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Yuki Lei K. Sugimura

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Director of Council Services
Traci N. T. Fujita, Esq.

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

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

April 1, 2023

Mr. Layne Silva, Director
Director of Liquor Control
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Silva:

SUBJECT: **FISCAL YEAR ("FY") 2024 BUDGET** (BFED-1) (LC-2)

May I please request you be prepared to answer the following questions at the BFED Committee meeting on **April 4, 2023**.^{*} This will enable the Committee to comprehensively review the FY 2024 Budget. May I further request that, after approval by the Office of the Mayor, you transmit a written response to bfed.committee@mauicounty.us by the end of the day on **April 6, 2023**.

^{}Date subject to change without notice.*

Overall

1. Did the Liquor Commission approve the budget submitted by the Mayor? If so, did the Commission review any changes made by the Mayor after his initial submittal? (YLS)
2. Is the Director of Liquor Control the only person that can submit complaints to the Liquor Adjudication Board? (Page 358, Program Budget) (TP)
3. Relating to Goal #1, item 1: The FY 2022 actual number for premises inspections was 2,159. In FY 2023 and FY 2024, the goal increases to 10,000. How many inspections have been completed so far for FY 2023? How do you intend to meet the stated goal? (Page 360, Program Budget) (NUH)
4. Relating to Goal #2, item 1: The Department estimates it will hold 150 liquor certification and education classes in FY 2024. Are these

Mr. Layne Silva
April 1, 2023
Page 2

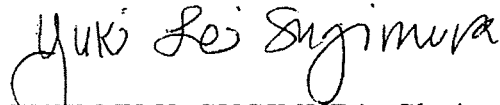
in-person classes or virtual classes? The Department's website has no in-person classes posted for 2023, but it does contain information for an online certification exam. Is this how individuals should apply for a new or to renew their certifications? If so, how do those with limited to no internet access take the exam? (Page 361, Program Budget) (TK)

Operations and Equipment (Categories "B" and "C")

1. Is the current balance of the Liquor Education Revolving Fund \$98,180? (Page 10-11, Budget Details) (TP)
2. How will the \$22,000 under Liquor Education - Underage Alcohol Prevention be disbursed in FY 2024? How was it disbursed in FY 2023? Is this the maximum allowed for disbursement? (Page 10-11, Budget Details) (TP)

Thank you for your attention to this request. Should you have any questions, please contact me or the Committee staff (Lesley Milner at ext. 7886, 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:2024bgt:230331alc02:jgk

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

RICHARD T. BISSEN, JR.
Mayor

LAYNE N. SILVA
Director

JARRETT K. KAHO'O HANO HANO
Deputy Director



DEPARTMENT OF LIQUOR CONTROL
COUNTY OF MAUI
110 'ALA'IHI STREET, ROOM 212
KAHULUI, MAUI, HAWAII 96732
TELEPHONE: (808) 243-7753

April 6, 2023

Ms. Maria Zielinski
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

My

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

APPROVED FOR TRANSMITTAL

Richard T. Bissen 4-10-23
Mayor Date

For Transmittal to:

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

Dear Chair Sugimura:

SUBJECT: FISCAL YEAR ("FY") 2024 BUDGET (BFED-1) (LC-2)

Overall

1. Did the Liquor Commission approve the budget submitted by the Mayor? If so, did the Commission review any changes made by the Mayor after its initial submittal? (YLS)

Yes, the Liquor Commission approved the FY24 budget during its December 14, 2022 meeting. No changes were made to initial budget submitted to Mayor.

2. Is the Director of Liquor Control the only person that can submit complaints to the Liquor Adjudication Board? (Page 358, Program Budget) (TP)

§08-101-11(a) of the Rules of the Liquor Commission, County of Maui, states in part:

“The board shall consist of nine members appointed by the mayor with the approval of the council. The board shall hear and determine administrative complaints of the director regarding violations of the liquor laws of the State or the rules of the commission and impose penalties for violations thereof as may be provided by law.”

3. Relating to Goal #1, item 1: The FY 2022 actual number for premises inspections was 2,159. In FY 2023 and FY 2024, the goal increases to 10,000. How many inspections have been completed so far for FY 2023? How do you intend to meet the stated goal? (Page 360, Program Budget) (NUH)

Goal was set based on Pre-Covid premise inspection numbers that exceeded 10,000 annually. Total inspections completed so far in FY23 is 3818. We anticipate increase in premise inspections as we fill four Liquor Control Officer vacancies this year.

4. Relating to Goal #2, item 1: The Department estimates it will hold 150 liquor certification and education classes in FY 2024. Are these in-person classes or virtual classes? The Department's website has no in-person classes posted for 2023, but it does contain information for an online certification exam. Is this how individuals should apply for a new or to renew their certifications? If so, how do those with limited to no internet access take the exam? (Page 261, Program Budget) (TK)

In person exams are done on an as needed basis at the department for those with language barriers and/or lack of internet accessibility by contacting our department. All others are done virtually.

Operations and Equipment (Categories "B" and "C")

1. Is the current balance of the Liquor Education Revolving Fund \$98,180 (Page 10-11, Budget Details) (TP)

The estimated balance of Liquor Education Revolving Fund as of 6/30/23 is \$265,470.

2. How will the \$22,000 under Liquor Education-Underage Alcohol Prevention be disbursed in FY 2024? How was it disbursed in FY 2023? Is this the maximum allowed for disbursement? (Page 10-11, Budget Details) (TP)

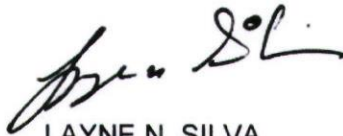
Grant funds are managed by DHHC, Grants Management Program. MEO received \$11,000 in FY23 and is earmarked to receive another \$11,000 in FY24. There is a balance of \$11,000 in FY23 and FY24 as we hope another agency will show interest in applying for the grant.

Honorable Yuki Lei K. Sugimura
April 4, 2023
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Additional Information:

1. Enclosed is Memorandum dated November 28, 2022, from Sandy K. Baz, Managing Director, to Layne N. Silva, Director of Liquor Control, regarding Reorganization Proposal of the Department of Liquor Control – APPROVED.
2. Currently, the square footage of the department's office in the Kahului Service Center is 6,615 square feet. Square footage of former office in D. Trask Building was 5,246 square feet.
3. Status of Senate Bill 160 is enclosed.

Sincerely,

A handwritten signature in black ink, appearing to read "Layne N. Silva", written over a horizontal line.

LAYNE N. SILVA
Director of Liquor Control

Enclosures

LNS:lb

MICHAEL P. VICTORINO
Mayor

SANDY K. BAZ
Managing Director


JOSIAH K. NISHITA
Deputy Managing Director



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

November 28, 2022

To: Layne N. Silva, Director of Liquor Control

From: Sandy K. Baz, Managing Director 

Subject: **Reorganization Proposal of the Department of Liquor Control - APPROVED**

The Department of Management completed its review of the Department of Liquor Control (DLC) reorganization proposal (proposals dated November 7, 2022 and September 8, 2022).

The proposed reorganization is approved. DLC's reorganization proposal submission was found in compliance with the County of Maui reorganization requirements. Based on our review of the proposal and supporting documents, we conclude that the proposed reorganization is reasonable and warranted for the protection and safety of the community.

