

BF Committee

From: Maui_County Council_mailbox
Sent: Monday, March 20, 2017 8:39 AM
To: BF Committee
Subject: FW: Waiehu Golf Course - Maui's Gem - Preserve, Protect, Maintain and Restore
Attachments: An Analysis - Parks and Recreation and Waiehu Golf Course - CMH - March 19, 2017.pdf

From: Clif Hasegawa [mailto:clifhasegawa@gmail.com]

Sent: Sunday, March 19, 2017 1:42 PM

To: Mayor Alan Arakawa <alan.arakawa@mauicounty.gov>; Mayors.Office@co.maui.hi.us; herman.andaya@mauicounty.gov; "Grace Ishii Executive to Mayor Alan Arakawa" <Grace.Ishii@co.maui.hi.us>; "Managing Director Keith Regan" <md.office@mauicounty.gov>; Maui_County Council_mailbox <county.council@mauicounty.us>; County Clerk <County.Clerk@mauicounty.us>; Mike White <Mike.White@mauicounty.us>; Robert Carroll <Robert.Carroll@mauicounty.us>; Stacy S. Crivello <Stacy.Crivello@mauicounty.us>; Alika A. Atay <Alika.Atay@mauicounty.us>; Elle Cochran <Elle.Cochran@mauicounty.us>; Donald S. Guzman <Donald.Guzman@mauicounty.us>; Kelly King <Kelly.King@mauicounty.us>; Riki Hokama <Riki.Hokama@mauicounty.us>; Yukilei Sugimura <Yukilei.Sugimura@mauicounty.us>

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Subject: Waiehu Golf Course - Maui's Gem - Preserve, Protect, Maintain and Restore

Dear Mayor Arakawa, Council Chair White, Council Member Hokama and Members of the Maui County Council,

An Analysis of the Department of Parks and Recreation and the Waiehu Golf Course is submitted for your review and further consideration.

Mayor Arakawa's Announced Shortfall of \$2 Million+ appears to have been gleaned by comparing the overall FY 2017 and FY 2016 Operations Budget for the Department of Parks and Recreation.

The 4-Year Comparison (FY 2014 – FY 2017) of the Operating Expenditures for the Parks and Recreation Department reflects a downward change of \$1,269,300, a downward change of 4.1%. The Parks and Recreation Department is providing exemplary service within budget and is financially sound and stable.

The 4-Year Comparison (FY 2014 – FY 2017) of Revenue from the Waiehu Golf Course reflects positive growth. \$2,362,200 in FY 2014, \$3,942,800 in FY 2015, \$3,860,400 in 2016 and \$4,228,500 in 2017 (Projection). This reflects a positive change of \$368,100, a positive change of 9.5%.

More detailed information is provided in the attached Analysis.

The Waiehu Golf Course is an integral, productive part of Maui County's economic engine.

"Saving the Waiehu Golf Course" has invigorated, instilled and revitalized a Community-Wide Spirit that progressively will bring long needed improvements and enhancements to the Waiehu Golf Course.

The United States Golf Association has named the Ko`olau Golf Course on Oahu the toughest golf course in America. Source: Pope of the Slope. Accessed March 18, 2017 <http://www.popeofslope.com/courserating/toughest.html>

Just maybe, if we wish upon a star, Waiehu Golf Course can become among America's 20 Toughest Golf Courses. Reference: Golf Digest. <http://www.golfdigest.com/gallery/photos-americas-20-toughest-courses#20>

If not, Waiehu Golf Course is OUR Golf Course, tough enough, challenges golfers of all skills, set in beautiful Maui! Maui No Ka Oi!

"Cooking is like Golf. You slice it, chip it and put it on some greens." – After5

"My Doctor told me to take my iron everyday and live on greens." – Waterfront Properties and Club Communities

"Sometimes, being with your friends and golfing is all the therapy you need." – Chirping Birdie

Thank you very much

Aloha

Respectfully,



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FISCAL YEAR 2017 (In Thousands)

	Salaries And Wages	Operations	Grant Awards	Countywide Expenditures	Debt Service	Transfer Out	Equipment	Total
Parks and Recreation	\$16,875.8	\$15,428.7	Not Reported	\$0.0	\$0.0	<u>\$382.3</u>	\$1,016.2	\$33,703.0

TRANSFERS OUT Transfers out to Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Other Governmental Funds, Proprietary Funds, and Full Accrual Fund

