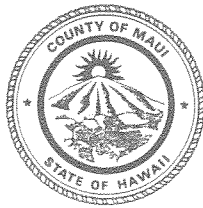


ALAN M. ARAKAWA
MAYOR



KEITH A. REGAN
MANAGING DIRECTOR

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui
April 21, 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

Dear Chair Hokama:

**SUBJECT: REQUESTS/QUESTIONS FROM THE APRIL 19, 2017 MEETING (BD-24)
(BF-1)**

Pursuant to your letter dated April 19, 2017, I am transmitting responses for the following requests/questions:

1. Explain how index code 919043B OPEB contribution to General Fund Operation of \$648,549 (page 5-25 of the Budget Details) was calculated and provided the formula for the calculation.

Response: The OPEB Contribution amount is calculated by multiplying the FY 2016 actual salaries, wages and premium pay, FY 2017's Council Adopted changes to salaries, wages and premium pay and FY 2018's proposed changes to salaries, wages, and premium pay multiplied by the opeb fringe benefit rate provided by the Department of Finance of 9.11%.

2. Provide comment on index code 919505B Solid Waste Debt Service Operation reduction of \$645,535 (page 5-63 of the Budget Details).

Response: The decrease in debt service costs was mainly due to due to the refunding of a 2006 Series A GO Bond in the amount of \$505,512.

3. Explain how the Solid Waste Debt Service of \$4,381,775 was calculated and provide the formula for the calculation.

Response: The Solid Waste Debt Service of \$4,381,775 is mainly due to multiple bond issuances and refundings over the years. A percentage of each issuance is allocated based on the amounts of the project funded. Please see the attachment.

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Alan M. Arakawa 4/21/17
Mayor Date


Honorable Riki Hokama, Chair
Budget and Finance Committee
Maui County Council
April 21, 2017
Page 2

4. How often is a cost allocation study completed? What would the cost be for a new study?

Response: Prior to the Finance Department completing a Full Cost Allocation Plan in March of 2014 a study had not been undertaken for some 10+ years. The Finance Department is currently in the process of having the previous Full Cost Allocation Plan updated at a cost of \$13,541.72.

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-25
DATE: 4/21/17

COUNTY OF MAUI				
ALLOCATION OF DEBT SERVICE				
TO SPECIAL REVENUE FUNDS				
	FY 2016	FISCAL 2016-17		FISCAL 2017-18
	ACTUAL	BUDGET	REQUEST	REQUEST
SOLID WASTE FUND				
2001 OCT 01 \$15,775,000 C REF	-	-	-	-
2004 JUN 01 \$15,165,000 B REF	-	-	-	-
2005 JAN 26 \$21,000,000 A G O	6,167.98	-	-	-
2006 AUG 17 \$29,425,000 A G O	507,150.00	505,512.00	505,512.00	-
2006 SEP 21 \$ 6,920,000 B REF (01A)	26,887.67	26,857.54	26,857.54	26,852.41
2006 SEP 21 \$18,270,000 C REF (02A)	69,139.71	69,062.26	69,062.26	69,049.05
2008 JAN 16 \$34,000,000 A G O	778,640.10	616,513.76	616,087.32	615,283.84
2010 DEC 02 \$23,375,000 A GO	749,626.80	944,249.12	944,249.12	944,671.24
2010 DEC 02 \$46,300,000 B GO&REF (98A, 01A, 01C, 02C)	500,902.52	544,672.80	501,168.31	501,239.29
2012 NOV 12 GO \$10.645M A REFUNDING	27,127.48	27,139.90	27,139.90	27,041.57
2012 NOV 12 GO \$38.375M B NEW PROJECTS	105,458.60	105,486.64	105,486.64	105,363.98
2014 JULY 14 GO \$35.635M A GO	307,495.07	307,764.13	307,764.13	307,488.95
2014 JULY 14 GO \$3.75M D REF (04B)	293,800.29	288,436.05	288,436.05	-
2014 JULY 14 GO \$18.11M E REF (06A)	275,116.80	760,636.80	760,636.80	759,880.80
2015 OCT 15 GO \$15.185M A NEW PROJECTS	6,918.37	39,088.82	39,088.82	35,974.26
2015 OCT 15 GO \$14.52M B REF (05ABC)	4,371.11	72,155.11	72,155.11	70,055.90
2015 OCT 15 GO \$23.485M D ADV REF (08A)	116,883.51	342,098.07	342,098.07	342,098.07
SUB-TOTAL = ALLOCATION SCHEDULES	3,775,686.01	4,649,673.00	4,605,742.07	3,804,999.36
2009 JUL 15 \$ 3,502,173 SRF 52-39 CNTRL MAUI LF GAS COLL	195,091.32	194,648.44	194,648.44	194,203.31
2010 JAN 15 \$ 3,241,038 SRF 41-07 MOLO INTGRD PH #3	183,403.71	182,988.89	182,988.89	182,571.96
Anticipated SRF drawdowns in which principal payments have not been included				200,000.00
SUB-TOTAL S R F LOANS	378,495.03	377,637.33	377,637.33	576,775.27
TOTAL SOLID WASTE FUND	4,154,181.04	5,027,310.33	4,983,379.40	4,381,774.63