

The Department of Finance

Fiscal Year 2022 Annual Report

July 1, 2021 – June 30, 2022

**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:

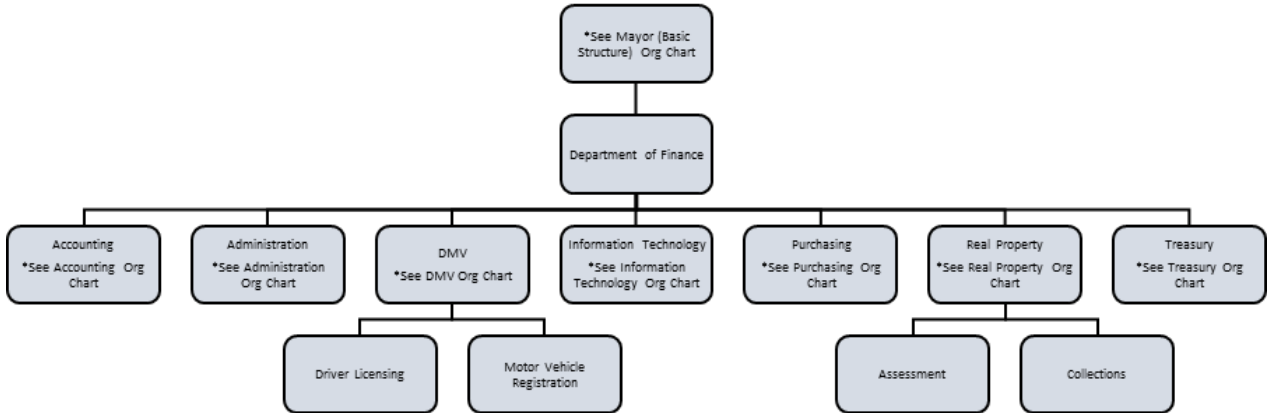
- **COMMUNICATION:** We will be open, approachable, and transparent to effectively communicate with everyone we serve.
- **ACCOUNTABILITY:** We are trustworthy and will provide accurate and timely information such that others can rely on our product.
- **COLLABORATIVE:** We commit to engaging the talents 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 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, 2022 (Preliminary)				
Finance - Consolidated Summary				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 5,300,010	\$ 5,069,206	\$ 230,804	4.4%
Benefits & CB	\$ 3,315,938	\$ 3,102,869	\$ 213,069	6.4%
Util., Insur., Fuel	\$ 2,667,751	\$ 2,472,775	\$ 194,976	7.3%
Train., Travel	\$ 30,484	\$ 17,245	\$ 13,239	43.4%
Claims, Rent., Loans	\$ 1,705,366	\$ 1,297,739	\$ 407,627	23.9%
Svcs, Dues, Consult	\$ 3,058,124	\$ 2,799,291	\$ 258,833	8.5%
Spec. Proj., Grants	\$ 1,461,842	\$ 1,288,816	\$ 173,026	11.8%
Indirect Cost	\$ (2,680,000)	\$ (2,680,000)	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 520,906	\$ 520,903	\$ 3	0.0%
Ad, Print, Suppl, Commod.,	\$ 843,148	\$ 800,659	\$ 42,489	5.0%
Vehicle/Equip, Lease	\$ 80,193	\$ 75,468	\$ 4,725	5.9%
Total	\$ 16,303,762	\$ 14,764,971	\$ 1,538,791	9.4%

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 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. Continue to improve financial transparency within the County and to the general public. We are in the middle of selecting a vendor based off a recent RFP solicitation which will enhance a customer's experience.