OPERATIONS Materials and Supplies, Services, Utilities, Other Costs, Budgeted Expenditures, Interest Expense, Debt Service, Interfund Cost Reclassification, Non-Operating Expenses, Non-Operating Grant Expenses, Amortization of Debt Expense, Non-Budget Expenditures, and Special Projects

FISCAL YEAR 2016 (In Thousands)

	Salaries And Wages	Operations	Grant Awards	Countywide Expenditures	Debt Service	Transfer Out	Equipment	Total
Parks and Recreation	\$15,369.6	\$13,010.6	\$411.7	\$0.0	\$0.0	<u>\$0.0</u>	\$1,259.0	\$30,051.0

TRANSFERS OUT Transfers out to Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Other Governmental Funds, Proprietary Funds, and Full Accrual Fund

OPERATIONS Materials and Supplies, Services, Utilities, Other Costs, Budgeted Expenditures, Interest Expense, Debt Service, Interfund Cost Reclassification, Non-Operating Expenses, Non-Operating Grant Expenses, Amortization of Debt Expense, Non-Budget Expenditures, and Special Projects

FISCAL YEAR 2015 (In Thousands)

	Salaries And Wages	Operations	Grant Awards	Countywide Expenditures	Debt Service	Transfer Out	Equipment	Total
Parks and Recreation	\$17,956.4	\$14,743.4	Not Reported	\$0.0	\$0.0	<u>\$430.7</u>	\$612.6	\$33,743.1

TRANSFERS OUT Transfers out to Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Other Governmental Funds, Proprietary Funds, and Full Accrual Fund

OPERATIONS Materials and Supplies, Services, Utilities, Other Costs, Budgeted Expenditures, Interest Expense, Debt Service, Interfund Cost Reclassification, Non-Operating Expenses, Non-Operating Grant Expenses, Amortization of Debt Expense, Non-Budget Expenditures, and Special Projects

FISCAL YEAR 2014 (In Thousands)

	Salaries And Wages	Operations	Grant Awards	Countywide Expenditures	Debt Service	Transfer Out	Equipment	Total
Parks and Recreation	\$16,670.7	\$13,734.0	Not Reported	\$0.0	\$0.0	<u>\$351.8</u>	\$263.5	\$31,020.0

TRANSFERS OUT Transfers out to Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Other Governmental Funds, Proprietary Funds, and Full Accrual Fund

OPERATIONS Materials and Supplies, Services, Utilities, Other Costs, Budgeted Expenditures, Interest Expense, Debt Service, Interfund Cost Reclassification, Non-Operating Expenses, Non-Operating Grant Expenses, Amortization of Debt Expense, Non-Budget Expenditures, and Special Projects

FISCAL YEAR 2013 (In Thousands)

	Salaries And Wages	Operations	Grant Awards	Countywide Expenditures	Debt Service	Transfer Out	Equipment	Total
Parks and Recreation	\$16,515,625	\$11,138,417	Not Reported	\$0	\$0	\$378,558	\$620,800	\$28,653,400

TRANSFERS OUT Transfers out to Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Other Governmental Funds, Proprietary Funds, and Full Accrual Fund

OPERATIONS Materials and Supplies, Services, Utilities, Other Costs, Budgeted Expenditures, Interest Expense, Debt Service, Interfund Cost Reclassification, Non-Operating Expenses, Non-Operating Grant Expenses, Amortization of Debt Expense, Non-Budget Expenditures, and Special Projects

4-Year Comparison: ENTERPRISE REVENUE FUNDS (In Thousands)

GOLF FUND

FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted	Change Amount	Change Percent
\$2,362.2	\$3,942.8	\$3,860.4	\$4,228.5	\$368.1	9.5%

Source: FISCAL YEAR 2017 COUNTY OF MAUI Operating and Capital Budget Council Adopted Financial Summaries - Revenue and Expenditure Summary Accessed March 18, 2017

<http://www.co.maui.hi.us/DocumentCenter/View/106843> <Page 88>

4-Year Comparison: OPERATING EXPENDITURE Schedule by Major Fund (In Thousands)

PARKS AND RECREATION

FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted	Change Amount	Change Percent
\$28,001.9	\$29,196.8	\$30,743.7	\$29,474.5	-\$1,269.3	-4.1%

