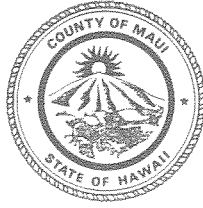


ALAN M. ARAKAWA  
MAYOR



KEITH A. REGAN  
MANAGING DIRECTOR

**OFFICE OF THE MAYOR**

Ke'ena O Ka Meia  
COUNTY OF MAUI – Kalana O Maui


April 11, 2016

OFFICE OF THE  
COUNTY CLERK

2016 APR 12 PM 3:56

RECEIVED

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

APPROVED FOR TRANSMITTAL  
  
Mayor 4/12/16  
Date

For Transmittal to:

Honorable Riki Hokama  
Chair, Budget and Finance Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

Dear Chair Hokama:

**SUBJECT: FISCAL YEAR (“FY”) 2017 BUDGET (BD-8) (BF-1)**

Pursuant to your letter dated April 4, 2016, I am transmitting the following responses to your requests/questions:

1. Explain each revision proposed to Section 5.

*Response:*

*Deletions in Section 5 are for housekeeping purposes and to provide clarity for the Council's current use of the term Limited Term Appointment (LTA). The first two items are duplicative of other wording in this section and were therefore removed. The removal of the specifics of the LTA appointment was proposed to match the Council's intention to restrict certain positions to a limited term. All appointments will continue to be made according to law.*

2. Explain each revision proposed to Section 7, other than those revisions made because the Mayor's proposal deletes the appendix relating to categories of use (A, B, C accounts).

*Response:*

*Section 7A was incorporated into Section 7 for efficiency. The language regarding notification to Council for certain personnel actions was consolidated to clarify that the council shall receive notice of any of the personnel actions listed and any temporary action that is expected to last more than 30 days. Changes to this section were reviewed with the Department of Personnel Services which provides regular reports to Council on these items.*

3. Explain the rationale for deleting the requirement, in Sections 11 and 12(a), that written notices be provided to the Council.

*Response:*

*Written notice to Council with the notification from the grantor was removed for efficiency purposes. For Section 11, the Council has already reviewed the grant with the department prior to including it in the Council Adopted budget ordinance. The part of the section remaining will still require the County to receive written notification from the grantor prior to allowing any disbursement. Section 12 requires the County to obtain approval of an amendment to the budget. Through the action of requesting an amendment, the Council is notified of the award, therefore further notification is redundant.*

4. With respect to the new Section 16, relating to concessions, leases, and licenses:
  - a. The Director of Finance explained in his response dated March 30, 2016: "The concessions and leases for the Waiehu Golf Course Pro Shop and food and liquor concessions were deleted from Appendix B as they are not a Fee, Rate, Assessment or Taxes established by ordinance. The concession amounts are based on open bids. They have been included and made part of Appendix C, previously Attachment B-1." Was it your intention to remove all concession, lease, and license agreements on that basis including those for the Maui Invitational Basketball Tournament and the Maui Fair Alliance? Did you also intend to remove the reference to "Rental – Land, See Attachment B-1, on page 12 of Appendix B (page citation is to Ramseyer version)? If not, please explain the distinction being drawn.
  - b. If these revenue sources do not properly fall within Fees, Rates, Assessments, or Taxes, are they required to be set forth in the annual budget, or is it simply a desired practice to maintain the schedule in the budget? Please explain.

*Response:*

*With regards to item a, it is not our intention to remove the Maui Invitational Basketball Tournament and the Maui Fair Alliance as those are fees charged by the Department of Parks and Recreation for the use of the facilities for those events. However, we did intend to remove "Rental – Land, See Attachment B-1" and add the new Section 16 language to incorporate the appendix formerly referred to as Attachment B-1.*

*With regards to item b, although these revenue sources do not fall within Fees, Rates, Assessments or Taxes, it is a desired practice to maintain the Concession, Lease and License schedule in the budget.*

5. Explain the need for the new sentence being inserted into Section 17.

*Response:*

*The sentence was added to Section 17 to clarify that encumbered funds can be used in the same program that the original appropriation was made. In the IFAS (Interactive Fund Accounting System) accounting system, encumbered funds from a prior fiscal year that are disencumbered in the current fiscal year are made available for encumbrance. Since the capability to differentiate the original year of appropriation of disencumbered funds does not exist in the current IFAS system, language was added to re-appropriate these funds in the current year.*

Honorable Riki Hokama, Chair  
Budget and Finance Committee  
Maui County Council  
April 11, 2016  
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Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at Ext. 7212.

Sincerely,

A handwritten signature in black ink, appearing to read "Sananda K. Baz". The signature is stylized and cursive.

SANANDA K. BAZ  
Budget Director

xc: Mayor Alan M. Arakawa