

**COUNCIL OF THE COUNTY OF MAUI**  
**PARKS, RECREATION, ENERGY, AND**  
**LEGAL AFFAIRS COMMITTEE**

December 11, 2018

**Committee**  
**Report No. \_\_\_\_\_**

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Parks, Recreation, Energy, and Legal Affairs Committee, having met on October 30, 2018, makes reference to the following:

1. A Miscellaneous Communication dated May 22, 2017, from the County Clerk, reporting that the Council referred the matter relating to the Waiehu Municipal Golf Course operations and improvements; and
2. A Miscellaneous Communication dated February 2, 2018, from the County Clerk, reporting that the Council referred Contract C6407 between the County of Maui and Bow Engineering & Development, Inc., for the Waiehu Golf Course Clubhouse Feasibility Study and Master Plan for the Department of Parks and Recreation, Job P17/006.

Your Committee notes it previously reported on this matter through Committee Report 18-170, which recommended that a proposed bill, entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 13.16, MAUI COUNTY CODE, RELATING TO THE WAIEHU MUNICIPAL GOLF COURSE," be passed on first reading and ordered to print. The purpose of the proposed bill is to update provisions in Chapter 13.16, Maui County Code ("MCC"), relating to definitions and fees for, and management and operations of, the Waiehu Municipal Golf Course. At its meeting of October 19, 2018, the Council adopted the recommendation in Committee Report 18-170 (Ordinance 4901 (2018)).

**COUNCIL OF THE COUNTY OF MAUI**  
**PARKS, RECREATION, ENERGY, AND**  
**LEGAL AFFAIRS COMMITTEE**

Page 2

**Committee**  
**Report No. \_\_\_\_\_**

During its discussions on various concerns and opportunities relating to the Waiehu Municipal Golf Course, your Committee generated two proposed bills in addition to the one recommended for passage by Committee Report 18-170. One proposed bill would modify the golf course special fund and the other would repeal the fund.

The first proposed bill, transmitted by correspondence dated July 7, 2017, from the Chair of your Committee, is entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 13.16.040, MAUI COUNTY CODE, RELATING TO THE WAIEHU MUNICIPAL GOLF COURSE SPECIAL FUND." The proposed bill would remove the language requiring the fund to be self-supporting and modify the uses of the fund.

The second proposed bill, transmitted by correspondence dated February 5, 2018, from the Chair of your Committee, is entitled "A BILL FOR AN ORDINANCE REPEALING SECTION 13.16.040, MAUI COUNTY CODE, RELATING TO THE GOLF COURSE SPECIAL FUND." The proposed bill would repeal the fund in its entirety, and transfer all encumbrances and any balance remaining in the fund as of June 30, 2018, to the general fund.

Your Committee notes the golf course special fund is set forth in Section 13.16.040, MCC, which provides:

The proceeds from playing fees, tournament fees, club no-show fees, rental income, and fees from golf course concessions shall be deposited into a golf course special fund. These proceeds shall be used for the operation, maintenance, and timely improvement of the golf course, to the end that the golf course shall be self-supporting. No moneys from the general fund shall be expended for these purposes, except that the council may supplement these proceeds by specific appropriations to the golf course special fund.

**COUNCIL OF THE COUNTY OF MAUI**  
**PARKS, RECREATION, ENERGY, AND**  
**LEGAL AFFAIRS COMMITTEE**

Page 3

**Committee**  
**Report No. \_\_\_\_\_**

Historically, the golf course has not been self-supporting. Although the golf course does generate considerable revenue through fees and pro shop and restaurant concessions, the Mayor proposed closing the golf course at the end of the 2017 calendar year based on a reported estimate of \$3 million in operating losses annually.

Your Committee discussed the extent of County overhead costs allocated to the County's only municipal golf course. Your Committee also discussed limitations on revenues generated by the course attributed, in part, to course conditions and an inability to book reservations online. Your Committee noted other County parks facilities are not expected to generate revenue sufficient to cover their operations and are instead subsidized by County taxpayers through the general fund.

Over the course of several meetings on the operations of the golf course, your Committee discussed the feasibility of modifying or repealing the fund and the ramifications of both alternatives with the Director of Finance, the Budget Director, the Director of Parks and Recreation, and a Deputy Corporation Counsel.

