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Yuki Lei K. Sugimura

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Director of Council Services
David M. Raatz, Jr., Esq.

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 6, 2025

Ms. Lesley Milner, Budget Director
Office of the Mayor
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Milner:

SUBJECT: **FISCAL YEAR 2026 BUDGET** (BFED-1) (BD-12)

May I please request your response to the following:

1. Provide the calculations for the ERS, FICA, EUTF, OPEB, and other fringe benefit reimbursements from the Sewer Fund, Solid Waste Management Fund, Environmental Protection and Sustainability Fund, Highway Fund, and Water Fund using the attached fringe benefit rates. If revisions to the FY 2026 Budget are required, explain why and provide your proposed revisions. (YLS)
2. Explain whether any revisions to the FY 2026 Budget are required to account for the recent salary adjustments approved by the Salary Commission. If so, provide your proposed revisions. If not, explain why, including how the Director of Liquor Control and Director of Water Supply's salary increases will be accounted for. (YLS)
3. Are anticipated salary adjustments for collective bargaining for the Special Revenue Funds included in the FY 2026 Budget? If yes, where is it appropriated? Further, if it is included in the salary adjustments in Countywide Costs, should the adjustments be included in the respective funds instead of the General Fund? If yes, please provide the necessary revisions, including all fringe, overhead, and other payroll costs. (YLS)

Ms. Lesley Milner
April 6, 2025
Page 2

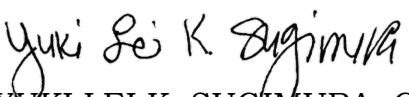
4. As it relates to Electricity, Index Code 916601B, under the Department of Public Works, the explanation for the continuation request is a “utility inflationary adjustment.” Should all County departments be accounting for inflation as it relates to their utility costs? Explain. (Page 22-76, Budget Details) (TP)
5. The Department of Parks of Recreation is requesting \$12,000 for one 20-foot shipping container, while the Department of Fire and Public Safety is requesting \$14,500 for two containers. Explain whether County departments seek quotes for equipment like shipping containers from the same entities. If so, explain the difference in cost. If not, explain why. (Pages 9-16 and 17-55, Budget Details) (TP)
6. Did the Department of Finance provide your office with a cost sheet for commonly purchased equipment? If yes, please provide a copy.

May I further request that you transmit your responses to bfed.committee@mauicounty.us by **April 11, 2025**, to enable the Committee to comprehensively review the FY 2026 Budget.

To ensure efficient processing, please duplicate the coding in the subject line above for easy reference.

Thank you for your attention to this request. 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,


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

bfed:2026bgt:250404abd01:jgk

cc: Mayor Richard T. Bissen, Jr.

Attachment

RICHARD T. BISSEN, JR.
Mayor

MARCY MARTIN
Director

MARIA E. ZIELINSKI
Deputy Director

MARCI SATO
Administrator



COUNTY OF MAUI
DEPARTMENT OF FINANCE
ACCOUNTS DIVISION
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7504 FAX: (808) 270-7831
www.mauicounty.gov

December 16, 2024

MEMORANDUM

TO: ALL DEPARTMENTS AND AGENCIES

**SUBJECT: *REVISED* EMPLOYEE FRINGE BENEFIT RATES-
CALENDAR YEAR 2025**

The County of Maui has reviewed and revised the employee fringe benefit rates utilizing the actual cost data and salary base for the prior fiscal year which ended on June 30, 2024 (Fiscal Year 2024). These rates are to be used from January 1, 2025 through December 31, 2025 (Calendar Year 2025).

