

OFFICE OF THE COUNTY CLERK

COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/county/clerk

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OFFICE OF THE
COUNTY COUNCIL

RECEIVED

March 8, 2019

The Honorable Keani N.W. Rawlins-Fernandez, Chair
Economic Development and Budget Committee
County of Maui
Wailuku, HI 96793

Dear Chair Rawlins-Fernandez:

**SUBJECT: PRE-BUDGET SESSION PRESENTATION (OFFICE
OF THE COUNTY CLERK) (EDB-24(6))**

Thank you for your letter dated February 21, 2019, requesting my attendance at the Economic Development and Budget Committee meeting of March 14, 2019 to provide a brief overview of the Office of the County Clerk. Additionally, your letter requested written responses to the following:

1. Identify the Office's top three to five strategic goals for FY 2020;
2. Identify the objectives that will be implemented to meet these strategic goals and the intended results;
3. Identify funds you anticipate will remain unencumbered from the FY 2019 Budget and the reasons why the funds were not encumbered;
4. Identify the Office's estimated fixed costs and discretionary costs for FY 2020; and
5. Identify cost-saving measures the Office intends to implement in FY 2020, and the amount to be saved by those measures.

I will be available to present to the Committee on March 19, 2019, as indicated in my letter dated March 1, 2019.

Regarding your inquiries above, I offer the following responses:

1. Identify the Office's top three to five strategic goals for FY 2020;

Goal I: Promote accessibility of County Clerk services and information.

Goal II: Proactively prepare for innovations and extenuating circumstances in the elections process.

Goal III: Support integrity and transparency in the management of County records and seal.

2. Identify the objectives that will be implemented to meet these strategic goals and the intended results;

Goal I: Promote accessibility of County Clerk services and information.

Objective: Provide easily accessible elections/legislative information and documents

Short term (FY '20)

- Redesign and enhance the County Clerk webpage to increase traffic and engagement
- Continue imaging and digitization of historic documents
- Enable web access to our electronic document storage platform (SharePoint) for Maui County residents
- Provide web access to Maui County Council Members and residents to historical and current contracts entered into by the County and transmitted to the County Clerk from the Department of Finance

Mid-term (FY '21 – '24)

- Complete imaging and digitization of historic documents and make easily accessible
- Conduct community outreach including surveys to help improve services *(use survey information to measure and manage department's performance)*

Goal II: Proactively prepare for innovations and extenuating circumstances in the elections process.

Objective: Prepare to the extent practicable for upcoming changes, as provided by law, in the administration of elections Countywide

Short term (FY '20)

- Preparations for the 2020 Elections
- Reviewing and amending election standard operating procedures
- Monitor hearings at the State Legislature and provide input when appropriate
- Begin preparations for the future possibility of all mail elections

Mid-term (FY '21 – '24)

- In coordination with the State and Counties, conduct a procurement for a new election vendor
- Establish standard operating procedures and training opportunities for staff on the equipment and processes of new election vendor

- Move the election division into a new designated space
- Acquire, and establish procedures for, a mail ballot sorting system
- Continue preparations for all mail elections, with the possibility of implementation in 2020 or 2022
- Assist in reapportionment and charter commission work in 2021/2022

Objective: Prepare to the extent practicable for extenuating circumstances, as provided by law, in the administration of elections Countywide

Short term (FY '20)

- Begin community outreach to establish county-level elections contingency plans and disaster preparedness

Mid-term (FY '21 – '24)

- Continue community outreach to establish county-level elections contingency plans and disaster preparedness
- Develop a county-level elections contingency plan with community input for two moderate-high risk areas in the county

Goal III: Support integrity and transparency in the management of County records and seal

Objective: Establish and implement a fair, transparent, and legal records management policy for departments countywide

Short term (FY '20)

- In coordination with Corporation Counsel, conduct a further review on the draft Countywide Records Management Policy
- Continue research on best-practices in public-sector records management

