



The Department of Finance

Fiscal Year 2021 Annual Report

July 1, 2020 – June 30, 2021

**Reiko Matsuyama
Director**

DEPARTMENT OF FINANCE

I. MISSION STATEMENT

To protect the County's assets by establishing and maintaining accurate and reliable technological and financial systems while providing effective, efficient, and kind professional service to the people of Kaua'i and to all that we serve.

II. DEPARTMENT GOALS

Vision: We envision a vibrant and collaborative network of Divisions who focus their unique strengths to make the County a better place to work.

Values:

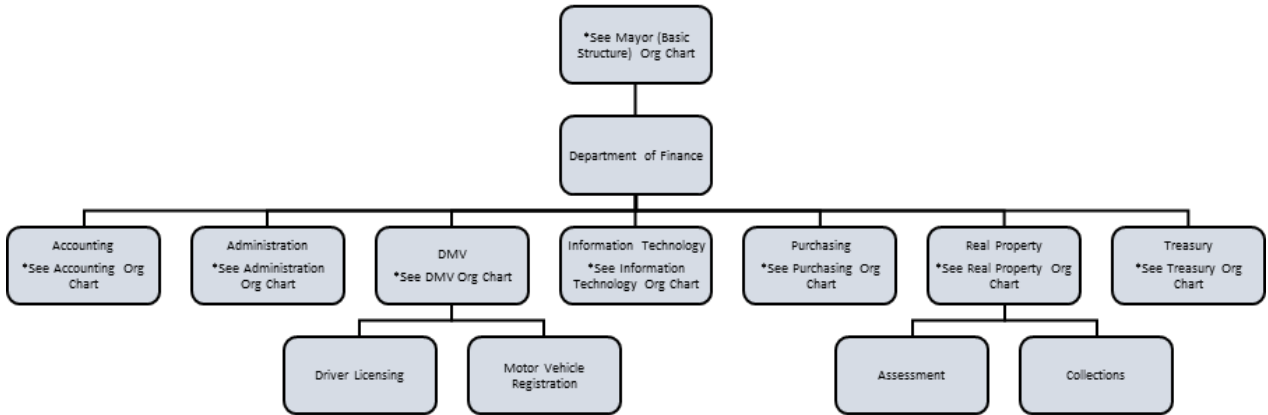
- **COMMUNICATION:** We will be open, approachable, and transparent in order to effectively communicate with everyone we serve.
- **ACCOUNTABILITY:** We are trustworthy and will provide accurate and timely information such that others can rely on our product.
- **COLLABORATIVE:** We commit to engaging the talents and passions of our people to achieve desired results
- **ALOHA SPIRIT:** We approach each professional interaction with compassion, kindness, respect and patience.

III. PROGRAM DESCRIPTION

Strategic Priorities:

- **Modernize Technology:** Enhance interconnectivity between Departments and Divisions through use of modernized software and systems for the purpose of increasing efficiency, transparency and data accessibility.
- **Succession Planning:** Ensure protection of our intellectual capital by cross training and developing our staff from within.
- **Go Paperless:** Increase efficiency and be environmentally friendly by migrating to a paperless environment with automated workflows, digital document routing and electronic filing.
- **Reputation & Service:** Maintain the highest class of service to the community as well as all County Divisions and Departments in order to further cultivate the best possible reputation amongst those that we support.

Organizational Chart



IV. BUDGET

Consolidated Financial Results

General Fund - Fiscal Year Ended June 30, 2021 (Preliminary)				
Finance - Consolidated Summary¹				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Employee & Related	\$ 8,506,233	\$ 7,834,283	\$ 671,950	7.90%
Utilities, Insurance, Fuels	\$ 2,092,664	\$ 2,019,971	\$ 72,693	3.47%
Training, Travel	\$ 14,717	\$ 8,832	\$ 5,885	39.99%
Services, Dues, Consult., Grants	\$ 4,722,263	\$ 4,244,412	\$ 477,851	10.12%
Other Operating	\$ 1,038,120	\$ 982,871	\$ 55,249	5.32%
R&M, Facilities, & Equip.	\$ 580,424	\$ 576,080	\$ 4,344	0.75%
Claims, Rental, Loans, Debt Svc.	\$ 1,171,475	\$ 532,047	\$ 639,428	54.58%
Indirect Cost	\$ (2,680,000)	\$ (2,680,000)	\$ -	0.00%
Total	\$ 15,445,896	\$ 13,518,496	\$ 1,927,400	12.48%

ADMINISTRATIVE DIVISION

Reiko Matsuyama, Director of Finance
Michelle Lizama, Deputy Director of Finance

I. MISSION STATEMENT

To provide effective and efficient financial services to the people of Kaua'i and to all that we serve by establishing and maintaining a financial system that can properly account for its activities.

II. DEPARTMENT/DIVISION GOALS

A. Duties/Functions

1. Under the authority of Section 10.04 of the County Charter, the Director of Finance or the Deputy Director of Finance in the absence of the Director of Finance shall be the chief accounting, risk management coordinator, fiscal and budget officer of the county.
2. To provide guidance and managerial oversight of various divisions within the Department of Finance.
3. To prepare the annual Operating and Capital budget ordinances within a structurally sustainable framework and to administer the budget functions of the County in accordance with all applicable laws and regulations.
4. Analyze potential risk and procure mitigating insurance coverage to limit the County's exposure to said risk.

B. Division Goals

1. To continue a fiscally sound approach of County finances to ensure that expenditures do not exceed the resources available and adhere to the long-term financial and reserve plan policies adopted for the County of Kaua'i.
2. To ensure that the County is in an adequate position to use reserves to upfront costs in the event of emergencies prior to potential FEMA reimbursement.
3. Use the OpenGov portal to improve financial transparency within the County and to the general public.