EMPLOYEE FRINGE BENEFIT RATES BASED UPON EMPLOYER'S CONTRIBUTION	Personnel (except Police, Fire & DWS)		DWS (a)		Police & Fire (b)	
	<u>1/1/2025</u>	<u>7/1/2025(c)</u>	<u>1/1/2025</u>	<u>7/1/2025(c)</u>	<u>1/1/2025</u>	<u>7/1/2025(c)</u>
Employee's Retirement System (ERS)	24.00%	24.00%	24.00%	24.00%	41.00%	41.00%
Social Security/Medicare	7.65%	7.65%	7.65%	7.65%	1.45%	1.45%
Subtotal	31.65%	31.65%	31.65%	31.65%	42.45%	42.45%
Unemployment	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Workers' Compensation	0.59%	0.59%	2.08%	2.08%	0.59%	0.59%
Medical, Drug, Dental, Vision, Life*	11.82%	11.82%	11.82%	11.82%	11.82%	11.82%
Other Post-Employment Benefits (OPEB) ¹	30.32%	30.32%	30.32%	30.32%	30.32%	30.32%
Total Employer's Contribution (Use for internal reimbursement)	<u>74.42%</u>	<u>74.42%</u>	<u>75.91%</u>	<u>75.91%</u>	<u>85.22%</u>	<u>85.22%</u>

EMPLOYEE FRINGE BENEFIT RATES BASED UPON EMPLOYER'S CONTRIBUTION	Personnel (except Police, Fire & DWS)		DWS (a)		Police & Fire (b)	
	<u>1/1/2025</u>	<u>7/1/2025(c)</u>	<u>1/1/2025</u>	<u>7/1/2025(c)</u>	<u>1/1/2025</u>	<u>7/1/2025(c)</u>
<u>LEAVE BENEFITS</u>						
Vacation	8.08%	8.08%	8.08%	8.08%	8.08%	8.08%
Sick	5.33%	5.33%	5.33%	5.33%	5.33%	5.33%
Holiday	5.38%	5.38%	5.38%	5.38%	5.38%	5.38%
Others (Admin Leave, Union)	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%
Total Leave Benefits	19.56%	19.56%	19.56%	19.56%	19.56%	19.56%
Total Fringe Benefit Rate (Straight Time Rate) (Use for internal reimbursement)	<u>93.98%</u>	<u>93.98%</u>	<u>95.47%</u>	<u>95.47%</u>	<u>104.78%</u>	<u>104.78%</u>
Total Fringe Benefit Rate (Straight Time Rate) (Use for grant reimbursement)¹	<u>83.52%</u>	<u>83.52%</u>	<u>85.01%</u>	<u>85.01%</u>	<u>94.32%</u>	<u>94.32%</u>
Total Fringe Benefit Rate (Overtime Rate) (Use for internal transfer and grant reimbursement including FEMA reimbursements)	<u>32.28%</u>	<u>32.28%</u>	<u>33.77%</u>	<u>33.77%</u>	<u>43.08%</u>	<u>43.08%</u>
(a) For DWS personnel only: Workers' Compensation rate 2.08% as DWS pays their own expenses directly.						
(b) For Police & Fire personnel only: ERS rate = 41.00% + 1.45% (for Medicare) = 42.45%.						
(c) ERS rate will remain the same for July 1, 2025 until statutory changes are implemented.						
¹ In FY2024 the County prepaid \$20,228,767 above the Annual Required Contribution This excess is 10.46% of the Opeb percentage included in the OPEB fringe rate for internal COM reimbursement but is excluded from the grant reimbursement percentage.						
* Percentages changed for Medical, Drug, Dental, Vision, & Life and Other Post-Employment Benefits when compared to prior year due to budgetary and expenditure reporting changes starting in fiscal year 2021-2022.						

Should you have any questions on the above employee fringe benefit rates, please contact Accounting System Administrator, Marci M. Sato at extension no. 7503.

