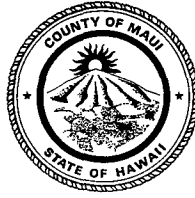


MICHAEL P. VICTORINO  
MAYOR



GLENN MUKAI  
DIRECTOR

GEORGETTE C.R. TYAU  
DEPUTY DIRECTOR

DEPARTMENT OF LIQUOR CONTROL  
C O U N T Y O F M A U I

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February 25, 2019

Honorable Mike Molina  
Chair, Governance, Ethics, and Transparency Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

Dear Chair Molina:

**SUBJECT: PRE-BUDGET SESSION PRESENTATION (DEPARTMENT OF LIQUOR CONTROL) (GET-18(2))**

The following is an overview of the roles and responsibilities of the Liquor Control program, and a snapshot of the Department's budgetary requests for Fiscal Year 2020, to include vacancies and the costs associated with those vacancies, and proposed equipment purchases and the purpose of those requests.

**Mission**

The mission of the Department of Liquor Control is to protect the health, safety and welfare of the general public by regulating and controlling the liquor industry in the importation, manufacture, sale and service of alcoholic beverages to provide a safe and healthy environment for the people of Maui County.

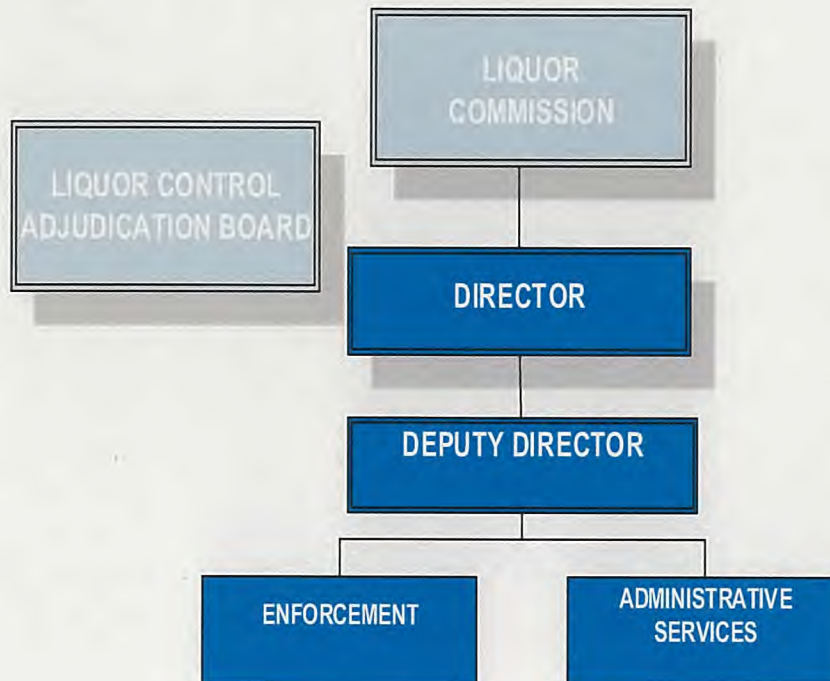
**Countywide Outcome(s)**

The Department of Liquor Control supports the following countywide outcome(s):

- A Prepared, Safe and Livable County

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## Organization Chart



### Strategies

The Department of Liquor Control is responsible for the regulation and control of the importation, manufacture, sale and service of alcoholic beverages by providing services in liquor license and permit applications, licensees' education, and enforcement of liquor laws and rules.

### Operations

The Liquor Commission, County of Maui, consists of nine members appointed by the Mayor and confirmed by the County Council. The Commission has the authority to grant, refuse, suspend, and revoke any license for the manufacture, importation, and sale of liquors in the County of Maui. The Commission also has the responsibility of requesting annual appropriations for the operation of the department, promulgating rules and regulations for the administration of liquor control, and appointing a Director.

The Liquor Control Adjudication Board consists of nine members appointed by the Mayor and confirmed by the County Council. The Board functions as a quasi-judicial body whose primary responsibility is to hear administrative complaints of the Director regarding

violations of liquor laws and rules, and to impose penalties for violations thereof as may be provided by law.

