

ORDINANCE NO. _____

BILL NO. 127 (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
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND TO MEET THE
REPORTING REQUIREMENTS UNDER GOVERNMENTAL ACCOUNTING
STANDARDS BOARD STATEMENT NUMBER 75

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

SECTION 1. Purpose. Governmental Accounting Standards Board (“GASB”) Statement No. 75 requires that the County of Maui conducts an audit of the schedule of changes in fiduciary net position by the County of Maui and related notes to the schedule of the Hawaii Employer-Union Health Benefits Trust Fund (“EUTF”) and the examination report on census data from actuarial information received by the EUTF’s actuary. KKDLY LLC (“KKDLY”), the auditor that has been contracted by the Office of the Auditor, State of Hawaii, to audit the EUTF, is willing and able to conduct the necessary audit for the fiscal years ending June 30, 2020, 2021, and 2022, as it relates to the County of Maui for a fee of \$3,500.00 for fiscal year 2020, \$3,700.00 for fiscal year 2021 and \$3,800.00 for fiscal year 2022. 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:

/s/Kristina C.Toshikiyo
KRISTINA C. TOSHIKIYO
Department of the Corporation Counsel
County of Maui
2020-0872
2020-06-25 IGA GASB No. 75 (EUTF)

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is effective as of _____, 2020, by and between the OFFICE OF THE AUDITOR, STATE OF HAWAII ("Auditor"), and the COUNTY OF MAUI ("Employer").

RECITALS

- A. The state and county government employers identified below (the "employers") have requested assistance from Auditor in conducting an audit of the schedule of changes in fiduciary net position by employer and related notes to the schedule of the Hawai'i Employer-Union Health Benefits Trust Fund ("EUTF") and an examination report on census data for the fiscal years ending June 30, 2020, 2021, and 2022, from actuarial information received from the actuary for EUTF. The information is provided to meet reporting requirements under Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than 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
- B. Auditor is willing to authorize KKDLY LLC ("KKDLY"), the contract auditor for EUTF, to conduct the audits of the above-mentioned schedule and information.
- C. The purpose of this MOU is to provide for payment by Employer to Auditor as authorized under section 23-3.5, Hawai'i Revised Statutes, for the above-mentioned audited schedule and information to meet the reporting requirements of GASB Statement No. 75.

TERMS AND CONDITIONS

1. Upon execution of this MOU, Auditor shall instruct KKDLY to audit the schedule and information to meet the reporting requirements of GASB Statement No. 75 for Employer's Comprehensive Annual Financial Report for the fiscal years ending June 30, 2020, 2021, and 2022.
2. The cost to Employer for the audit for the fiscal years ending June 30, 2020, 2021, and 2022, will be THREE THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$3,500.00) for FY2020; THREE THOUSAND SEVEN HUNDRED

DOLLARS AND NO CENTS (\$3,700.00) for FY2021; and THREE THOUSAND EIGHT HUNDRED DOLLARS AND NO CENTS (\$3,800.00) for FY2022.

3. Auditor shall pay KKDLY for services rendered and will invoice Employer for its allocation of the audit costs paid by Auditor under the contract between Auditor and KKDLY.
4. Employer shall pay Auditor the amount of the invoice within sixty (60) days after invoice date.
5. 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 HAWAII

EMPLOYER:
COUNTY OF MAUI

By: _____
Leslie H. Kondo
State Auditor

By: _____
Michael Victorino
Mayor

Date: _____

Date: _____

By: _____
Scott Teruya
Director of Finance

Date: _____

APPROVED AS TO FORM:

By: /s/Kristina C. Toshikiyo
Deputy Corporation Counsel
County of Maui

Date: 6/26/2020

DIGEST

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STANDARDS BOARD STATEMENT NUMBER 75

This bill proposes to authorize the Mayor to enter into an intergovernmental agreement with the Office of the Auditor, State of Hawaii, to 1) conduct an audit for Fiscal Years 2020, 2021, and 2022, of the Hawaii Employer-Union Health Benefits Trust Fund to meet the reporting requirements under Governmental Accounting Standards Board Statement Number 75; and 2) authorize payment of \$3,500, \$3,700, and \$3,800 for the respective fiscal years by the County of Maui.

I, KATHY L. KAOHU, County Clerk of the County of Maui, State of Hawaii,
DO HEREBY CERTIFY that the foregoing BILL NO. 127 (2020) was passed on First
Reading by the Council of the County of Maui, State of Hawaii, on the 20th day of
November, 2020, by the following vote:

AYES: Councilmembers G. Riki Hokama, Natalie A. Kama, Kelly T. King,
Michael J. Molina, Tamara A. M. Paltin, Shane M. Sinenci,
Yuki Lei K. Sugimura, Vice-Chair Keani N. W. Rawlins-Fernandez,
and Chair Alice L. Lee.

NOES: None.

DATED at Wailuku, Maui, Hawaii, this 23rd of November, 2020.



KATHY L. KAOHU, 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.