

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

October 5, 2004

Committee  
Report No.

04-170

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 September 14, 2004, makes reference to County Communication No. 04-189, from the Acting Director of Finance, reporting on the 2004 Hula Bowl receipts.

The communication attaches a letter dated July 21, 2004, from Dick Schaller, President of Hula Bowl Maui, informing the Director of Finance that Hula Bowl Maui is unable to pay \$11,062 it owes the County from the 2004 game. This figure was predicated on the sale of 5,531 tickets and the County receiving \$2 per ticket. According to Mr. Schaller, the County has not been paid because the game took a huge loss when the sponsor participation fell short of projections.

Your Committee notes that the License Agreement with Hula Bowl Maui requires a payment of \$1 per ticket sold for 2003, \$2 for 2004, \$3 for 2005, \$4 for 2006, and \$5 for 2007.

At its meeting, your Committee met with the Director of Finance, the Deputy Director of Finance, the Budget Director, the Deputy Director of Parks and Recreation, the Economic Development Coordinator, and the First Deputy Corporation Counsel.

There was no public testimony.

The Director of Finance provided a brief overview of the Hula Bowl Maui License Agreement. He informed your Committee that Mr. Schaller has executed a promissory note agreeing to pay the County \$11,062. The Director of Finance indicated that he would forward a copy of the executed promissory note to your Committee.

Your Committee discussed the enforceability of the promissory note. The First Deputy Corporation Counsel indicated that if the County does not receive

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payment, it would seek to enforce the License Agreement. She advised that the promissory note would illustrate to the court that the County is willing to negotiate, and is attempting to resolve the conflict by extending the time for payment.

The Deputy Director of Finance indicated that the former Director of Finance had negotiated with Mr. Schaller to assure compensation for the off-duty police officers who worked at the 2004 Hula Bowl Maui game. Once that obligation was fulfilled, Mr. Schaller indicated that Hula Bowl Maui did not have the funds to pay the \$11,062.

Your Committee discussed what will happen if Mr. Schaller does not compensate the County by December 1, 2004, as stated in the promissory note. The Deputy Director of Finance responded that nonpayment would be considered an act of default, and the matter would be referred to the Department of the Corporation Counsel.

The Economic Development Coordinator indicated that she believed Mr. Schaller has secured additional sponsors. She stated that in addition to corporate sponsors, other future possibilities include securing nonprofit sponsors, and reducing ticket prices. The Deputy Director of Parks and Recreation suggested that other possible ways to increase attendance include allowing tailgating and the sale of alcohol.

Your Committee briefly discussed fees. The Deputy Director of Parks and Recreation indicated that Hula Bowl Maui is charged a permit fee.

Your Committee questioned whether the Council should examine whether Hula Bowl Maui continues to be a viable activity appropriate for County co-sponsorship.

Your Committee questioned the absence of Mr. Schaller.

Your Committee discussed the condition of the playing field. The Deputy Director of Parks and Recreation reported that the condition of the field has improved due to the Hula Bowl Maui. He indicated that prior to Hula Bowl Maui, the Department did not receive support for closing the field for maintenance and

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repairs. He stated that all playing fields need “down time” as part of a maintenance schedule.

A concern was raised about limiting the children’s use of the field for the sake of preserving it for the Hula Bowl Maui game. Maintenance of the field for the children of the County should take priority over Hula Bowl Maui.

Your Committee discussed the status of additional personnel for parks maintenance positions. The Deputy Director of Parks and Recreation indicated that most of the positions should be filled by January 1, 2005. He said that most of the positions will initially be used to “catch up” on maintenance work. He noted that some of the playing fields will need to be closed so that proper maintenance can be performed.

Your Committee briefly discussed the scheduling of Hula Bowl Maui. Your Committee noted that at one point, Hula Bowl Maui was scheduled on the same weekend as the Pro-Bowl to determine whether combining the events in Hawaii on a single weekend would draw additional attendees.

Your Committee voted to file the communication.

Your Budget and Finance Committee **RECOMMENDS** that County Communication No. 04-189 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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**DAIN P. KANE** **Member**