Source: FISCAL YEAR 2017 COUNTY OF MAUI Operating and Capital Budget Council Adopted Financial Summaries - Revenue and Expenditure Summary Accessed March 18, 2017

<http://www.co.maui.hi.us/DocumentCenter/View/106843> <Page 89>

PARKS & RECREATION COUNTY OF MAUI WAIEHU GOLF COURSE PROGRAM GOLF FUND

<u>FY 2013</u> <u>Actual</u>	<u>FY 2014</u> <u>Actual</u>	<u>FY 2015</u> <u>Adopted</u>	<u>FY 2016</u> <u>Proposed</u>	<u>Change</u> <u>Amount</u>	<u>Change</u> <u>Percent</u>
\$2,326,933	\$2,381,765	\$3,815,282	\$3,872,569	\$57,287	1.5%

EXPLANATION OF BUDGET CHANGES

SALARIES AND WAGES

\$24,887 - Regular Wages: Adjustments in salaries based on Collective Bargaining increases.

\$12,211 - Premium Pay: Additional funding based on anticipated expenditures.

UTILITIES

<-\$46,621> - Electricity - Inflationary adjustment based on Budget Director's analysis.

INTERFUND COST RECLASSIFICATION

\$10,198 - Retirement System Charges: Adjustment based on Fringe Benefits Rates for Calendar Year 2015.

GENERAL FUND

<-\$45,585> - Golf G.O. Debt Service: Adjustment for the debt service cost per the Debt Service Schedule.

<-\$23,104> General Fund: Adjustment for the OPEB contribution based on Fringe Benefits Rates for Calendar Year 2015.

OPERATIONS:

Machinery & Equipment:

<-\$136,000> - Golf Course Equipment: Deletion of equipment approved in FY 2015; one-time appropriation.

\$231,500 - Golf Course Equipment: Replacement of 1,000 gallon fuel tank and pumping system at \$90,000 each; \$19,500 purchase of greens roller; and \$32,000 replacement of utility cart.

Source: Fiscal Year 2016 Mayor's Proposed Budget. Accessed March 18, 2017. Pages 504 – 507.

<http://www.co.maui.hi.us/DocumentCenter/View/97197>

PARKS & RECREATION COUNTY OF MAUI WAIEHU GOLF COURSE PROGRAM GOLF FUND

<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Change</u>	<u>Change</u>
<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Amount</u>	<u>Percent</u>
\$2,504,479	\$2,646,156	\$2,430,778	\$3,883,743	\$1,452,965	59.8%

EXPLANATION OF BUDGET CHANGES

SALARIES AND WAGES

\$67,728 - Adjustments in salaries based on Collective Bargaining increase.

UTILITIES

\$38,202 - Electricity - Inflationary adjustment based on Budget Director's analysis.

INTERFUND COST RECLASSIFICATION

\$30,911 - Retirement System Charges: Adjustment based on Fringe Benefit Rates for Calendar Year 2014.

\$25,219 - Hawaii Employer-Union Trust Fund: Adjustment based on Fringe Benefit Rates for Calendar Year 2014.

\$990,171 - Overhead Charges/Admin Cost: Adjustment based on Fringe Benefit Rates for Calendar Year 2014.

GENERAL FUND TRANSFERS OUT

\$11,265 - Golf G.O. Debt Service: Adjustments for the debt service cost per the Debt Service Schedule.

\$73,764 - OPEB Contribution to General Fund: Adjustments for the OPEB contribution based on Fringe Benefit Rates for Calendar Year 2014.

OPERATIONS:

Materials & Supplies:

\$119,619 - Agricultural Supplies: Additional funding to maintain the golf course.

\$4,000 - Medical & Safety Supplies: Additional funding due to increase in cost.

Machinery & Equipment:

<\$50,000> - Golf Course Equipment: Deletion of equipment approved in FY 2014; one-time appropriation.

\$136,000 - Golf Course Equipment: Purchase of greens and fairway mowers.

Services:

\$4,000 - Advertisement: Additional funding due to increase in cost.

\$500 - Security Alarm Services: Additional funding due to increase in cost.

Source: Fiscal Year 2015 Mayor's Proposed Budget. Accessed March 18, 2017. Pages 492 – 494
<http://co.maui.hi.us/DocumentCenter/View/90164>



**ART REGO, PGA
DIRECTOR OF GOLF**