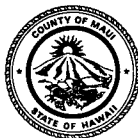


Council Chair
Alice L. Lee

Vice-Chair
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Gabe Johnson
Kelly Takaya King
Michael J. Molina
Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura



Director of Council Services
Traci N. T. Fujita, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

March 29, 2021

Mr. Scott Teruya, Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Teruya:

SUBJECT: **FISCAL YEAR ("FY") 2022 BUDGET** (FN-1) (BFED-1)

May I please request the following:

1. A copy of the Fringe Benefit rates used in preparing the FY 2022 Budget.
2. A breakdown of actual costs of employee fringe benefits for FY 2017 to FY 2021, to date, by category and by fund. The categories include: Employees' Retirement System, Federal Insurance Contributions Act, Hawaii Employer-Union Health Benefits Trust Fund, and Other Post-Employment Benefits.
3. Explain any cost increases to each fringe benefit category and identify whether the increase is based on collective bargaining agreements, including the request for FY 2022.

May I further request you transmit your response no later than **April 5, 2021**, to enable the Committee to comprehensively review the FY 2022 Budget.

To ensure efficient processing, please transmit your response to bfed.committee@mauicounty.us and duplicate the coding in the subject line above for easy reference. Should you have any questions, please contact me or the Committee staff (Lesley Milner at ext. 7886, Kasie Apo Takayama at ext. 7665, Richard Mitchell at ext. 7662, or Yvette Bouthillier at ext. 7758).

Mr. Scott Teruya
March 29, 2021
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Sincerely,

A handwritten signature in black ink, appearing to read 'Keani Rawlins-Fernandez', with a long horizontal flourish extending to the right.

KEANI RAWLINS-FERNANDEZ, Chair
Budget, Finance, and Economic
Development Committee

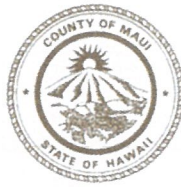
bfed:2022budget:200329afn01:lpcm

cc: Mayor Michael P. Victorino
Budget Director

MICHAEL P. VICTORINO
Mayor

SCOTT K. TERUYA
Director

MAY-ANNE A. ALIBIN
Deputy Director



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

March 31, 2021

Ms. Michele M. Yoshimura
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino 3/31/21
Mayor Date

For Transmittal to:

Honorable Keani N.W. Rawlins-Fernandez, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

SUBJECT: FISCAL YEAR ("FY") 2022 BUDGET (FN-1) (BFED-1)

Dear Chair Rawlins-Fernandez:

This is in response to your letter dated March 29, 2021, requesting to respond to the following questions/information:

1. A copy of the Fringe Benefit rates used in preparing the FY 2022 Budget.

Response: Attached is a copy of the Fringe Benefit Rate memo for Calendar Year 2021 is attached for your reference.

2. A breakdown of actual costs of employee fringe benefits for FY 2017 to FY 2021, to date, by category and by fund. The categories include: Employees' Retirement System, Federal Insurance Contributions Act, Hawaii Employer-Union Health Benefits Trust Fund, and Other Post-Employment Benefits.

Response: The table on the next page provides a breakdown of actual costs of employee fringe benefits for FY 2017 to FY 2021, to-date, by category:

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General Fund	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals as of 3/31/2021
Social Security - FICA	\$ 7,669,506	\$ 7,980,505	\$ 8,365,599	\$ 8,423,190	\$ 6,376,964
Retirement System - ERS ¹	\$ 33,566,620	\$ 40,879,952	\$ 43,245,571	\$ 52,678,394	\$ 39,710,950
Hawaii Employer-Union Trust Fund - EUTF	\$ 31,844,309	\$ 33,400,009	\$ 36,878,984	\$ 39,946,780	\$ 29,139,503
Other Post-Employment Benefit - OPEB	\$ 16,172,000	\$ 17,000,000	\$ 18,126,930	\$ 22,249,711	\$ 18,000,000

NOTE:

¹ FY 2017 amount does not include the spiking bill received and paid in FY 2018. Spiking bills are included in subsequent years as incurred.

3. Explain any cost increases to each fringe benefit category and identify whether the increase is based on collective bargaining agreements, including the request for FY 2022.

Response: Cost increases to each fringe benefit category are primarily because of the following factors: (1) Historical expenditures; 2) Actuarial Reports from the State of Hawaii; 3) Changes in the Employee Fringe Benefit rates, and; 4) Adjustments relating to the changes in budgeted salaries (i.e. expansion positions, reallocation of positions, or terminal vacation pay). Below is a table showing the comparison between the current and ensuing fiscal years by category:

Fringe Benefits	FY 2021 Adopted	FY 2022 Proposed	Change	Reason for Change
Social Security - FICA	\$ 10,576,485	\$ 10,762,614	\$ 186,129	Based on historical data, current activity, and calendar year's Employee Fringe Benefit Rates issued by the Department of Finance.
Retirement System - ERS	\$ 61,520,331	\$ 63,811,333	\$ 2,291,002	Adjustments based on assessment from ERS; 24% rate for general employees and 41% for Police and Fire.
Hawaii Employer-Union Trust Fund - EUTF	\$ 40,495,444	\$ 22,146,000	\$ (18,349,444)	Decrease to reflect only the amount paid to the EUTF for current/active employee. In previous years, this amount included the OPEB.
Annual Required Contribution (OPEB) - EUTF	\$ -	\$ 38,547,000	\$ 38,547,000	Annual required contribution as determined by actuaries - Other Post-Employment Benefit Costs (OPEB)
Terminal pay, Salary Adjustments	\$ 8,000,000	\$ 3,500,000	\$ (4,500,000)	No anticipated bargaining unit increases for FY22

Honorable Keani N.W. Rawlins-Fernandez, Chair

March 31, 2021

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Should you have any questions, please feel free to contact me at extension no. 7474 or Deputy Director May-Anne Alibin at extension no. 7475.

Sincerely,



SCOTT K. TERUYA
Director of Finance

SKT:maa

Attachments

MICHAEL P. VICTORINO
Mayor

SCOTT K. TERUYA
Director

MAY-ANNE A. ALIBIN
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.maui-county.gov

September 30, 2020

MEMORANDUM

TO: ALL DEPARTMENTS AND AGENCIES

SUBJECT: EMPLOYEE FRINGE BENEFIT RATES- CALENDAR YEAR 2021

The County of Maui has reviewed and revised the employee fringe benefit rates utilizing the actual cost data and salary base for the prior fiscal year which ended on June 30, 2020 (Fiscal 2020). These rates are to be used from January 1, 2021 through December 31, 2021 (Calendar Year 2021).

EMPLOYEE FRINGE BENEFIT RATES BASED UPON EMPLOYER'S CONTRIBUTION	Personnel (except Police, Fire)		DWS (a)		Police & Fire (b)	
	<u>1/1/2021</u>	<u>7/1/2021(c)</u>	<u>1/1/2021</u>	<u>7/1/2021(c)</u>	<u>1/1/2021</u>	<u>7/1/2021(c)</u>
Employee's Retirement System (ERS)	24.00%	24.00%	24.00%	24.00%	41.00%	41.00%
Social Security/Medicare	7.65%	7.65%	7.65%	7.65%	1.45%	1.45%
Subtotal	31.65%	31.65%	31.65%	31.65%	42.45%	42.45%
Unemployment	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
Workers' Compensation	1.79%	1.79%	0.99%	0.99%	1.79%	1.79%
Medical, Drug, Dental, Vision, Life	22.39%	22.39%	22.39%	22.39%	22.39%	22.39%
Other Post-Employment Benefits (OPEB)	12.47%	12.47%	12.47%	12.47%	12.47%	12.47%
Total Employer's Contribution (Use for internal reimbursement)	<u>68.47%</u>	<u>68.47%</u>	<u>67.67%</u>	<u>67.67%</u>	<u>79.27%</u>	<u>79.27%</u>

EMPLOYEE FRINGE BENEFIT RATES BASED UPON EMPLOYER'S CONTRIBUTION	Personnel (except Police & Fire)		DWS (a)		Police & Fire (b)	
	<u>1/1/2021</u>	<u>7/1/2021(c)</u>	<u>1/1/2021</u>	<u>7/1/2021(c)</u>	<u>1/1/2021</u>	<u>7/1/2021(c)</u>
<u>LEAVE BENEFITS</u>						
Vacation	8.08%	8.08%	8.08%	8.08%	8.08%	8.08%
Sick	5.38%	5.38%	5.38%	5.38%	5.38%	5.38%
Holiday	5.38%	5.38%	5.38%	5.38%	5.38%	5.38%
Others (Admin Leave, Union)	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%
Total Leave Benefits	<u>19.61%</u>	<u>19.61%</u>	<u>19.61%</u>	<u>19.61%</u>	<u>19.61%</u>	<u>19.61%</u>
Total Fringe Benefit Rate (Straight Time Rate)	<u>88.08%</u>	<u>88.08%</u>	<u>87.28%</u>	<u>87.28%</u>	<u>98.88%</u>	<u>98.88%</u>
(Use for grant reimbursement)						
Total Fringe Benefit Rate (Overtime Rate)	<u>33.61%</u>	<u>33.61%</u>	<u>32.81%</u>	<u>32.81%</u>	<u>44.41%</u>	<u>44.41%</u>
(Use for internal departmental transfer and grant reimbursement including FEMA reimbursements)						

(a) For DWS personnel only: Workers' Compensation rate .99% as DWS pays their own expenses directly.

(b) For Police & Fire personnel only: ERS rate = 41.00% + 1.45% (for Medicare) = 42.45%.

(c) ERS rate will remain the same for July 1, 2021 until statutory changes are implemented.

If you have any questions on the above employee fringe benefit rates, please call Accounting System Administrator, Marci Sato at ext. no. 7503.

Respectfully Submitted,



SCOTT K. TERUYA
Director of Finance