

Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Riki Hokama  
Kelly Takaya King  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura



**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

May 15, 2020

Director of Council Services  
Traci N. T. Fujita, Esq.

RECEIVED

2020 MAY 18 AM 9:21

OFFICE OF THE  
COUNTY CLERK

The Honorable Alice L. Lee  
Council Chair  
County of Maui  
Wailuku, Hawaii 96793

Dear Chair Lee:

**SUBJECT: INTERGOVERNMENTAL AGREEMENT WITH THE  
OFFICE OF THE AUDITOR, STATE OF HAWAII  
(EDB-70)**

May I request that County Communication 20-42, from the Director of Finance, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE OFFICE OF THE AUDITOR, STATE OF HAWAII, TO AUDIT THE SCHEDULE OF ALLOCATIONS OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII," be placed on the next Council meeting agenda.

Sincerely,

A handwritten signature in black ink, reading "Keani N.W. Rawlins-Fernandez".

KEANI N.W. RAWLINS-FERNANDEZ, Chair  
Economic Development and Budget  
Committee

edb:ltr:070ach01:ljam

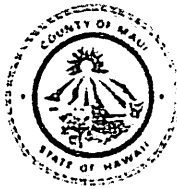
Attachment

COUNTY COMMUNICATION NO. 20-294

**MICHAEL P. VICTORINO**  
Mayor

**SCOTT K. TERUYA**  
Director

**MAY-ANNE A. ALIBIN**  
Deputy Director



**DEPARTMENT OF FINANCE**  
**COUNTY OF MAUI**  
**200 SOUTH HIGH STREET**  
**WAILUKU, MAUI, HAWAII 96793**

RECEIVED


2020 JAN -6 PM 3:24

OFFICE OF THE MAYOR

January 6, 2020

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

  
\_\_\_\_\_  
Mayor Date

RECEIVED  
OFFICE OF THE  
COUNTY OF MAUI

2020 JAN -7 AM 9:50

RECEIVED

For Transmittal to:

Honorable Alice Lee, Chairman  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

**SUBJECT: A PROPOSED BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE OFFICE OF THE AUDITOR, STATE OF HAWAII, TO AUDIT THE SCHEDULE OF ALLOCATIONS OF THE EMPLOYEES' RETIREMENT SYSTEM (ERS) OF THE STATE OF HAWAII**

Dear Chair Lee:

Transmitted herewith please find a proposed bill entitled, "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE OFFICE OF THE AUDITOR, STATE OF HAWAII, TO AUDIT THE SCHEDULE OF ALLOCATIONS OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII."

The County of Maui's Comprehensive Annual Financial Report (CAFR) audit requires the ERS schedule of allocations to be audited in accordance with the Governmental Accounting Standards Board Statement No. 68. The State of Hawaii's Office of the Auditor has hired an external auditor to audit the ERS schedule of allocations as required for the fiscal years ending June 30, 2019, 2020, and 2021.

The purposes of this proposed bill are as follows: 1) To authorize the Mayor to enter into an intergovernmental agreement with the State of Hawaii, Office of the Auditor, which includes execution of the Memorandum of Understanding (MOU), all other necessary documents relating to the MOU, and any other amendments thereto, and; 2) To authorize the payment of \$3,900.00 for each fiscal year as the County of Maui's share for the audit.

COUNTY COMMUNICATION NO. 20-42

*Honorable Alice Lee*  
*County Council Chair*  
*January 6, 2020*  
*Page 2*

Should you have any further questions or need additional information, please contact me at extension no. 7474 or Deputy Director May-Anne Alibin at extension no. 7475.