III. PROGRAM DESCRIPTION

A. Objectives

1. Overall financial management of the County, including monitoring and improvement upon the County’s financial position, and the oversight and assistance to all County of Kaua’i departments with regard to their budgets, revenues, and expenditures.
2. To ensure all funds received by the County of Kaua’i are managed in accordance to the special conditions of the appropriation/award of the funds by providing timely financial information in a user friendly format.
3. Minimize potential risk relative to property, liability to third parties, and human resources. Promote risk management as a component of strategic planning and as a major budget item.

B. Highlights

1. Continued adherence to the Long Term Financial Plan policies adopted by the Council; 1) Reserve Fund and 2) Structurally Balanced Budget Policy.
2. Despite the pandemic, we expect continued growth in General Fund fund balance and continued improvements to transparency portal reporting by adding additional reports available for public viewing.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2021 (Preliminary)				
Administration				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Employee & Related	\$ 836,161	\$ 772,496	\$ 63,665	7.61%
Utilities, Insurance, Fuels	\$ 2,046,540	\$ 1,973,887	\$ 72,653	3.55%
Training, Travel	\$ 3,960	\$ -	\$ 3,960	100.00%
Services, Dues, Consult., Grants	\$ 2,578,450	\$ 2,205,132	\$ 373,318	14.48%
Other Operating	\$ 5,803	\$ 2,757	\$ 3,046	52.48%
Claims, Rental, Loans, Debt Svc.	\$ 1,136,801	\$ 502,333	\$ 634,468	55.81%
Total	\$ 6,607,716	\$ 5,456,604	\$ 1,151,112	17.42%

V. ACCOMPLISHMENTS/EVALUATION

Conducted an employee satisfaction survey for all employees of the Department and followed up with swift action to potentially improve the ratings. Put together a new hire orientation video for Finance employees, conducted customer service and other trainings, and followed through on promises made.

ACCOUNTING DIVISION

Renee M. Yadao, Accounting Systems Administrator

I. MISSION STATEMENT

The Accounting Division's mission is to continuously strive towards excellence in providing accurate and timely financial information, demonstrate the utmost integrity and transparency, while continuing to ensure compliance with applicable federal, state and local laws and regulations.

II. DIVISION GOALS/DUTIES

A. Duties/Functions

1. Compliance with Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) pronouncements, prepare accurate, timely, and reliable financial reports for decision-making.
2. Maintain and preserve the integrity of the accounting system for 35 County funds and ensure that accurate and timely financial information is provided to all County Departments and/or Agencies.
3. Provide guidance and oversight of financial procedures to all County Departments and/or Agencies.
4. Maintain internal controls over financial procedures, develop policies and procedures that foster fiscal and fiduciary responsibilities to ensure compliance with applicable federal, state and local laws and regulations.

B. Division Goals

1. Promote growth, mentor, train, and retain our Accounting team in an environment that fosters trust, value, transparency, and accountability.

III. PROGRAM DESCRIPTION

A. Objectives

1. The Accounting Division provides centralized accounting services, financial reporting, accounts receivable, accounts payable, capital asset management,

and vendor maintenance including 1099 reporting for all county-wide operations.

2. The Accounting Division’s primary objectives are to: 1) Report accurately, all financial related information in a timely manner and 2) Strive to promote transparency, streamline processes to increase efficiencies, effectiveness, and consistency throughout County-wide operations.

B. Highlights

1. The Accounting Division continues to streamline and improve processes while maintaining the integrity of the accounting system to ensure accurate and timely financial and accounting information is provided.
2. Due to the COVID-19 pandemic, the Accounting Division converted a very paper driven operation to almost completely electronic. Although improvements continue to be made, the following processes are now electronically submitted, reviewed, and processed:
 - Travel Request Forms
 - pCard -transaction processing and supporting documentation
 - Vendor Maintenance
 - Adjusting Journal Entry Request Forms
 - Accounts Payable Requests
 - Accounts Payable Bank Reconciliation Review
 - Cash Receipts Review
 - Void and Reissue Check Requests
 - Work Order Job Number Requests for CIP Projects

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2021 (Preliminary)				
Accounting				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Employee & Related	\$ 1,003,174	\$ 464,922	\$ 538,252	53.65%
Training, Travel	\$ 1,455	\$ 197	\$ 1,258	86.46%
Services, Dues, Consult., Grants	\$ 142,457	\$ 100,426	\$ 42,031	29.50%
Other Operating	\$ 14,204	\$ 11,739	\$ 2,465	17.35%
Claims, Rental, Loans, Debt Svc.	\$ 8,500	\$ 3,986	\$ 4,514	53.11%
Indirect Cost	\$ (2,680,000)	\$ (2,680,000)	\$ -	0.00%
Total	\$ (1,510,209)	\$ (2,098,730)	\$ 588,521	-38.97%

V. ACCOMPLISHMENTS / EVALUATION

The County has received the *Certificate of Achievement for Excellence in Financial Reporting* for 27 consecutive years. The Government Finance Officers Association (GFOA) award signifies that the County's Annual Comprehensive Financial Report (ACFR) has achieved the highest standards in financial reporting in accordance with Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. The 2020 ACFR was submitted in January 2021.

DEPARTMENT OF MOTOR VEHICLES (DMV)

Jeremy K. Lee, Vehicle Registration and Licensing Manager

I. MISSION STATEMENT

Provide Department of Motor Vehicle services that are user-friendly, efficient and meets the highest standards for prompt and professional service to the public and other government agencies.