The conceptual evaluation by the Department of Management concluded that the justification presented by DLC appears reasonable, the information provided is relevant to support the requested reorganization, and the proposed organizational change meets the objectives of the department and are consistent with the justification presented. DLC's proposal, chart and supporting documents adequately addressed the requirements pursuant to County policy, the Department of Management Directive Procedure No. 1A-002-04 (amended 1988) and Reorganization Guidance (updated February 5, 2021).

The attached Evaluation Report (dated November 25, 2022) discusses the results of our review. The report identifies a few items that require further action. Please include the Evaluation Report with your approved proposal and chart in your submission to the Department of Personnel Services.

If we can assist you further and/or should you have any questions, please contact Executive Assistant II Agnes Hayashi at 270-7855 or via email at agnes.hayashi@co.maui.hi.us.

Attachments

amh:SKB

MICHAEL P. VICTORINO
Mayor

SANDY K. BAZ
Managing Director

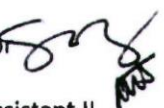
JOSIAH K. NISHITA
Deputy Managing Director




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

November 25, 2022

To: Layne N. Silva, Director of Liquor Control

Through: Sandy K. Baz, Managing Director 

From: Agnes M. Hayashi, Executive Assistant II 

Subject: **Management Evaluation Report:** Reorganization Proposal of the Department of Liquor Control – Restructuring and Creation of Support Services, Licensing and Permits, and Enforcement Divisions

We have completed our review of the Department of Liquor Control's (DLC) proposed reorganization submittal for the restructuring of its department into three divisions and establishment of a supervisory position, as presented in its revised proposal dated November 3, 2022 (received November 9, 2022) and initial proposal dated August 30, 2022 (received September 12, 2022). The comments provided herein are a result of our review of the department's reorganization submittals and information received through November 9, 2022. Our review was expedited as requested.

Department of Management's Scope of Review

The Department of Management's evaluation is a conceptual review of the department's proposal, with emphasis on assessing the relevancy, operational necessity, cost-effectiveness and reasonableness of the reorganization, its justification, and assumptions as articulated by the Department requesting it.

The Department of Management's evaluation is performed in accordance with the reorganization procedures and requirements pursuant to the Department of Management Directive, Procedure No. 1A-002-04, dated April 5, 2004, which is the current policy in place governing the review and approval of reorganizations, and the Department of Management Reorganization Guidance (effective August 2013, revised February 5, 2021). It should be noted that the County Reorganization Guidance was updated and issued October 3, 2022, but is effective for all reorganizations received after October 20, 2022.

The Department of Management carefully and strictly reviews reorganization proposals in consideration of the County's policies. The governing authority in our review is the County of Maui Charter Section 3-9. Declaration of Policy:

"It is declared the policy of the county to promote economy, efficiency and improved service in the transaction of the public business in the legislative and executive branches of the county by:

- 1. Limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities and functions.*
- 2. Eliminating duplication and overlapping of services, activities, and functions.*
- 3. Consolidating services, activities, and functions of a similar nature.*
- 4. Abolishing services, activities, and functions not necessary to the efficient conduct of government."*

The requesting department director's approval of the reorganization proposal certifies that the department's proposed reorganization is consistent with the County of Maui Charter Section 3-9, Declaration of Policy. Our review includes reasonably assessing that the County policy is upheld by the department, and the department's justification is relevant and sound as substantiated by the information presented by the department in its proposal.

Summary of Department's Reorganization

DLC proposes a reorganization of its department resources from its current structure of three branches: (1) Administrative Services Branch, (2) Secretaries To Boards and Commissions Branch and (3) Investigative, Education, and Field Services Branch, which was an approved reorganization effective January 31, 2020.

DLC contends that this structure is not optimal in addressing current industry requirements, and causes a breakdown in communication and service delays. DLC reports that their existing structure "...is top heavy and creates an unnecessary layer of supervision, reporting and cost."

Additionally, DLC indicated that its support services personnel (Secretary to Boards/Commissions, Liquor Control Auditor II, Accountant I and Account Clerk III), which report separately to the Deputy Director, require closer supervision to improve coordination and organization of duties.

To resolve the department's operational challenges, DLC's proposed reorganization reverts the department back to a similar structure that was in place prior to January 31, 2020, and consolidates its support services into one division managed by one supervisor. The proposed structure separates the Investigative, Education, and Field Services Branch into two units: (1) Licensing and Permits Division, and (2) Enforcement Division. Additionally, it consolidates its Administrative Services Branch and Secretaries To Boards and Commissions Branch into one unit, the Support Services Division. Furthermore, DLC is proposing the transfer and re-description of a vacant Liquor Control Officer IV position (P-26111) from its Investigative, Education, and Field Services Branch to assume the supervisory duties of the new Support Services Division. P-26111 received full-year salary/wages funding in the FY2023 Council Adopted Budget (in FY2022, it was an authorized E/P, but not funded).

The proposed reorganization results in three operating units: (1) Licensing and Permits Division, (2) Enforcement Division, and (3) Support Services Division, reporting directly to the Deputy Director, in addition to the Administrative Assistant II position.

Review Comments

The department's revised proposal was found in compliance with the Reorganization Guidance.

(A) Justification and Effect on Functional Responsibilities:

The Department's justification for the reorganization appears reasonable and relevant.

DLC contends that its existing structure, which was the result of a reorganization proposed by its former department Director three years ago in January 2020, created an "unnecessary layer of supervision" – resulting in additional cost and service delays. DLC proposes reverting back to the organizational structure similar to what was in place prior to the January 2020 reorganization. Specifically, keeping the licensing and permits function separate from enforcement operations, and both functions reporting directly to the Deputy Director. The restructuring removes the unnecessary layer of management, cuts cost and improves communication and service.

In addition, DLC proposes to consolidate its four administrative support staff into a new division, Support Services Division, under one supervisor, also reporting directly to the Deputy Director. Currently, the four support positions report to the Deputy Director. The proposed supervisory position will provide direct oversight and improve coordination of these functions.

(B) Cost Analysis:

The department's proposed reorganization estimates an incremental salary/wages cost of \$80,088.00. This is the FY2023 Council Adopted funded amount for position P-26111, Liquor Control Officer IV (SR-24), that is proposed as the supervisory position for the Support Services Division. In the FY2022 budget, the E/P for P-26111 was approved but the salary was not funded. The full-year funding of P-26111 was approved in the FY2023 Budget.

The fully allocated wage cost, including fringe benefits, to the County is approximately \$151,200.00 (1/1/2023 fringe benefits rate pursuant to the Department of Finance, October 12, 2022).

(C) E/P Count Impact:

The proposed reorganization results in the increase of one (1) E/P count for DLC, which is authorized in the FY2023 Budget.

(D) Table of Organization:

The proposed organizational chart provided with the department's revised proposal is properly prepared, and is consistent with the changes explained and justified in DLC's reorganization proposal.

(E) Position Descriptions (PD):

The department is proposing changes to the positions included in the Support Services Division: Liquor Control Officer IV (P-26111), Secretary to Boards/Commissions (P-26110), Liquor Control Auditor II (P-26192), Accountant I (P-26188) and Account Clerk III (P-26184). All other positions' duties in the department will not change.