Respectfully Submitted,



MARCY MARTIN
Director of Finance

BFED Committee

From: BFED Committee
Sent: Sunday, April 6, 2025 10:45 AM
To: Lesley Milner
Cc: BFED Committee; 'Michelle Santos'; 'Zeke Kalua'; kristina.cabbat@co.maui.hi.us; tiare.p.horner@co.maui.hi.us; Janina Agapay
Subject: FISCAL YEAR 2026 BUDGET (BFED-1) (BD-12); reply by 4/11/25
Attachments: (BD-12) Correspondence to Budget Director 04-06-2025.pdf

RICHARD T. BISSEN, JR.
Mayor

JOSIAH NISHITA
Managing Director



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

April 11, 2025

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

APPROVED FOR TRANSMITTAL

4-11-25
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
and Members of the Budget, Finance, and Economic Development Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura:

SUBJECT: FISCAL YEAR ("FY") 2026 BUDGET (BFED-1)(BD-12)

Pursuant to your correspondence dated April 6, 2025 below are the responses to the following:

1. Provide the calculations for the ERS, FICA, EUTF, OPEB, and other fringe benefit reimbursement from the Sewer Fund, Solid Waste Management Fund, Environmental Protection and Sustainability Fund, Highway Fund, and Water Fund using the attached fringe benefit rates. If revision to the FY 2026 Budget required, explain why and provide your proposed revisions.

Response: Please see attached. No revisions are needed. The Cost Allocation plan referenced in the attachment can be found here:

<https://mauicounty.legistar.com/View.ashx?M=F&ID=6694456&GUID=AED3DED0-E72B-463A-B218-C34FECC9FCA5m>

2. Explain whether any revisions to the FY 2026 Budget are required to account for the recent salary adjustments approved by the Salary Commission. If so, provide your proposed revisions. If not, explain why, including how the Department of Liquor and Director of Water Supply's salary increases will be accounted for.

Response: No revisions are needed. Sufficient funding has been allocated in Countywide Costs for the proposed increases for General Fund positions, and the Department of Liquor Control and the Department of Water Supply have included funding for anticipated increases in their A budgets under salary adjustments. This funding will

be sufficient for both collective bargaining increases and the salary adjustments approved by the Salary Commission.

3. Are anticipated salary adjustments for collective bargaining for the Special Revenue Funds included in the FY 2026 Budget? If yes, where is it appropriated? Further, if it is included in the salary adjustments in Countywide Costs, should the adjustments be included in the respective funds instead of the General Fund? If yes, please provide the necessary revisions, including all fringe, overhead, and other payroll costs.

Response: Yes. Each special fund has included funding for possible CBA adjustments in the salary adjustments section of their A budgets. They are not included in Countywide Costs under the General Fund. No revisions are needed.

4. As it relates to Electricity, Index Code 916601B, under the Department of Public Works, the explanation for the continuation request is a “utility inflationary adjustment.” Should all County departments be accounting for inflation as it relates to their costs? Explain.

Response: The Departments review their prior year costs and determine if there is a need to include an adjustment to utility costs for the coming fiscal year. As we are a program based budget, if there is an overage the Department is able to cover that cost if there are savings elsewhere in their B budget. If they are not able to cover an overage, a budget amendment will be requested.

5. The Department of Parks of Recreation is requesting \$12,000 for one 20-foot shipping container, while the Department of Fire and Public Safety is requesting \$14,500 for two containers. Explain whether County departments seek quotes for equipment like shipping containers from the same entities. If so, explain the difference in cost. If not, explain why.

Response: Yes, the Departments seek quotes for equipment like shipping containers from the same entities. The difference in cost is attributed to the timing of quotes received by the Department, and the vendor selected for procurement of the requested containers.

6. Did the Department of Finance provide your office with a cost sheet for commonly purchased equipment? If yes, provide a copy.

Response: No sheet for commonly purchased equipment was provided.

Yuki Lei K. Sugimura, Chair
April 11, 2025
Page 3

Should you have any questions, please contact me at ext. 8239.

Sincerely,

A handwritten signature in black ink, appearing to read "Lesley", with a long, sweeping horizontal stroke extending to the right.

