

REQUEST FOR LEGAL SERVICES

Date: June 20, 2018
From: Riki Hokama, Chair
Budget and Finance Committee

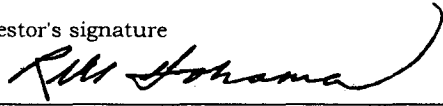
TRANSMITTAL

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

Subject: Policy and Procedures for County Investments (BF-146)

Background Data: Review revised proposed bill, and if appropriate, approve as to form and legality. A signed hardcopy of the revised proposed bill is requested.

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

Requestor's signature  Riki Hokama	Contact Person <u>Michele Yoshimura</u> (Telephone Extension: 7663)
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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): Monday, June 25, 2018
REASON: To meet posting requirement for BF Committee meeting of July 3, 2018.

FOR CORPORATION COUNSEL'S RESPONSE

ASSIGNED TO:	ASSIGNMENT NO.	BY:
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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 _____

By _____

(Rev. 7/03)

bf:ltr:146acc01:mmy

Attachment

ORDINANCE NO. _____

BILL NO. _____ (2018)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.08, MAUI COUNTY CODE, BY ADDING A NEW SECTION RELATING TO COUNTY INVESTMENTS

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

SECTION 1. Chapter 3.08, Maui County Code, is amended by adding a new section to be appropriately designated and to read as follows:

“3.08.040 County investments. A. Investment policy.

1. The director of finance shall establish a policy on County investments through the adoption of 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 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.

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

4. The policy shall also set forth the process in which the determination of when 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 may be invested.

B. Investment committee. There shall be established a County investment committee.

1. The committee shall be composed of the following members: director of finance, deputy director of finance, managing director, budget director, and accounting system administrator.

2. The committee shall meet at least quarterly to recommend general investment strategies and written investment procedures and monitor investment results. The

director of finance shall adopt strategies and approve investment procedures.

3. The committee shall review quarterly investment reports prepared by the treasurer. The reports shall include:

a. Listing of each security, face amounts, and discount/premium.

b. Coupon rates and buy yields of each security and average yield for the portfolio.

c. Value and accrued interest of each security.

d. Maturity and days to maturity for each security and the portfolio average maturity.

e. Transactions during the period, including purchase maturity and interest payments.

f. Book value and market value for each holding (and any unrealized gains and losses) at year end.

g. Expenses and penalties.

4. The treasurer shall, within thirty days of the close of each fiscal quarter, submit a report to the committee, prepared by the third-party registered investment advisor, regarding the county's investments, liquidity, and cash position. The report shall compare the actual cash balance on hand at the end of the quarter with the forecasts set forth in Section C.

5. Any two members of the committee may request a special meeting. All members shall be notified of special meeting in writing.

6. Three members shall constitute a quorum.

7. The director of finance shall chair the committee and approve agendas, minutes, and any necessary reports of the meetings. The treasurer shall act as secretary, record and produce minutes, and perform other duties as directed by the director of finance. It is the intent of this ordinance that the establishment and operation of the committee shall not be subject to chapters 91 or 92, Hawaii Revised Statutes, and that the formation and operation of the committee shall be deemed an internal management function of the department of finance.

C. Third-party registered investment advisor. The director of finance shall procure, in accordance with chapter 103D, Hawaii Revised Statutes, the services of a third-party registered investment advisor to oversee the investment of County funds as authorized by law and implementation of the County investment policy. The director of finance shall provide the third-party registered investment advisor with a schedule setting forth when 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 are available to be invested and when the County will need moneys in order to meet the requirements of necessary financial operations for a twelve-month period. The director of finance shall provide this schedule within ten business days of the close of each quarter of the fiscal year. The third-party registered investment advisor shall use the schedule to determine the suitability of investments.”

SECTION 2. New material is underscored. In printing this bill, the County Clerk need not include 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
bf.misc:146abill01