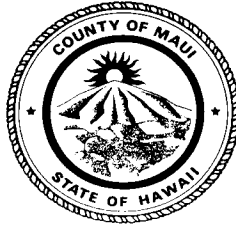


ALAN M. ARAKAWA
Mayor
STEWART STANT
Director
MICHAEL M. MIYAMOTO
Deputy Director



MICHAEL P. RATTE
Solid Waste Division
ERIC NAKAGAWA, P.E.
Wastewater Reclamation Division

**COUNTY OF MAUI
DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT**
2050 MAIN STREET, SUITE 2B
WAILUKU, MAUI, HAWAII 96793

April 21, 2017

m
Ms. Lynn A.S. Araki-Regan
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

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: FISCAL YEAR ("FY") 2018 BUDGET (EM-6) (BF-1)

The County is in receipt of the above Budget and Finance (BF) Committee requested information dated April 17, 2017. Your request and the corresponding answer is provided below by the Department of Environmental Management (DEM).

As it relates to the Administration Program:

- 1. Identify the location and amount of space rented for the \$100,000 as listed on page 5-6 of the Budget Details (index code 919000B, sub-object 6235). Include the number of employees occupying the space and length of the lease.**

The space rented for the director's office is located in the Main Street Promenade building at 2050 Main Street, Suite 2B in Wailuku. The office space is 2,507.3 square feet and there are 5 employees' offices which also includes supported space for meetings and records storage. The lease agreement is for 41 months which started on February 1, 2016 and terminating on June 30, 2019.

- 2. Why is the grant to Community Work Day under the Administration Program? Would it be more efficiently administered through another program? If so, provide the program.**

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COUNTY COUNCIL

Michael P. Ratte 4/21/17

The grant originated in the Department of Housing and Human Concerns and was transferred to our office as our department had other grants for Community Work Day. The grant is currently administered by our Environmental Protection & Sustainability (EP&S) Division with our oversight as they oversee other grants to Community Work Day. The EP&S Division is the recommended program to oversee the grant.

As it relates to the Environmental Protection and Sustainability Program:

As part of the proposal to move the EP&S Division to the General Fund, the EP&S Division proposed for the FY18 budget to be separated, with the Recycling Section and the Abandoned Vehicles and Metals (AVM) Section each assigned their own separate index codes. The Budget office merged the two programs back together as one under index code 919871B in the Solid Waste Management Fund as a response to EM-4, Question 2.

Index code 919705B was originally assigned to Recycling Section only and 919872B was assigned to AVM Section.

The questions below are related to the original proposed FY18 Budget in which the two were separated.

1. Explain why the program is requesting \$20,000 for postage (index 919705B, sub-object 6040 on page 5-11 of the Budget Details).

The Recycling Section program is requesting \$20,000 for postage to mail approximately 70,000 updated 2017/2018 Maui Recycling Guides to all residents on Maui and Molokai.

2. Provide an itemized breakdown of Contractual Services (index 919705B, sub-object 6112 on page 5-12 of the Budget Details). Explain why the request for funds relating to abandoned vehicle disposal is not appropriated from the Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund.

Part A: Refer to attached Excel Spreadsheet for an itemized breakdown of Contractual Services 919871B-6112.

Part B: The explanation of why the request for funds relating to Abandoned Vehicles is that it was included incorrectly and will be deleted. It is correct that funds relating to Abandoned Vehicles are appropriated from the Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund.

3. Provide an itemized breakdown of Other Service (index 919705B, sub-object 6129 on page 5-12 of the Budget Details).

Here is a breakdown of anticipated costs.

Graphic designer services	\$5,000	Development of Educational Materials
Printing Services	\$20,000	Printing for Guides
Hauling Services on 3 isles	\$7,000	For E-cycling collection events
Charges for copies made	\$2,000	For EPS Office
Storage Unit	\$5,000	Annual cost
Signs	\$1,000	For facility's and recycling centers
Emergency contingency	\$9,238	For unexpected things that come up
Contract overages	\$10,000	Some contract have variable monthly costs that cannot be entirely anticipated.
TOTAL	\$59,238	

4. **Identify the location and amount of space rented for \$38,460 as listed on page 5-14 of the Budget Details (index code 919705B, sub-object 6235). Include the number of employees occupying the space and length of the lease.**

The EP&S office is located at 2145 Wells Street in Suite 103, 1,088 square feet. The amount requested covers the rent for one year. There are currently four employees. The one new position is in the process of being filled to make 5 staff and we anticipate a supervisor may be stationed there in the future to total 6 employees.

The lease is for five years.