LESLEY MILNER
Budget Director

Attachment

ENVIRONMENTAL MANAGEMENT - WASTEWATER FUND
Special Operating Costs - Includes Salary Adjustment and Expansion

FY24 Actual Salaries	8,667,283 *
FY24 Council Adopted Salaries	10,111,919
FY25 Council Adopted Salaries	10,884,190
FY25 Incr over FY24 Adopted	772,271 *
FY26 Mayor's Proposed Salaries	11,706,158
FY26 Incr over FY25 CO Adopted	821,968 *

ENVIRONMENTAL MANAGEMENT - WASTEWATER FUND

**FY 24 Actual
plus FY25 CO
increase and FY26
increase 10,261,522**

Index Code	Sub Object		FY 2025 CO	FY 2026 MP	FY 2026 Adj		Rate	
919011B	6370	ERS	2,612,206	2,462,765	(149,441)		24.00%	Fringe Benefit Rates 12/16/2024
919011B	6314	FICA	832,641	785,006	(47,635)		7.65%	Fringe Benefit Rates 12/16/2024
919013B	6320	Health	1,112,364	1,212,912	100,548		11.82%	Fringe Benefit Rates 12/16/2024
919017B	6350	Overhead	7,820,291	7,372,904	(447,387)		71.85%	**Based on cost allocation plan (Matrix); 7/20/17
919043B	6383	OPEB	2,259,558	3,111,293	851,735		30.32%	Fringe Benefit Rates 12/16/2024
			14,637,060	14,944,881	307,821			

ENVIRONMENTAL MANAGEMENT - SOLIDWASTE FUND
Special Operating Costs - Includes Salary Adjustment and Expansion

FY24 Actual Salaries	7,324,813 *
FY24 Council Adopted Salaries	7,864,244
FY25 Council Adopted Salaries	8,135,779
FY25 Incr over FY24 Adopted	271,535 *
FY26 Mayor's Proposed Salaries	8,785,382
FY26 Incr over FY25 CO Adopted	649,603 *

ENVIRONMENTAL MANAGEMENT - SOLIDWASTE FUND

**FY 24 Actual
plus FY25 CO
increase and FY26
increase plus
\$250,000**

8,495,951

OPTION 1

Index Code	Sub Object		FY 2025 CO	FY 2026 MP	FY 2026 Adj		Rate	
919501B	6370	ERS	1,952,587	2,039,028	86,441		24.00%	Fringe Benefit Rates 12/16/2024
919501B	6314	FICA	622,387	649,920	27,533		7.65%	Fringe Benefit Rates 12/16/2024
919503B	6320	Health	831,477	1,004,221	172,744		11.82%	Fringe Benefit Rates 12/16/2024
919507B	6350	Overhead	5,002,392	5,181,681	179,289		60.99%	**Based on cost allocation plan (Matrix); 7/20/17
919535B	6383	OPEB	1,688,988	2,575,972	886,984		30.32%	Fringe Benefit Rates 12/16/2024
			10,097,831	11,450,823	1,352,992			

ENVIRONMENTAL MANAGEMENT - EP&S FUND
Special Operating Costs - Includes Salary Adjustment and Expansion

FY24 Actual Salaries	196,499 *
FY24 Council Adopted Salaries	292,140
FY25 Council Adopted Salaries	515,943
FY25 Incr over FY24 Adopted	223,803 *
FY26 Mayor's Proposed Salaries	620,801
FY26 Incr over FY25 CO Adopted	104,858 *

