

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

August 21, 2007

**Committee
Report No.**

_____ 07-75 _____

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 July 30, 2007, makes reference to County Communication No. 07-50, from the Director of Finance, transmitting a report of the short-term investments for the quarter ended December 31, 2006.

Your Committee notes that Resolution No. 99-26 requires the Director of Finance to submit to the Council, within 30 days after the end of each quarter of the fiscal year, a quarterly report identifying short-term investments made, the interest income therefrom, and any expenses or penalties incurred with regard to the investments.

At its meeting, your Committee met with the Director of Finance, the Budget Director, and the First Deputy Corporation Counsel.

There was no public testimony.

The Director of Finance stated that the County's Investment Committee, comprised of members including the Managing Director, the Director of Finance, the Deputy Director of Finance, and the Treasurer, Department of Finance, meets on a quarterly basis to evaluate short term investments. The current market has higher interest yields on short-term investments; however, the interest yields for intermediate-term investments are rising. The County invested \$239 million as of December 31, 2006. Considering the significant amount of funds available for investment, the County will be able to take advantage of higher interest yields on both short- and intermediate-term investments.

The Director further stated that Section 46-50, Hawaii Revised Statutes, restricts the County's investments to secured investments with a term of five years or less.

Your Committee voted to recommend filing of the communication.

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Your Budget and Finance Committee RECOMMENDS that County Communication No. 07-50 be FILED.

Adoption of this report is respectfully requested.

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