II. DIVISION GOALS

A. Duties/Functions

1. Provide the County of Kaua'i effective and efficient department of Motor Vehicles and Drivers Licensing services.
2. Administration and application of all Federal, State and County rules and laws that are related to DMV services and scope of work.
3. Execute all transactions for motor vehicle registration and drivers licensing in compliance with applicable rules and laws.
4. Maintain all obligations to Federal, State and Local entities in the administration of associated functions (PMVI and DCAB).

B. Goals

1. Continue to improve timely, courteous, and efficient assistance and service to all DMV customers.
2. Screen and identify drivers and vehicles in order to keep Kaua'i's roads safe.
3. Stay abreast of all new rules and laws that help to direct our work.
4. Complete the process of digitizing all our MVR records and forms.

5. Automate DL road test validation and scheduling.
6. Transition DL permit testing to a computer base program.
7. Program development and planning for remote DMV locations.

III. PROGRAM DESCRIPTION

The Department of Motor Vehicles plays a vital role in traffic safety. From vehicle registration and titling to drivers licensing and state ID's, the DMV office provides a multitude of services to the community helping to promote safe vehicle operation on our roads.

A. Objectives

1. Continually assess our internal processes and monitor best practices to proactively grow and be responsive to customer service needs, to provide the best service.
2. Continue to implement new acts of legislation that guide our services.

B. Highlights

1. Entire DMV upfitted with Credit Card readers for the convenience of the customers.
2. Maintained health and safety of all DMV staff, no COVID-19 cases in our team and reopened the DMV to all walk-in services from the pandemic closures.
3. Training continues internally as we completed the Security Awareness Refresher Training (SART), in compliance to the Real ID Act and customer service training.
4. Began the planning and design phases for a remote DMV site creating a new integrated DMV location.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2021 (Preliminary)				
Driver's License				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Employee & Related	\$ 399,347	\$ 396,064	\$ 3,283	0.82%
Training, Travel	\$ 650	\$ -	\$ 650	100.00%
Services, Dues, Consult., Grants	\$ 108,683	\$ 92,440	\$ 16,243	14.95%
Other Operating	\$ 11,011	\$ 7,970	\$ 3,041	27.62%
R&M, Facilities, & Equip.	\$ 600	\$ -	\$ 600	100.00%
Total	\$ 520,291	\$ 496,475	\$ 23,816	4.58%

General Fund - Fiscal Year Ended June 30, 2021 (Preliminary)				
Motor Vehicle				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Employee & Related	\$ 733,376	\$ 709,817	\$ 23,559	3.21%
Services, Dues, Consult., Grants	\$ 226,848	\$ 222,474	\$ 4,374	1.93%
Other Operating	\$ 141,737	\$ 121,959	\$ 19,778	13.95%
R&M, Facilities, & Equip.	\$ 9,413	\$ 9,413	\$ 0	0.00%
Total	\$ 1,111,374	\$ 1,063,663	\$ 47,711	4.29%

V. ACCOMPLISHMENTS / EVALUATION

We have a relatively new but skilled staff and remain vulnerable to capacity limitations and turnover issues. We are actively engaged in capacity building and succession planning to allow for continued ability to provide first class customer service to the public.

We are working towards better utilization of our technology platforms, moving manual processes to digitally automated methods. We are working with the state, our county partners and vendors to modernize our system tools and practices to provide effective and efficient service delivery. With the support of the County administration, we are taking reasonable growth steps.

All windows at the DMV are not accepting credit or debit cards as a form of payment. While there is a service fee to utilize this service, it does give customers a much-needed option. Our hope is that it reduces returned and erroneously written checks which cause added back-office work.

DIVISION OF PURCHASING

Ernest W. Barreira, M.S., Assistant Chief Procurement Officer

I. MISSION STATEMENT

The Division of Purchasing is tasked with the responsibility to assume responsibility for all formal procurement of Construction and Goods and Services for the County of Kaua'i. In addition, the Division is responsible for: contract for services of independent contractors, purchase materials, supplies and equipment; purchase, lease, rent, or otherwise acquire or secure the use of real or personal property; maintain control of all surplus County equipment and process all inter-office and incoming/out-going mail, and postage.

II. DEPARTMENT GOALS

A. Duties/Functions

1. Facilitate the acquisition of goods, services, and construction for the County of Kaua'i in full adherence to the Hawai'i State Procurement Code pursuant to HRS Chapter 103D and applicable Hawai'i Administrative Rules.
2. Provide guidance, training, and direction to the County administration and all departments, divisions, and agencies with regard to the requirements of procurement.

B. Goals

1. Maintain an updated portal of all solicitation boilerplates and forms consistent with the changes in laws and rules so as to provide critical guidance and training to all County departments and personnel.
2. Adopt and maintain an operational philosophy to acquire and implement technological resources available to improve operations, eliminate redundancies, achieve various levels of efficiencies and cost effectiveness, achieve timely processing of all work assigned to the Division, and maintain the highest level of quality in the delivery of services to the public.

III. PROGRAM DESCRIPTION

A. Objectives

1. The Division of Purchasing, under the authority of Section 19.19 of the County Charter, is responsible for administering the centralized purchasing of all "materials, supplies, equipment and services" for the County. In addition, further authority, duties, and responsibilities are provided by

Hawai'i Revised Statutes, Section 103D, and the related Hawai'i Administrative Rules.