5. **Provide an itemized list of grantees and amount for County grant subsidy of \$239,500 (index 919705B, sub-object 6317 on page 5-14 of the Budget Details).**

As the FY18 budget has not yet been approved we cannot say who will receive a grant and for what amount. For the FY18 Grant cycle we received 13 grant requests totaling requests for \$818,000. The Grants Review Committee will decide who receives what funds once the FY18 budget is approved. The Grants Program is designed to assist organizations and businesses on Maui with start-up funds to ensure the sustainability of community services and programs.

6. **Explain the request for \$327,896 for Special Revenue funds (index 919705B, sub-object 7511, on page 5-15 of the Budget Details).**

The amount is for the support provided by the Solid Waste Division to the EP&S Division. The primary support is the collection of the commercial recycling fee and the tipping fees for the greenwaste, sludge and Fat, Oils and Grease. The Solid Waste Division weighs the vehicle, provided them with a ticket (bill), collects on the bill and then transfer the funds to EP&S. The calculation includes prorated employee salaries and benefits and a prorated portion of facilities costs like the scale house and the collections office.

7. **Provide an itemized breakdown of Contractual Service for \$462,394 (index 919872B, sub-object 6112, on page 5-15 of the Budget Details). Explain why this is an expansion request.**

Please refer to the attached spreadsheet, totaling \$494,593 as shown in the lower box.

8. **Provide an itemized breakdown of Other Services for \$60,000 (index 919872B, sub-object 6129 on page 5-15 of the Budget Details).**

Here is the breakdown of anticipated costs.

Graphic designer services	\$2,000	Development of Educational Materials
Additional hauling for Metals Collection events	\$7,000	For metals collection events
Projected Malama Maui Nui Keep Maui Beautiful grant shortage	\$30,000	For Illegal Dumping clean up services, including appliances, metals , tires, propane tanks
Signs	\$1,000	
Emergency contingency	\$10,000	For unexpected things that come up
Contract overages	\$10,000	Some contracts have variable monthly costs that cannot be entirely anticipated.
TOTAL	\$60,000	

9. **Provide an itemized breakdown of Contractual Services for \$100,000 (index 919707B, sub-object 6112, on page 5-15 of the Budget Details) and explain the reference to HHW Management.**

The \$100,000 is to cover at least one HHW collection event at Central Maui Landfill in FY18. We held three HHW events in FY15 and FY16. In FY17 we did not host an event due to budget constraints and the timing of the last event being so close to the start of FY17. We anticipate a higher cost for the FY18 event since we have not held one recently and the costs have increased for each event that was held.

For reference: the events cost: FY15: \$78K, FY16: \$84K and \$96K respectively.

10. **With respect to the Grant to Community Work Day for \$25,000 (page 5.15 of the Budget Details), can this be combined with the grant in the Administration Program?**

Yes. This Grant is for West Maui Recycling Collection Events and is has been combined for the past two years with the EP&S AVM Section program-managed grant "Keep Maui Beautiful." We recommend moving the Administration grant funds to be managed by EP&S-AVM Section as well.

Sincerely,


STEWART STANT, Director
Department of Environmental Management

cc: Environmental Protection & Sustainability Division

FISCAL YEAR 2018 BUDGET (EM-6) (BF-1)

QUESTION 2 (EPS) - BLUE COLUMNS

QUESTION 7 (EPS) - GREEN COLUMNS

FY18 EPS Projected Contractual Services: 6112

919871B

C4963	C5248	C6049	C5185	C6118	C56050	Out to Bid currently	Reinstate Program Plan to Bid out	Out to Bid currently	C6036	Reinstate Program Plan to Bid out	Sum of 6112 \$ needed	Total \$\$ requested for 6112	\$\$ Amount over or under 6112 need:
Recycle Molokai	Molokai Greenwaste Operations	COM Office Paper Collection and Recycling	Processing Dropbox & Curbside Materials	Used Motor Oil Recycling	CML GW/Sludge Diversion and Processing	Dropbox Hauling and Monitoring & CRC Operations	Paint Exchange	White Goods and Abandoned Vehicles Processing	Molokai Metals & Hana, Lanai Events	CML Metals Collection			
\$99,999.00	\$192,000.00	\$47,458.82	\$485,000.00	\$253,750	\$3,421,000.00	\$280,000.00	\$100,000	\$115,000	\$309,593.00	\$70,000	\$5,373,800.82	\$5,323,925.00	-\$49,875.82

Anticipated \$

Anticipated \$

Anticipated \$

919600B

C5726
HHW Collection
\$100,000.00

Recyclings Portion	\$4,879,207.82
AVM Portion	\$494,593.00
TOTAL	\$5,373,800.82