In our review, we noted that the draft PD for P-26111 reflected the supervisory duties consistent with the proposed reorganization: "Supervises, directs and provides guidance and support to Support Service Division personnel not limited to Accountant positions, Account Clerk positions, and Secretary to Boards/Commissions positions." We recommend that the official PD form (CSC-PD 1-63) items #7 (Supervision Received) and #8 (Responsibilities of the Position) specifically identify the position title and number of the subject positions.

In discussions with the Department of Personnel Services (DPS), the existing Class Specifications for P-26111 Liquor Control Officer IV will require an in-depth review due to the added supervisory requirements of support services staff to P-26111, and may require a new Classification. Its current Classification allows for supervision of subordinate Liquor Control Officer positions.

Classification and final approval of the PDs are the purview of DPS. This reorganization review does not conclude on the appropriateness of the positions' proposed changes to duties, and their reallocation, classification or position rating/level.

(F) Union Consultation:

The department has not initiated union consultation, and indicated it will do so upon receiving approval of its proposed reorganization by the Managing Director.

(G) FY2023 General Budget Provisions Section 7:

Pursuant to Ordinance No. 5392, Fiscal Year 2023 Budget, General Budget Provisions Section 7 (GBP7): *"Funds must not be disbursed for reallocations and reclassifications that involve a change in supervisory duties and responsibilities until the County Council receives written notice..."*

As presented by the department, the proposed reorganization may be subject to GBP7. The proposed reorganization discusses a re-description of P-26111 that includes changes to its supervisory responsibilities.

Conclusion:

The proposed reorganization, as presented by DLC, appears to meet the department's objectives in addressing the operational challenges for which the requested organizational changes are intended to resolve. We conclude that DLC's proposed reorganization is reasonable.

DLC's reorganization proposal was found in compliance with the Reorganization Guidance. The justification presented by the department is relevant and adequately supported. The proposed changes to DLC's organizational structure and hierarchy are consistent with the department's reorganization objectives.

Items that need further action are discussed in Sections E (Position Descriptions), F (Union Consultation) and G (Fiscal Year 2023 Budget, General Budget Provisions Section 7) of this report.

Memorandum to L. Silva
RE: Department of Liquor Control Proposed Reorganization
November 25, 2022
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Recommendation:

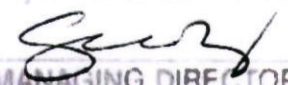
Based on our review of the information provided in the department's proposed reorganization submittal, approval by the Managing Director is recommended.

The Managing Director's approval allows for the evaluation of the reorganization proposal to proceed with further feasibility and implementation assessments by the department, and pricing determination and approval by DPS according to Civil Service rules and regulations.

✓ APPROVED 1 DISAPPROVED
Surya 11/28/2022
MANAGING DIRECTOR DATE

		Investigative, Education, and Field Services Branch/Enforcement Section/ Liquor Control	Enforcement Division/ Liquor Control		
Filled	P-26108	Liquor Control Officer III SR-21D/ \$56,316 Investigative, Education, and Field Services Branch/Enforcement Section/ Liquor Control	Liquor Control Officer III SR-21D/ \$56,316 Enforcement Division/ Liquor Control	\$0	(13)
Filled	P-26193	Liquor Control Officer III SR-21E/ \$58,488 Investigative, Education, and Field Services Branch/Enforcement Section/ Liquor Control	Liquor Control Officer III SR-21E/ \$58,488 Enforcement Division/ Liquor Control	\$0	(14)
Filled	P-26438	Liquor Control Officer III SR-21I/ \$68,484 Investigative, Education, and Field Services Branch/Enforcement Section/ Liquor Control	Liquor Control Officer III SR-21I/ \$68,484, Enforcement Division/ Liquor Control	\$0	(15)
Filled	P-26106	Liquor Control Officer II SR-18C/ \$48,084 Investigative, Education, and Field Services Branch/Enforcement Section/ Liquor Control	Liquor Control Officer II SR-18C/ \$48,084 Enforcement Division/ Liquor Control	\$0	(16)
Filled	P-26181	Liquor Control Officer II SR-18D/ \$50,016 Investigative, Education, and Field Services Branch/Enforcement Section/ Liquor Control	Liquor Control Officer II SR-18D/ \$50,016 Enforcement Division/ Liquor Control	\$0	(17)
Filled	P-26183	Liquor Control Officer II SR-18C/ \$48,084 Investigative, Education, and Field Services Branch/Enforcement Section/ Liquor Control	Liquor Control Officer II SR-18C/ \$48,084 Enforcement Division/ Liquor Control	\$0	(18)
Vacant	P-26187	Liquor Control Officer II SR-18C/ \$48,084	Liquor Control Officer II SR-18C/ \$48,084	\$0	(19)

Department of Liquor Control
Reorganization Proposal
Date: November 03, 2022

APPROVED ³ DISAPPROVED

MANAGING DIRECTOR 11/28/2022
DATE

		Investigative, Education, and Field Services Branch/Enforcement Section/ Liquor Control	Enforcement Division/ Liquor Control		
Vacant	P-26194	Liquor Control Officer I SR-16C/ \$44,496 Investigative, Education, and Field Services Branch/Enforcement Section/ Liquor Control	Liquor Control Officer I SR-16C/ \$44,496 Enforcement Division/ Liquor Control	\$0	(20)
Vacant	P-29436	Liquor Control Officer I SR-16C/ \$44,496 Investigative, Education, and Field Services Branch/Enforcement Section/ Liquor Control	Liquor Control Officer I SR-16C/ \$44,496 Enforcement Division/ Liquor Control	\$0	(21)
Vacant	P-29437	Liquor Control Officer I SR-16C/ \$44,496 Investigative, Education, and Field Services Branch/Enforcement Section/ Liquor Control	Liquor Control Officer I SR-16C/ \$44,496 Enforcement Division/ Liquor Control	\$0	(22)
		Total Incremental Cost		\$80,088	

Notes:

- (1) Position P-26186 (Administrative Assistant II) is an existing vacant position. The position is being moved from the Office of the Director to Administrative Assistant II with no position duties and rating proposed. Therefore, the cost impact is \$0.
- (2) Position P-36111 (Liquor Control Officer IV) is an existing vacant position. The position is being moved from the Department's Investigative, Education, and Field Services Branch, Licensing and Permits Section, to the Support Services Division. Proposed changes in position duties to include supervision of the Support Services Division. The position was initially unfunded. Cost increase is \$80,088.
- (3) Position P-26110 (Secretary to Boards/Commissions II) is an existing position being moved from Secretary to the Boards and Commissions Branch to the Support Services Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.
- (4) Position P-26192 (Auditor II) is an existing vacant position. The position is being moved from Administrative Services Branch to the Support Services Division. Proposed changes focus on duties regarding Audits, Liquor License Renewals, Gross Sales Report reviews, and Calculation of Percentage Fees. The cost impact is \$0.