Mid-term (FY '21 – '24)

- Work with Corporation Counsel to finalize records management policy
- Work with Departments to implement records management policy
- Develop a graphics design standards manual for use of the County seal, including any needed revisions to the Maui County Code

3. Identify funds you anticipate will remain unencumbered from the FY 2019 Budget and the reasons why the funds were not encumbered;

To promote transparency and accountability and assist in the budget committee's deliberative process, the Office of the County Clerk has provided estimated forecasts of expenditures through the end of each fiscal year since FY '16. In addition, in subsequent fiscal years, the Office of the County Clerk

has provided year-end review reports which compare estimated versus actual expenditures. This holds the Office of the County Clerk accountable for the information previously provided to the committee.

Please see attached for copies of these handouts from FY '16 (Exhibit "A"), FY '17 (Exhibit "B"), and FY '18 (Exhibit "C"). The yellow column headings indicate the amounts forecasted to be expended through the end of that fiscal year (as of April), and the green column headings indicate our actual end of fiscal year balances for each account.

Please note that in total, our estimated forecasts and actual expenditures for each fiscal year have been within 1% of each other, in relation to our FY budget. We believe this demonstrates our commitment to transparency and accountability. In furtherance of this goal, please see attached for estimated forecasts of expenditures through the end of the 2019 fiscal year (Exhibit "D").

The Office of the County Clerk understands the responsibility placed upon us as stewards of taxpayers' resources. As such, we strive to not spend money without an essential public or operational purpose. Any carryover savings in the Office of the County Clerk can primarily be attributed to the following: cost and overtime controls, procurement savings, vacancies, lack of a special election, and an ever-changing operational environment.

4. Identify the Office's estimated fixed costs and discretionary costs for FY 2020; and

As members of the Legislative Branch, we serve at the pleasure of the Council and function within the appropriations made by the body. Thus, in essence, all of our costs could be viewed as discretionary, as it is up to the Council how to fund our operations.

For purposes of this question though, I have roughly estimated all fixed costs as expenditures reasonably required to comply with legal or contractual obligations. All discretionary costs may include items such as travel, per diem, miscellaneous supplies/other costs, dues, registration/training fees, contractual service, equipment, and publications and subscriptions.

I have included premium pay as a fixed cost, as premium pay is given to comply with legal or contractual deadlines/obligations. As one example, the Council agenda posting deadline, as set in the Rules of the Council, may require Office of the County Clerk staff to work overtime to meet Sunshine Law requirements. I do not view this as a discretionary cost, as failure to complete the Council agenda posting within the time frames set forth by law would result in Sunshine Law violations. Accordingly, we have asked for a total of \$45,000 in premium pay for FY '20.

I have also included special election expenses as a fixed cost. If the Council had the ability to recognize carryover savings in the County's budget to accommodate changes to its' own budget, I would view this as a discretionary cost. However, since this is not the case, I believe this is a fixed cost for the Office of the County Clerk, to ensure compliance with State and Federal law should a special election be warranted. Accordingly, we have asked for \$250,000 for special election costs in FY '20.

Estimated Fixed Costs:

A Account (Salaries): \$887,824
B Account (Operations): \$634,100
C Account (Equipment): \$0
Subtotal: \$1,521,924

Estimated Discretionary Costs:

A Account (Salaries): \$0
B Account (Operations): \$83,000
C Account (Equipment): \$28,500
Subtotal: \$111,500

Total requested for FY '20: \$1,633,424

5. Identify cost-saving measures the Office intends to implement in FY 2020, and the amount to be saved by those measures.

Build and maintain good working relationships with other agencies

The Office of the County Clerk strives to build and maintain good working relationships with County, State and Federal agencies for the benefit of Maui County taxpayers. A few examples, which result in cost savings, include: election warehouse space provided by the State of Hawaii Department of Accounting and General Services (\$70,000+ annual savings); storage at the Hawaii State Archives (≈ \$2,000 annual savings); use of State facility on Molokai for early voting activities, including complimentary use of their staff and equipment (\$4,000+ savings); and participation in signature verification training through the City and County of Honolulu (≈ \$500 savings).

