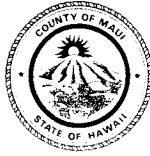


DANNY A. MATEO
County Clerk



JOSIAH K. NISHITA
Deputy County Clerk

OFFICE OF THE COUNTY CLERK

COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/county/clerk

May 28, 2015

Honorable Riki Hokama, Chair
Budget and Finance Committee
Council of the County of Maui
Wailuku, Hawaii 96793

Dear Chair Hokama:

Pursuant to the adoption of Committee Report No. 15-53 on May 26, 2015, the matter relating to the County's investment policy was referred to your Committee. Transmitted herewith is a copy of Exhibit "2" which is attached to Committee Report 15-53.

Respectfully,

A handwritten signature in black ink, reading "Danny A. Mateo". The signature is written in a cursive style with a large, stylized "M" at the end.

DANNY A. MATEO
County Clerk

/lks

Enclosure

cc: Director of Council Services

OFFICE OF THE
COUNTY CLERK

2015 MAY 28 PM 2:16

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Exhibit "2" - Referrals

To your Budget and Finance Committee:

- 1. The matter relating to the reporting of unpermitted building improvements.**
 - The Real Property Assessment Division discovers unpermitted improvements to buildings and structures through its annual assessment process. There is no mechanism to report such discoveries to the appropriate enforcement agencies, including the Department of Public Works or Department of Planning. The matter is to evaluate amendments to the Maui County Code ("MCC") to establish a reporting mechanism.
- 2. The matter relating to penalties for violations of home exemption requirements.**
 - In certain instances, homeowners receiving a home exemption become noncompliant with the qualifying criteria set forth in Chapter 3.48, MCC, yet continue to receive a home exemption. When discovered, noncompliant homeowners must pay back taxes for the period of noncompliance. However, there is no penalty for noncompliance. The matter is to evaluate establishing a penalty for homeowners receiving a home exemption who fail to comply with home exemption criteria.
- 3. The matter relating to the County's investment policy.**
 - The matter is to review the County of Maui Investment Policy (revised July 24, 2012) and evaluate any needed improvements.
- 4. The matter relating to tax classifications for transient accommodations.**
 - The hotel and resort tax classification includes transient vacation rental and resort properties. The commercialized residential tax classification includes short-term rental home and bed and breakfast properties. The matter is to review whether the County's tax classifications for transient accommodations are equitable, evaluate whether the hotel and resort classification should be separated into a classification for hotel and a classification for resort, and evaluate the appropriateness of the commercialized residential classification for short-term rental homes and bed and breakfast properties.

5. The matter relating to the Post-Employment Obligations Fund.

- The matter is to review Chapter 3.97, MCC, relating to the Post-Employment Obligations Fund, to evaluate the pros and cons of sending the County's annual required contribution to the Hawaii Employer-Union Health Benefits Trust Fund, or EUTF, through a special fund or direct from a Countywide Cost line item.

To your Economic Development, Energy, Agriculture, and Recreation Committee:

1. The matter relating to an audit of the Maui Interscholastic League's use of County park facilities.

- The matter is to audit the use of Department of Parks and Recreation facilities by the Maui Interscholastic League, including costs incurred by the County and revenues generated by the Maui Interscholastic League for such use.

2. The matter relating to agricultural inspectors for County programs.

- The matter is evaluate the need for County agricultural inspectors for County agricultural programs, including real property tax agricultural assessment, agricultural water rates, and agricultural land use.

3. The matter relating to Waiehu Municipal Golf Course rates and revenues.

- The matter is to evaluate seasonal and annual rates for the Waiehu Municipal Golf Course and revenues for golf cart rentals.

4. The matter relating to the Molokai Diversified Agricultural Revolving Loan Program.

- The matter is to review Act 387, Session Laws of Hawaii 1988, relating to the Molokai Diversified Agricultural Revolving Loan Program, and to evaluate the feasibility and benefit of implementing the program.

