

ALAN M. ARAKAWA  
Mayor



RECEIVED  
2018 JUN 16 PM 3:49  
OFFICE OF THE MAYOR

MARK R. WALKER  
Director

MARCI M. SATO  
Deputy Director

COUNTY OF MAUI  
**DEPARTMENT OF FINANCE**  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793

January 18, 2018

Honorable Alan M. Arakawa  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Riki Hokama, Chair  
Budget and Finance Committee  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

  
Mayor 1/18/18  
Date

Dear Chair Hokama,

**SUBJECT: FISCAL YEAR QUARTERLY REPORTS (FISCAL YEAR 2018 (JULY 1, 2017 TO JUNE 30, 2018)) (BF-4(1))**

This is in response to your letter dated January 9, 2018 requesting information relating to the Employees Retirement System of the State of Hawaii ("ERS") and excess pension costs. Please find our responses to your information inquiry below;

1. Did the County remit payment to the ERS for the invoices listed above? If yes, provide the date and a copy of the remittance document.

*Response: The invoices for excess pension costs for FY15 (\$1,773,652) and FY16 (\$1,091,207) were remitted to the ERS by check on August 24, 2017. Copies of the remittance documents are attached and labeled as Exhibit A.*

2. How did the Department of Finance verify the amount of the invoices? Provide the calculation and breakdown of excess pension costs by department.

Honorable Riki Hokama  
January 18, 2018  
Page 2 of 2

*Response: After discussion with the Accounting Manager at ERS it was determined that the ERS could send the County two examples of the calculations (1 from each year) as they did not have calculations for each of the retirees readily available. This discussion took place at the end of April 2017. The County received the two excel spreadsheets with the calculations on June 9, 2017. After review of the two files and comparing the base information to reports run by payroll, it was determined that the calculations were reasonable. The numbers from the ERS as compared to the payroll records did not tie exactly, however, the differences noted were very minimal. Based on this information and wanting to pay the invoice so that the County mitigated the possibility of interest under HRS 88-100, the Director made the decision to pay the invoices.*

*The breakdown of the excess pension cost by department is attached and labeled as Exhibit B.*

3. Has the County received an invoice for 2017? If so, provide a copy of the invoice and any supporting documents. Also, if payment was made, include a copy of the remittance document.

*Response: The County received the invoice for FY17 on January 17, 2018 and has requested supporting documentation from the ERS. A copy of the invoice is attached and is labeled as Exhibit C. No payment has been made as of this writing.*

Thank you for the opportunity to provide information regarding this matter and should you have any further questions, please feel free to contact me at Ext. 7474.

Sincerely,



MARK R. WALKER  
Director of Finance

cc: Steve Tesoro, Accounting System Administrator

EXHIBIT A

COUNTY OF MAUI  
WAILUKU, MAUI, HAWAII

CHECK DISTRIBUTION  
RETURN TO

**REQUEST FOR PAYMENT**

Accounts-Jean *DEBBIE*

MAIL TO VENDOR

DEPARTMENT: Finance-Accounts

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

Description or  
Appropriation Title: **Contribution to ERS**

PE ID NO.	NAME OF PAYEE (Payment Justification)	Index Code	Sub-Object	AMOUNT
003708	Employees' Retirement System of the State of Hawaii  Bill No. 2015-ACT 153-MAUI	907642B	6521	\$1,773,652.00
	FYE 06/30/2015 excess pension costs (Per ACT 153/SLH 2012 Refer HRS Section 88-100)			
		<i>Separate check please</i>		
	<i>OH105194</i>			

**TOTAL \$ \$1,773,652.00**

*DWE  
8/24/17*



For Department



Finance Department

STATE OF HAWAII  
DEPARTMENT OF BUDGET & FINANCE  
EMPLOYEES' RETIREMENT SYSTEM

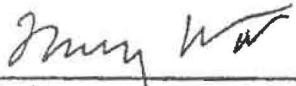
BILL FOR COLLECTION

County of Maui  
Department of Finance  
Director: Danny Aagsalog  
200 South High St. Kalana O Maui Bldg, 2<sup>nd</sup> Floor  
Wailuku, HI 96793

BILL NO. 2015-ACT 153-MAUI  
DATE 11/24/2015

DATE	DESCRIPTION	AMOUNT	TOTAL
FYE 6/30/2015 EXCESS PENSION COSTS (PER ACT 153/SLH 2012 REFER HRS Section 88-100)			
		Requirement	
		\$ 1,773,652.00	\$ 1,773,652.00

I certify the above is correct and just;  
Payment not received as of this date.