The Director is the administrative head of the department and is responsible for administering the day-to-day operations of the department, providing the necessary administrative support services to the Commission and Board. The Director appoints the Deputy Director. Whenever the Director is not available, the Deputy Director serves as the administrative head, ensuring the continuity of the department's mission, goals, and objectives.

### **External Factors Description**

The system of licensing procedures and controls over those licensed to conduct business in the liquor industry must always be in place to assure the public receives the highest standards of integrity and responsibility set forth in the Hawaii Revised Statutes and Rules of the Liquor Commission, County of Maui, to ensure the health, safety and welfare of the community we serve.

### **Program Description**

The Department of Liquor Control consists of one program only. The Liquor Control Program is mandated by HRS 281. This program's core functions are regulating and controlling the liquor industry in the importation, manufacture, sale and service of alcoholic beverages to provide a safe and healthy environment for the people of Maui County. All funding for the Department is derived solely from liquor license fees. This program also consists of the Liquor Education Revolving Fund, which is mandated by HRS 281-16, 281-17(2), and 281-17(3). Revenues are derived from fines assessed and collected from liquor licensees.

### **Vacancies**

The Department currently has four vacancies. Three of the vacancies are on hold to be used in the Department's reorganizational proposal which is currently being reviewed by Management. The proposed reorganization takes into account the operational needs of the Department of Liquor Control in order to better serve the public and its licensees.

The proposed reorganization also takes into account Council's deletion of Position No. LC-0003, Chief Liquor Control Officer, which oversaw the sections within the Administrative Services Division.

The fourth vacancy is in the process of being filled through open recruitment.

These vacancies do not have a significant impact on the percentage fee paid by licensees. In addition, by HRS, applicable carryover savings are returned to the

licensees and not the County's General Fund because the Department is solely funded by liquor license fees. The need of these positions to comply with County policies and provide continued services to licensees appear to outweigh the monetary costs.

1. The Department's top three-to-five strategic goals.

Goal #1: Provide and ensure a safe and healthy environment within the liquor industry and for the general public through enforcement of the Hawaii Revised Statutes and the rules established by the Liquor Commission.

Goal #2: Promote liquor control by providing liquor education and certification classes.

Goal #3: Control the conditions associated with the importation, manufacture, sale and service of alcoholic beverages by providing a fair and efficient licensing and permitting process.

2. Tactics to be implemented to meet these strategic goals and the intended results.

Tracking of how many case reports are generated in comparison to the number of premises inspected may reveal if there is licensee compliance, the need for training, or employee performance.

Minor Decoy operations may reveal if there is a need for more education for licensees or need for more inspections and enforcement.

Tracking the output of license applications and permits reveal the growth of the industry and need for continued and expanded services.

3. Funds anticipated to remain unencumbered from the FY 2019 Budget and the reasons why the funds were not encumbered.

The Department anticipates encumbering all of the B Account operations funds by the end of the Fiscal Year.

All C Account funds have been encumbered.

The unencumbered funds from A Account and the corresponding Overhead Costs (70% paid to the County's General Fund for salaries) are due to the vacancies and will be returned to the Liquor Licensees, as per HRS, through the percentage fee calculation.

4. The Department's fixed costs and discretionary costs.

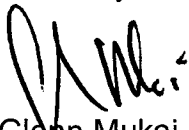
The Department anticipates replacing needed equipment and the continuation of on-going leases.

5. Cost-saving measures the Department has implemented or will be implementing, and the amount saved or will be saved by these measures.

The Department had reviewed the need for "take-home" vehicles, by Liquor Control Officers, last year. The review resulted in the discontinuance of "take-home" vehicles which also resulted in the reduction of fuel costs.

The Department is currently reviewing the need for "assigned" vehicles. If vehicles can be shared within a Division, this would reduce the amount of overall vehicles needed for its operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Mukai".

Glenn Mukai, Director  
Department of Liquor Control

GM/gcrt