5. The matter relating to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund.

- The matter is to review Section 9-19, Revised Charter of the County of Maui (1983), as amended ("Charter"), and Chapter 3.88, MCC, relating to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund.

6. The matter relating to the Ocean Recreational Activity Fund.

- The matter is to review Section 13.04.340, MCC, relating to the Ocean Recreational Activity Fund, and to evaluate strategies that enable the fund to be self-sufficient in supporting enforcement of commercial ocean recreational activity permits.

7. The matter relating to the Economic Development Revolving Fund.

- The matter is to review Chapter 3.81, MCC, relating to the Economic Development Revolving Fund, and to evaluate the need to reestablish the fund upon its expiration on June 30, 2016.

To your Housing, Human Services, and Transportation Committee:

1. The matter relating to an audit of subsidies for public transit services provided by the Department of Transportation.

- The matter is to audit the level of subsidy provided for the Department of Transportation's public transit and paratransit systems.

2. The matter relating to an audit of the Department of Transportation's Federal reporting requirements.

- The Department of Transportation intends to contract for an audit of its accounting and reporting practices to ensure adherence to Federal funding requirements. The matter is to review the Department of Transportation's Federal reporting requirements.

3. The matter relating to community partnership grants.

- The matter is to evaluate the Department of Housing and Human Concerns' procedures for evaluating proposals and awarding community partnership grants.

- 4. The matter relating to the Housing Interim Financing and Buy-Back Revolving Fund.**
 - The matter is to review Chapter 3.32, MCC, relating to the Housing Interim Financing and Buy-Back Revolving Fund, and to evaluate the fund's efficacy and the need to maintain the fund.
- 5. The matter relating to the Rental Housing Development Revolving Fund.**
 - The matter is to review Chapter 3.34, MCC, relating to the Rental Housing Development Revolving Fund, and to evaluate the fund's efficacy and the need to maintain the fund.
- 6. The matter relating to the Animal Management Revolving Fund.**
 - The matter is to review Chapter 3.84, Maui County Code, relating to the Animal Management Revolving Fund, and to evaluate strategies that enable the fund to be self-sufficient in supporting the animal management program.
- 7. The matter relating to the Affordable Housing Fund.**
 - The matter is to review Charter Section 9-20 and Chapter 3.35, MCC, relating to the Affordable Housing Fund, and to evaluate strategies to improve the efficacy of the fund in fulfilling its purpose.
- 8. The matter relating to the Kaunoa Senior Services Leisure Program Activities Revolving Fund.**
 - The matter is to review Chapter 3.37, MCC, relating to the Kaunoa Senior Services Leisure Program Activities Revolving Fund, and to evaluate the fund's efficacy and the need to maintain the fund.

To your Infrastructure and Environmental Management Committee:

- 1. The matter relating to green waste services.**
 - The matter is to evaluate the scope and cost of the Department of Environmental Management's green waste service and contract with Maui EKO Systems, Inc.

2. **The matter relating to the Waiale Road Extension project.**
 - The matter is to evaluate the effect on and benefits to be received by nearby private property owners as a result of the Waiale Road extension project and whether these owners shall contribute to project costs.
3. **The matter relating to the Naval Air Station Kahului Airport (NASKA) Sewage Pump Station Fund.**
 - The matter is to review Chapter 3.52, MCC, relating to the Naval Air Station Kahului Airport (NASKA) Sewage Pump Station Fund, and to evaluate the need to maintain the fund.
4. **The matter relating to the Plan Review, Permit Processing, and Inspection Revolving Fund.**
 - The matter is to review Section 16.26B.108.2.1, MCC, relating to the Plan Review, Permit Processing, and Inspection Revolving Fund, and to evaluate strategies to improve the efficacy of the fund in fulfilling its purpose.
5. **The matter relating to the Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund.**
 - The matter is to review Section 3.25.030, MCC, relating to the Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund and to evaluate strategies to improve the efficacy of the fund in fulfilling its purpose.
6. **The matter relating to the Construction Plan Review Revolving Fund.**
 - The matter is to review Section 18.24.010, MCC, relating to the Construction Plan Review Revolving Fund and to evaluate strategies to improve the efficacy of the fund in fulfilling its purpose.
7. **The matter relating to the Countywide Sewer Capital Improvement Reserve Fund.**
 - The matter is to review the purpose and use of the Countywide Sewer Capital Improvement Reserve Fund.