Overtime management

In 2018, the Office of the County Clerk utilized a new voter registration system to assist in modernizing and streamlining voter registration. We plan to continue these modernization efforts, which provide overtime cost savings to the County through the use of an online voter registration portal and streamlining the application and verification process. The Office of the County

Clerk is still analyzing the overtime cost savings related to this initiative, but I expect it to be around a 10% reduction in overtime costs for election staff in an election year.

Storage costs

In FY '20 the Office of the County Clerk anticipates completing another imaging project, which would further the Council's efforts to increase transparency and accountability. In addition to those benefits, we hope to close one off-site storage facility in FY '21, which would save approximately \$5,000 annually.

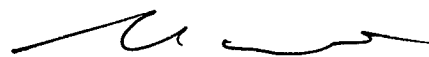
Advocacy at the State Legislature

The Office of the County Clerk has and will continue to advocate to the State Legislature for all mail elections. In addition, we have requested the State Legislature provide over \$200,000 to the County of Maui for upfront costs associated with the implementation of this initiative. Depending on the language finally approved, further savings can be realized through shared costs with the State and reduction in costs associated with election day officials.

As part of this advocacy, the Office of the County Clerk has requested the State Legislature also provide two ballot scanner/sorters to the County of Maui, which cost approximately \$50,000 each. Use of these scanner/sorters may potentially reduce overtime by expediting the signature review and verification process and marking the voter's file.

Thank you for the opportunity to respond to your inquiries. Should you have any questions or need clarification, please feel free to contact me at (808) 270-7748.

Sincerely,



JOSIAH K. NISHITA
County Clerk
County of Maui

Comparison - Anticipated Expenditures Report Given to BF Committee in April 2016 versus Actual Expenditures at end of FY '16

County Clerk

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Balance Available at end of FY '16 (Actual)	\$ Difference Between Anticipated and Actual Expenditures at end of FY
Wages and Salaries	\$ 218,719.00	\$ 130,224.00	\$ 88,495.00	16.10%	\$ 82,068.00	\$ 6,427.00
Other Premium Pay	\$ 50,451.00	\$ 13,000.00	\$ 37,451.00	68.09%	\$ 38,032.00	\$ (581.00)
Materials and Supplies	\$ 699.00	\$ 700.00	\$ (1.00)	-0.02%	\$ (3,423.00)	\$ (3,422.00)
Services	\$ 41,772.00	\$ 39,900.00	\$ 1,872.00	2.01%	\$ (5,422.00)	\$ (7,294.00)
Utilities	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -
Travel	\$ 2,662.00	\$ 1,800.00	\$ 862.00	21.55%	\$ (173.00)	\$ (1,035.00)
Other Costs	\$ 11,769.00	\$ 3,600.00	\$ 8,169.00	28.97%	\$ 10,197.00	\$ (2,028.00)
Machinery & Equipment	\$ 49,469.00	\$ 12,000.00	\$ 37,469.00	55.10%	\$ 30,782.00	\$ 6,687.00

Codification Expense

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Balance Available at end of FY '16 (Actual)	\$ Difference Between Anticipated and Actual Expenditures at end of FY
Codification Expense	\$ 6,600.00	\$ 6,504.00	\$ 96.00	1.45%	\$ 96.00	\$ -