At the request of the Chair of your Committee, the Department of the Corporation Counsel transmitted a revised proposed bill to repeal the golf fund, approved as to form and legality. The revised proposed bill deletes the phrase "as of June 30, 2018" as it relates to encumbrances and any balance remaining in the golf fund to be transferred to the general fund, and revises the effective date of the ordinance to July 1, 2019.

The Director of Parks and Recreation said the Department is in favor of the revised proposed bill.

A representative of the Department of Finance said the Department could accommodate the repeal of the golf fund. She said the Department had discussed with the external auditors the reevaluation of all of the funds, and that golf course operations would be moved into the general fund.

COUNCIL OF THE COUNTY OF MAUI

**PARKS, RECREATION, ENERGY, AND  
LEGAL AFFAIRS COMMITTEE**

Page 4

**Committee  
Report No. \_\_\_\_\_**

The Budget Director said if the golf fund is repealed, it would be helpful to do that now so the Fiscal Year 2020 Budget could be prepared accordingly.

Your Committee noted the time is ripe for the Department of Parks and Recreation to start evaluating strategic revenue for the golf course. The Director of Parks and Recreation said the Department will work on improvements to the front nine holes of the course and a master plan for the clubhouse.

Your Committee voted 6-0 to recommend passage of the revised proposed bill to repeal the golf course special fund on first reading and filing of the communications. Committee Chair Guzman, Vice-Chair King, and members Cochran, Crivello, Hokama, and Sugimura voted "aye." Committee members Atay, Carroll, and White were excused.

Your Parks, Recreation, Energy, and Legal Affairs Committee **RECOMMENDS** the following:

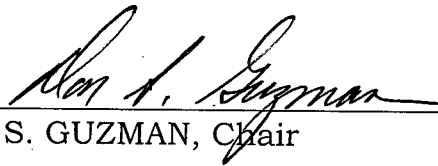
1. That Bill \_\_\_\_\_ (2018), attached hereto, entitled "A BILL FOR AN ORDINANCE REPEALING SECTION 13.16.040, MAUI COUNTY CODE, RELATING TO THE GOLF COURSE SPECIAL FUND," be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That the Miscellaneous Communication dated May 22, 2017 be FILED; and
3. That the Miscellaneous Communication dated February 2, 2018 be FILED.

COUNCIL OF THE COUNTY OF MAUI  
**PARKS, RECREATION, ENERGY, AND  
LEGAL AFFAIRS COMMITTEE**

Page 5

Committee  
Report No. \_\_\_\_\_

This report is submitted in accordance with Rule 8 of the Rules of the Council.



\_\_\_\_\_  
DON S. GUZMAN, Chair

prl:cr:18030ab:cmn

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2018)

A BILL FOR AN ORDINANCE REPEALING SECTION 13.16.040,  
MAUI COUNTY CODE, RELATING TO THE  
GOLF COURSE SPECIAL FUND

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

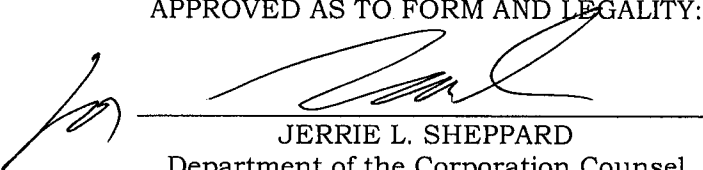
SECTION 1. Section 13.16.040, Maui County Code, is repealed.

**["13.16.040 Golf course special fund.** The proceeds from playing fees, tournament fees, club no-show fees, rental income, and fees from golf course concessions shall be deposited into a golf course special fund. These proceeds shall be used for the operation, maintenance, and timely improvement of the golf course, to the end that the golf course shall be self-supporting. No moneys from the general fund shall be expended for these purposes, except that the council may supplement these proceeds by specific appropriations to the golf course special fund."]

SECTION 2. All encumbrances and any balance remaining in the golf course special fund shall be transferred to the general fund.

SECTION 3. This ordinance shall take effect on July 1, 2019.

APPROVED AS TO FORM AND LEGALITY:



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JERRIE L. SHEPPARD

Department of the Corporation Counsel  
County of Maui  
2017-0099

PRL-30 2018-10-10 Repealing 13.16.040