCI contract.
- d. Explain why principal payments are decreasing.

(Page 8-58, Budget Details) (NUH) (YLS)

- 16. Explain the anticipated expenditures from the Self-Insurance Fund.
(Page 8-60, Budget Details) (YLS)
- 17. Explain why no funding is appropriated to the Post-Employment Obligations Fund in FY 2027 and what impact that may have on the County. (Pages 8-55 and 8-64, Budget Details) (NUH) (TC) (TP) (YLS)
- 18. Relating to the Department of Hawaiian Home Lands' fund, provide the following information:
 - a. Confirm the current fund balance.
 - b. Identify who determines how those funds are used.
 - c. Explain the process used to determine how those funds are used.

(Page 292, Program Budget) (KB)

- 19. Relating to the appropriations under Countywide Costs, for each of the following categories, identify the minimum funding level required, if any, under the Charter, ordinance, statute, or other authority, and explain whether the proposed FY 2027 appropriation meets only that minimum funding level or includes additional funding:
 - a. Bond Issuance and Debt Service.
 - b. Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund.
 - c. Affordable Housing Fund.
 - d. Emergency Fund.

- e. Post-Employment Benefits.
- f. Department of Hawaiian Home Lands.

(Page 292, Program Budget / (Page 8-55, Program Details / Pages 8-9, Bill 55) (KB)

20. As it relates to the GET and DHHL funds:

- a. Are the amounts noted under FY 2025 Actual correct?
- b. To date, how much GET has been collected?

(Page 292, Program Budget) (TC)

21. Provide the current balance of each Special Revenue Fund listed under Countywide Costs. (Page 292, Program Budget) (TP)

22. Explain the total amount of Carryover/Savings from FY 2025, provide the FY 2025 Actual compared to Adopted Countywide costs, and provide a breakdown of how that Carryover/Savings has been used or is planned to be used. (Page 1, Bill 55) (TP)

23. Provide a breakdown of the FY 2027 estimated General Fund revenue from Licenses, Permits, and Others. (Page 81, Program Budget) (TP)

24. Explain whether the FY 2027 Transient Accommodations Tax revenue estimate remains appropriate in light of current travel-related and economic conditions. (Page 81, Program Budget) (TP)

25. Explain the basis for the \$8,690,700 decrease in Social Welfare operating expenditures in FY 2027. (Page 81, Program Budget) (TP)

Appendix A, Part II

1. In FY 2025, the Council conditioned \$31 million from the Affordable Housing Fund for Pulelehua, and in FY 2026, the Charter minimum was exceeded at 5 percent of real property tax revenue, or about \$32.5 million. Explain the proposed FY 2027 Affordable Housing

Fund allocation percentage, identify the projects in the pipeline, and explain how the proposal accounts for the Lipoa Apartments and Kaiaulu o Lāna‘i loans committed in FY 2026. (Page 6, Program Budget / Pages 47-50, Appendix A, Part II) (ALL)

2. Explain whether the Department has worked with the Department of the Corporation Counsel and the Budget Office to prepare a resolution to transfer the remaining funds associated with the Special Management Area permit issued to Seibu Hawaii, Inc., for the sale of Makena Resort and the unfulfilled employee housing obligation in the Central Maui-Kihei area under Chapter 3.32, Maui County Code. (Page 54, Appendix A, Part II) (TP)

Appendix B

1. Provide a breakdown of County fuel tax revenue collected to date in FY 2026, by fuel type, including gasoline and diesel oil, biodiesel blend, ethanol, methanol, and liquefied petroleum gas. (Page 50, Appendix B) (YLS)
2. Relating to County-operated electric vehicle charging stations, provide the following information:
 - a. Explain the methodology used to set the rates.
 - b. Provide the anticipated revenue from those fees.
 - c. Provide the total cost to operate the charging stations.
 - d. Explain whether the County currently has any fast-speed chargers and, if so, identify their locations.
 - e. Explain whether the County’s charging station technology has the capability to assess an idle fee after a vehicle has completed charging.

(Page 3, Appendix B) (KB) (YLS)

3. Explain the rationale for the proposed changes to the real property tax classifications, tiers, and rates. (Page 12, Appendix B) (GJ) (YLS)
4. Explain whether “Real Property Tax Maps CD-ROM” was intended to be updated to read “Retired Real Property Tax Plat Map Files.” (Page 16, Appendix B) (TP)
5. Explain the process for establishing a special license plate fundraiser and why the Duke Kahanamoku license plate fee is higher than the Polynesian Voyaging Society and National Parks fees. (Pages 14 and 18, Appendix B) (TP)
6. Provide the number of licenses or permits issued for FY 2025 and FY 2026, to date, for the following categories:
 - a. Peddling merchandise.
 - b. Secondhand dealers.
 - c. Selling firearms.
 - d. Pawn brokers.
 - e. Auctioneers.
 - f. Aquatic life operations.
 - g. Bike tours.(Page 13, Appendix B) (TP)
7. Explain whether HiRUC (Hawaii Road Usage Charge) has been enacted and, if so, when the County would need to begin implementation planning. (Page 17, Appendix B) (TP)

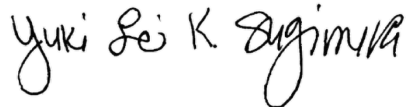
Appendix B-1

1. Provide the status of Finance leases that are set to expire, including the expiration date and planned next step for each lease. (Page 3, Appendix B-1) (TP)

Ms. Marcy Martin
March 28, 2026
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Should you have any questions, please contact me or the Committee staff (Kirsten Szabo at ext. 7662, James Krueger at ext. 7761, Jarret Pascual at ext. 7141, Clarissa MacDonald at ext. 7135, or Pauline Martins at ext. 8039).

Sincerely,

A handwritten signature in black ink that reads "Yuki Lei K. Sugimura". The signature is written in a cursive style with a large, stylized 'Y' and 'S'.

YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

bfed:2027bgt:260327afn01:kes

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

BFED Committee

From: BFED Committee
Sent: Saturday, March 28, 2026 5:49 PM
To: 'Marcy Martin'
Cc: 'Maria Zielinski'; 'Stacey Vinoray'; 'finance'; 'Michelle Santos'; 'Zeke Kalua'; 'Lesley Milner';
Kristina Cabbat; 'tiare.p.horner@co.maui.hi.us'; Shirley Blackburn; 'Janina Agapay'
Subject: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF MAUI (BFED-1) (FN-02)
Attachments: 260327afn01 (FN-02).pdf