

**COUNCIL OF THE COUNTY OF MAUI**

# **BUDGET AND FINANCE COMMITTEE**

December 11, 2018

**Committee  
Report No. \_\_\_\_\_**

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on November 13, 2018, makes reference to County Communication 18-371, from the Director of Finance, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 3.08.040, MAUI COUNTY CODE, RELATING TO INVESTMENT POLICY."

The purpose of the proposed bill is to amend Section 3.080.040, Maui County Code, relating to the investment policy for County investments, by deleting the phrase, "through the adoption of administrative rules in accordance with chapter 91, Hawaii Revised Statutes, or ordinance," as the means by which the Director of Finance shall establish a policy on County investments.

Your Committee notes Ordinance 4876, Bill 66 (2018), effective September 14, 2018, amended Chapter 3.08, Maui County Code, by adding a new Section 3.08.040 relating to County Investments.

The Director of Finance said the County does not currently have Administrative Rules for its investments. He added the County is strictly regulated in the types of investments it makes through the Hawaii Revised Statutes.

The Director stated the County has issued a request for proposals for a third-party investment advisor. He anticipates the selection of the advisor will be made before the end of this calendar year.

Your Committee noted Administrative Rules are not adopted by the Council, but rather, the rules are an internal document created by the Administration. The Administration is required to have an open process to establish Administrative Rules, including public notification, to allow for review and comments prior to adoption of the rules.

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Report No.** \_\_\_\_\_

Your Committee revised the proposed bill, Section 3.08.040(A)(1), by deleting the phrase “through the adoption of” and replacing it with the phrase “and may adopt.” The proposed revisions would provide the Director of Finance and the County’s Investment Committee the ability to adopt Administrative Rules relating to County investments.

Your Committee voted 8-0 to recommend passage of the proposed bill on first reading, as revised, and filing of the communication. Committee Chair Hokama and members Atay, Carroll, Cochran, Crivello, Guzman, King, and Sugimura voted “aye.” Committee Vice-Chair White was excused.

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee’s recommended revisions and nonsubstantive revisions.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill \_\_\_\_\_ (2018), as revised herein and attached hereto, entitled “A BILL FOR AN ORDINANCE AMENDING SECTION 3.08.040, MAUI COUNTY CODE, RELATING TO INVESTMENT POLICY,” be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication 18-371 be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.

  
\_\_\_\_\_  
RIKI HOKAMA, Chair

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

BILL NO. \_\_\_\_\_ (2018)

A BILL FOR AN ORDINANCE AMENDING SECTION 3.08.040,  
MAUI COUNTY CODE, RELATING TO INVESTMENT POLICY

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

SECTION 1. Section 3.08.040, Maui County Code, is amended by  
amending subsection A to read as follows:

“A. Investment policy.

1. The director of finance shall establish a policy on  
County investments [through the adoption of] and may adopt  
administrative rules in accordance with chapter 91, Hawaii  
Revised Statutes, or ordinance.

2. The investment policy shall establish guidelines  
regarding the investment of County moneys in excess of the  
amounts necessary for the meeting of immediate  
requirements when the action will not impede or hamper the  
necessary financial operations of the County.

3. The policy shall set forth the process for  
determining when these moneys may be invested.

4. The investment policy shall seek to maximize  
investment income while assuring sufficient cash balances or  
other immediate forms of daily liquidity are maintained to  
meet the ongoing obligation of the County.

5. The investment policy objectives shall be, in  
priority order, safety, liquidity, and yield.”

SECTION 2. Material to be repealed is bracketed. New material is  
underscored. In printing this bill, the County Clerk need not include the  
brackets, the bracketed material, or the underscoring.

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

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA

Department of the Corporation Counsel  
County of Maui  
2018-1354/2017-0093  
BF-180 2018-11-14 Ordinance Section  
3.08.040 Investment Policy