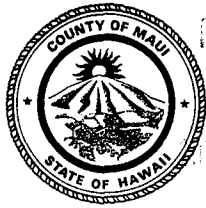


ALAN M. ARAKAWA
MAYOR



RECEIVED

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KEITH A. REGAN
MANAGING DIRECTOR

OFFICE OF THE MAYOR

Ke'ena O Ka Meia

COUNTY OF MAUI – Kalana O Maui

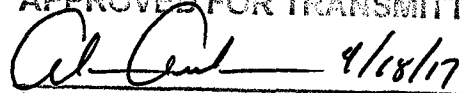
April 18, 2017

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

For Transmittal to:

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

APPROVED FOR TRANSMITTAL


Mayor Date

Dear Chair Hokama:

SUBJECT: FISCAL YEAR (“FY”) 2018 BUDGET (BD-20) (BF-1)

Pursuant to your letter dated April 11, 2017, I am transmitting responses for the following requests/questions:

1. Provide an itemized breakdown of the \$2,002,988 for FY 2017 Budget Amendments.

Response: Please see attachment A.

2. Explain the “Estimated Surplus/(Deficit) FY 2017 Revenue” of (\$100,000) under the General Fund. Provide the calculation and breakdown of revenue sources.

Response: Please see attachment B.

Please note that the “Estimated Surplus/(Deficit) FY 2017” Revenue line of the carryover savings calculation does not anticipate a total general fund shortfall of \$100,000. This number indicates a shortfall in the Category of Charges for Current Services – Recreation only. The County’s unrestricted fund balance, the basis for carryover savings, has decreased by \$64.6 million, from \$87.3 million in FY 2011 to \$22.7 million in FY 2016. As such, when calculating FY 2018’s numbers, we deliberately did not factor in estimated overages of revenue which would have offset the estimated deficits. This conservative budgeting prevents the County from potentially being faced with revenues being insufficient to meet future appropriations resulting in a further decrease of carryover savings.

3. Provide an itemized breakdown by department, by project, of the \$2,517,659 for “Estimated FY 2017 Operational Savings (inc. Lapsed CIP Funds but not lapsed Bond)” under the General Fund.

Response: Please see attached.

Honorable Riki Hokama, Chair
Budget and Finance Committee
Maui County Council
April 18, 2017
Page 2

Please note that not all of the cash CIP lapses were recognized as carryover savings. As mentioned in the response for item 2 above, our carryover savings have consistently decreased over recent years and, as such, when calculating FY 2018 revenue estimates, we took a conservative approach. This conservative budgeting prevents the County from potentially being faced with revenues being insufficient to meet future appropriations resulting in a further decrease of the County's carryover savings.

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at Ext. 7212.

Sincerely,



LYNN ARAKI-REGAN
Budget Director

Attachments

xc: Mayor Alan M. Arakawa

DEPT: BUDGET
CODE: BD-20
DATE: 4/18/17

**FY 2017 Submitted Budget
Amendments - General Fund**

Carrover/Savings:	General Fund
BD-BA 17-01 DEM SW EP&S Shortfall	400,000
BD-BA 17-17 Restore Fire Battalion Chiefs	244,000
BD-BA 17-29 Disaster and Emergency Management Fund	172,000
BD-BA 17-38 2154 Kaohu Street Building Improvements	50,000
BD-BA 17-69 Directors/Deputies Salary Increase	137,988
BD-BA 17-78 Central Maui Regional Sports Complex	158,000
BD-BA 17-96 Fire Premium Pay Shortfall	913,000
Total	2,074,988
Less:	72,000
Total	2,002,988

**Original calculation only included \$172k for the BD-BA 17-17.

Attachment B

Charges for Current Service - Recreation		YTD collected as of 6/30/16	
400115-3434	Forfeitures of Deposit	\$	(75)
400115-3436	Camping Permits	\$	16,747
400115-3450	Rental Fee-Countywide	\$	140,329
400115-3452	Rental Fee-Equipment	\$	530
400115-3453	Other Fees-Summer Recreation	\$	10,775
400115-3537	Adult Recreation Prg/League	\$	5,000
	Total	\$	173,306
	Annualized for entire FY 2017	\$	346,612
	less anticipated year-end adjustment for		
	Recware/ActiveNet true-up:	\$	(46,612)
	Revised FY 2017 Estimate	\$	300,000
	Original FY 2017 Estimate	\$	400,000
	Reduction	\$	<u><u>(100,000)</u></u>

CIP CASH LAPSES - GENERAL FUND

Index Sfd Acty Ds Index Title	Carryover	Prior Year Encumbrance	Actual	Encumbrance	Balance
356C24 301 95024 09 CW PARK RESTROOM FAC IMPR		209,195.27		209,195.26	\$ 0.01
367C16 301 96016 09 CW PARKS ADA IMPROVEMENTS	170,221.63	26,362.37	118,908.68	77,675.14	\$ 0.18
367102 301 96002 02 PAJA-HAIKU PARKS SYSTEM	353,062.01	33,079.19	32,693.79	353,430.60	\$ 16.81
367111 301 96011 07 LANAI PARKS SYSTEM	62,031.47	57,700.00	362.93	119,309.17	\$ 59.37
345321 301 94021 09 CW FIRE FACILITIES		149,808.02	138,089.56	11,458.26	\$ 260.20
356403 301 95003 02 KAUNOA F/O EXPANSION/RE		113,341.59	3,618.53	108,281.32	\$ 1,441.74
367112 301 96012 08 MOLOKAI PARKS SYSTEM	221,964.75	3,490.00	46,500.82	176,981.60	\$ 1,972.33
367105 301 96005 04 CENTRAL MAUI PARKS SYSTEM	403,437.58	118,203.00	106,339.50	413,301.08	\$ 2,000.00
367103 301 96003 03 MAK-PUK-KULA ULU PARKS	346,108.75	43,443.80	23,181.80	363,367.01	\$ 3,003.74
367106 301 96006 04 KEPANIWAI HERITAGE GARDENS	3,400.00	79,350.00	5,260.00	74,090.00	\$ 3,400.00
367110 301 96010 07 LANAI FIRE STN IMPRVMNT	10,000.00				\$ 10,000.00
367C14 301 96014 09 CW FUEL TANK REPLACEMENTS	100,000.00			79,500.00	\$ 20,500.00
367C15 301 96015 09 CW POLICE FACILITIES	150,000.00		60,060.22	16,082.18	\$ 73,857.60
345301 301 94001 01 HELENE HALL IMPROVEMENTS		149,500.00			\$ 149,500.00
367108 301 96008 05 WAIPUILANI PARK IRRIGATION	629,500.00	91,150.00	19,600.00	461,550.00	\$ 239,500.00
367C13 301 96013 09 CW FIRE FACILITIES	236,546.98	0.00	(62,735.03)		\$ 299,282.01
367104 301 96004 04 WAILUKU REDEV'T MUNI PRKG LOT	7,443,823.90	16,480.10	12,360.08	4,591,861.02	\$ 2,856,082.90
					<u>\$ 3,660,876.89</u>

**Only recognized \$2,517,659 to be conservative