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 regarding their budgets, revenues, and expenditures.
2. To ensure all funds received by the County of Kaua’i are managed in accordance with 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.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2022 (Preliminary)				
ADMINISTRATION				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 620,621	\$ 555,434	\$ 65,187	10.5%
Benefits & CB	\$ 327,829	\$ 322,634	\$ 5,195	1.6%
Util., Insur., Fuel	\$ 2,623,750	\$ 2,430,436	\$ 193,314	7.4%
Train., Travel	\$ 3,960	\$ 1,559	\$ 2,401	60.6%
Claims, Rent., Loans	\$ 1,676,802	\$ 1,270,803	\$ 405,999	24.2%
Svcs, Dues, Consult	\$ 98,685	\$ 43,799	\$ 54,886	55.6%
Spec. Proj., Grants	\$ 1,461,842	\$ 1,288,816	\$ 173,026	11.8%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 9,803	\$ 7,755	\$ 2,048	20.9%
Vehicle/Equip, Lease	\$ 1	\$ -	\$ 1	100.0%
Total	\$ 6,823,293	\$ 5,921,236	\$ 902,057	13.2%

V. ACCOMPLISHMENTS/EVALUATION

Established the Kaua’i Transient Accommodations Tax collection by implementing the maximum 3% allowed by the State. We have since successfully transitioned this to the

Treasury Division and hired two permanent staff positions to assist with collection, monitoring, and auditing the program.

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: 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. In February 2022, the Accounting Division successfully transitioned the County's pCard program from First Hawai'ian Bank to Bank of America. Despite the short notice and turnaround time of less than a month, we worked diligently with both internal/external parties and our software vendor, Central Square, to meet the deadline.
2. 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.
3. The Accounting Division made significant improvements in its internal processes over the last two fiscal years. Most of the electronic improvements occurred during the onset and duration of the COVID-19 pandemic; however, the Accounting Division continues with momentum to actively seek improvement opportunities in other areas.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2022 (Preliminary)				
ACCOUNTING				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 582,627	\$ 581,480	\$ 1,147	0.2%
Benefits & CB	\$ 361,979	\$ 341,013	\$ 20,966	5.8%
Util., Insur., Fuel	\$ -	\$ -	\$ -	0.0%
Train., Travel	\$ 4,088	\$ 4,065	\$ 23	0.6%
Claims, Rent., Loans	\$ 4,000	\$ 3,631	\$ 369	9.2%
Svcs, Dues, Consult	\$ 145,829	\$ 133,265	\$ 12,564	8.6%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ (2,680,000)	\$ (2,680,000)	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 18,344	\$ 17,979	\$ 365	2.0%
Vehicle/Equip, Lease	\$ 16	\$ 16	\$ -	0.0%
Total	\$ (1,563,117)	\$ (1,598,551)	\$ 35,434	-2.3%

V. ACCOMPLISHMENTS / EVALUATION

The County has received the *Certificate of Achievement for Excellence in Financial Reporting* for 28 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 2021 ACFR was submitted in January 2022.

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 meet 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 related to DMV services and scope of work.
3. Execute all transactions for motor vehicle registration and driver 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 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 integrating the DMV operation.
5. Automate DL road test validation and scheduling.
6. Transition DL permit testing to a computer-based 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. Maintain timely, courteous, and efficient DMV service to all customers.
2. Participation in statewide administrator meetings to improved consistency across the state in all DMV related areas of work.
3. Nearing completion of a DMV wide reorganization creating an integrated DMV.
4. Training continues internally as we completed the Security Awareness Refresher Training (SART), in compliance to the Real ID Act and customer service training.
5. Construction work is underway, developing a DMV site at the Kapa'a Armory, creating a new integrated DMV location.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2022 (Preliminary)				
DRIVERS LICENSE				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 256,651	\$ 231,295	\$ 25,356	9.9%
Benefits & CB	\$ 172,306	\$ 157,631	\$ 14,675	8.5%
Util., Insur., Fuel	\$ -	\$ -	\$ -	0.0%
Train., Travel	\$ -	\$ -	\$ -	0.0%
Claims, Rent., Loans	\$ -	\$ -	\$ -	0.0%
Svcs, Dues, Consult	\$ 109,447	\$ 109,447	\$ -	0.0%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 40,257	\$ 32,462	\$ 7,795	19.4%
Vehicle/Equip, Lease	\$ -	\$ -	\$ -	0.0%
Total	\$ 578,661	\$ 530,835	\$ 47,826	8.3%