To your Planning Committee:

1. The matter relating to seawall construction.

- The matter is to review the County's regulations governing the construction of seawalls and evaluate the need for additional Council oversight.

2. The matter relating to the fee structure for after-the-fact permits.

- Applications for after-the-fact permits are assessed a minimum fee of \$1,000, plus up to fifty per cent of project valuation as determined by the planning director. The matter is to evaluate the need for a tiered fee structure to provide lower fees for projects with low valuations.

To your Policy and Intergovernmental Affairs Committee:

1. The matter relating to records management and electronic documents.

- In response to the Department of Finance's proposal to transition towards a paperless operation by converting paper files to an electronic format, your Committee recommended evaluating the role of the Administration and the County Clerk with respect to records management and the County's policies on electronic documents. Charter Section 5-3(6) requires the County Clerk to adopt rules for the classification, storage, and destruction of all records of the County.

2. The matter relating to a performance audit of the Office of Council Services.

- The matter is to conduct a performance audit of the various operations of the Office of Council Services.

3. The matter relating to an audit of the Department of Fire and Public Safety.

- The matter is to audit scheduling practices and other causes for the excessive amount of overtime incurred by the Department of Fire and Public Safety.

- 4. The matter relating to the Office of the Mayor's public information office and standards for media statements issued therefrom.**
 - Currently the Office of the Mayor houses a public information office which releases statements to the media and public under the mantle "County of Maui Public Information Office." Use of this reference suggests a more neutral dissemination of information than is sometimes issued from the office. Consider codifying policies relating to the review and issuance of such public releases and whether it is more appropriate to identify the public information office as attached to the Office of the Mayor.
- 5. The matter relating to the Fire Hazard Removal Revolving Fund.**
 - The matter is to review Chapter 3.68, MCC, relating to the Fire Hazard Removal Revolving Fund, and to evaluate strategies to improve the efficacy of the fund in fulfilling its purpose.
- 6. The matter relating to the Liquor Education Fund.**
 - The matter is to review Sections 281-16, 281-17(2), and 281-17(3), Hawaii Revised Statutes, relating to the Liquor Education Fund, and to evaluate strategies to improve the efficacy of the fund in fulfilling its purpose.
- 7. The matter relating to the Plan Review, Processing, and Inspection Revolving Fund (Fire).**
 - The matter is to review Section 16.04B.050, MCC, relating to the Plan Review, Processing, and Inspection Revolving Fund (Fire), and to evaluate strategies to improve the efficacy of the fund in fulfilling its purpose.
- 8. The matter relating to the Emergency Fund.**
 - The matter is to review Charter Section 9-14 and Chapter 3.96, MCC, relating to the Emergency Fund, and to evaluate strategies to improve the efficacy of the fund in fulfilling its purpose.
- 9. The matter relating to the Alarm System Revolving Fund.**
 - The matter is to review Chapter 8.34, MCC, relating to the Alarm System Revolving Fund, and to evaluate the implementation of the Alarm Systems program.

To your Water Resources Committee:

- 1. The matter relating to watershed protection grants.**
 - The matter is to review the County's policy on watershed protection grants and evaluate the need to cap the amount of grant funds expended for payroll and overhead costs.
- 2. The matter relating to electronic billing statements.**
 - The matter is to evaluate the potential to reduce costs by implementing electronic billing statements for water and wastewater.
- 3. The matter relating to the Upcountry Water System Expansion Capital Improvement Reserve Fund.**
 - The matter is to review the purpose and use of the Upcountry Water System Expansion Capital Improvement Reserve Fund.

bf:2016bgt:CR Exhibit 2 Referrals attached to CR