Department of Liquor Control
Reorganization Proposal
Date: November 03, 2022

✓ APPROVED [] DISAPPROVED
[Signature]
MANAGING DIRECTOR 11/28/2022
DATE

- (5) Position P-26188 (Accountant I) is an existing position being moved from Administrative Services Branch to the Support Services Division. Proposed changes focus on Department Accounting functions, including but not limited to being responsible for maintaining and reconciling accounts, identifying discrepancies, posting and collecting monies due to the Department, and purchases and inventory. The cost impact is \$0.
- (6) Position P-26184 (Account Clerk III) is an existing position being moved from the Administrative Services Branch to the Support Services Division. Proposed changes focus on assisting with Liquor License Renewals, Gross Sales Report reviews, and Calculation of Percentage Fees. The cost impact is \$0.
- (7) Position P-26189 (Liquor Control Officer IV) is an existing position moved from the Investigative, Education, and Field Services Branch, Licensing and Permits Section, to the Licensing and Permits Division within the Department with no proposed position duties and rating. Therefore, the cost impact is \$0.
- (8) Position P-26108 (Liquor Control Officer III) is an existing position moved from the Investigative, Education, and Field Services Branch, Licensing and Permits Section, to Licensing and Permits Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.
- (9) Position P-26185 (Liquor Control Officer III) is an existing position moved from the Investigative, Education, and Field Services Branch, Licensing and Permits Section, to Licensing and Permits Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.
- (10) Position P-26191 (Liquor Control Officer I) is an existing position moved from the Investigative, Education, and Field Services Branch, Licensing and Permits Section, to Licensing and Permits Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.
- (11) Position P-26109 (Liquor Control Officer Trainee) is an existing vacant position. The position is being moved from the Investigative, Education, and Field Services Branch, Licensing and Permits Section, to Licensing and Permits Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.
- (12) Position P-26107 (Liquor Control Officer IV) is an existing position moved from the Investigative, Education, and Field Services Branch, Enforcement Section to Enforcement Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.
- (13) Position P-26108 (Liquor Control Officer III) is an existing position moved from the Investigative, Education, and Field Services Branch, Enforcement Section to Enforcement Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.
- (14) Position P-26193 (Liquor Control Officer III) is an existing position moved from the Investigative, Education, and Field Services Branch, Enforcement Section to Enforcement Division

within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.

(15) Position P-26438 (Liquor Control Officer III) is an existing position moved from the Investigative, Education, and Field Services Branch, Enforcement Section to Enforcement Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.

(16) Position P-26106 (Liquor Control Officer II) is an existing position moved from the Investigative, Education, and Field Services Branch, Enforcement Section to Enforcement Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.

(17) Position P-26181 (Liquor Control Officer II) is an existing position moved from the Investigative, Education, and Field Services Branch, Enforcement Section to Enforcement Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.

(18) Position P-26183 (Liquor Control Officer II) is an existing position moved from the Investigative, Education, and Field Services Branch, Enforcement Section to Enforcement Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.

(19) Position P-26187 (Liquor Control Officer II) is an existing vacant position. The position is being moved from the Investigative, Education, and Field Services Branch, Enforcement Section to Enforcement Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.

(20) Position P-26194 (Liquor Control Officer I) is an existing vacant position. The position is being moved from the Investigative, Education, and Field Services Branch, Enforcement Section to Enforcement Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.

(21) Position P-26436 (Liquor Control Officer I) is an existing vacant position. The position is being moved from the Investigative, Education, and Field Services Branch, Enforcement Section to Enforcement Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.

(22) Position P-26437 (Liquor Control Officer I) is an existing vacant position. The position is being moved from the Investigative, Education, and Field Services Branch, Enforcement Section to Enforcement Division within the Department with no position duties and rating proposed. Therefore, the cost impact is \$0.

II. Justification for Reorganization

I disagree with the existing organizational structure of the Department, which was instituted by the former Director, Glenn Mukai, and never fully implemented. The existing operational structure cannot address current industry operations and trends. Thus, I explicitly disagree with

Department of Liquor Control
Reorganization Proposal
Date: November 03, 2022

APPROVED | DISAPPROVED ⁶
 11/28/2022
MANAGING DIRECTOR DATE

the existing organizational structure in philosophy and methodology. The structure is "top-heavy" and creates an unnecessary layer of supervision, reporting, and cost.

Creating a new Investigative, Education, and Field Services Branch Manager would incur an additional cost since the sections are already staffed with SR-24 level Supervisors. Former Director Mukai left numerous vacancies unfilled during his tenure, contributing to the breakdown of Departmental services and communication.

The proposed Department structure will reduce unnecessary service delays, enhance communication, and be more responsive to the demands and needs of the licensees and community at large.

Former Director Mukai's current structure was copied from and influenced by the Honolulu Liquor Commission's organizational structure. The Honolulu Liquor Commission's organizational structure is based on a model for a larger metropolitan-type environment with a more extensive personnel base which is incompatible with a smaller municipality such as Maui County.

I believe it is not prudent to follow in the footsteps of the troubled Honolulu Liquor Commission. This is evidenced by ongoing negative media reports¹.

As you know, Nationally, Statewide, and locally the post-pandemic climate has created a hardship in finding workers to fill positions in most industries. An impact of the post-pandemic environment is the difficulty in recruiting quality employees. The proposed structure will ensure efficiency, allow for future growth, and expansion of services when needed. Thus, the existing operational structure for the Department of Liquor Control does not address current industry operations and trends. Fragmented support services within the Department are causing dysfunction.

Former Director Mukai's Department structure did not solve the department's communication and coordination of service issues. Currently, support services personnel lack coordination, organization, and supervision. Due to other required duties, management in this area increasingly became an issue. Streamlining the Department into three Divisions addresses leadership and continuity of services to address these serious concerns. This structure will fill essential Departmental gaps in services based on workload analysis and demonstrated need for additional support in these areas.

To address these concerns, the Department has initiated the following actions:

Implement the Support Service Division consisting of redirecting resources to ensure continuity of services. By reassembling the Department structure, the Department will be able to address these concerns consistently and effectively.

Since 2020 I have had the opportunity to identify and assess issues that need to be addressed to correct these deficiencies, as such:

1. Implement direct supervision of support services personnel.
2. Free up the Office of the Director to focus more time and effort on public and licensee concerns.
3. Reduce the time spent and the number of overlapping day-to-day tasks.

4. To more precisely address the functions and duties to enhance the productivity of the Department.
5. To address licensee concerns regarding time spent processing submittals to the Department.
6. Dedicated Division to manage, maintain, and update Department records, licensee files, and important documents.
7. Focus on addressing the implementation of electronic tracking solutions for Department processes.
8. Reduce the licensees' time spent making payments to the Department by implementing an electronic payment system.

¹ <https://www.hawaiinewsnow.com/2022/08/20/complaints-pour-about-honolulu-liquor-commission-critics-call-overhaul/>

<https://www.hawaiinewsnow.com/2022/10/06/liquor-control-executives-deny-culture-retaliation-calling-allegations-baseless/>

<https://www.civilbeat.org/2022/08/honolulu-liquor-commission-may-be-headed-for-an-overhaul/>

<https://www.civilbeat.org/2022/06/honolulu-liquor-commission-run-amok-bar-owners-complaints-are-leading-to-change/>

<https://www.civilbeat.org/2022/07/city-council-members-question-liquor-commission-on-lack-of-internal-affairs-office/>

<https://gayislandguide.net/news/f/federal-discrimination-lawsuit-filed-against-liquor-commission>

<https://spectrumlocalnews.com/hi/hawaii/news/2022/09/22/mayor-nominates-tech-entrepreneur-to-embattled-liquor-commission>

<https://www.khon2.com/local-news/city-resolution-calls-on-liquor-commission-to-restore-public-trust/>

III. **Effect of Changes on Functional Responsibilities, Services, and Duties**

SUPPORT SERVICES DIVISION

SUPPORT SERVICES LIQUOR CONTROL OFFICER IV

The Support Services Liquor Control Officer IV position will facilitate the Department's mission by supervising personnel responsible for supporting the Department's Enforcement and Licensing activities. Auditor II, Accountant I, and Account Clerk III will report to the Support Services Liquor Control Officer IV.

