

REPORT OF THE COMMITTEE ON PLANNING AND THE ECONOMY

Voting Members:

Esther Kia'aina, Chair; Radiant Cordero, Vice Chair;
Val A. Okimoto, Calvin K.Y. Say, Matt Weyer

Committee Meeting Held
July 25, 2024

Honorable Tommy Waters
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Planning and the Economy, which considered Bill 36 (2024) entitled:

"A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE AND SPECIFYING CERTAIN TERMS OF WASTEWATER SYSTEM REVENUE COMMERCIAL PAPER OF THE CITY AND COUNTY OF HONOLULU IN AN AGGREGATE OUTSTANDING PRINCIPAL AMOUNT NOT TO EXCEED FOUR HUNDRED MILLION DOLLARS (\$400,000,000.00) OUTSTANDING AT ANY ONE TIME, FOR THE PURPOSE OF REFUNDING ALL OR A PART OF ANY OUTSTANDING WASTEWATER SYSTEM REVENUE INDEBTEDNESS OF THE CITY AND COUNTY OR PAYING THE COST OF ANY EQUIPMENT OR OTHER IMPROVEMENT AUTHORIZED PURSUANT TO ANY CAPITAL BUDGET ORDINANCE RELATING TO THE WASTEWATER SYSTEM OF THE CITY AND COUNTY; AUTHORIZING THE DIRECTOR OF BUDGET AND FISCAL SERVICES TO DETERMINE CERTAIN TERMS OF SUCH COMMERCIAL PAPER; PROVIDING FOR THE RETIREMENT OF ANY INDEBTEDNESS TO BE REFUNDED; AND PROVIDING FOR OTHER ACTIONS RELATED TO THE ISSUANCE, SALE AND DELIVERY OF SUCH COMMERCIAL PAPER,"

transmitted by Departmental Communication 473 (2024), dated June 20, 2024, from the Department of Budget and Fiscal Services ("BFS"), and which passed first reading at the Council meeting on July 10, 2024, reports as follows:

The purpose of Bill 36 (2024) is to authorize the City and County of Honolulu ("City") to issue, sell, and deliver commercial paper, in an aggregate outstanding principal

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Ke Kanihela o ke Kalana o Honolulu
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ADOPTED ON AUG 07 2024

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amount not to exceed \$400,000,000, for the purpose of refunding all or a portion of any outstanding wastewater system revenue bonds, or for the purpose of paying the costs of capital equipment and other improvements to the City's wastewater system on an interim or short-term basis.

At your Committee's meeting on July 25, 2024, the BFS Director testified in support of the Bill and indicated that the issuance and sale of commercial paper is an important financial tool for the City, especially under current economic conditions with high short-term interest rates, and will allow the City to do bridge financing, then negotiate and sell longer term bonds at a future date when interest rates are lower.

No oral or written public testimony was received on the Bill.

Your Committee on Planning and the Economy is in accord with the intent and purpose of Bill 36 (2024) and recommends that it pass second reading, be scheduled for a public hearing, and be referred to, and accepted by, the Committee on Budget for further consideration pursuant to its consecutive referral. (Ayes: Cordero, Kia'aina, Okimoto, Say, Weyer – 5; Noes: None.)

Respectfully submitted,



Committee Chair

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