General Fund - Fiscal Year Ended June 30, 2022 (Preliminary)				
MOTOR VEHICLE				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 450,333	\$ 449,140	\$ 1,193	0.3%
Benefits & CB	\$ 262,393	\$ 255,484	\$ 6,909	2.6%
Util., Insur., Fuel	\$ -	\$ -	\$ -	0.0%
Train., Travel	\$ 1	\$ -	\$ 1	100.0%
Claims, Rent., Loans	\$ 302	\$ -	\$ 302	100.0%
Svcs, Dues, Consult	\$ 168,637	\$ 161,082	\$ 7,555	4.5%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 35,984	\$ 35,984	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 101,625	\$ 83,054	\$ 18,571	18.3%
Vehicle/Equip, Lease	\$ -	\$ -	\$ -	0.0%
Total	\$ 1,019,275	\$ 984,744	\$ 34,531	3.4%

V. ACCOMPLISHMENTS / EVALUATION

We have had numerous changes in personnel this year, revealing our vulnerability to service capacity limitations and legacy turnover issues. Although we are actively engaged in capacity building and succession planning, staffing shortages has limited our ability to grow while allowing for continued ability to provide first class customer service to the public.

Efficiency reviews have continued to provide fruitful outcomes for our team and customers alike. Monthly statewide administrators/HDOT meetings have helped build

consistency and opened opportunities for growth and leveraging the statewide resources. With the support of the County administration, we are taking reasonable growth steps.

- Despite our staffing issues, we have been able to improve customers' experiences.
- Began statewide monthly meetings with HDOT and all the Counties to discuss all DMV related topics.
- Training continues internally as we near completion of our official integration training program.
- Construction work is underway in developing a DMV site at the Kapa'a Armory, thus creating a new integrated DMV location.

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 regarding 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 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 "-goods, services, and construction" 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. ARPA-related procurement activity (Responsive Service): Our Division, in partnership with KEMA and OED, was 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. These projects continued to provide 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. This enhances the user experience and various efficiencies. The DOP will continue to expand the use of the Laserfiche application for procurement-related work. The long-term goal is to consider the hiring a consultant with an expertise in Laserfiche to determine how the application can be designed

and further developed to address the entire procurement process and all related forms and requirements.

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. The DOP has also assisted the administration and Public Works in planning for a multi-zone IFB for the island wide resurfacing initiative that will occur in FY 23. The intent is to encourage more competition so that the productivity levels for the resurfacing initiative will be increased. If one contractor continues to prevail even when zones are created in the solicitation document, production standards and deadlines may need to be incorporated into the solicitation and contract to ensure an acceptable level of productivity.

4. Process Improvement Initiatives (Excellence): DOP continues to seek opportunities to improve its business processes. DOP's operations continue to be central to many contract and payment activities. 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. The most current joint initiative is to determine the best process available through the Central Square application to create efficiencies in the procurement of goods and services and the processing of invoice payments for departments and agencies. While different purchase order methodologies have been reviewed, and which would be helpful for the accounting division, these methodologies do not provide the necessary resources for the DOP to meet and document its responsibilities under the procurement code. Other initiatives such as the expanded use of change orders are under consideration and discussion. A final determination is expected shortly.

5. Commitment to all County Departments/Agencies (Responsive Service): DOP is ready and willing to help our internal customers with the multitude of procurement projects throughout the year.
 - a. 88 formal solicitations were successfully executed last year, the highest number of formal solicitations since 2017.

 - b. Top-5 high-value CIP project awards:
 - \$2,311,071.00 Lydgate Park – Phase D Bike-Pedestrian Path Fed-Aid Project STP-0700(88)

- \$1,894,330.00 Waimea Levee Repair and New Pump Station
- \$1,000,000.00 King K Safe Routes, Fed-Aid No. SRS-0700(075)
- \$1,000,000.00 Hanapepe Stadium Improvements
- \$922,277.05 Koloa Safe Routes, Phase 2, Fed-Aid No. SRS-0700(076)

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2022 (Preliminary)				
PURCHASING				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 540,169	\$ 515,218	\$ 24,951	4.6%
Benefits & CB	\$ 339,469	\$ 315,018	\$ 24,451	7.2%
Util., Insur., Fuel	\$ -	\$ -	\$ -	0.0%
Train., Travel	\$ 292	\$ 290	\$ 2	0.7%
Claims, Rent., Loans	\$ 2,661	\$ 2,248	\$ 413	15.5%
Svcs, Dues, Consult	\$ 1,674	\$ 1,674	\$ -	0.0%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 145,863	\$ 145,861	\$ 2	0.0%
Vehicle/Equip, Lease	\$ 8,673	\$ 8,673	\$ -	0.0%
Total	\$ 1,038,801	\$ 988,982	\$ 49,819	4.8%

V. ACCOMPLISHMENTS/EVALUATION

Effective use of position reallocations to create a broader pool of procurement human resources.