2. The objective of the Division of Purchasing is to "promote economy, efficiency, and effectiveness" in the timely procurement of goods and services, and the construction of public works for the County of Kaua'i and to ensure maximum competition as intended by the Hawai'i State Procurement Code. This involves a commitment of the Purchasing Division to work with the various agencies in reviewing their procurement objectives, special requirements, and specifications; advising them of options and other information resources; and informing them of the requirements of the Public Procurement Code. The results of this commitment should reduce the number of protests filed and expedite the turn-around time for requisitions. Currently, the Division's goal for processing purchase orders is one (1) to two (2) days.

B. Highlights

1. CARES-related procurement activity (Responsive Service): In partnership with KEMA and OED, we were instrumental in the distribution and expenditure of over \$23 million worth of various procurements and grants in direct support of the COVID-19 response efforts. Several of these projects provided a timely infusion of funds to support and sustain the local economy and local population with various grants to support business activities and to provide needed goods and services to the local community.
2. Laserfiche automation (Responsive Service): DOP has continued its efforts to implement Laserfiche automation to support its existing business processes. The DOP has fully converted its surplus processing into a Laserfiche process – eliminating the need for paper, downloading and saving forms, and securing wet signatures. The business process is now automated and is almost exclusively done using web based forms.
3. Responsive contract management strategies (Solidarity): DOP supported the Public Works Roads Division by allowing a change order process to execute works and expend GET funds in support of Island Wide Road Resurfacing projects. The change order avoided the need for a new solicitation and expedited the appropriate and legal enlargement of these vital services to the community.
4. Process improvement initiatives (Excellence): DOP continues to seek out opportunities to improve its business processes. DOP's operations continue to be central to a lot of contract and payment activities. DOP staff took notice of some missteps that could be addressed with slight modifications to its existing processes. Foundational work on BPO change order process was started and continues to help improve the process and tracking of contract funding. This is an intradepartmental initiative requiring close coordination between the Accounting and IT Divisions. The process entails

using multiple BPO fund certifications as opposed to change orders to a single BPO.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2021 (Preliminary)				
Purchasing				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Employee & Related	\$ 900,776	\$ 899,314	\$ 1,462	0.16%
Training, Travel	\$ 3,202	\$ 3,201	\$ 1	0.02%
Services, Dues, Consult., Grants	\$ 1,551	\$ 1,551	\$ -	0.00%
Other Operating	\$ 81,299	\$ 81,295	\$ 4	0.01%
R&M, Facilities, & Equip.	\$ 10,878	\$ 10,877	\$ 1	0.01%
Claims, Rental, Loans, Debt Svc.	\$ 3,331	\$ 3,320	\$ 11	0.32%
Total	\$ 1,001,037	\$ 999,559	\$ 1,478	0.15%

V. ACCOMPLISHMENTS/EVALUATION

Effective use of position reallocations to create a broader pool of procurement human resources. We reallocated 3 of our associates this year which will help us assign more complex procurement cases and allow for broader succession training. These reallocations are reflective of their increased skill level and capabilities.

TREASURY

Amy Surratt, Treasurer

I. MISSION STATEMENT

To provide prudent financial management and services to the people of Kaua’i and to the departments and agencies of the County that we serve.

II. DIVISION GOALS/DUTIES

A. Duties/Functions

1. Keep accounts of receipts and disbursements.
2. Collect monies and or deposit slips from all County agencies.

3. Perform cash management for the County of Kaua'i including the performance of timely bank reconciliations.
4. Manage bond issuance, compliance, and debt service.

B. Goals

1. Eliminate the reliance on paper documents and store all documents electronically in Laserfiche. Also use Laserfiche to route any documentation requiring approvals and delivery to various departments.
2. Continue to support the County that we serve through eliminating redundancies, standardizing required documents in an electronic format, and opening the communication channels.
3. Automate wherever possible and drastically reduce manual entry/transfer of information between systems.

III. PROGRAM DESCRIPTION

A. Objectives

1. Account for, receipt, protect, deposit, invest in authorized investments, and disburse money upon proper authorization.
2. To ensure deposits with financial institutions are fully collateralized.
3. To maintain sufficient liquidity to meet the County's cash requirements.
4. To invest surplus cash in accordance with state laws and County ordinances.
5. To ensure County funds are not unduly concentrated in any single financial institution.
6. To provide timely financial reporting to outside agencies and establish and maintain effective internal controls and processes.
7. Facilitates bond issuances, as needed, along with annual compliance and reporting.

B. Highlights

1. Refinanced general obligation bonds to reduce future interest expenses by taking advantage of historically low interest rates which saved the County approximately \$2.1M over the duration of the outstanding bonds.
2. Assisted with the implementation of over-the-counter credit card transactions at the DMV. While this reduces the volume of checks, we have identified new issues and identified corrective actions for each.
3. Transformed the cash receipt procedures to increase efficiency and accuracy through building ownership, reducing input errors, and moving towards an electronic environment.
 - a. In Q1 of FY21 standardized the deposit slip template to reduce input errors, by requiring all departments to utilize a uniform deposit slip that mimicked the entries required in iNovah.
 - b. With the release of the standardized deposit slip, Treasury shifted to only maintaining an electronic copy (in Laserfiche) of the deposit slip, thus reducing the number of copies needing to be submitted by a third.
 - c. In Q4 of FY21 began transitioning offices to input their non-cash/check deposits (wire, ACH, lockbox, online, etc) directly into iNovah. This improved timeliness of recording deposit entries and reducing input error. While at the same time eliminating the need to print a paper deposit slip and eliminating the need for additional review.
4. Established and maintained deadlines with MVR and Accounting to review daily cash receipt packets to allow for a timely fiscal year end close. Increase efficiency and accuracy of processes that flow through multiple departments through process analysis, eliminating redundancies and outdated practices, and utilizing laserfiche to capture and maintain the process flow.
 - a. Daily Bank Activity Statement for the main checking account (FHB021) is distributed and stored in laserfiche.
 - b. Payroll and AP bank transfer and wire requests are routed and stored in laserfiche. This allows all requests to be tracked and real time updates shared when transfers/wires have been scheduled. Reminders are also given if laserfiche tasks are not performed.
 - c. All Real Property Trust Fund and Treasury Trust Fund activity has been moved to laserfiche. This has reduced the number of copies that need to be submitted for deposits, created a central online location for all storage, and has improved record keeping related to tracking receipt and approval of issued checks as well as quarterly reports.
 - d. Files that were previously maintained as a hard copy in Treasury are now stored only electronically in Laserfiche.