Elections

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Balance Available at end of FY '16 (Actual)	\$ Difference Between Anticipated and Actual Expenditures at end of FY
Wages and Salaries	\$ 131,582.00	\$ 83,306.00	\$ 48,276.00	21.46%	\$ 49,985.00	\$ (1,709.00)
Other Premium Pay	\$ 24,411.00	\$ 15,000.00	\$ 9,411.00	37.64%	\$ 14,374.00	\$ (4,963.00)
Materials and Supplies	\$ 58,050.00	\$ 38,000.00	\$ 20,050.00	31.33%	\$ 18,611.00	\$ 1,439.00
Services	\$ 224,656.00	\$ 205,500.00	\$ 19,156.00	8.33%	\$ 44,867.00	\$ (25,711.00)
Utilities	\$ (108.00)	\$ 600.00	\$ (708.00)	-35.40%	\$ (683.00)	\$ 25.00
Travel	\$ 16,214.00	\$ 4,000.00	\$ 12,214.00	53.10%	\$ 11,563.00	\$ 651.00
Other Costs	\$ 12,852.00	\$ 11,700.00	\$ 1,152.00	8.06%	\$ 1,955.00	\$ (803.00)
Special Election Expense	\$ 250,000.00	\$ -	\$ 250,000.00	100.00%	\$ 250,000.00	\$ -
Machinery & Equipment	\$ -	\$ 3,900.00	\$ (3,900.00)	-6%	\$ -	\$ (3,900.00)

Total Carryover/Savings (minus Special Election Expense)

\$ 283,964.00

20.37%

\$ 292,829.00

21.00%

EXHIBIT "A"

Comparison - Anticipated Expenditures Report Given to BF Committee in April 2017 versus Actual Expenditures at end of FY '17

County Clerk

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Balance Available at end of FY '17 (Actual)	\$ Difference Between Anticipated and Actual Expenditures at end of FY
Wages and Salaries	\$ 233,000.00	\$ 134,770.50	\$ 98,229.50	16.59%	\$ 109,127.00	\$ (10,897.50)
Other Premium Pay	\$ 15,158.00	\$ 6,000.00	\$ 9,158.00	13.16%	\$ 15,377.00	\$ (6,219.00)
Materials and Supplies	\$ (6,285.00)	\$ 300.00	\$ 3,830.00	61.77%	\$ (8,524.00)	\$ (12,354.00)
Services	\$ 70,244.00	\$ 89,500.00	\$ (17,138.00)	-15.27%	\$ (14,060.00)	\$ 3,078.00
Utilities	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -
Travel	\$ 3,461.00	\$ 1,300.00	\$ 2,161.00	54.03%	\$ 3,228.00	\$ 1,067.00
Other Costs	\$ 6,130.00	\$ 3,400.00	\$ 2,730.00	15.00%	\$ 5,970.00	\$ (3,240.00)
Machinery & Equipment	\$ 4,351.00	\$ -	\$ 13,886.00	106.82%	\$ 2,541.00	\$ 11,345.00

Codification Expense

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Balance Available at end of FY '17 (Actual)	\$ Difference Between Anticipated and Actual Expenditures at end of FY
Codification Expense	\$ 6,600.00	\$ 10,000.00	\$ (3,400.00)	-51.52%	\$ 96.00	\$ 3,496.00

Elections

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Balance Available at end of FY '17 (Actual)	\$ Difference Between Anticipated and Actual Expenditures at end of FY
Wages and Salaries	\$ 30,149.00	\$ 14,670.00	\$ 15,479.00	6.66%	\$ 19,641.00	\$ (4,162.00)
Other Premium Pay	\$ (7,220.00)	\$ 500.00	\$ (7,720.00)	-11.56%	\$ (2,963.00)	\$ (4,757.00)
Materials and Supplies	\$ 20,184.00	\$ 21,000.00	\$ (427.00)	-0.67%	\$ 18,633.00	\$ (19,060.00)
Services	\$ 14,463.00	\$ 9,000.00	\$ 51,067.00	20.43%	\$ 13,856.00	\$ 37,211.00
Utilities	\$ 678.00	\$ 600.00	\$ 78.00	3.12%	\$ 98.00	\$ 20.00
Travel	\$ 20,235.00	\$ 10,000.00	\$ 10,235.00	36.55%	\$ 16,943.00	\$ (6,708.00)
Other Costs	\$ 4,456.00	\$ 7,900.00	\$ 4,095.00	17.80%	\$ (2,400.00)	\$ 6,495.00
Special Election Expense	\$ 250,000.00	\$ -	\$ 250,000.00	100.00%	\$ 250,000.00	\$ -
Machinery & Equipment	\$ 6,000.00	\$ -	\$ 6,000.00	100%	\$ 49.00	\$ 5,951.00