With the departure of the division’s supervisor in January 2022, the supervisor position was filled by an internal promotion through the civil service process. The supervisor position is the functional level of the second in command in the division.

Our Procurement Technician II was promoted to the position of Procurement and Specifications Specialist I. She continues to excel in this position just as she did in her role as a technician. During the next fiscal year, she will be assigned duties and responsibilities commensurate with the class specifications of the Junior specialist position. Over the next year, she will be partnered with senior specialists for training and guidance in the various procurement areas of responsibilities.

Our Procurement Technician I was reallocated from a Procurement Clerk position to the positions of Procurement Technician I and II. Having met the qualification and performance standards to achieve these reallocations she is now able to assume a much larger scope of duties primarily assumed by the technician staff. This position will serve

a vital role in providing leadership to the procurement technician component of the operation after the new procurement clerk is hired and preliminarily trained.

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 Kukui'ula CFD bonds to reduce future interest expenses by taking advantage of historically low interest rates as well as financed new bonds which generated \$2.69M to pay for County designated facilities in the Poipu/Koloa/Omao district.
2. Continued the transformation of the cash receipt procedures to increase efficiency and accuracy through building ownership, reducing input errors, and moving into an electronic environment. Completed the transition of all offices to input their non-cash/check deposits (wire, ACH, lockbox, online, etc.) directly into iNovah. This improved timeliness of recording deposit entries and reduced input error. While at the same time eliminated:
 - a. the need for the office to prepare a paper deposit slip and submit to MVR,
 - b. MVR to input the deposit slip, and
 - c. Treasury to review that the deposit slip agrees to MVR's entry.
3. Established and maintained deadlines with MVR and Accounting to review daily cash receipt packets to allow for accurate and timely reporting of fund balances throughout the year. In Q3 of FY22 this process was moved to Laserfiche to easily identify the status of days cash receipt packets and if and where there were any hold ups.
4. 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 all checking accounts is distributed and stored in Laserfiche.
 - b. Payroll and AP bank transfer and wire requests are routed and stored in Laserfiche.

- c. All Real Property Trust Fund and Treasury Trust Fund activity is handled in Laserfiche. In addition, check payments to the Director of Finance (for realized income) have been replaced with ACH transfers.
 - d. Files that were previously maintained as a hard copy in Treasury are now stored only electronically in Laserfiche or on the shared drive.
5. Continued to perform bank reconciliations for all accounts timely, accurately, and efficiently.
- a. Receive all bank statements electronically to increase timeliness of bank reconciliations.
 - b. Download all bank activity daily to excel, assign to appropriate department, and distribute via Laserfiche to maximize efficiency and accuracy in reconciliations to books.
 - c. Optimized excel functionalities to reduce manual labor and increase accuracy in procedures required to complete bank reconciliations. Multiple complex formulas are utilized to automate as much as possible the reconciliation of the bank to the books.
 - d. Perform bank reconciliations multiple times throughout the month to reduce reconciling items and to identify and address any inconsistencies immediately.
 - e. Continue our strong relationship with IT and maximize reporting abilities of iNovah.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2022 (Preliminary)				
TREASURY				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 236,043	\$ 210,590	\$ 25,453	10.8%
Benefits & CB	\$ 164,014	\$ 128,412	\$ 35,602	21.7%
Util., Insur., Fuel	\$ -	\$ -	\$ -	0.0%
Train., Travel	\$ 600	\$ -	\$ 600	100.0%
Claims, Rent., Loans	\$ -	\$ -	\$ -	0.0%
Svcs, Dues, Consult	\$ 110,941	\$ 80,981	\$ 29,960	27.0%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 2	\$ -	\$ 2	100.0%
Ad, Print, Suppl, Commod.,	\$ 16,002	\$ 12,193	\$ 3,809	23.8%
Vehicle/Equip, Lease	\$ 1	\$ -	\$ 1	100.0%
Total	\$ 527,603	\$ 432,176	\$ 95,427	18.1%