  
Accounting Manager

Remit **one copy** of this bill together with your check made payable to:

Employees' Retirement System of the State of Hawaii  
City Financial Tower  
201 Merchant Street, Suite 1400  
Honolulu, HI 96813-2980

Should there be any questions regarding this Bill for Collection, please call Larry Wolfe at 586-1728.

PE 15 71 00-708

EMPLOYEES' RETIREMENT SYSTEM  
 ACT 153 EXCESS PENSION COSTS  
 FYE JUNE 30, 2015

LAST WORKED EMPLOYER

MAUI COUNTY

DEPT/PAY NO	NAME	PENSION APPL NO	RET DATE	LAST WORKED EMPLOYER - BILLING LOCATION	ACT 153- AMOUNT DUE
60CRIM0000		97582	12/31/2013	MAUI COUNTY	\$ 62,973.00
37WAIE0000		96863	12/31/2013	MAUI COUNTY	\$ 55,262.00
		90883	12/31/2012	MAUI COUNTY	\$ 27,562.00
61WKO10000		97529	12/31/2013	MAUI COUNTY	\$ 148,824.00
30FADM0000		103029	12/31/2014	MAUI COUNTY	\$ 105,287.00
30KAHE0000		101474	7/1/2014	MAUI COUNTY	\$ 43,901.00
61WKO10000		96277	12/31/2013	MAUI COUNTY	\$ 100,843.00
32MAO20000		101876	8/1/2014	MAUI COUNTY	\$ 64,484.00
68TRAF0000		98518	2/1/2014	MAUI COUNTY	\$ 181,569.00
61WKO10000		99567	4/1/2014	MAUI COUNTY	\$ 100,088.00
					<u>\$ 890,793.00</u>
49GOLF0000		104525	12/31/2014	MAUI COUNTY	\$ 20,721.00
42EAST0000		105475	12/31/2014	MAUI COUNTY	\$ 40,182.00
60PDAD0000		97165	12/31/2013	MAUI COUNTY	\$ 10,779.00
40CENT0000		99268	4/1/2014	MAUI COUNTY	\$ 24,271.00
87WWME0000		99001	3/1/2014	MAUI COUNTY	\$ 18,475.00
52WEG10000		105019	12/31/2014	MAUI COUNTY	\$ 113,096.00
63LH030000		103112	10/1/2014	MAUI COUNTY	\$ 21,841.00
51WFI20000		105900	12/31/2014	MAUI COUNTY	\$ 81,068.00
47SOUT0000		99552	4/1/2014	MAUI COUNTY	\$ 18,166.00
		94708	9/1/2013	MAUI COUNTY	\$ 50,035.00
09LIQR0000		97599	12/31/2013	MAUI COUNTY	\$ 106,029.00
20PWDS0000		102900	12/31/2014	MAUI COUNTY	\$ 66,883.00
	0	93058	4/1/2013	MAUI COUNTY	\$ 15,902.00
69VICE0000		104468	12/31/2014	MAUI COUNTY	\$ 126,758.00
40PRAD0000		99479	4/1/2014	MAUI COUNTY	\$ 4,401.00
		98130	12/31/2013	MAUI COUNTY	\$ 30,177.00
54WFD20000		99442	6/1/2014	MAUI COUNTY	\$ 133,245.00
42EAST0000		99576	4/1/2014	MAUI COUNTY	\$ 830.00
					<u>\$ 882,859.00</u>

\$ 1,773,652.00

**From:** Ortaeine Acidera  
**To:** Gail Fujiwara; Jean Iniba; Steve Tesoro  
**Date:** 7/27/2017 8:27 AM  
**Subject:** Fwd: ERS Spike Payment  
**Attachments:** Excess Pension Cost invoices.pdf

Jean & Gail - Please handle. Thank you guys!