Total Carryover/Savings (minus Special Election Expense)

\$ 188,263.50

12.60%

\$ 177,612.00

11.88%

EXHIBIT "B"

Comparison - Anticipated Expenditures Report Given to BF Committee in April 2018 versus Actual Expenditures at end of FY '18

County Clerk

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Balance Available at end of FY '18 (Actual)	\$ Difference Between Anticipated and Actual Expenditures at end of FY
Wages and Salaries	\$ 192,909.00	\$ 143,690.00	\$ 49,219.00	8.42%	\$ 49,218.00	\$ 1.00
Other Premium Pay	\$ 16,670.00	\$ 6,000.00	\$ 10,670.00	42.68%	\$ 5,225.00	\$ 5,445.00
Materials and Supplies	\$ 206.00	\$ 200.00	\$ 6.00	0.10%	\$ (3,419.00)	\$ (3,425.00)
Services	\$ 66,001.00	\$ 39,500.00	\$ 26,501.00	30.39%	\$ 22,675.00	\$ (3,826.00)
Utilities	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -
Travel	\$ 3,435.00	\$ 500.00	\$ 2,935.00	73.38%	\$ 1,747.00	\$ (1,188.00)
Other Costs	\$ 10,211.00	\$ 3,400.00	\$ 6,811.00	42.04%	\$ 4,283.00	\$ 2,528.00
Machinery & Equipment	\$ 2,400.00	\$ 2,400.00	\$ -	0.00%	\$ 278.00	\$ (278.00)

Codification Expense

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Balance Available at end of FY '18 (Actual)	\$ Difference Between Anticipated and Actual Expenditures at end of FY
Codification Expense	\$ 10,000.00	\$ 10,000.00	\$ -	0.00%	\$ 2,996.00	\$ 2,996.00

Elections

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Balance Available at end of FY '18 (Actual)	\$ Difference Between Anticipated and Actual Expenditures at end of FY
Wages and Salaries	\$ 194,664.00	\$ 90,722.00	\$ 103,942.00	42.18%	\$ 124,469.00	\$ (20,527.00)
Other Premium Pay	\$ 17,420.00	\$ 6,000.00	\$ 11,420.00	57.10%	\$ 16,870.00	\$ (5,450.00)
Materials and Supplies	\$ 16,085.00	\$ 26,400.00	\$ (10,315.00)	-42.98%	\$ (22,619.00)	\$ 12,304.00
Services	\$ 188,626.00	\$ 134,400.00	\$ 54,226.00	25.46%	\$ 50,358.00	\$ 3,868.00
Utilities	\$ 757.00	\$ 600.00	\$ 157.00	6.28%	\$ 176.00	\$ 19.00
Travel	\$ 13,095.00	\$ 2,600.00	\$ 10,495.00	55.24%	\$ 9,155.00	\$ 1,340.00
Other Costs	\$ 114,677.00	\$ 5,000.00	\$ 109,677.00	95.37%	\$ 118,094.00	\$ (8,417.00)
Special Election Expense	\$ 250,000.00	\$ -	\$ 250,000.00	100.00%	\$ 250,000.00	\$ -
Machinery & Equipment	\$ 2,049.00	\$ -	\$ 2,049.00	26%	\$ 5,320.00	\$ (3,271.00)

**Total Carryover/Savings Expected
(minus Special Election Expense and Lease Rent)**

\$ 277,793.00

18.59%

\$ 284,826.00

19.06%

EXHIBIT "C"

