

ORDINANCE NO. \_\_\_\_\_

BILL NO. 77 (2016)

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 (ERS)

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

SECTION 1. Purpose. The audit of the County of Maui Comprehensive Annual Financial Report requires the ERS schedule of allocations be audited in accordance with Governmental Accounting Standards Board Statement No. 68. 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 year ending June 30, 2015, as it relates to the County of Maui for an additional fee. 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:

  
\_\_\_\_\_  
JEFF UEOKA  
Department of the Corporation Counsel  
County of Maui  
2016-0575/2014-3082  
BF-73 2016-07-13 Ordinance-  
Intergovernmental Agmt Ofc of the Auditor

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is effective the \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the OFFICE OF THE AUDITOR, STATE OF HAWAI'I ("Auditor") and COUNTY OF MAUI ("Employer").

RECITALS

- A. The following state or county government employers (the "employers") have requested assistance from the Auditor in conducting an audit of the schedule of employer allocations of the Employees' Retirement System of the State of Hawai'i ("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 year ended June 30, 2015, from actuarial information received from Gabriel, Roeder, Smith & Company ("GRS"), 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*.
  - i. State of Hawai'i;
  - ii. City and County of Honolulu;
  - iii. County of Maui;
  - iv. County of Kaua'i;
  - v. County of Hawai'i;
  - vi. Board of Water Supply, City and County of Honolulu;
  - vii. Department of Water Supply, County of Hawai'i;
  - viii. Department of Water, County of Kaua'i;
  - ix. Honolulu Authority for Rapid Transit; and
  - x. University of Hawai'i.
- B. The Auditor is willing to use KPMG LLC ("KPMG"), the contract auditor for ERS, to conduct the audit of the above-mentioned schedule and information.
- C. The purpose of this MOU is to provide for payment by the Employer to the Auditor as authorized under § 23-3.5, HRS, for the audited schedule and information to meet the reporting requirements of GASB 68.

EXHIBIT "1"

TERMS AND CONDITIONS

1. Upon execution of this MOU, the Auditor will request KPMG to audit the schedule and information to meet the reporting requirements of GASB 68.
2. The cost of the audit to the Employer will be \$3,900.00.
3. The Auditor will bill the Employer for the audit cost after the Auditor receives the bill from KPMG.
4. 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: \_\_\_\_\_  
Alan Arakawa  
Mayor

DATE: \_\_\_\_\_ DATE: \_\_\_\_\_

By: \_\_\_\_\_  
Danilo F. Agsalog  
Director of Finance

DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy Corporation Counsel

DIGEST

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 77 (2016)

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 (ERS)

This bill proposes to authorize the Mayor to enter into an intergovernmental agreement with the Office of the Auditor, State of Hawaii, to audit the schedule of allocations of the State Employees' Retirement System, as required by Governmental Accounting Standards Board Statement 68, for the Fiscal Year ended June 30, 2015.

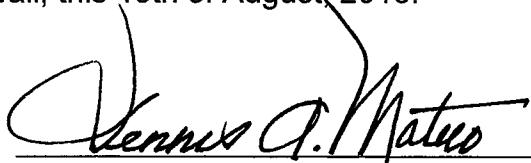
I, DENNIS A. MATEO, County Clerk of the County of Maui, State of Hawaii, DO HEREBY CERTIFY that the foregoing BILL NO. 77 (2016) was passed on First Reading by the Council of the County of Maui, State of Hawaii, on the 5th day of August, 2016, by the following vote:

AYES: Councilmembers Gladys C. Baisa, Robert Carroll, Eleanora Cochran, Donald G. Couch Jr., S. Stacy Crivello, G. Riki Hokama, Vice-Chair Donald S. Guzman, and Chair Michael B. White.

NOES: None.

EXCUSED: Councilmember Michael P. Victorino.

DATED at Wailuku, Maui, Hawaii, this 15th of August, 2016.



DENNIS A. MATEO, COUNTY CLERK  
COUNTY OF MAUI, STATE OF HAWAII

Copies of the foregoing Bill, in full, are on file in the Office of the County Clerk, County of Maui, for use and examination by the public.