

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

August 25, 2015

**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 August 3, 2015, makes reference to County Communication 15-164, from Councilmember Riki Hokama, relating to amendments to the Fiscal Year ("FY") 2016 Budget.

By correspondence dated July 14, 2015, the Budget Director transmitted a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES – SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2016, POST-EMPLOYMENT OBLIGATIONS FUND."

The purpose of the proposed bill is to authorize the disbursement of \$14,930,000 from the Post-Employment Obligations Fund ("Fund") to the Hawaii Employer-Union Health Benefits Trust Fund ("EUTF"), for payment of the County's health benefit obligations for FY 2016.

Your Committee notes the Council appropriated \$14,930,000 into the Fund in the FY 2016 Budget. However, a proviso to authorize disbursement from the Fund to the EUTF was omitted to ensure further consideration of the disbursement.

Your Committee also notes in April 2015, in a report on the County's treasury operations, the County Auditor recommended the County transfer its payment to the EUTF at the beginning of the fiscal year to take advantage of the potentially higher investment earnings of the EUTF.

The Budget Director informed your Committee the \$14,930,000 appropriation is earning interest in the County's treasury but could earn more interest if transferred to the EUTF. Passage of the proposed bill will

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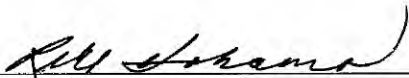
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allow the payment to be transferred to EUTF before the end of the first quarter of FY 2016.

Your Committee voted 8-0 to recommend passage of the proposed bill on first reading. Committee Chair Hokama, Vice-Chair White, and members Baisa, Carroll, Cochran, Couch, Crivello, and Guzman voted "aye." Committee member Victorino was excused.

Your Budget and Finance Committee RECOMMENDS that Bill _____ (2015), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2016, POST-EMPLOYMENT OBLIGATIONS FUND," be PASSED ON FIRST READING and be ORDERED TO PRINT.

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



RIKI HOKAMA, Chair

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ORDINANCE NO. _____

BILL NO. _____ (2015)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A
OF THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2016,
POST-EMPLOYMENT OBLIGATIONS FUND

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

SECTION 1. Ordinance No. 4231, Bill No. 38 (2015), Draft 1, "Fiscal Year 2016 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2016, is hereby amended as it pertains to the Post-Employment Obligations Fund, by adding a proviso, to read as follows:


**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS
FOR FISCAL YEAR 2016**

	<u>ESTIMATED BALANCE AS OF 6/30/15</u>	<u>ANTICIPATED REVENUES FOR FY 2016</u>	<u>TOTAL FOR FY 2016</u>
R. Post-Employment Obligations Fund (Chapter 3.97, Maui County Code)	0	14,930,000	14,930,000
<p>(1) <u>Provided, that \$14,930,000 shall be disbursed to the Hawaii Employer-Union Health Benefits Trust Fund for payment of the County's post-employment benefit obligations."</u></p>			

SECTION 2. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



 JEFFREY UEOKA
 Deputy Corporation Counsel