

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

December 3, 2004

**Committee  
Report No.**

04-202

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 November 17, 2004, makes reference to County Communication No. 03-63, from the Chair of the Budget and Finance Committee, referring the matter of proposed bills authorizing the issuance and sale of general obligation refunding bonds.

Your Committee notes that this communication allows the Department of Finance to send proposed bills directly to Committee, enabling the Council to review and respond to changing interest rates in a timely manner that may result in significant financial savings to the County.

By correspondence dated November 9, 2004, the Director of Finance, transmitted a draft bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE AND SPECIFYING CERTAIN TERMS OF NOT TO EXCEED \$60,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS OF THE COUNTY OF MAUI FOR THE PURPOSE OF REFUNDING ALL OR A PART OF THE OUTSTANDING GENERAL OBLIGATION BONDS, 1998 SERIES A, GENERAL OBLIGATION BONDS, 1998 SERIES C, AND GENERAL OBLIGATION BONDS, 1999 SERIES A OF THE COUNTY; AUTHORIZING THE DIRECTOR OF FINANCE TO DETERMINE CERTAIN TERMS OF SUCH BONDS; PROVIDING FOR THE RETIREMENT OF THE BONDS TO BE REFUNDED; AND PROVIDING FOR OTHER ACTIONS RELATED TO THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS.". The purpose of the proposed draft bill is to authorize the issuance and sale of up to \$60,000,000 aggregate principal amount of general obligation refunding bonds. The issuance will refund all or part of the currently outstanding principal of the General Obligation Refunding Bonds 1998 Series A, 1998 Series C, and 1999 Series A.

Your Committee is in receipt of a revised proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE AND SPECIFYING CERTAIN TERMS OF NOT TO EXCEED \$60,000,000

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AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS OF THE COUNTY OF MAUI FOR THE PURPOSE OF REFUNDING ALL OR A PART OF THE OUTSTANDING GENERAL OBLIGATION BONDS, 1998 SERIES A, GENERAL OBLIGATION BONDS, 1998 SERIES C, AND GENERAL OBLIGATION BONDS, 1999 SERIES A, OF THE COUNTY; AUTHORIZING THE DIRECTOR OF FINANCE TO DETERMINE CERTAIN TERMS OF SUCH BONDS; PROVIDING FOR THE RETIREMENT OF THE BONDS TO BE REFUNDED; AND PROVIDING FOR OTHER ACTIONS RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF SUCH BONDS” from the Department of Finance, approved as to form and legality by the Department of the Corporation Counsel. The revised proposed bill includes nonsubstantive revisions to the year and title.

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

There was no public testimony.

The Deputy Director of Finance informed your Committee that the County has a contract with UBS Financial Services Inc. for bond underwriting services. He stated that the County is planning to issue new General Obligation (GO) bonds in January; and as part of their analysis, UBS is suggesting that the County refund all or a portion of the 1998 Series A, the 1998 Series C, and the 1999 Series A GO bonds. He stated that refunding the 1998 Series A and C would result in a savings of approximately \$900,000. He noted that if the 1999 Series A GO bonds are refunded, the savings would increase.

Your Committee voted to recommend passage of the revised proposed bill on first reading and filing of the communication.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. \_\_\_\_\_ (2004), attached hereto, entitled “A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE AND SPECIFYING CERTAIN TERMS OF NOT TO EXCEED \$60,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS OF THE COUNTY OF MAUI

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FOR THE PURPOSE OF REFUNDING ALL OR A PART OF THE OUTSTANDING GENERAL OBLIGATION BONDS, 1998 SERIES A, GENERAL OBLIGATION BONDS, 1998 SERIES C, AND GENERAL OBLIGATION BONDS, 1999 SERIES A, OF THE COUNTY; AUTHORIZING THE DIRECTOR OF FINANCE TO DETERMINE CERTAIN TERMS OF SUCH BONDS; PROVIDING FOR THE RETIREMENT OF THE BONDS TO BE REFUNDED; AND PROVIDING FOR OTHER ACTIONS RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF SUCH BONDS”, be PASSED ON FIRST READING and be ORDERED TO PRINT; and

2. That County Communication No. 03-63 be FILED.

Adoption of this report is respectfully requested.

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**G. RIKI HOKAMA** **Chair**

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**DANNY A. MATEO** **Member**

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**WAYNE K. NISHIKI** **Vice-Chair**

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**MICHAEL J. MOLINA** **Member**

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**ROBERT CARROLL** **Member**

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**JOSEPH PONTANILLA** **Member**

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**JO ANNE JOHNSON** **Member**

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**CHARMAINE TAVARES** **Member**

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**DAIN P. KANE** **Member**