

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

December 21, 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 December 4, 2018, makes reference to County Communication 18-366, from the Director of Finance, transmitting a proposed resolution entitled "AUTHORIZING THE EMPLOYMENT OF SPECIAL COUNSEL HAWKINS DELAFIELD & WOOD LLP, FOR THE COUNTY OF MAUI 2018 SUPPLEMENTAL GENERAL OBLIGATION BOND ISSUANCE."

The purpose of the proposed resolution is to authorize the employment of Hawkins, Delafield & Wood LLP, as Bond and Disclosure Counsel to represent the County of Maui during its 2018 Supplemental General Obligation Bond Issuance for total compensation not to exceed \$45,000. The supplemental taxable General Obligation Bond issuance is for approximately \$8.0 million for project reimbursements disallowed by the Internal Revenue Service regulations.

Your Committee notes Committee Report 18-211 recommended that the proposed bills, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF FINANCE, COUNTYWIDE COSTS, REIMBURSEMENT TO THE GENERAL FUND FOR PROJECTS DISQUALIFIED FROM TAX-EXEMPT BOND ISSUANCE; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)"; and "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4858, BILL NO. 54 (2018), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE AND DELIVERY OF SAID BONDS (DEPARTMENT OF MANAGEMENT, DEPARTMENT OF PARKS AND RECREATION, DEPARTMENT OF POLICE)," be passed on first reading. At its meeting of December 11, 2018, the Council passed on first reading Bill 132 (2018) and Bill 133 (2018). Bill 132 (2018) and Bill

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

Page 2

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133 (2018) changed the funding source for qualified projects in the Fiscal Year 2019 Budget from General Fund to Bond Fund. The bills also recognized \$1,500,000 in Carryover/Savings from the General Fund to resolve the issue of refunding the General Fund for cash advances made for disallowed expenditures for bond-funded projects without having to issue a taxable bond.

Your Committee notes Section 3-6(6) of the Revised Charter of the County of Maui (1983), as amended, authorizes the Council to retain or employ, by a vote of two-thirds of its entire membership, special counsel for any special matter presenting a real necessity for such employment. Charter Section 3-6(6) further requires that any such employment specify the compensation, if any, to be paid for the services.

By correspondence dated November 29, 2018, the Director of Finance informed your Committee that a 2018 Supplemental General Obligation Bond Issuance is no longer needed.

Your Committee voted 7-0 to recommend filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Atay, Cochran, Crivello, Guzman, and Sugimura voted "aye." Committee members Carroll and King were excused.

Your Budget and Finance Committee RECOMMENDS that County Communication 18-366 be FILED.

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

  
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RIKI HOKAMA, Chair