

**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 16-199, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of July 31, 2016.
2. County Communication 16-242, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of August 31, 2016.
3. County Communication 16-316, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of September 30, 2016.
4. County Communication 16-317, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of October 31, 2016.
5. County Communication 17-52, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of November 30, 2016.

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6. County Communication 17-144, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of January 31, 2017.
7. County Communication 17-145, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of February 28, 2017.
8. County Communication 17-204, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of March 31, 2017.
9. County Communication 17-236, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of April 30, 2017.
10. County Communication 17-256, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of May 31, 2017.
11. County Communication 17-286, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of June 30, 2017.
12. County Communication 17-353, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of July 31, 2017.
13. County Communication 17-391, from the Director of Finance, reporting on transfers/loans from the General Fund and

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Department of Water Supply Revenue Fund to the Bond Fund  
as of August 31, 2017.

14. County Communication 17-431, from the Acting Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of September 30, 2017.
15. County Communication 17-469, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of October 31, 2017.
16. County Communication 18-5, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of December 31, 2016.
17. County Communication 18-6, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of November 30, 2017.
18. County Communication 18-43, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of December 31, 2017.
19. County Communication 18-91, from the Director of Finance, reporting on transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the Bond Fund as of January 31, 2018.

Your Committee notes Section 18 of the General Budget Provisions allows for temporary transfers or loans from the General Fund to the Bond Fund not to exceed the amount of general obligation bonds or notes authorized but not issued. At any time the aggregate amount of such

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transfers and loans that shall be unreimbursed shall not exceed \$55,000,000.

The Budget Director said the County has the ability and the cash flow to allow for the transfers prior to the issuance of the bond. He said the County currently has authorized approximately \$74.5 million in bond funds, but only \$33 million have been expended to date.

He said the Department of Water Supply does not have any projects with Bond Fund appropriations. The only active bonds for the Department of Water Supply are those issued to refund State Revolving Fund ("SRF") loans. Refunding the older SRF loans, which carried a higher interest rate, resulted in cost savings for the Department. The more recent SRF loans have interest rates lower than the rates available through bond financing.

The Budget Director explained to your Committee that SRF loans are Federal funds that the State receives and makes available to the counties for water, wastewater, and solid waste projects. The interest rate and fee is about one percent for the SRF loans, whereas the interest rate on general obligation bonds is about three percent.

Your Committee deferred action on County Communications 18-43 and 18-91 pending further discussion.

Your Committee voted 7-0 to recommend filing of County Communications 16-199, 16-242, 16-316, 16-317, 17-52, 17-144, 17-145, 17-204, 17-236, 17-256, 17-286, 17-353, 17-391, 17-431, 17-469, 18-5, and 18-6. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, Crivello, and Sugimura voted "aye." Committee members Guzman and King were excused.

Your Budget and Finance Committee **RECOMMENDS** the following:

1. That County Communication 16-199 be FILED;
2. That County Communication 16-242 be FILED;
3. That County Communication 16-316 be FILED;

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4. That County Communication 16-317 be FILED;
5. That County Communication 17-52 be FILED;
6. That County Communication 17-144 be FILED;
7. That County Communication 17-145 be FILED;
8. That County Communication 17-204 be FILED;
9. That County Communication 17-236 be FILED;
10. That County Communication 17-256 be FILED;
11. That County Communication 17-286 be FILED;
12. That County Communication 17-353 be FILED;
13. That County Communication 17-391 be FILED;
14. That County Communication 17-431 be FILED;
15. That County Communication 17-469 be FILED;
16. That County Communication 18-5 be FILED; and
17. That County Communication 18-6 be FILED.

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

  
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RIKI HOKAMA, Chair