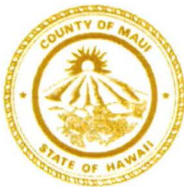


Michael P. Victorino
Mayor

Sananda K. Baz
Managing Director



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 S. HIGH STREET
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April 19, 2021

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

Dear Chair Rawlins-Fernandez:

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

Pursuant to Section 3.48.135 and Section 3.48.580, Maui County Code, the Director of Finance has provided the Council with the Fiscal Year 2021-2022 certification of the net taxable real property valuation for the County of Maui.

Using the proposed FY 2022 Real Property Tax ("RPT") rates and the certified values, the difference between the estimated RPT revenue of \$371,402,333 and the RPT revenue based upon certification of \$375,365,967, is \$3,963,634.

Based on the estimated revenue and the required one percent of RPT revenue, an additional \$39,637 should be transferred to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund. The proposed transfer to the Affordable Housing Fund, based on the required three percent and the additional one percent should be \$158,546.

After fulfilling the requirements of the Revised Charter of the County of Maui, as amended, and an additional one percent to the Affordable Housing Fund, there is \$3,765,451 available for appropriations.

I am recommending that the remaining funds be appropriated to the following:

1. The Department of Housing and Human Concerns was notified by the Department of Education that the meal prices will be increased beginning July 1, 2021. This notification was provided after the

submission of the Mayor's proposed budget to the Council. The estimated increase for the cost of meals for the Home-delivered meals program is \$115,000.

2. The Information Technology Services Program provides 24/7 service to the Department of Police and emergency dispatch support. The Department of Management explored the option of creating staff positions to provide round-the-clock coverage needed by our emergency services. However, after review and consideration to implement such staffing, it was determined that it could not be implemented in FY 22. Therefore, the Program is requesting \$100,000 to cover any increase to off-hour support.
3. The remaining balance, \$3,550,451, to be transferred to the Emergency Fund. As the Director of Finance stated in his response (see FN-2, question 4 under Operations and Equipment) to the Committee, the proposed amount of \$3 million to the Emergency Fund for FY 2022, was based on the balance available in the General Fund after factoring all the estimated revenues and proposed expenditures.

In 2012, the County implemented a policy to increase the Emergency Fund to 20% of General Fund revenue as part of a prudent reserve strategy. The proposed \$3 million appropriation in FY 2022 will provide an estimated balance of \$52.9 million in the Emergency Fund as of June 30, 2022, which is 13.4% of the goal. Furthermore, a \$9 million request in FY 2021 has been proposed to address the damages from the March 2021 flood events. Adding the \$3.7 million from certification would help to replenish the Emergency Fund.

Thank you for your consideration to this request. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Michael P. Victorino". The signature is written in a cursive, flowing style.

MICHAEL P. VICTORINO
Mayor