

Jo-Ann Sato

From: Linda Kimura <Linda.Kimura@co.maui.hi.us>
Sent: Wednesday, July 13, 2016 10:26 AM
To: BF Committee
Cc: Jo-Ann Sato
Subject: INTERGOVERNMENTAL AGREEMENT WITH THE OFFICE OF THE AUDITOR, STATE OF HAWAII (BF-73)
Attachments: BF-73 2016-07-13 Ordinance-Intergovernmental Agmt Ofc of the Auditor.pdf

See attached.

REQUEST FOR LEGAL SERVICES

Date: July 12, 2016
From: Riki Hokama, Chair
Budget and Finance Committee

RECEIVED

By Corporation Counsel at 11:20 am, Jul 12, 2016

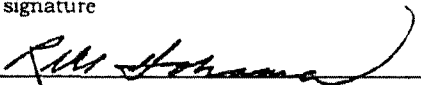
TRANSMITTAL

Memo to: DEPARTMENT OF THE CORPORATION COUNSEL
Attention: Jeffrey Ueoka, Esq.

Subject: INTERGOVERNMENTAL AGREEMENT WITH THE OFFICE OF THE AUDITOR, STATE OF HAWAII (BF-73)

Background Data: Please incorporate the revisions to the proposed bill noted on the attached marked-up copy. Also, please attach Exhibit "1" to the proposed bill.

Work Requested: FOR APPROVAL AS TO FORM AND LEGALITY
 OTHER:

Requestor's signature  Riki Hokama	Contact Person <u>Michele Yoshimura</u> (Telephone Extensions: 7663)
---	--

ROUTINE (WITHIN 15 WORKING DAYS) RUSH (WITHIN 5 WORKING DAYS)
 PRIORITY (WITHIN 10 WORKING DAYS) URGENT (WITHIN 3 WORKING DAYS)

SPECIFY DUE DATE (IF IMPOSED BY SPECIFIC CIRCUMSTANCES): July 13, 2016
REASON: For Budget and Finance Committee meeting on July 14, 2016.

FOR CORPORATION COUNSEL'S RESPONSE


ASSIGNED TO. <u>JTU</u>	ASSIGNMENT NO. <u>2014-3082</u>	BY: <u>LUV</u>
-------------------------	---------------------------------	----------------

TO REQUESTOR: APPROVED DISAPPROVED OTHER (SEE COMMENTS BELOW)
 RETURNING--PLEASE EXPAND AND PROVIDE DETAILS REGARDING ITEMS AS NOTED

COMMENTS (NOTE - THIS SECTION NOT TO BE USED FOR LEGAL ADVICE): _____

DEPARTMENT OF THE CORPORATION COUNSEL

Date 7/13/16

By 

(Rev 7/03)

bf:ltr:073acc01

Attachment

ORDINANCE NO. _____

BILL NO. _____ (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.

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