The Support Services Liquor Control Officer IV will be actively involved in managing and maintaining essential Department records by enhancing a range of administrative services. The Support Services Liquor Control Officer IV will support the Director's office by addressing needs that will streamline and improve the Department's operations.

The Support Services LCO IV will serve as a central point of information and technical assistance to Enforcement and Licensing personnel. Areas of support will include Workday technical assistance and training; data collection and statistical analysis; licensee education; accountability for maintaining and managing the Department's Records; and

Department of Liquor Control
Reorganization Proposal
Date: November 03, 2022

✓ ☒ APPROVED ☐ DISAPPROVED ⁸
[Signature] 11/28/2022
MANAGING DIRECTOR DATE

analysis of Department procedures and processes, thereby enhancing productivity and decreasing cost.

The Department has been deficient in meaningful statistical and data collection. To correct this, the Support Services LCO IV will compile historical statistics for analysis and review and collect data from outside agencies regarding liquor history and trends. Act as a liaison between the Department and other government agencies (internal and external) to assist with partnerships by providing necessary services, data, and information.

The information and data collected by the Support Services LCO IV will assist the Office of the Director in making recommendations for short- and long-term department goals. Manage, maintain, organize, and post up-to-date, pertinent information on the Department's website. Review, update, and post the Department's processes.

Compile licensee and stakeholder email addresses to utilize email communications as the primary correspondence mode with the Department. Manage and maintain an electronic licensee database with contact information for business correspondence. Create, integrate, and manage a tracking system for licensing and enforcement activities.

AUDITOR II

The Department will recruit for an Auditor II position as it is unfilled that will focus on auditing, liquor license renewal, gross sales report reviews, and calculation of percentage fees for the Department.

ACCOUNTANT I

The Account I position has been streamlined to focus on the accounting functions of the Department.

ACCOUNT CLERK III

The Account Clerk III position has been streamlined to focus on support services for the Division.

LICENSING AND PERMITS DIVISION

No changes to position, duties, or delivery of services.

ENFORCEMENT DIVISION

No changes to position, duties, or delivery of services.

Implementing the Support Services Division will organize and manage support service duties that were not coordinated, causing dysfunction in the Department.

The Department is streamlining processes and points of contact for services by creating a structure for support service duties.

The following positions will now report to the Support Services Division Head allowing for the coordination of duties, tasks, and services:

- Secretary to Boards/Commissions II
- Liquor Control Auditor II
- Accountant I
- Account Clerk III

IV. Financial Impact

The Support Services Liquor Control Officer IV position was unfunded after closing the Department's Lahaina satellite office in 2016. It has been refunded by the County Council for the Department's FY23 Budget to provide additional supervision and support for the Department's operations by implementing the Support Services Division.

The Support Services Liquor Control Officer IV is estimated to cost approximately \$80,088.00 per year.

V. EP Count

No changes to EP Count.

VI. Union Consultation

Union consultation will be initiated upon review and approval of the reorganization by Management. DPS has yet to confirm the classification of the position.

The Department does not foresee any potential issues regarding this reorganization.

VII. Proposed Table of Organization (TO): See attached Proposed Table of Organization (TO)

VIII. Position Descriptions: See attached Position Descriptions (PDs)

Submittal/Approved By:

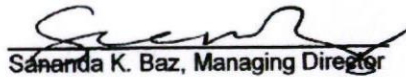

Layne M. Silva, Department Head

11/7/2022
Date

DEPARTMENT OF LIQUOR CONTROL
County of Maui

Proposed FY 2023 Functional Chart

Approved By:


Shananda K. Baz, Managing Director

11/28/2022
Date

LIQUOR COMMISSION

The Liquor Commission shall consist of nine members appointed by the Mayor with the approval of the Council. The Liquor Commission has the sole jurisdiction, power, authority and discretion to grant, renew or refuse applications for licenses for the manufacture, importation, and sale of liquor in the county under applicable laws and rules; adopt rules having the force and effect of law for the administration of liquor control in the county and to carry out provisions of the liquor control laws of the State; prepare and submit a request for an annual appropriation for the operation of the department; and have such powers and duties as may be provided by law, not in conflict with the provisions of Chapter 13 of the Charter of the County of Maui. [HRS Chapters 91, 92, and 281; Title MC-08, Chapters 101 & 102, Rules of the Liquor Commission, County of Maui; Section 8-13.2, Charter, County of Maui]

LIQUOR CONTROL ADJUDICATION BOARD

The Liquor Control Adjudication Board shall consist of nine members appointed by the Mayor with the approval of the Council. The Liquor Control Adjudication Board shall hear and determine administrative complaints of the Director of the Department of Liquor Control regarding violation of the State's liquor control laws or the Rules of the Liquor Commission, County of Maui, and impose penalties for violations thereof as may be provided by law. [HRS Chapters 91, 92, and 281; Title MC-08, Chapters 101 and 102, Rules of the Liquor Commission, County of Maui; Section 8-13.3, Charter, County of Maui]

Submittal/Approved By:


Leif N. Silva, Department Head

11/17/2022
Date

DEPARTMENT OF LIQUOR CONTROL
County of Maui

Approved By:


Sananda K. Baz, Managing Director

11/28/2022
Date

Proposed FY 2023 Functional Chart

OFFICE OF THE DIRECTOR

Serves as the Administrative Head of the Department of Liquor Control, County of Maui; provides the necessary staff and administrative services to the Liquor Commission and Liquor Control Adjudication Board to carry out their functions; investigates applications for permits and liquor licenses; investigates complaints regarding violations of state liquor laws and rules established by the Liquor Commission, issues administrative complaints, and performs other duties as required by law. [Chapter 281, Hawaii Revised Statutes; Chapter 13, Charter, County of Maui; Chapter 102, Rules of the Liquor Commission, County of Maui]

(1) SUPPORT SERVICES DIVISION

The Support Services Division provides the necessary staff to service the Department, Liquor Commission, and Liquor Control Adjudication Board to carry out their functions and responsibilities. The Support Services Division provides Commission and Board secretarial support, license renewal, financial services, audit services, budgetary control, general inquiry and routing services, clerical services, and face to face service to the public. [Chapter 281, Hawaii Revised Statutes; Chapter 13, Charter, County of Maui; Operations, Policies, and Procedures Manual, Department of Liquor Control; Departmental Orders, Department of Liquor Control]