>>> Steve Tesoro 7/27/2017 7:57 AM >>>

Good morning

It looks like we will need to setup ERS as a vendor to cut a check. How do we get this started so we are ready in August?

Thanks for your help

>>> Jack Kulp 7/25/2017 8:55 AM >>>

H: Steve,

In regards to the ERS supplemental payment for excess pension costs, the payment instructions require the County to **"Remit one copy of this bill together with your check made payable to: Employee's Retirement System of the State of Hawaii....."**

Treasury has scheduled payment of the two invoices (\$1,091,207.00 & \$1,773,652.00) for the A/P check run on August 24, 2017.

Please be advised that A/P may require a PO to process these claims.

Mahalo  
Jack

COUNTY OF MAUI  
WAILUKU, MAUI, HAWAII

CHECK DISTRIBUTION  
RETURN TO

**REQUEST FOR PAYMENT**

Accounts-~~Jean~~ *DEBBIE.*

MAIL TO VENDOR

DEPARTMENT: Finance-Accounts

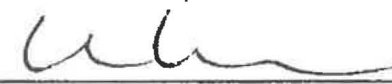
DATE: \_\_\_\_\_

Description or  
Appropriation Title: **Contribution to ERS**

PE ID NO.	NAME OF PAYEE (Payment Justification)	Index Code	Sub-Object	AMOUNT
003708	Employees' Retirement System of the State of Hawaii  Bill No. 2016-ACT 153-MAUI	907642B	6521	\$1,091,207.00
	FYE 06/30/2016 excess pension costs (Per ACT 153/SLH 2012 Refer HRS Section 88-100)			
	<i>Separate check please</i>			
	<i>04/05/195</i>			
<b>TOTAL \$</b>				<b>\$1,091,207.00</b>



For Department



Finance Department

STATE OF HAWAII  
DEPARTMENT OF BUDGET & FINANCE  
EMPLOYEES' RETIREMENT SYSTEM

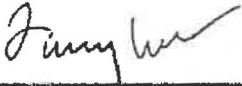
BILL FOR COLLECTION

County of Maui  
Department of Finance  
Director: Danny Agsalog  
200 South High St. Kalana O Maui Bldg, 2<sup>nd</sup> Floor  
Walluku, HI 96793

BILL NO. 2016-ACT 153-MAUI  
DATE 10/21/2016

DATE	DESCRIPTION	AMOUNT	TOTAL
	FYE 6/30/2016 EXCESS PENSION COSTS (PER ACT 153/SLH 2012 REFER HRS Section 88-100)		
		Requirement	
		\$ 1,091,207.00	\$ 1,091,207.00

I certify the above is correct and just;  
Payment not received as of this date.



Accounting Manager

Remit one copy of this bill together with your check made payable to:

Employees' Retirement System of the State of Hawaii  
City Financial Tower  
201 Merchant Street, Suite 1400  
Honolulu, HI 96813-2980

Should there be any questions regarding this Bill for Collection, please call Jennifer Tanaka at 586-1753  
or Larry Wolfe at 586-1728.

