

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.mauicounty.gov

May 24, 2022

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

APPROVED FOR TRANSMITTAL



Mayor Date

For Transmittal to:

Honorable Alice L. Lee, Chair
and Members of Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Lee and Members:

SUBJECT: A PROPOSED BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE OFFICE OF THE AUDITOR, STATE OF HAWAII, TO AUDIT THE SCHEDULE OF ALLOCATIONS OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII TO MEET THE REPORTING REQUIREMENTS UNDER GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NUMBER 68

Transmitted herewith is a proposed bill entitled, "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE OFFICE OF THE AUDITOR, STATE OF HAWAII, TO AUDIT THE SCHEDULE OF ALLOCATIONS OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII TO MEET THE REPORTING REQUIREMENTS UNDER GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NUMBER 68."

The County of Maui's Annual Comprehensive Financial Report (ACFR) audit requires the Employees' Retirement System (ERS) schedule of allocations to be audited in accordance with the Governmental Accounting Standards Board Statement No. 68. The State of Hawaii's Office of the Auditor has hired an external auditor to audit the ERS schedule of allocations as required for the fiscal years ending June 30, 2022, 2023, and 2024.

The purposes of this proposed bill are as follows: 1) To authorize the Mayor to enter into an intergovernmental agreement with the State of Hawaii, Office of the Auditor, which includes

*Honorable Alice L. Lee, Chair
and Members of Maui County Council
May 24, 2022
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execution of the Memorandum of Understanding (MOU), all other necessary documents relating to the MOU, and any other amendments thereto, and; 2) To authorize the payment of \$3,700.00 for fiscal year 2022, \$3,900.00 for fiscal year 2023, and \$4,100.00 for fiscal year 2024 as the County of Maui's share for the audit.

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

Sincerely,



SCOTT K. TERUYA
Director of Finance

SKT:maa

Attachment

cc: Keani Rawlins-Fernandez, Budget, Finance, and Economic Development Committee Chair
Lance Taguchi, County Auditor

ORDINANCE NO. _____

BILL NO. _____ (2022)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE OFFICE OF THE AUDITOR, STATE OF HAWAII, TO AUDIT THE SCHEDULE OF ALLOCATIONS OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII TO MEET THE REPORTING REQUIREMENTS UNDER GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NUMBER 68

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Purpose. The audit of the County of Maui Annual Comprehensive Financial Report requires the Employees' Retirement System of the State of Hawaii ("ERS") schedule of allocations be audited in accordance with Governmental Accounting Standards Board Statement No. 68. Eide Bailly LLP, the auditor that has been contracted by the Office of the Auditor, State of Hawaii, to audit the ERS, is willing and able to audit the ERS schedule of allocations for the fiscal years ending June 30, 2022, 2023, and 2024, as it relates to the County of Maui for a fee of \$3,700.00 for fiscal year 2022, \$3,900.00 for fiscal year 2023 and \$4,100.00 for fiscal year 2024. The Memorandum of Understanding ("MOU"), attached hereto and incorporated herein as Exhibit "1," places a financial obligation on the County and is intended to be executed between the County and a State agency. The Department of Finance and the County Auditor have reviewed terms of the MOU and find the terms and conditions therein to be acceptable.

SECTION 2. Council Authorization. Pursuant to Section 2.20.020, Maui County Code, the Council of the County of Maui hereby authorizes the Mayor to enter into an intergovernmental agreement, which would include the execution of the MOU, all other necessary documents relating to the MOU, and any amendments thereto.

SECTION 3. Effective Date. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



KRISTINA C. TOSHIKIYO
Department of the Corporation Counsel
County of Maui
2022-0787
2022-05-24 IGA State Auditor GASB 68

EXHIBIT "1"

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is effective as of _____, by and between the OFFICE OF THE AUDITOR, STATE OF HAWAII ("Auditor"), and the COUNTY OF MAUI ("Employer").