(2) LICENSING & PERMITS DIVISION

The Licensing and Permits Division performs investigation tasks relative to the issuance and transfer of liquor licenses and permits. As well as providing informational, educational, and certification training programs related to such licenses and permits. [Chapter 281, Hawaii Revised Statutes; Chapter 13, Charter, County of Maui; Operations, Policies, and Procedures Manual, Department of Liquor Control; Departmental Orders, Department of Liquor Control]

(3) ENFORCEMENT DIVISION

The Enforcement Division performs enforcement of the Rules of the Liquor Commission and laws governing the manufacture, importation, and sale of intoxicating liquor within the County of Maui, and maintains surveillance of the liquor industry by conducting inspections and investigations of licensed premises to insure compliance with the Rules of the Liquor Commission, and Hawaii Revised Statutes, to ensure the health, safety and welfare of the public. [Chapter 281, Hawaii Revised Statutes; Chapter 13, Charter, County of Maui; Operations, Policies, and Procedures Manual, Department of Liquor Control; Departmental Orders, Department of Liquor Control]

- (1) – Abolished Administrative Services Branch and Secretaries to Boards and Commissions Branch and replaced with separate newly created Support Services Division.
(2) – Abolished Investigative, Education, and Field Services Branch, Licensing and Permits Section and replace with separate newly created Licensing and Permits Division.
(3) – Abolished Investigative, Education, and Field Services Branch, Enforcement Section and replace with separate newly created Enforcement Division.

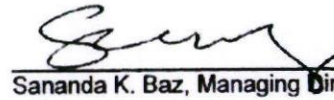
Submittal/Approved By:


Layne N. Silva, Department Head

11/17/2022
Date

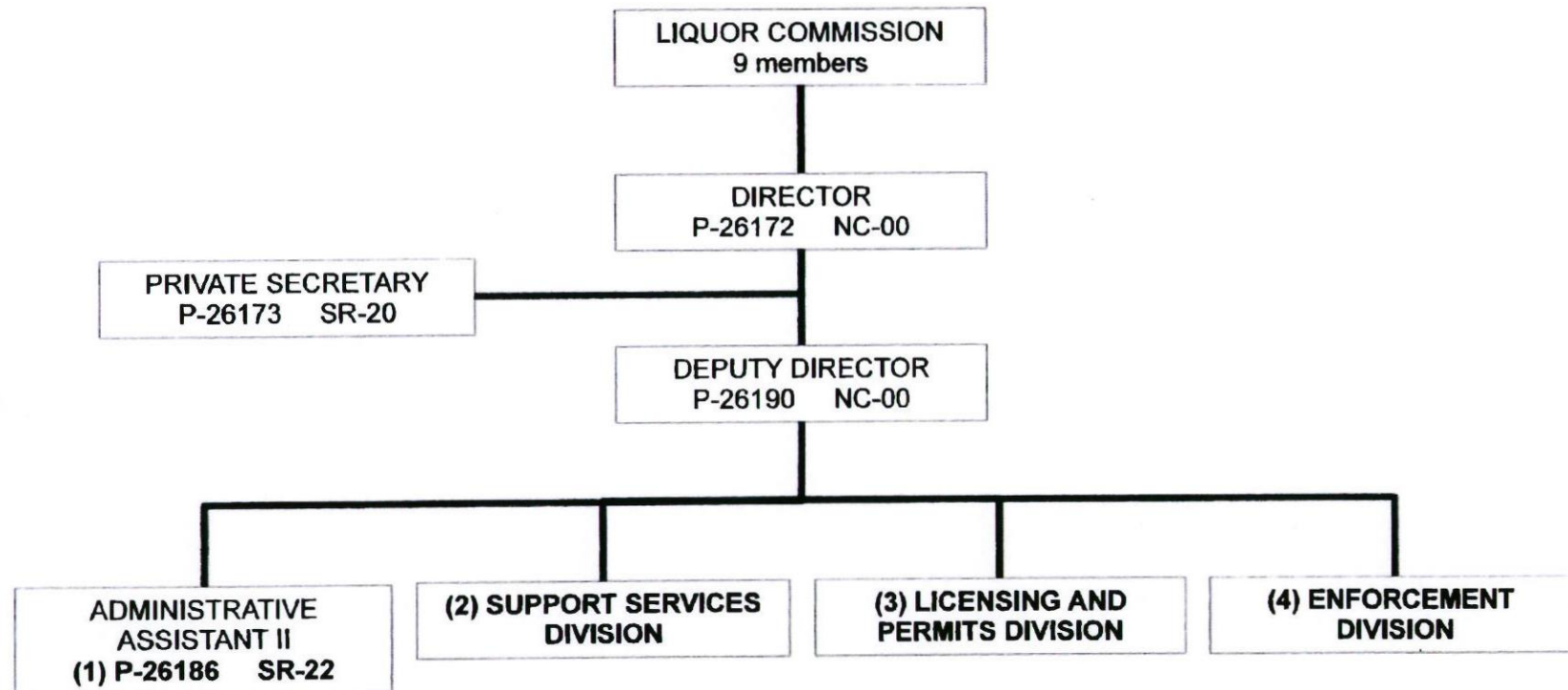
DEPARTMENT OF LIQUOR CONTROL
County of Maui

Approved By:


Sananda K. Baz, Managing Director

11/28/2022
Date

**Proposed FY 2023
Organizational Chart**



- (1) – Change in reporting hierarchy of Administrative Assistant II P-26186 from Director P-26172 to Deputy Director P-26190.
(2) – Abolished Administrative Services Branch and Secretaries to Boards and Commissions Branch and replaced with separate newly created Support Services Division.
(3) – Abolished Investigative, Education, and Field Services Branch, Licensing and Permits Section and replace with separate newly created Licensing and Permits Division.
(4) – Abolished Investigative, Education, and Field Services Branch, Enforcement Section and replace with separate newly created Enforcement Division.

Submittal/Approved By:


Layne M. Silva, Department Head

11/17/2022
Date

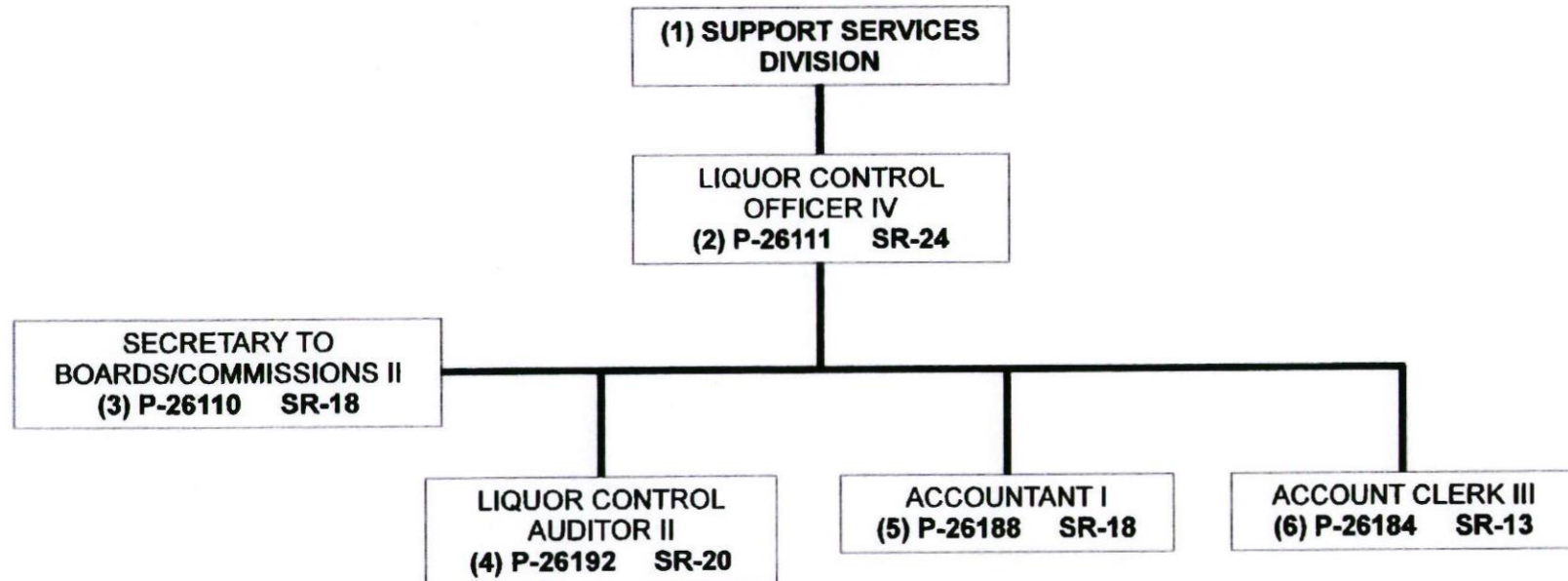
**DEPARTMENT OF LIQUOR CONTROL
County of Maui**

Approved By:


Sahanda K. Baz, Managing Director

11/28/2022
Date

**Proposed FY 2023
Organizational Chart**



- (1) – Abolished Administrative Services Branch and replaced with newly created Support Services Division.
- (2) – Move from Liquor Control Officer IV P-26111 from Investigative, Education, and Field Services Branch, Licensing and Permits Section to Support Services Division.
- (3) – Change in reporting hierarchy of Secretary to Boards/Commissions II P-26110 from Secretary to Boards and Commissions Branch to LCO IV P-26111 in Support Services Division.
- (4) – Change in reporting hierarchy of Liquor Control Auditor II P-26195 from Administrative Services Branch to LCO IV P-26111 in Support Services Division.
- (5) – Change in reporting hierarchy of Accountant I P-26188 from Administrative Services Branch to LCO IV P-26111 in Support Services Division.
- (6) – Change in reporting hierarchy of Account Clerk III P-26184 from Administrative Services Branch to LCO IV P-26111 in Support Services Division.

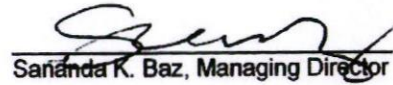
Submittal/Approved By:


Layne M. Silva, Department Head

11/7/2022
Date

DEPARTMENT OF LIQUOR CONTROL
County of Maui

Approved By:


Sarianda K. Baz, Managing Director

11/28/2022
Date

**Proposed FY 2023
Organizational Chart**

*Note: In FY2022 chart, page 5
reflected organizational structure
of Secretaries to Boards and
Commissions Branch.*

Abolished Secretaries to Boards and Commissions Branch.

Change in reporting hierarchy of Secretary to Boards/Commissions II P-26110 from Secretary to Boards and Commissions Branch to Support Services Division LCO IV P-26111.

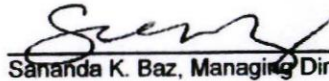
Submittal/Approved By:


Layne N. Silva, Department Head

11/7/2022
Date

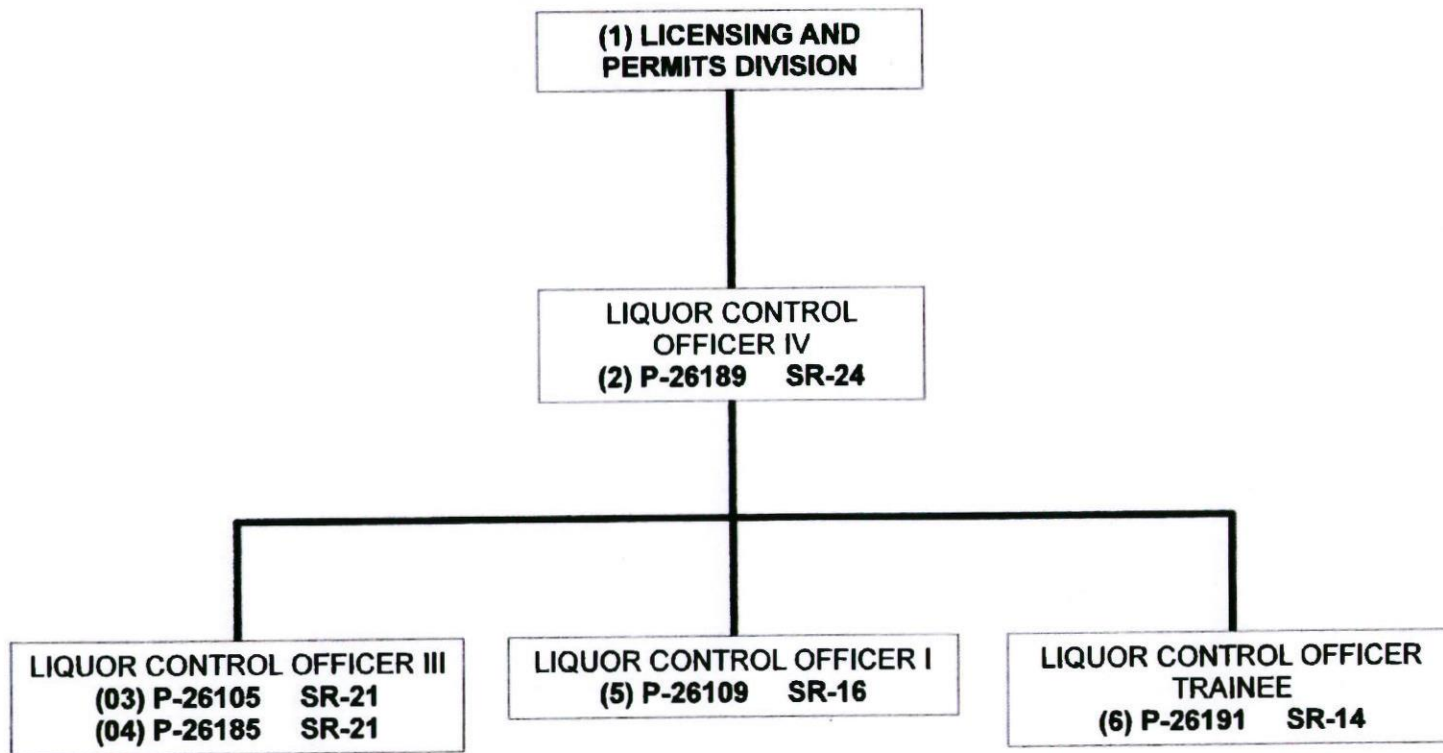
DEPARTMENT OF LIQUOR CONTROL
County of Maui

Approved By:


Saranda K. Baz, Managing Director

11/18/2022
Date

**Proposed FY 2023
Organizational Chart**



- (1) – Abolished Licensing and Permits Section and replace with newly created Licensing and Permits Division.
(2) – Change in reporting Hierarchy of P-26189 from Investigative, Education, and Field Services Branch, Licensing and Permits Section to Licensing Division, and P-26111 moved to newly created Support Services Division.
(3-6) – Positions from abolished Licensing and Permits Section now with newly created Licensing and Permits Division.

