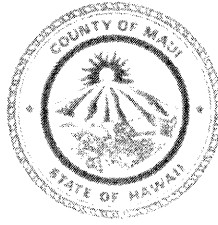


**MICHAEL P. VICTORINO**  
Mayor

**MARC I. TAKAMORI**  
Director

**MICHAEL B. DU PONT**  
Deputy Director



**DEPARTMENT OF TRANSPORTATION**  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793

TELEPHONE: (808) 270-7511  
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April 10, 2019

OFFICE OF THE  
COUNTY COUNCIL

2019 APR -9 AM 9:44

RECEIVED

Ms. Michele M. Yoshimura *MJY*  
Budget Director, County of Maui  
200 South High Street  
Wailuku, HI 96793

APPROVED FOR TRANSMITTAL

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

*Michael P Victorino* 4/8/19  
\_\_\_\_\_  
Mayor Date

For Transmittal to:

Honorable Keani Rawlins-Fernandez  
Chair, Economic Development & Budget Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez:

**SUBJECT: FISCAL YEAR ("FY") 2020 BUDGET (TD-6) (EDB-1)**

The Department of Transportation (DOT) hereby transmit the following responses relating to Pursuant to Subsection 11.02.040(C ), Maui County Code, the Department may enter into contracts with private vendors to place advertisements in County transit buses. As a requirement

of that provision, "An annual report of revenues received shall be transmitted to the county council during the annual process."

**Question:** Has the Department entered into any contracts with private vendors to place advertisements in County transit buses in FY 2018 or FY 2019 to date?

**Response:** Yes, in January 2017 (FY 2018), the department entered into a concession agreement for interior advertising with Stone Jetty Advertising, LLC. This private company was awarded the contract after our department went out with an Invitation for Bid (IFB) for the service. Stone Jetty Advertising, LLC was the highest bidder for fixed rental revenue.

**Question:** If so, please provide the Department's annual report of revenues received.

**Response:** FY 2018 \$25,900; FY 2019 \$5,550

**Question:** If not, please explain why the Department has not pursued contracts with private vendors to advertise in County transit buses.

**Response:** The concession agreement entered into in FY 2018 was a 2 year contract with an option to extend for 3 additional terms of 1 year each. On December 11, 2018, the department received a letter from Stone Jetty Advertising, LLC stating that they will no longer be able to continue with the advertising program citing significant financial loss and lack of interest in advertising space. The company was in the process of dissolution at the time of the letter. The department requested an opinion from Corporation Counsel then forwarded the request to the Department of Finance. On January 22, 2019, a letter was sent to Stone Jetty Advertising, LLC by the Acting Director of Finance confirming that the contract has been terminated Pursuant to Section 25. Termination, of the agreement.

**Question:** What are the Department's plans for such contracts in FY 2020? Do any of the Department's existing contracts extend into the coming fiscal year? Please explain.

**Response:** The department is in the process of preparing to issue another IFB for the interior advertising service.

Chair Keani Rawlins-Fernandez  
April 10, 2019  
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Sincerely,

A handwritten signature in black ink, appearing to read 'M. Takamori', with a small dot at the end of the signature.

Marc I. Takamori  
Director, Department of Transportation