

ORDINANCE NO. _____

BILL NO. 66 (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 not impede or hamper the necessary financial operations of the County.

3. The policy shall set forth the process for determining when these moneys may be invested.

4. The investment policy shall 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.

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

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

1. The investment 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 investment 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 investment committee shall review quarterly investment reports prepared by the treasurer or third-party investment advisor. The reports shall be detailed and comprehensive and consider:

a. Security description including: Committee on uniform securities identification procedures (CUSIP), issuer, amount, cost, purchase price, market value, rating, maturity date, yield to maturity, yield to call, accrued interest, and other relevant statistics.

b. Security purchases and sales during the period.

c. Realized and unrealized gains and losses during the period.

d. Portfolio performance statistics.

e. Portfolio duration or other measure of weight average maturity.

4. The treasurer or third-party investment advisor shall, within thirty days of the close of each fiscal quarter, submit a report to the investment committee on the changes in the County's cash position and liquidity from the prior quarter in comparison to projected cash and liquidity required by section 3.08.040(C).

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

6. Three members shall constitute a quorum.

7. The director of finance shall chair the investment 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 investment committee shall not be subject to chapters 91 or 92, Hawaii Revised Statutes, and that the formation and operation of the investment 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 an independent third-party investment advisor, registered and licensed with the securities and exchange commission, to make recommendations and execute the investment of available County funds in accordance with the County investment policy as approved by the investment committee and as authorized by law. The director of finance or treasurer shall work with the third-party investment advisor in developing and maintaining a detailed twelve-month cash flow forecast identifying

reasonable funds for investment while assuring the County has adequate cash reserves and liquidity to fund ongoing County operational expenses. The director of finance or treasurer shall provide the third-party investment advisor with adequate cash flow information to update this forecast at least quarterly within fifteen days of the end of each quarter.”

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
2017-0093
BF-146 2018-07-16 Ordinance

DIGEST

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BILL NO. 66 (2018)

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CODE, BY ADDING A NEW SECTION RELATING TO COUNTY INVESTMENTS

This bill proposes to amend Chapter 3.08, Maui County Code, by adding a new Section 3.08.040, relating to County investments by requiring the County to: 1) establish an investment policy regarding the investment of County moneys; 2) create an investment committee; and 3) procure the services of a third-party investment advisor.

I, JOSIAH K. NISHITA, Deputy County Clerk of the County of Maui, State of Hawaii, DO HEREBY CERTIFY that the foregoing BILL NO. 66 (2018) was passed on First Reading by the Council of the County of Maui, State of Hawaii, on the 3rd day of August, 2018, by the following vote:

AYES: Councilmembers Alika Atay, Eleanora Cochran, S. Stacy Crivello, Donald S. Guzman, G. Riki Hokama, Yuki Lei K. Sugimura, Vice-Chair Robert Carroll, and Chair Michael B. White.

NOES: None.

EXCUSED: Councilmember Kelly T. King.

DATED at Wailuku, Maui, Hawaii, this 6th of August, 2018.



JOSIAH K. NISHITA, DEPUTY COUNTY CLERK
COUNTY OF MAUI, STATE OF HAWAII

Copies of the foregoing Bill, in full, are on file in the Office of the County Clerk, County of Maui, for use and examination by the public.