Sincerely,

  
for SCOTT K. TERUYA  
Director of Finance

Attachments

cc: Lance Taguchi, County Auditor

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2020)

**A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY  
OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT  
WITH THE OFFICE OF THE AUDITOR, STATE OF HAWAII, TO AUDIT THE  
SCHEDULE OF ALLOCATIONS OF THE EMPLOYEES' RETIREMENT SYSTEM  
OF THE STATE OF HAWAII**

**BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:**

**SECTION 1. Purpose.** The audit of the County of Maui Comprehensive Annual Financial Report requires the Employees' Retirement System of the State of Hawaii ("ERS") schedule of allocations be audited in accordance with Governmental Accounting Standards Board Statement No. 68. The auditor that has been contracted by the Office of the Auditor, State of Hawaii, to audit the ERS, is willing and able to audit the ERS schedule of allocations for the fiscal years ending June 30, 2019, 2020, and 2021, as it relates to the County of Maui for a fee of \$3,900.00 each fiscal year. The Memorandum of Understanding ("MOU"), attached hereto and incorporated herein as Exhibit "1," places a financial obligation on the County and is intended to be executed between the County and a State agency. The Department of Finance and the County Auditor have reviewed terms of the MOU and find the terms and conditions therein to be acceptable.

**SECTION 2. Council Authorization.** Pursuant to Section 2.20.020, Maui County Code, the Council of the County of Maui hereby authorizes the Mayor to

enter into an intergovernmental agreement, which would include the execution of the MOU, all other necessary documents relating to the MOU, and any amendments thereto.

SECTION 3. Effective Date. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:

A handwritten signature in black ink, appearing to read 'R. Thomson', is written over a horizontal line.

RICHELLE M. THOMSON  
Department of the Corporation Counsel  
County of Maui  
2020-2071  
2019-12-30 IGA

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is effective the \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between the OFFICE OF THE AUDITOR, STATE OF HAWAI'I ("Auditor") and COUNTY OF MAUI ("Employer").

### RECITALS

- A. The following state or county government employers (the "employers") have requested assistance from the Auditor in conducting an audit of the schedule of employer allocations of the Employees' Retirement System of the State of Hawai'i ("ERS") and the total for all employers of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense included in the schedule of pension amounts by employer of ERS for the fiscal years ending June 30, 2019, 2020, and 2021, from actuarial information received from Gabriel, Roeder, Smith & Company ("GRS"), the actuary for ERS. The information is provided to meet reporting requirements under Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.
- 1) State of Hawai'i
  - 2) City and County of Honolulu
  - 3) County of Maui
  - 4) County of Kaua'i
  - 5) County of Hawai'i
  - 6) Board of Water Supply, City and County of Honolulu
  - 7) Department of Water Supply, County of Hawai'i
  - 8) Department of Water, County of Kaua'i
  - 9) Honolulu Authority for Rapid Transportation
  - 10) University of Hawaii
- B. The Auditor is willing to use KPMG LLC ("KPMG"), the contract auditor for ERS, to conduct the audits of the above-mentioned schedule and information.
- C. The purpose of this MOU is to provide for payment by the Employer to the Auditor as authorized under § 23-3.5, HRS, for the audited schedule and information to meet the reporting requirements of GASB 68.

TERMS AND CONDITIONS

1. Upon execution of this MOU, the Auditor will request KPMG to audit the schedule and information to meet the reporting requirements of GASB 68 for the Employer's Comprehensive Annual Financial Report for the fiscal years ending June 30, 2020, 2021, and 2022.
2. The cost of the audit to the Employer will be \$3,900.00 for each fiscal year.
3. The Auditor will bill the Employer for the audit cost after the Auditor receives the bill from KPMG.
4. This MOU may be amended or modified only by a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties have executed this MOU as of the last date written below.

OFFICE OF THE AUDITOR  
STATE OF HAWAI'I

EMPLOYER:  
COUNTY OF MAUI

By: \_\_\_\_\_  
Leslie H. Kondo  
State Auditor

By: \_\_\_\_\_  
Mike Victorino  
Mayor

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

By: \_\_\_\_\_  
Scott Teruya  
Director of Finance

DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy Corporation Counsel

DATE: 1/2/2020