V. ACCOMPLISHMENTS/EVALUATION

Treasury Division is staffed with competent employees who are constantly looking at ways to improve the process. Automation and paperless processes continue to be at the forefront of Treasury's initiatives in FY22. 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 the new fiscal year. These goals are reviewed periodically 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. Current and future year goals:

- a. Network Infrastructure Improvements: The County's physical network infrastructure is aging and is in sore need of upgrades and replacements. Network upgrades are presently underway as of this fiscal year and will continue to be the focus next fiscal year as we replace core network switches and router systems to improve bandwidth and systems security.
- b. Server Infrastructure: The County's core servers are over a decade old and require replacement. This project is underway as of this fiscal year with the initial replacement of our core ERP server and we will continue with this project into next fiscal as we complete

the replacement or upgrade of our remaining servers and their associated storage. Our goals will be improving redundancy and resiliency of these systems to reduce downtime and increase performance.

- c. 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) called Workday. Our implementation of Workday is presently underway and targeted for completion next fiscal year.

III. PROGRAM DESCRIPTION

A. Program Objectives

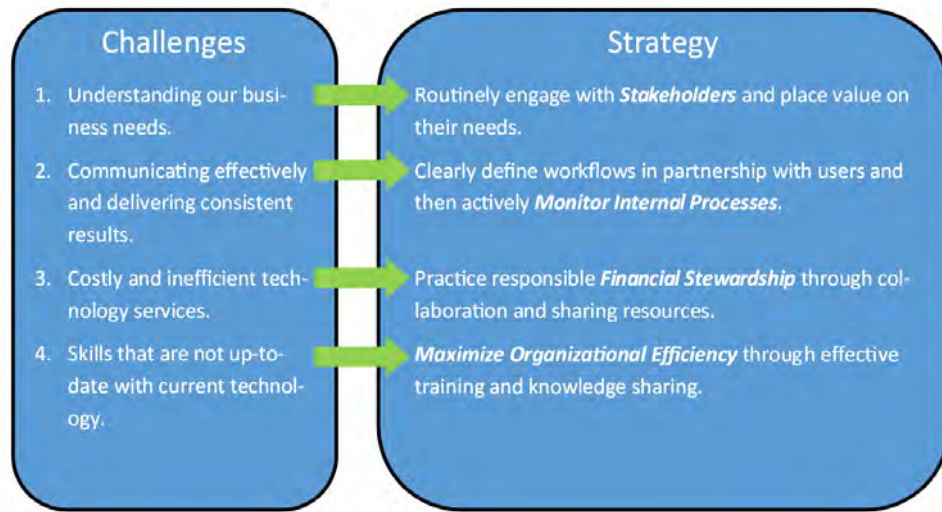
1. Paradigm and Vision:

- 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. Work continues on the County's Land Information Management System (LIMS) as we expand the data sets contained in our various base map layers such as addressing and parcel TMK data. This GIS based system continues to improve the ability for those tasked with managing County Infrastructure in being able to visualize projects and efficiently control resources.
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. The reach of Office 365 has now been expanded to all County employees to give everyone the means to collaborate and communicate electronically.
3. Customer Queue Management - Our deployment of the Q-Flow queueing system for the Kapule lobby was completed in 2020 and has become a critical tool in managing visits by county residents to the County Civic Center. The implementation of this software has proven to be very timely in light of the COVID 19 pandemic wherein the need to properly space appointments has become a critical. Through use of our new queueing system, we have been able to keep pace with implementing standards to maintain social distancing for both our staff and our public with the overall goal of reducing wait time for those conducting business with services offered in the County Civic Center Kapule Lobby, such as DMV appointments.