PEID# 001008



EMPLOYEES' RETIREMENT SYSTEM  
 ACT 153 EXCESS PENSION COSTS  
 FYE JUNE 30, 2016

LAST WORKED EMPLOYER

MAUI COUNTY

DEPT/PAY NO	NAME	PENSION APPL NO	RET DATE	LAST WORKED EMPLOYER - BILLING LOCATION	ACT 153- AMOUNT DUE
31WK010000		98413	3/1/2014	MAUI COUNTY	\$ 62,365.00
34HN040000		105355	12/31/2014	MAUI COUNTY	\$ 132,582.00
34HN040000		99320	4/1/2014	MAUI COUNTY	\$ 18,486.00
60CRIM0000		104937	2/1/2015	MAUI COUNTY	\$ 37,272.00
60PDAD0000		103936	12/31/2014	MAUI COUNTY	\$ 109,617.00
63LH030000		114172	12/31/2015	MAUI COUNTY	\$ 131,884.00
63LH030000		105381	12/31/2014	MAUI COUNTY	\$ 60,299.00
Subtotal					<u>\$ 552,505.00</u>
		111345	12/31/2015	MAUI COUNTY	\$ 37,295.00
		108522	7/1/2015	MAUI COUNTY	\$ 6,353.00
		110570	9/1/2015	MAUI COUNTY	\$ 33,274.00
04CCLK0000		107093	2/1/2015	MAUI COUNTY	\$ 1,738.00
06DP5V0000		111021	10/1/2015	MAUI COUNTY	\$ 26,905.00
07FINA0000		111478	12/31/2015	MAUI COUNTY	\$ 36,366.00
07FINA0000		111336	12/31/2015	MAUI COUNTY	\$ 12,594.00
20PWDS0000		110365	8/1/2015	MAUI COUNTY	\$ 31,833.00
20PWE20000		105357	12/31/2014	MAUI COUNTY	\$ 30,536.00
21PW010000		108405	5/1/2015	MAUI COUNTY	\$ 29,419.00
40CENT0000		105464	12/31/2014	MAUI COUNTY	\$ 16,109.00
40PRAD0000		108434	8/1/2015	MAUI COUNTY	\$ 8,971.00
42EAST0000		103094	12/31/2014	MAUI COUNTY	\$ 33,612.00
53WPO10000		110321	7/1/2015	MAUI COUNTY	\$ 16,191.00
54WFD10000		111631	12/1/2015	MAUI COUNTY	\$ 29,428.00
63LH030000		108445	7/1/2015	MAUI COUNTY	\$ 16,121.00
84WWSO0000		112875	12/31/2015	MAUI COUNTY	\$ 20,550.00
87WWME0000		104889	12/31/2014	MAUI COUNTY	\$ 40,303.00
87WWME0000		105350	12/31/2014	MAUI COUNTY	\$ 58,357.00
89CENT0000		112427	11/1/2015	MAUI COUNTY	\$ 32,885.00
89CENT0000		107245	5/1/2015	MAUI COUNTY	\$ 19,862.00
Subtotal					<u>\$ 538,702.00</u>
Total					<u>\$ 1,091,207.00</u>

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Treasury has scheduled payment of the two invoices (\$1,091,207.00 & \$1,773,652.00) for the A/P check run on August 24, 2017.

Please be advised that A/P may require a PO to process these claims.

Mahalo,  
Jack

**EXHIBIT B****EXCESS PENSION COST BY DEPARTMENT**

June 30, 2015 invoice;	
Departments:	
Police	\$ 753,675
Fire	\$ 296,496
Golf	\$ 20,721
Parks	\$ 168,062
Environmental Mgmt	\$ 18,475
Water	\$ 327,409
Liquor	\$ 106,029
Public Works	\$ 82,785
	<u>\$ 1,773,652</u>
June 30, 2016 invoice;	
Departments:	
Police	\$ 432,115
Fire	\$ 213,433
Parks	\$ 58,692
Environmental Mgmt	\$ 171,957
Water	\$ 45,619
Public Works	\$ 91,788
County Clerk	\$ 1,738
Personnel Services	\$ 26,905
Finance	\$ 48,960
	<u>\$ 1,091,207</u>

EXHIBIT C

STATE OF HAWAII  
DEPARTMENT OF BUDGET & FINANCE  
EMPLOYEES' RETIREMENT SYSTEM

BILL FOR COLLECTION

County of Maui  
Department of Finance  
Director: Danny Agsalog  
200 South High St. Kalana O Maui Bldg, 2<sup>nd</sup> Floor  
Wailuku, HI 96793

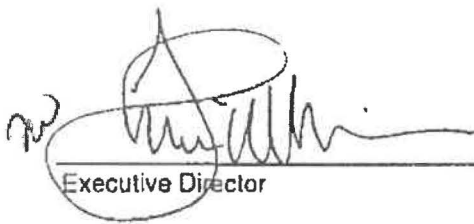
BILL NO. 2017-ACT 153-MAUI  
DATE 8/31/2017

DATE	DESCRIPTION	AMOUNT	TOTAL
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FYE 6/30/2017 EXCESS PENSION COSTS (PER ACT 153/SLH 2012 REFER HRS Section 88-100)

	Requirement		
	\$ 2,227,884.00	\$	2,227,884.00

I certify the above is correct and just;  
Payment not received as of this date.