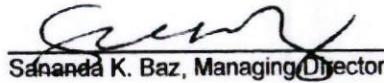
Submittal/Approved By:


Layne M. Silva, Department Head

11/7/2022
Date

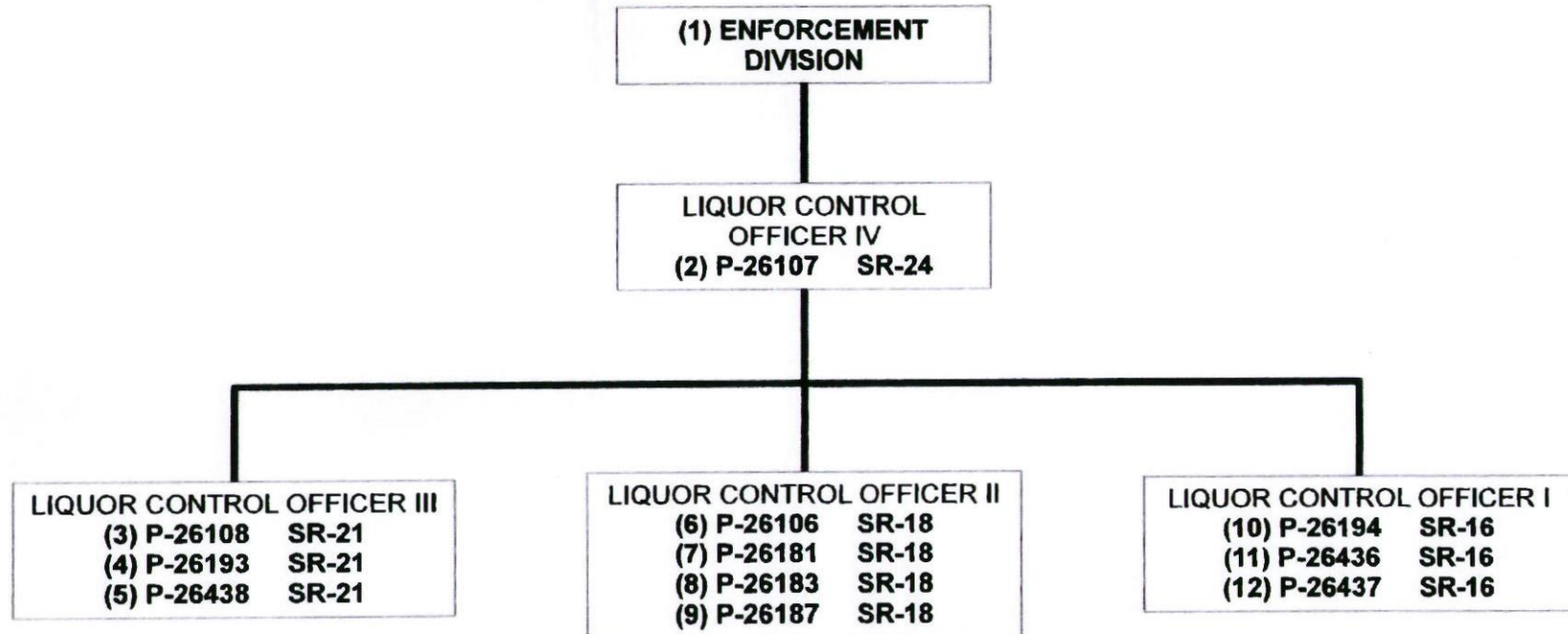
DEPARTMENT OF LIQUOR CONTROL
County of Maui

Approved By:


Saranda K. Baz, Managing Director

11/28/2022
Date

**Proposed FY 2023
Organizational Chart**



- (1) – Abolish Enforcement Section and replace with newly created Enforcement Division.
(2) – Change in reporting hierarchy from Investigative, Education, and Field Services Branch, Enforcement Section to newly created Enforcement Division.
(3-12) – Positions from abolished Enforcement Section now with newly created Enforcement Division.
(6-12) – LCO Trainee, LCO I, LCO II always supervised by an LCO III or LCO IV.
(10-12) – Budgeted @ LCO II, SR-18. Anticipated reallocation from an LCO I, SR-16 after one year of satisfactory performance.



Measure Title: RELATING TO THE USE OF INTOXICANTS WHILE OPERATING A VEHICLE.

Report Title: Blood Alcohol Concentration; Operating a Vehicle While Under the Influence of an Intoxicant

Description: Lowers the threshold blood alcohol concentration for the offense of operating a vehicle while under the influence of an intoxicant.

Companion: [HB1469](#)

Package: None

Current JHA

Referral:

Introducer(s): KEITH-AGARAN, DELA CRUZ, MCKELVEY, RHOADS

<u>Sort by Date</u>	<u>Status Text</u>
3/9/2023	H Referred to JHA, referral sheet 17
3/7/2023	H Pass First Reading
3/3/2023	H Received from Senate (Sen. Com. No. 41).
3/3/2023	S Passed Third Reading. Ayes, 21; Aye(s) with reservations: Senator(s) DeCoite, Dela Cruz, Kidani, Moriwaki, San Buenaventura, Wakai. Noes, 1 (Senator(s) Kim). Excused, 3 (Senator(s) Fevella, Fukunaga, Ihara). Transmitted to House.
3/2/2023	S One Day Notice 03-03-23.
3/2/2023	S Report adopted; Passed Second Reading.
3/2/2023	S Reported from JDC (Stand. Com. Rep. No. 679) with recommendation of passage on Second Reading and placement on the calendar for Third Reading.
2/9/2023	S The committee(s) on JDC recommend(s) that the measure be PASSED, UNAMENDED. The votes in JDC were as follows: 5 Aye(s): Senator(s) Rhoads, Gabbard, Elefante, Awa; Aye(s) with reservations: Senator(s) San Buenaventura ; 0 No(es): none; and 0 Excused: none.
2/3/2023	S The committee(s) on JDC has scheduled a public hearing on 02-09-23 9:30AM; Conference Room 016 & Videoconference.
1/23/2023	S Referred to JDC.
1/18/2023	S Introduced and passed First Reading.
1/17/2023	S Pending Introduction.

S = Senate | H = House | D = Data Systems | \$ = Appropriation measure | ConAm = Constitutional Amendment

Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.



BFED Committee

From: Janina Agapay <Janina.E.Agapay@co.maui.hi.us>
Sent: Monday, April 10, 2023 8:03 AM
To: BFED Committee
Subject: FY24 Budget (BFED-1) (LC-2)
Attachments: (BFED-1) (LC-2) .pdf

Hello,

Please see attached signed letter for FY24 Budget (BFED-1) (LC-2)

Thanks,

Janina Agapay

Budget Office
County of Maui
200 South High Street
Wailuku, Maui, HI 96793
Email: Janina.E.Agapay@co.maui.hi.us