5. Treasury has reviewed multiple processes involving MVR, and with the assistance of IT, has improved the efficiency, accuracy, and reporting as well as reduced manual processes
 - a. Treasury partially automated the MVR Kiosk and MVR Online deposit slip processes and created training material to assist in smoothly transitioning these functions back to MVR.
 - b. Treasury has worked with IT to require supervisor approval of all cashier closed batches. This mitigates the 2018 audit finding that supervisor approval was not documented for adjustments made by cashiers.
 - c. Automated part of the MVR daily packet review related to walk in renewals to reduce the time it takes MVR to review and close a day.
 - d. Improved reporting in iNovah to eliminate the need of manual paperwork to store additional information such as address and approval.
 - e. Adjusted procedures around giving change and increased starting cash balances of tellers from \$100 to \$200 to reduce the need for change and increase efficiency.

6. Continued to perform bank reconciliations for all accounts timely, accurately, and efficiently.
 - a. Receive all bank statements electronically to increase timeliness of bank reconciliations. Download all bank activity in excel to maximize efficiency and accuracy in reconciliations to books.
 - b. Optimized excel functionalities to reduce manual labor and increase accuracy in procedures required to complete bank reconciliations. Multiple complex formulas have been created and revised to automate as much as possible the reconciliation of the bank to the books.
 - c. Continue our strong relationship with IT and maximize reporting abilities of iNovah to create numerous reports

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2021 (Preliminary)				
Treasury				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Employee & Related	\$ 351,009	\$ 347,622	\$ 3,387	0.96%
Training, Travel	\$ 1	\$ -	\$ 1	100.00%
Services, Dues, Consult., Grants	\$ 241	\$ -	\$ 241	100.00%
Other Operating	\$ 27,202	\$ 26,671	\$ 531	1.95%
R&M, Facilities, & Equip.	\$ 3	\$ -	\$ 3	100.00%
Total	\$ 378,456	\$ 374,293	\$ 4,163	1.10%

V. ACCOMPLISHMENTS/EVALUATION

Treasury Division is fully staffed with competent employees who are constantly looking at ways to improve the process. The movement towards automation and paperless processes have been at the forefront of Treasury's initiatives in FY21. Timely and accurate reports have consistently been provided and many of our Treasury processes and procedures have been overhauled to drastically improve efficiency and reliability.

INFORMATION TECHNOLOGY (IT) DIVISION

Del Sherman, IT Manager

I. MISSION STATEMENT

To provide The County of Kaua'i with the best possible Enterprise Resource Planning systems, infrastructure and support while doing so in the most cost effective and efficient manner possible. We will accomplish this by creating a framework for supporting innovation, identifying reasonable goals, establishing sound principles, fostering collaboration and investing in our workforce.

II. DIVISION GOALS/DUTIES

A. Duties/Functions

1. The Information and Technology (IT) Division is tasked with managing all County technology initiatives. It is the responsibility of IT to ensure County funds allocated to technology projects or acquisitions from all departments and divisions are expended in an appropriate and cost-effective way. The IT Division supports all County technology, from archiving data and fiber optic networks to desktop printers, personal computers and virtual servers.
2. Our focus and guiding principles are:
 - a. Collaboration: We will work within and across organizational structures to meet strategic goals and identify opportunities for innovation and improvement.
 - b. Partnerships: We will develop partnerships with key County stakeholders to facilitate expedient end-user support.
 - c. Transparency: We will be transparent in our decision-making and resource use. Significant IT decisions will be made via established

governance processes in a manner that solicits input from relevant stakeholders.

- d. User Focus: User needs will be a key component in all IT decisions. We will anticipate and respond to user needs, seek input, and aspire to the usability and ubiquity of essential services.
- e. Innovation: We will value innovative and creative thinking. Our IT staff will encourage and support development and acquisition of innovative IT services that enhance productivity and functionality.
- f. Data Stewardship: We will provide a secure but accessible data environment. Our IT infrastructure must be stable, resilient and protected while simultaneously providing seamless access to accurate and usable information to each user in a timely fashion.
- g. IT Knowledge and Skills: We will value developing technology skills for our IT staff and all county personnel.
- h. Resources: We will allocate County IT resources based on providing the greatest value and benefit to our County workforce. Where possible, refurbished or reconditioned equipment will be utilized versus purchasing new equipment in an effort to promote responsible financial stewardship.

C. Goals

In adhering to our strategies and guiding principles, three key goals, Security, Quality and Efficiency, continue to be the focus of our efforts as we enter fiscal year 2021. These goals are reviewed periodically throughout the fiscal year and adjusted to keep pace with current needs. The following matrix continues to serve as a guide in setting objectives and measures that will allow us to meet these goals.