  
\_\_\_\_\_  
Executive Director

Remit one copy of this bill together with your check made payable to:

Employees' Retirement System of the State of Hawaii  
City Financial Tower  
201 Merchant Street, Suite 1400  
Honolulu, HI 96813-2980

Should there be any questions regarding this Bill for Collection, please call Jennifer Tanaka at 586-1753.

EMPLOYEES' RETIREMENT SYSTEM  
 ACT 153 EXCESS PENSION COSTS  
 FYE 6/30/2017

LAST WORKED EMPLOYER

MAUI COUNTY

DEPT/PAY NO	NAME	PENSION APPL NO	RET DATE	LAST WORKED EMPLOYER - BILLING LOCATION	ACT 153- AMOUNT DUE
01CVDF0000		120329	12/31/2016	MAUI COUNTY	7,448.00
03CSSV0000		122171	12/1/2016	MAUI COUNTY	75,144.00
04CCLK0000		119432	12/1/2016	MAUI COUNTY	14,321.00
05DPSA0000		115148	3/1/2016	MAUI COUNTY	147,793.00
06DPSV0000		122086	12/31/2016	MAUI COUNTY	57,651.00
08HSSV0000		98578	1/1/2014	MAUI COUNTY	24,788.00
30FHAZ0000		115007	2/1/2016	MAUI COUNTY	115,114.00
30KAHE0000		122649	12/31/2016	MAUI COUNTY	123,838.00
30KULA0000		114316	12/31/2015	MAUI COUNTY	199,242.00
30KULA0000		116925	6/1/2016	MAUI COUNTY	20,413.00
33LLO30000		115051	3/1/2016	MAUI COUNTY	137,608.00
33NPO30000		114247	12/31/2015	MAUI COUNTY	62,659.00
33NPO30000		114652	4/1/2016	MAUI COUNTY	44,101.00
35PU050000		112864	12/31/2015	MAUI COUNTY	82,649.00
36LNO60000		122873	12/31/2016	MAUI COUNTY	117,192.00
37WAIE0000		122340	12/31/2016	MAUI COUNTY	64,403.00
37WAIE0000		121931	12/31/2016	MAUI COUNTY	98,961.00
37WAIE0000		119460	9/1/2016	MAUI COUNTY	44,585.00
37WAIL0000		120680	12/1/2016	MAUI COUNTY	165,055.00
40CENT0000		121073	12/1/2016	MAUI COUNTY	27,797.00
40CENT0000		119048	10/1/2016	MAUI COUNTY	8,658.00
40MAIN0000		114346	12/31/2015	MAUI COUNTY	13,095.00
42EAST0000		112936	12/31/2015	MAUI COUNTY	58,518.00
51WFI20000		114003	12/31/2015	MAUI COUNTY	67,139.00
52WEG10000		114258	12/31/2015	MAUI COUNTY	17,166.00
52WEG10000		121345	12/31/2016	MAUI COUNTY	9,833.00
60JUVE0000		113198	12/31/2015	MAUI COUNTY	38,845.00
61WKO10000		122442	11/1/2016	MAUI COUNTY	286,027.00
63LH030000		115574	7/1/2016	MAUI COUNTY	1,599.00
87WWME0000		122794	12/31/2016	MAUI COUNTY	45,028.00
87WWME0000		112863	12/31/2015	MAUI COUNTY	36,387.00
89CENT0000		119172	8/1/2016	MAUI COUNTY	9,706.00
		116142	5/1/2016	MAUI COUNTY	5,121.00

\$ 2,227,884.00