ENVIRONMENTAL MANAGEMENT - EP&S FUND

**FY 2026 Mayor's
Proposed 620,801**

Index Code	Sub Object		FY 2025 CO	FY 2026 MP	FY 2026 Adj		Rate	
919750B	6370	ERS	123,826	148,992	25,166		24.00%	Fringe Benefit Rates 12/16/2024
919750B	6314	FICA	39,470	47,491	8,021		7.65%	Fringe Benefit Rates 12/16/2024
919752B	6320	Health	52,729	73,379	20,650		11.82%	Fringe Benefit Rates 12/16/2024
919754B	6350	Overhead	264,199	378,627	114,428		60.99%	**Based on cost allocation plan (Matrix); 7/20/17
919756B	6383	OPEB	107,110	188,227	81,117		30.32%	Fringe Benefit Rates 12/16/2024
			587,334	836,716	249,382			

PUBLIC WORKS - HIGHWAY FUND
Special Operating Costs - Includes Salary Adjustment and Expansion

FY24 Actual Salaries	10,282,014 *
FY24 Council Adopted Salaries	12,009,939
FY25 Council Adopted Salaries	13,115,442
FY25 Incr over FY24 Adopted	1,105,503 *
FY26 Mayor's Proposed Salaries	14,033,208
FY26 Incr over FY25 CO Adopted	917,766 *

PUBLIC WORKS - HIGHWAY FUND

FY 24 Actual
plus FY25 CO
increase and FY26
increase plus
\$250,000 12,555,283

Index Code	Sub Object		FY 2025 CO	FY 2026 MP	FY 2026 Adj	Rate		
916619B	6370	ERS	3,147,706	3,013,268	(134,438)		24.00%	Fringe Benefit Rates 12/16/2024
916619B	6314	FICA	1,003,331	960,479	(42,852)		7.65%	Fringe Benefit Rates 12/16/2024
916627B	6320	Health	1,340,398	1,484,034	143,636		11.82%	Fringe Benefit Rates 12/16/2024
916833B	6350	Overhead	8,984,392	8,555,170	(429,222)		68.14%	**Based on cost allocation plan (Matrix); 7/20/17
916636B	6383	OPEB	2,722,766	3,806,762	1,083,996		30.32%	Fringe Benefit Rates 12/16/2024
			17,198,593	17,819,713	621,120			

WATER SUPPLY FUND
Special Operating Costs - Includes Salary Adjustment and Expansion

FY24 Actual Salaries	15,104,680
FY24 Council Adopted Salaries	16,716,738
FY25 Council Adopted Salaries	17,643,779
FY25 Incr over FY24 Adopted	927,041
FY26 Mayor's Proposed Salaries	19,327,849
FY26 Incr over FY25 CO Adopted	1,684,070

**FY 24 Actual
plus FY25 CO
increase and FY26
increase 17,715,791**

Index Code	Sub Object		FY 2025 CO	FY 2026 MP	FY 2026 Adj		Rate	
953703B	6370	ERS	4,168,107	4,251,790	83,683		24.00%	Fringe Benefit Rates 12/16/2024
953703B	6314	FICA	1,328,584	1,355,258	26,674		7.65%	Fringe Benefit Rates 12/16/2024
953703B	6320	Health	1,774,919	2,094,006	319,087		11.82%	Fringe Benefit Rates 12/16/2024
953702B	6350	Overhead	4,357,334	4,444,892	87,558		25.09%	**Based on cost allocation plan (Matrix); 7/20/17
953707B	6387	OPEB	3,605,413	5,371,428	1,766,015		30.32%	Fringe Benefit Rates 12/16/2024
953703B	6385	Retirees	850,000	850,000	-			
			16,084,357	18,367,374	2,283,017			

BFED Committee

From: Janina E. Agapay <Janina.E.Agapay@co.maui.hi.us>
Sent: Friday, April 11, 2025 3:05 PM
To: BFED Committee
Cc: Lesley J. Milner
Subject: (BFED-1)(BD-12)
Attachments: (BFED-1)(BD-12).pdf

Hello,

Please see attached correspondence (BFED-1)(BD-12).

Thank you,

Janina Agapay

County of Maui | Budget Office

Phone: (808) 270-7836

Email: Janina.E.Agapay@co.maui.hi.us