Anticipated Expenditures and Carry-Over Savings based on IFAS Report BA5104M, as of February 28, 2019

County Clerk

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Estimated Expenditures till end of FY (March 1 - June 30)
Wages and Salaries	\$ 302,468.00	\$ 177,254.00	\$ 125,214.00	20.41%	Salaries (\$177,254)
Other Premium Pay	\$ 23,248.00	\$ 9,000.00	\$ 14,248.00	21.52%	Overtime (\$8,000), Temporary Assignment (\$1,000)
Materials and Supplies	\$ (3,832.00)	\$ 300.00	\$ (4,132.00)	-66.65%	Office Supplies (\$300)
Services	\$ 148,379.00	\$ 75,000.00	\$ 73,379.00	39.20%	Contractual and Other Services (\$4,000), Advertisement (\$20,000), Minutes of Public Hearings (\$5,000), Letterhead and Stationery (\$500), Imaging Project (\$45,000), Services/Contracts (\$500)
Utilities	\$ -	\$ -	\$ -	0.00%	N/A
Travel	\$ 2,323.00	\$ 650.00	\$ 1,673.00	41.83%	Airfare/Transportation (\$500), Per Diem (\$150)
Other Costs	\$ 3,495.00	\$ 3,400.00	\$ 95.00	0.59%	Meal Allowance (\$100), Maui News (\$200), Office 365 (\$2,500), Misc Other Costs (\$600)
Machinery & Equipment	\$ 1,540.00	\$ 1,500.00	\$ 40.00	0.80%	Microsoft Surface Pro Bundle (\$1,500)

Codification Expense

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Estimated Expenditures till end of FY (March 1 - June 30)
Codification Expense	\$ 10,000.00	\$ 10,000.00	\$ -	0.00%	Codification Expense (\$10,000) - invoice sent once a year in June (increased frequency of hard copy updates, online cost and additional features)

Elections

	Balance Available	Expected Expenditures	Expected Carryover/Savings	% of Amended Annual Budget at end of FY (projection)	Estimated Expenditures till end of FY (March 1 - June 30)
Wages and Salaries	\$ 89,451.00	\$ 41,920.00	\$ 47,531.00	16.98%	Salaries (\$41,920)
Other Premium Pay	\$ 37,640.00	\$ 8,000.00	\$ 29,640.00	38.70%	Overtime - training, City and County of Honolulu Special Election, SOP's, etc. (\$8,000)
Materials and Supplies	\$ 32,158.00	\$ 27,000.00	\$ 5,158.00	7.48%	Post Office postage (\$20,000), Stamps (\$600), Office Supplies (\$6,000), Miscellaneous Warehouse Supplies (\$400)
Services	\$ 3,766.00	\$ 2,000.00	\$ 1,766.00	0.70%	Fax and printers maintenance (\$1,000), Stationery and Letterhead (\$1,000)
Utilities	\$ 480.00	\$ 800.00	\$ (320.00)	-12.80%	Verizon services for Mifi, etc. (\$800)
Travel	\$ 12,234.00	\$ 10,000.00	\$ 2,234.00	9.31%	Airfare/Transportation - State Leg / Elections Center / Elections Commission (\$8,000), Per Diem (\$2,000)
Other Costs	\$ 24,085.00	\$ 6,000.00	\$ 18,085.00	31.73%	Other Costs (\$1,000), State Archives (\$1,200), Elections Center Dues (\$2,000), Attachmate (\$1,800)
Special Election Expense	\$ 250,000.00	\$ -	\$ 250,000.00	100.00%	N/A
Machinery & Equipment	\$ 4,800.00	\$ 4,500.00	\$ 300.00	6%	Microsoft Surface Pro Bundles (\$4,500)

Total Carryover/Savings Expected (minus Special Election Expense and One-Time Council Appropriation for Chamber Security)	\$ 214,911.00	14.38%
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EXHIBIT "D"