RECITALS

- A. The state and county government employers identified below (the "employers") have requested assistance from Auditor in conducting an audit of the schedule of employer allocations of the Employees' Retirement System of the State of Hawaii ("ERS") and the total for all employers of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense included in the schedule of pension amounts by employer of ERS for the fiscal years ending June 30, 2022, 2023, and 2024, from actuarial information received from the actuary for ERS. The information is provided to meet reporting requirements under Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions*.
- 1) State of Hawai'i
 - 2) City and County of Honolulu
 - 3) County of Maui
 - 4) County of Kaua'i
 - 5) County of Hawai'i
 - 6) Board of Water Supply, City and County of Honolulu
 - 7) Department of Water Supply, County of Hawai'i
 - 8) Department of Water, County of Kaua'i
 - 9) Honolulu Authority for Rapid Transportation
 - 10) University of Hawai'i
- B. Auditor is willing to authorize Eide Bailly LLP ("Eide Bailly"), the contract auditor for ERS, to conduct the audits of the above-mentioned schedule and information.
- C. The purpose of this MOU is to provide for payment by Employer to Auditor as authorized under section 23-3.5, Hawai'i Revised Statutes, for the above-mentioned audited schedule and information to meet the reporting requirements of GASB Statement No. 68.

TERMS AND CONDITIONS

1. Upon execution of this MOU, Auditor shall instruct Eide Bailly to audit the schedule and information to meet the reporting requirements of GASB Statement No. 68 for Employer's Annual Comprehensive Financial Report for the fiscal years ending June 30, 2023, 2024, and 2025.
2. The cost to Employer for the audit for the fiscal years ending June 30, 2022, 2023, and 2024, will be THREE THOUSAND SEVEN HUNDRED DOLLARS AND

NO CENTS (\$3,700.00) for FY2022; THREE THOUSAND NINE HUNDRED DOLLARS AND NO CENTS (\$3,900.00) for FY2023; and FOUR THOUSAND ONE HUNDRED DOLLARS AND NO CENTS (\$4,100.00) for FY2024.

3. Auditor shall pay Eide Bailly for services rendered and will invoice Employer for its allocation of the audit costs paid by Auditor under the contract between Auditor and Eide Bailly.
4. Employer shall pay Auditor the amount of the invoice within sixty (60) days after the invoice date.
5. This MOU may be amended or modified only by a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties have executed this MOU as of the last date written below.

OFFICE OF THE AUDITOR
STATE OF HAWAII

EMPLOYER:
COUNTY OF MAUI

By: _____
Leslie H. Kondo
State Auditor

By: _____
Michael Victorino
Mayor

Date: _____

Date: _____

By: _____
Scott Teruya
Director of Finance

Date: _____

APPROVED AS TO FORM:

By: _____
Deputy Corporation Counsel
County of Maui

Date: _____

BFED Committee

From: Keani N. Rawlins
Sent: Thursday, May 26, 2022 8:49 AM
To: BFED Committee
Subject: FW: MT#9684 A proposed bill for an ordinance authorizing the Mayor of the County of Maui
Attachments: MT#9684-Lee, Alice.pdf

From: Michelle Santos <Michelle.Santos@co.maui.hi.us>
Sent: Wednesday, May 25, 2022 8:26 AM
To: Alice L. Lee <Alice.Lee@mauicounty.us>
Cc: Didi Hamai <Didi.Hamai@co.maui.hi.us>; Josiah Nishita <Josiah.K.Nishita@co.maui.hi.us>; Kayla Ueshiro <Kayla.Ueshiro@co.maui.hi.us>; May-Anne Alibin <May-Anne.Alibin@co.maui.hi.us>; Sandy Baz <sandy.baz@co.maui.hi.us>; Scott Teruya <Scott.Teruya@co.maui.hi.us>; Stacy Takahashi <Stacy.N.Takahashi@co.maui.hi.us>; Tyson Miyake <tyson.miyake@co.maui.hi.us>; Zeke Kalua <Zeke.Kalua@co.maui.hi.us>; James G. Krueger <James.Krueger@mauicounty.us>; Kathy L. Kaohu <Kathy.Kaohu@mauicounty.us>; Keani N. Rawlins <Keani.Rawlins@mauicounty.us>; MahinaMalamalama M. Poepoe <MahinaMalamalama.Poepoe@mauicounty.us>; Sarah D. Pajimola <sarah.pajimola@mauicounty.us>
Subject: MT#9684 A proposed bill for an ordinance authorizing the Mayor of the County of Maui

NOTE: PLEASE DO NOT FORWARD MY EMAIL TO ANYONE OUTSIDE OF THE COUNTY OF MAUI. YOU MAY CLICK ON THE ATTACHMENT ITSELF AND CREATE YOUR OWN EMAIL TO FORWARD THE DOCUMENT TO ANOTHER PERSON OUTSIDE OF THE COUNTY.

Michelle L. Santos

Office Operations Assistant

Office of the Mayor
County of Maui
200 S. High Street 9th Floor
Wailuku, HI 96793
phone: (808) 270-7855
fax: (808) 270-7870