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David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

April 19, 2024

Ms. Maria Zielinski, Acting Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Zielinski:

SUBJECT: FISCAL YEAR ("FY") 2025 BUDGET (BFED-1) (FN-12)

In Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2025, attached to Bill 60 (2024), a condition of the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund states that “up to \$300,000 must be for debt service for the purchase of approximately 186 acres at Launiupoko, Maui, Hawaii, TMKs: (2) 4-7-001:030 and (2) 4-7-001:026 (por).” These parcels were purchased in 2014 through bond funds, consequently requiring annual debt service.

May I please request your response to the following:

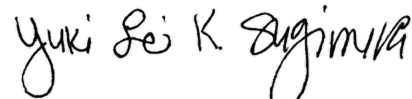
1. Please explain this land purchase, including the details of the sale, and a status update on the current use of the land.
2. Would it be more economically feasible to satisfy the debt in a single payment rather than continue with \$300,000 payments each fiscal year? Please explain.
3. What is actual debt service amount per year?

May I further request you transmit your response to bfed.committee@mauicounty.us by **April 22, 2024**. To ensure efficient processing, please include the relevant Committee item number in the subject line of your response.

Ms. Maria Zielinski
April 19, 2024
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Should you have any questions, please contact me or the Committee staff (James Krueger at ext. 7761, Kasie Apo Takayama at ext. 7665, or Yvette Bouthillier at ext. 7758).

Sincerely,



YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

bfed:2025bgt:240419afn01:jpp

cc: Mayor Richard T. Bissen, Jr.
Acting Budget Director

BFED Committee

From: BFED Committee
Sent: Friday, April 19, 2024 4:02 PM
To: Maria Zielinski
Cc: Steve Tesoro; Didi Hamai; Michelle Santos; Zeke Kalua; Lesley Milner; Kristina Cabbat; BFED Committee
Subject: PLEASE READ attached letter re: FISCAL YEAR ("FY") 2025 BUDGET (BFED-1) (FN-12); reply by 4/22/24
Attachments: 240419afn01.pdf

Ms. Zielinski: Please refer to the attached letter from the Budget, Finance, and Economic Development (BFED) Committee Chair, dated April 19, 2024. Please respond by **April 22, 2024**.

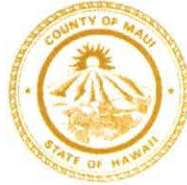
Mayor's Office (attention: Michelle Santos and Zeke Kalua): Please forward the attached letter to Mayor Bissen for his information.

Ms. Milner: FYI

Thank you,
BFED Committee

RICHARD T. BISSEN, JR.
Mayor

MARIA E. ZIELINSKI
Acting Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

April 22, 2024

Ms. Lesley Milner 
Acting Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL


Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura:

SUBJECT: FISCAL YEAR (“FY”) 2025 BUDGET (BFED-1) (FN-12)

Pursuant to your letter dated April 19, 2024, regarding the Fiscal Year 2025 Budget, below are the responses to the following:

Overall

1. Please explain this land purchase, including the details of the sale, and a status update on the current use of the land

Response: Per Resolution 13-151, the County of Maui was authorized to acquire Tax Map Key (2) 4-7-001:030, approximately 148.409 acres for \$9,900,000. The resolution also

authorized the acquisition of Tax Map Key (2)4-7-001:026, approximately 37.731 acres for \$3,100,000. However, the County of Maui did not acquire the latter parcel as the fee owner could not subdivide the parcel prior to the end of Fiscal Year 2014 and bond funds were not re-appropriated by the County Council.

Therefore, the County of Maui acquired Tax Map Key (2) 4-7-001:030 with \$6,500,000 of Open Space Funds and \$3,400,000 with a Bond Fund appropriation per Ordinances 4095 & 4096.

In addition, the State of Hawaii, Department of Transportation paid the County of Maui \$1,251,798 for an additional 11.123 Acres taken for the Lahaina Bypass. The acquisition price of \$9,900,000 included a discount for 22.25 Acres proposed by the Department of Transportation. The County Council authorized the disposition of a total of 33.373 Acres per Resolutions 18-210 & 22-117.

Current Status:

The Department of Parks & Recreation has the remaining approximately 115.065 Acres in their inventory as Undeveloped/Open Space/Passive lands.

T-Mobile has a license for a telecommunications tower on approximately 2,400 square feet. The current term expires on May 31, 2027. However, T-Mobile has three (3) 5-year options which, if exercised, will expire on May 31, 2042.

2. Would it be more economically feasible to satisfy the debt in a single payment rather than continue with \$300,000 payments each fiscal year? Please explain

Response: No. The weighted average interest rate for the outstanding 2014 bonds after the June 1, 2024 bond payment is 3.188%. The current interest rate for new investments in the County's investment portfolio ranges between 4.50 to 5.10%. As such, as long as the interest rate for new investments exceeds 3.188%, it would not be economically feasible to call these bonds by making a single payment cancelling this debt.

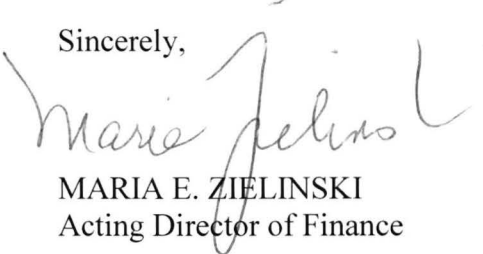
3. What is the actual debt service amount per year?

Response: Approximately \$225,592. The amount varies slightly annually.

Chair Yuki Lei K. Sugimura
Budget, Finance, and Economic Development Committee
April 22, 2024
Page 3

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at extension 7475.

Sincerely,

A handwritten signature in cursive script that reads "Maria Zielinski". The signature is written in black ink and is positioned above the printed name and title.

MARIA E. ZIELINSKI
Acting Director of Finance

Attachments

BFED Committee

From: Janina Agapay <Janina.E.Agapay@co.maui.hi.us>
Sent: Monday, April 22, 2024 1:48 PM
To: BFED Committee
Cc: Lesley Milner
Subject: (BFED-1)(FN-12)
Attachments: (BFED-1)(FN-12).pdf

Hello,

Please see attached correspondence from Department of Finance.

Thank you,

Janina Agapay

County of Maui

Budget Office

(808) 270-7836

Janina.E.Agapay@co.maui.hi.us