

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

April 20, 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 March 29, 2017, December 12, 2017, and March 28, 2018, makes reference to the following:

1. County Communication 16-299, from the Director of Finance, transmitting the Summary of Total Funded Indebtedness of the County's Outstanding and Unpaid as of July 1, 2016.
2. County Communication 17-389, from the Director of Finance, transmitting the Summary of Total Funded Indebtedness of the County's Outstanding and Unpaid as of July 1, 2017.

Your Committee notes Section 47C-2, Hawaii Revised Statutes, requires the Director of Finance to submit to the Council, within 90 days of the start of a new fiscal year, a summary of total indebtedness of the County's outstanding and unpaid as of the first day of the fiscal year.

Your Committee noted the County's total amount of outstanding bonds and State Revolving Fund loans was approximately \$297 million as of July 1, 2017.

Your Committee questioned whether the bond rating agencies were concerned about the County's total funded indebtedness. The Director of Finance said the rating agencies are primarily concerned with the County's unfunded liability for its other post-employment benefits obligations.

The Budget Director said although the rating agencies may have concerns relating to the County's unfunded liability, they appreciate the County's financial policies and its efforts to pay down the unfunded liability.

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The Budget Director explained that bond funds are tracked by both the total bond funds authorized for use and the actual expenditure of bond funds. He said the County currently has authorized approximately \$74.5 million in bond funds, but only \$33 million have been expended to date.

According to the Director of Finance, the Department intends to issue a bond in September or October 2018. He said the interest rate for the bond may be approximately 3 percent, but a better estimate could be provided closer to the time of the issuance.

The Budget Director said the timing of the bond issuance is based on the actual funds expended as well as the anticipated advances from the General Fund for bond-funded projects. He also said the County may issue a bond greater than \$70 million to include the Wailuku Civic Complex project rather than issuing a separate bond for that project.

Your Committee deferred action on County Communication 17-389 pending further discussion.

Your Committee voted 9-0 to recommend filing of County Communication 16-299. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, Crivello, Guzman, King, and Sugimura voted "aye."

Your Budget and Finance Committee RECOMMENDS that County Communication 16-299 be FILED.

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

  
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RIKI HOKAMA, Chair