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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

June 15, 2017

Mr. Danilo Agsalog, Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Agsalog:

**SUBJECT: WAIEHU MUNICIPAL GOLF COURSE OPERATIONS
AND IMPROVEMENTS (PRL-30)**

In the Fiscal Year ("FY") 2018 Budget, the Council appropriated \$1,176,047 for an "Administrative Overhead Charge" for the Waiehu Golf Course Program (see attached pages 20-21 of Ordinance 4456 (2017)). (The Mayor had proposed \$638,287 in the FY 2018 Budget for six months of the golf course's administrative overhead charge.)

The Budget and Finance Committee was also informed administrative overhead costs for the golf course totaled \$1,244,733 for FY 2017, and \$1,143,006 for FY 2016.

Please provide an itemized breakdown of the costs that comprise the Administrative Overhead Charge for FY 2016 and FY 2017, as well as the anticipated costs for FY 2018, along with a description of each component cost.

I understand the cost may be based, at least in part, on a County cost allocation study and that the study was recently updated. Please provide a copy of the study as it pertains to the methodology for allocating the administrative overhead cost to the golf course.

I intend to schedule this matter for discussion at the Committee's meeting of **June 27, 2017, at 9:00 a.m.** May I please request the appropriate representatives of your Department and the Budget Office attend the meeting and be prepared to discuss the calculation of the administrative overhead charge for the golf course and other cost components associated with the golf course.

Mr. Danilo Agsalog
June 15, 2017
Page 2

I would appreciate receiving your response by **June 20, 2017**. To ensure efficient processing, please include the relevant Committee item number in the subject line of your response.

Thank you for your assistance with this matter. Should you have any questions, please contact me or the Committee staff (Carla Nakata at ext. 7659, or Pauline Martins at ext. 8039).

Sincerely,



DON S. GUZMAN, Chair
Parks, Recreation, Energy, and Legal
Affairs Committee

pr:ltr:030afn01:cmn

Attachments

cc: Mayor Alan M. Arakawa
Lynn Araki-Regan, Budget Director
Kaala Buenconsejo, Director of Parks and Recreation

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(2) Grant to The Lahaina Restoration Foundation	0	184,904	0	184,904
(3) Grant to Maui Community Correctional Center for Workline Program	0	117,000	0	117,000
(4) Grant for maintenance of County-owned land at Peahi	0	25,000	0	25,000
b. Parks Program	2,808,081	2,908,168	100,197	5,816,446
(1) Provided, that disbursement for salaries and premium pay is limited to 52.0 equivalent personnel.				
(2) Provided, that \$20,000 shall be for gates, barriers, and signage at County-owned land identified as TMKs: 2-7-007-079; 081; 082; and 083.				
c. Recreation and Support Services Program	11,883,766	8,289,726	328,000	20,501,492
(1) Provided, that disbursement for salaries and premium pay is limited to 294.8 equivalent personnel and 8.0 Limited Term Appointment (LTA) equivalent personnel.				
(2) Provided, that \$10,000 shall be for a professional boxing ring for the Alfred "Flako" Boteilho, Sr. Gym in Paia.				
d. Waiehu Golf Course Program – Golf Fund				
(1) General	920,810	766,060	185,000	1,871,870
(i) Provided, that disbursement for salaries and premium pay is limited to 19.5 equivalent personnel.				
(2) Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA)	0	272,024	0	272,024

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)	0	173,443	0	173,443
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)	0	80,853	0	80,853
(5) Debt Service	0	231,022	0	231,022
(6) Administrative Overhead Charge	0	1,176,047	0	1,176,047
11. Department of Personnel Services				
a. Personnel Administration and Management Support Services Program	1,303,030	339,040	7,800	1,649,870
(1) Provided, that disbursement for salaries and premium pay is limited to 18.0 equivalent personnel.				
12. Department of Planning				
a. Administration and Planning Program				
(1) General	4,049,409	1,212,824	32,000	5,294,233
(i) Provided, that disbursement for salaries and premium pay is limited to 64.0 equivalent personnel.				
(ii) Provided, that \$80,000 be utilized for contract services to assist with administrative enforcement.				
(2) Cultural Resource Management Historic American Buildings Survey/Historic American Engineering Record (HABS/HAER)	0	25,000	0	25,000
(3) Grant to University of Hawaii Maui College Sea Grant	0	104,000	0	104,000
(4) Maui Redevelopment Agency	0	133,500	0	133,500