Goal	Objective	Measures	Targets
Security	System protection	Number of captured incidents versus infections	Capture and prevent greater than 95% of all incidents
		System anti-virus reports	100% of all network connected systems with installed up-to-date antivirus
	Enhance cybersecurity measures	Number of systems in place	Implement more than three levels of security
	Improve internal account audits	Spot check user accounts	Fewer than 2% non-compliance
Quality	Improve delivery of services	Number and timeliness of Help Desk Tickets opened and closed	Greater than 75% of all Help Desk calls closed within two days
	Improve partnerships with stakeholders	Number of Agreement Memorandums signed	Greater than 50% of key stakeholders with MoA
	Improve awareness and accountability of services	Reports from stakeholders by means of survey	Greater than 80% stakeholder satisfaction
	Reduce repeat calls for the same problem	Call counts tracked in KACE Systems Management	Less than 10% repeat calls
Efficiency	Increase amount of training given to IT staff	Percent of staff attending training	Greater than 80%
	Utilize technology to improve efficiency	Percent of applications with automated deployment	Greater than 50%
		Automation of previously paper dependent business processes	Greater than 50%

1. Long-term goals beginning this Fiscal Year:

- a. System backups and redundancy: We recognize the need to have a comprehensive plan covering the protection of critical systems and files, from both server and user levels. The backup systems currently in place have served us well for a long time but are becoming difficult to manage and require intervention from IT Help Desk staff in order to restore data. Beginning this fiscal year, we will start replacing or updating our backup and archiving systems.
- b. New software applications: The County is still using decades old software systems and, in some cases, paper-based methods, to manage critical County data. We have completed research of

potential replacements for these systems beginning with the acquisition of a new Human Resources Management System (HRMS).

III. PROGRAM DESCRIPTION

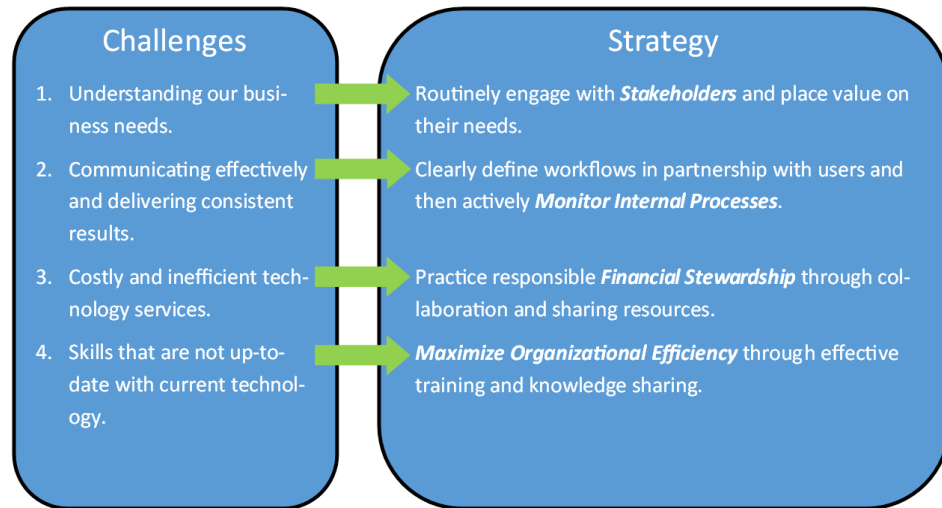
A. Program Objectives

1. Paradigm and Vision:

- a. In the past it was common for departments charged with the responsibility of procuring and servicing technology systems to disengage from system users and take a hands-off approach, often leaving end-users and system stakeholders to fend for themselves. This approach served to further fragment technology environments with stakeholders going off on their own to find solutions to problems, frequently with little or no direction from IT.
- b. Beginning with fiscal year 2020 forward, we are adhering to our model of collaborating closely with all County departments on technology initiatives to foster a sense of partnership with all involved. We continue to engage with stakeholders to find solutions that fully mesh with existing technology infrastructure and initiatives as well as future needs. To overcome challenges in supporting this new direction, we have adopted a set of principles that will serve as the core to guide us into the future.

2. Challenges and Core Strategy:

- a. The County has made tremendous progress in developing a state-of-the-art technology infrastructure. Numerous enhancements have been implemented that continue to serve us well in delivering services to our stakeholders and in hardening our ability to tolerate system failures. At the same time, we are faced with real and immediate challenges; these include fragmented environments, duplication of systems, architecture that is misaligned with our mission and a lack of interconnecting processes.
- b. While recognizing our accomplishments, we realize that there is still much work to be done. The following principles will form the core of the strategy we will apply in achieving our goals.



B. Program Highlights

1. Land Information Management System (LIMS) – We have selected a vendor to provide our LIMS software solution. The company, Novotx based in Utah, has an excellent track record in providing highly customizable GIS based workflow and asset management solutions for government and utilities. Using their premier software solution, Elements XS, the County of Kaua’i has high ambitions in developing a workflow driven means of engaging with our public and streamlining interdepartmental processes. As we enter into the second year of this project we have accomplished a number of our original goals in deploying online services to county residents.
2. Microsoft Office 365 – We continue to make good use of our newly acquired Office 365 platform in supporting our county workers. The tools therein have been a key factor in our success with managing a large remote workforce during the ongoing COVID 19 pandemic.

