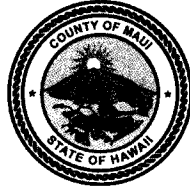


ALAN M. ARAKAWA
Mayor



COUNTY OF MAUI
DEPARTMENT OF FINANCE
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

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DANLO F. AGSALOG
Director
OFFICE OF THE MAYOR
MARK R. WALKER
Deputy Director

June 19, 2017

Honorable Alan M. Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Don S. Guzman, Chair
Parks, Recreation, Energy and Legal Affairs Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Mr. Guzman:

**SUBJECT: WAIEHU MUNICIPAL GOLF COURSE OPERATIONS
AND IMPROVEMENTS (PRL-30)**

Please find our response to your letter dated June 15, 2017 in which you requested the following:

“Please provide an itemized breakdown of the costs that comprise the Administrative Overhead Charge for FY2016 and FY2017, as well as the anticipated costs for FY2018, along with a description of each component cost.”

Response: Per the Budget Office, the following are the costs that comprise the Overhead Administration Charge for FY2016, FY2017, and FY2018;

a) FY 2016: \$910,505 (FY 2014 Actual Salaries + FY 2015 increase in salaries) x 132.51% = **\$1,206,510**

b) FY 2017: \$939,350 (FY 2015 Actual Salaries + FY 2016 increase in salaries + FY17 increase in salaries) x 132.51% = **\$1,244,733**

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OFFICE OF THE
COUNTY ENGINEER

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A handwritten signature in black ink, appearing to be "for [unclear]".

6/21/17

Honorable Don S. Guzman, Chair
Parks, Recreation, Energy and Legal Affairs Committee
June 19, 2017
Page 2

- c) FY 2018: \$887,516 (FY 2016 Actual Salaries + FY 17 increase in salaries - FY 2018 decrease in salaries) x 132.51% = **\$1,176,047**

The rates used above were based on the Full Cost Allocation Plan study dated February 26, 2014. An updated Full Cost Allocation Plan study dated April 14, 2017 has been completed and is enclosed for your information and review. Also included is the updated 2 CFR Part 200 Compliant Cost Allocation Plan. Both have explanatory memo's attached from Matrix Consulting Group who prepared the reports. These reports were provided to the County Council on April 27, 2017 by the Department of Finance. The new information contained in the updated Full Cost Allocation Plan study was not used in the FY2018 budgeting process as the information was received after Mayor Arakawa had submitted his budget to the Council.

Should you have any questions or need further information, please feel free to contact me at Ext. 7475.

Sincerely,



for **DANILO F. AGSALOG**
Director of Finance

cc: Lynn Araki-Regan, Budget Director
Steve Tesoro, Accounts System Administrator