IV. Budget

General Fund - Fiscal Year Ended June 30, 2022 (Preliminary)				
IT TEAM				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 1,266,944	\$ 1,260,289	\$ 6,655	0.5%
Benefits & CB	\$ 792,769	\$ 775,895	\$ 16,874	2.1%
Util., Insur., Fuel	\$ 43,001	\$ 42,257	\$ 744	1.7%
Train., Travel	\$ 2,754	\$ 2,754	\$ -	0.0%
Claims, Rent., Loans	\$ 9,671	\$ 9,670	\$ 1	0.0%
Svcs, Dues, Consult	\$ 2,020,941	\$ 1,978,435	\$ 42,506	2.1%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 484,920	\$ 484,920	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 410,666	\$ 409,122	\$ 1,544	0.4%
Vehicle/Equip, Lease	\$ 65,002	\$ 65,000	\$ 2	0.0%
Total	\$ 5,096,668	\$ 5,028,342	\$ 68,326	1.3%

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.

Kapule Renovation – Work has been completed on an HVAC replacement and office remodel in our Kapule building. This work has resulted in a better work environment and more efficient cooling system for a large percentage of the County Civic Center which prior to this was running on an over 3-decade old HVAC system that was in need of constant repair due to system failures.

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, as has been the case in previous fiscal years, our course moving forward will involve rethinking the way we have traditionally done business 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 as best possible to keep County projects and priorities moving forward.
- We continue to make good progress in addressing the many aging systems and paper-intensive processes within the County that need to be modernized. As in previous years, 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 Kauaʻi 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, Hawaiian 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 Kauaʻi 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.Kauaʻipropertytax.com .

B. Department Duties and Functions (Real Property Collection)

1. Bill all taxable properties throughout the County of Kauaʻi. Collect and process tax payments to include trash fees and the Kukuiʻula 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.

2. Implement New Technologies: RPA has transitioned all 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.

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 affect 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, 2022 was 3.50% with a total outstanding amount of \$65,952,206. 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.

III. PROGRAM DESCRIPTION

A. Program Objectives

The primary program objectives of Real Property Assessment are to assess all taxable real property accurately, fairly, and uniformly 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 Ni'ihau 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 passed numerous pieces of legislation which will assist both our office administration as well as the public to streamline processes, create efficiencies, and promote equity across our assessments.

We continue to find ways to outreach to the public and improve service to the general public. Daily updates to the website information are maintained at www.Kauaipropertytax.com.

V. BUDGET

General Fund - Fiscal Year Ended June 30, 2022 (Preliminary)				
REAL PROPERTY ASSESSMENT				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 1,139,212	\$ 1,069,380	\$ 69,832	6.1%
Benefits & CB	\$ 736,495	\$ 676,199	\$ 60,296	8.2%
Util., Insur., Fuel	\$ 1,000	\$ 82	\$ 918	91.8%
Train., Travel	\$ 18,286	\$ 8,577	\$ 9,709	53.1%
Claims, Rent., Loans	\$ 7,830	\$ 7,826	\$ 4	0.1%
Svcs, Dues, Consult	\$ 398,100	\$ 287,442	\$ 110,658	27.8%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 23,624	\$ 17,232	\$ 6,392	27.1%
Vehicle/Equip, Lease	\$ 6,500	\$ 1,780	\$ 4,720	72.6%
Total	\$ 2,331,047	\$ 2,068,518	\$ 262,529	11.3%

General Fund - Fiscal Year Ended June 30, 2022 (Preliminary)				
REAL PROPERTY COLLECTIONS				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 207,410	\$ 196,381	\$ 11,029	5.3%
Benefits & CB	\$ 158,684	\$ 130,583	\$ 28,101	17.7%
Util., Insur., Fuel	\$ -	\$ -	\$ -	0.0%
Train., Travel	\$ 503	\$ -	\$ 503	100.0%
Claims, Rent., Loans	\$ 4,100	\$ 3,561	\$ 539	13.1%
Svcs, Dues, Consult	\$ 3,870	\$ 3,167	\$ 703	18.2%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 76,964	\$ 75,002	\$ 1,962	2.5%
Vehicle/Equip, Lease	\$ -	\$ -	\$ -	0.0%
Total	\$ 451,531	\$ 408,694	\$ 42,837	9.5%

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.