IV. Budget

General Fund - Fiscal Year Ended June 30, 2021 (Preliminary)				
Information Technology				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Employee & Related	\$ 2,094,792	\$ 2,086,019	\$ 8,773	0.42%
Utilities, Insurance, Fuels	\$ 45,853	\$ 45,819	\$ 34	0.07%
Training, Travel	\$ 2,090	\$ 2,089	\$ 1	0.03%
Services, Dues, Consult., Grants	\$ 1,294,018	\$ 1,294,016	\$ 2	0.00%
Other Operating	\$ 644,487	\$ 644,027	\$ 460	0.07%
R&M, Facilities, & Equip.	\$ 217,167	\$ 216,750	\$ 417	0.19%
Claims, Rental, Loans, Debt Svc.	\$ 8,793	\$ 8,792	\$ 1	0.01%
Total	\$ 4,307,200	\$ 4,297,513	\$ 9,687	0.22%

V. ACCOMPLISHMENTS/EVALUATION

Countywide IT Evaluation – As an extension of our initiatives to take a renewed approach in tackling the necessity to better integrate county data and technology systems, we have completed the process of partnering with an outside consultant to evaluate our present IT environment. This project helped us to produce a strategic plan that is now serving as a guide for the direction we will take with county technology. The roadmap will also serve to prevent wasted money and efforts by ensuring that all county departments are united in their technology pursuits.

Human Resources Management System (HRMS) – In partnership with our county HR Department, procurement has been completed for new software to manage and provide services to one of our most valuable resources, our county workers. Among the objectives of this endeavor will be giving employees, supervisors and others the ability to access information that will promote better decision-making processes from selecting benefits to managing overtime. This multi-year project has the potential to greatly improve the tools that we use to manage our county workforce. We are excited to continue this project this fiscal year with an anticipated go-live date sometime late in 2022.

The IT Division continues to balance daily operational requirements alongside achieving progress on advancing our use of technology. As the County grows, our needs for automating or streamlining County technology related processes continues to increase. Because of this, our course moving forward will involve rethinking the way we have traditionally done business in order to improve services/efficiencies while staying within current resource/budget constraints.

- Our staff-to-work ratio continues to present challenges in providing quality customer service while concurrently maintaining infrastructure and pursuing critical new projects. This is an issue that we will continue to face along with our other County departments. In the face of this reality, we continue with our initiative to work closely with Human Resources in making sure IT is structured with the most appropriate staff possible to move County projects and priorities forward.
- We have made good progress in addressing the many aging systems and paper-intensive processes within the County that need to be modernized. We will continue to prioritize projects that will reduce or eliminate our dependency on paper-based systems with the end goal of improving County services for everyone.
- Supporting existing outdated infrastructure and systems is resource-intensive and will require a transition to alternative solutions, both software and hardware. We will continue to evaluate our technology environment and implement strategies that allow us to do more with less.

REAL PROPERTY ASSESSMENT AND COLLECTION

Mike Hubbard - Real Property Tax Manager

I. MISSION STATEMENT

Pursuant to Section 5A of the Kaua'i County Code, the purpose of the Real Property Assessment Division is to assess all real property within the County of Kaua'i, to produce and provide fair, accurate and uniform ad valorem tax assessments; maintain and update owner information; create and revise tax maps; administer current tax relief programs and provide educated and courteous customer service on an annual basis.

Real Property Collections provides prudent financial management and services to the people of Kaua'i and to the departments and agencies of the County that we serve. The Real Property Tax Collection function administers the tax collection system and assists with custodial responsibilities for all real property records.

II. DIVISION GOALS/DUTIES

A. Department Duties and Functions (Real Property Assessment)

1. Provide Fair Market Value ad valorem tax assessments throughout the County of Kaua'i jurisdiction.
2. Defend market assessed valuations before the Board of Review and/or State Tax Appeals Court.
3. Maintain accurate records pertaining to the transfer of title for real property.
4. Create and update tax maps.
5. Administer special tax relief programs, processing exemption and/or dedication applications, including but not limited to Home Use exemptions, agricultural dedications, long term affordable rental relief, Kuleana exemptions, alternative energy exemptions, charitable exemptions, disabled veteran and disability exemptions, Hawai'ian Homelands exemptions, Additional Income exemptions and tax credits for Very-Low Income owners, and exemptions for all government leases.
6. Enforce the compliance of the laws and administrative rules contained in Section 5A of the Kaua'i County Code.
7. Providing real property information to both the public and other government agencies through written correspondence, personal interaction at the front counter, and through our RPA & RPC website: www.Kaua'ipropertytax.com.

B. Department Duties and Functions (Real Property Collection)

1. Bill all taxable properties throughout the County of Kaua'i. Collect and process tax payments to include trash fees and the Kukuiula special assessment.
2. Establish escrow trust accounts for tax appeals and move monies appropriately between the general fund account and the trust account.
3. Prepare refunds and tax adjustments.
4. Collect on delinquent accounts and oversee tax lien foreclosures as necessary.

C. Division Goals

1. Staff Training and Development: To ensure public trust, it is essential that RPA continue training our appraisal staff to become highly proficient in both the "market modeling" and "cost" valuation methods. Understanding market conditions and how outside market forces affect value is crucial to being journeymen appraisers. Continued training will include on-the-job training provided by the more seasoned staff members, online courses and webinars, and formalized classroom education delivered by designated International Association of Assessing Officers (IAAO) instructors. For succession planning, it is also essential that we work towards getting our less seasoned appraisers on a path to becoming journeymen appraisers.

Focused "market modeling" training for the appraisal staff will help provide a greater understanding of the statistical process and multiple regression analysis that is the underlying basis for the residential assessments. This will allow the staff to make better decisions on neighborhood groupings and selection of coefficients. It is also essential that we effectively train and provide a successful career path for our staff. Kaua'i has a complex property tax system containing many exemptions and tax credits. Our clerical staff is the voice of the office and continuity within this sector of the office is essential for the continued delivery of excellent customer service. The retirement of 2 senior clerical staff and the loss of another via transfer to another department has forced the division to think differently than in the past in an effort to train, progress and retain good clerical staff. RPA created a new training program managed by the Real Property Technical staff in order to quickly bring new clerical staff up to speed and progress them with a visible career path, which provides incentive to strive and advance within the office.

