

RICHARD T. BISSEN, JR.
Mayor

JOSIAH NISHITA
Managing Director



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

June 30, 2025

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

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura:

**SUBJECT: COUNTY BOND ISSUANCE FOR CALENDAR YEAR
2025 (BFED-20(9))**

Pursuant to your correspondence dated June 27, 2025, the following are responses to your questions:

1. How does the bond issuance align with the County's overall financial plan for FY 2026 and future fiscal years?

The County's long term financial plan includes four sections: optimize cash flow, provide sound general management, assure a sound reporting system, and manage assets and liabilities. The County has integrated the planning of capital improvements and the debt structure, and the capacity for future debt service payments are taken into consideration when proposing bond funding for any project.

2. What assumptions or financial projections from the Budget Office support this bond issuance, particularly regarding revenue streams, debt capacity, and long-term affordability?

As shown in the FY 2026 Program Budget, Long Term Financial Plan, the Budget Office and Finance Department anticipate all revenue streams to either maintain their current level or increase over the coming years. The County has set its ratio of Annual Debt Service to Operational Expenditures of Governmental Funds at an amount not to exceed 12 percent of County Fund operating expenditures. As of June 20, 2024, the annual debt service

APPROVED FOR TRANSMITTAL

Richard T. Bissen 6.30.25

Mayor Date

to operational expenditures of Governmental Funds was 5.9 percent. The 12 percent limit will not be exceeded with the new bond issuance. Debt principal paydown is anticipated to be at or better than 50 percent in ten years based upon conservative revenue stream projections.

3. Based on information gathered for this bond issuance, including input from the Administration, bond counsel, municipal advisor, and credit rating agencies, does the Budget Office anticipate any budget adjustments, supplemental appropriations, or other adjustments for FY 2026?

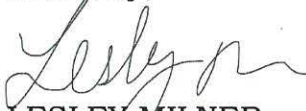
The Budget Office does not anticipate any budget amendments, supplemental appropriations, or other adjustments for FY 2026 based on information gathered for this bond issuance to date.

4. Does the Budget Office have internal contingencies or mitigation strategies in place if market conditions shift or if the bond issuance is delayed? Please explain.

Based on discussions with the municipal advisor and bond counsel, the Administration does not anticipate a delay in the bond issuance at this time. However, if the bond issuance were delayed, the FY 2026 General Budget Provisions would need to be amended to maintain a higher loan transfer ceiling past September 1, 2025. In the FY 2026 Budget, the funding of debt service for all funds was calculated using the current debt service payments as well as estimated payments for the anticipated 2025 bond issuance. These payments were calculated at an interest rate of 4.4 percent taking into account possible shifts in market conditions between the preparation of the budget and the bond issuance.

Should you have any questions, please contact me at ext. 8239.

Sincerely,


LESLEY MILNER
Budget Director

BFED Committee

From: Tiare P. Horner <Tiare.P.Horner@co.maui.hi.us>
Sent: Monday, June 30, 2025 1:35 PM
To: BFED Committee
Cc: Lesley J. Milner; Kristina Angeline C. Cabbat; Michelle L. Santos; Ezekiel I. Kalua
Subject: RE: COUNTY BOND ISSUANCE FOR CALENDAR YEAR 2025 (BFED-20(9))
Attachments: County Bond Issuance for Calendar Year 2025- (BFED-20(9)) Response.pdf

Aloha BFED Committee,

Please see attached correspondence.

Mahalo,

Tiare P. Horner
Budget Specialist

County of Maui
200 S. High Street
Wailuku, HI 96793
Direct Line – 808.270.7517
Email – Tiare.P.Horner@co.maui.hi.us

From: BFED Committee <BFED.Committee@mauicounty.us>
Sent: Saturday, June 28, 2025 12:21:56 AM
To: Lesley J. Milner <Lesley.J.Milner@co.maui.hi.us>
Cc: Michelle L. Santos <Michelle.Santos@co.maui.hi.us>; Ezekiel I. Kalua <Zeke.Kalua@co.maui.hi.us>
Subject: COUNTY BOND ISSUANCE FOR CALENDAR YEAR 2025 (BFED-20(9))