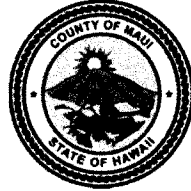


ALAN M. ARAKAWA
Mayor



DANILO F. AGSALOG
Director

MARK R. WALKER
DEPUTY DIRECTOR

COUNTY OF MAUI
DEPARTMENT OF FINANCE
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

April 20, 2017

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

A handwritten signature in black ink, appearing to be "Alan Arakawa".

A handwritten signature in black ink, appearing to be "Alan Arakawa", with the date "4/21/17" written to the right.

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

For Transmittal to:

Honorable G. 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 (FN-14) (BF-1)

Pursuant to your letter dated April 17, 2017, following please find responses to the committee's questions;

1. In anticipation of Senate Bill 936 passing this legislative session, please provide a figure for Contribution to ERS Operations (index 907642B, sub-object 6521, on page 6-53 of the Budget Details) based on the proposed 28 percent rate for Fire/Police and 18 percent for all other employees.

Response: The Contribution to ERS Operations would increase by \$3,329,093 from \$41,600,498 in the original FY18 submittal to \$44,929,591 based on the 28 percent rate for Fire/Police and 18 percent for all other employees.

2. Pursuant to your April 11, 2017 response to FN-4, the FY 2018 Employer's share HPE Health Fund (index 907709B, sub-object 6522, page 6-53 of the Budget Details)

Honorable G. Riki Hokoma, Chair
and Members of Budget and Finance Committee
April 20, 2017
Page 2

was calculated using the FY 2017 increase of 7.0 percent. Since then, the FY 2018 rates have been published with a 9.1 percent increase. Provide a revised figure based on the new increase.

Response: The revised amount of the Employer's share HPE Health Fund for FY2018 using a rate increase of 9.1% is \$35,647,846 or \$686,164 more than the amount of the original FY18 submittal.

Thank you for the opportunity to respond to your inquiry. Should you have any further questions, please feel free to contact me at Ext. 7475.

Sincerely,

A handwritten signature in black ink, appearing to read 'Danilo F. Agsalog', with a long horizontal flourish extending to the right.

DANILO F. AGSALOG
Finance Director