2. Implement New Technologies: RPA has transitioned all of its processes to a paperless environment, which allowed greater productivity in the remote work environment.

Continued goals also include exploring an online application process via our land information management system for exemptions, tax appeals, and Agricultural dedications; expanding e-mail delivery for assessment notices and taxpayer correspondences; and an improved website offering for greater access to public information related to assessments and property taxes.

Establish a connection agreement with NIC that will allow our county to file liens and release of liens electronically with the Bureau of Conveyance. This will expedite the release of lien process.

3. Compliance and Enforcement: There are several areas of our work that require code enforcement and compliance checks. This includes, but is not limited to, dealing with homeowner exemption fraud, monitoring agricultural dedications, locating unpermitted construction, discovering unpermitted uses, and other actions that may affect a property's value or tax classification. Compliance may also result in the creation of an amended notice of assessment, or rollback taxes. This will continue to be one of our ongoing goals well into the future.

The RPA clerical staff generates a new survey form for all transfers of ownership. This allows the new owner to affirm how their property is being used. In addition, most escrow companies are contacting RPA to determine if transfers of ownership affects the status of existing agricultural dedications, thereby protecting buyers from absorbing possible rollback taxes and penalties.

5. Reduce Delinquencies: The delinquency rate as of June 30, 2021 was 3.67% with a total outstanding amount of \$6,113,635.94. The Real Property Collections Division and County Attorney's office are working together to continue to enter taxpayers into approved payment agreements and file liens where necessary. Efforts to collect on delinquent parcels were suspended in FY21 due to the COVID-19 pandemic.

III. PROGRAM DESCRIPTION

A. Program Objectives

The primary program objectives of Real Property Assessment are to accurately, fairly, and uniformly assess all taxable real property within the County of Kaua'i jurisdiction on an annual basis. This encompasses keeping the legal ownership, parcel data, and tax map records up to date; having the appropriate exemptions and tax relief measures applied; making sure the assessed values are representative of market values; and assuring the tax classification are correct based on actual use. Taxpayers must also be afforded the opportunity to appeal their assessments to either the Board of Review or Tax Court.

The primary program objectives of Real Property Collections are to accurately

bill, collect, process payments, perform office adjustments, issue refunds for overpayment of Real Property Taxes, and to account for all property taxes within the County of Kaua'i and Niihau jurisdiction. Secondary objectives include billing and collection of the Residential Refuse Collection Assessment (RRCA) for the Public Works Solid Waste Department and the billing and collection of the KKUCFD (Kukui'ula Community Facilities District) for the Kukui'ula Subdivision.

B. Highlights

We continue to make improvements in consistency and fairness. We hired a Compliance Officer in late FY21 to assist us with audits and ensuring that we are taxing on the correct use of a parcel. This position was desperately needed and we will reap the benefit of that for years to come.

Highlights for the Real Property Collection division include increased efficiency and service to the general public. Daily updates to the website information are maintained at www.Kaua'ipropertytax.com.

V. BUDGET

General Fund - Fiscal Year Ended June 30, 2021 (Preliminary)				
Real Property Assessment				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Employee & Related	\$ 1,843,049	\$ 1,820,392	\$ 22,657	1.23%
Utilities, Insurance, Fuels	\$ 271	\$ 265	\$ 6	2.07%
Training, Travel	\$ 2,756	\$ 2,750	\$ 6	0.22%
Services, Dues, Consult., Grants	\$ 366,165	\$ 325,327	\$ 40,838	11.15%
Other Operating	\$ 28,460	\$ 21,531	\$ 6,929	24.35%
R&M, Facilities, & Equip.	\$ 342,361	\$ 339,041	\$ 3,320	0.97%
Claims, Rental, Loans, Debt Svc.	\$ 9,950	\$ 10,003	\$ (53)	-0.53%
Total	\$ 2,593,012	\$ 2,519,309	\$ 73,703	2.84%

General Fund - Fiscal Year Ended June 30, 2021 (Preliminary)				
Real Property Collections				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Employee & Related	\$ 344,549	\$ 337,635	\$ 6,914	2.01%
Training, Travel	\$ 603	\$ 595	\$ 8	1.33%
Services, Dues, Consult., Grants	\$ 3,850	\$ 3,045	\$ 805	20.90%
Other Operating	\$ 83,917	\$ 64,920	\$ 18,997	22.64%
Claims, Rental, Loans, Debt Svc.	\$ 4,100	\$ 3,614	\$ 486	11.87%
Total	\$ 437,019	\$ 409,809	\$ 27,210	6.23%

IV. PROGRAM MEASURES – ACCOMPLISHMENTS/EVALUATION

The continued refinements in “market modeling” has resulted in better median assessment-to-sales ratios. The Adoption of Marshall and Swift Cost Tables provides a recognized industry leader to establish our Cost Valuations.

Paperless billing was offered to tax payers in FY2020-2021. In August 2020, roughly 389 tax payers enrolled in paperless billing. The number of people enrolled in paperless billing increased to 752 registrants in May 2021. The paperless program includes email notification, access to a PDF file of their bill, able to add multiple properties to one user account and keeps an archive of past billings and/or inserts.

Due to the pandemic, our office has converted about 90% of paper files to electronic files. IT department has given us the necessary tools such as Adobe and Laserfiche to store and create most of our paper documents into electronic files.