



The Department of Finance

Fiscal Year 2023 Annual Report

July 1, 2022 – June 30, 2023

**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:

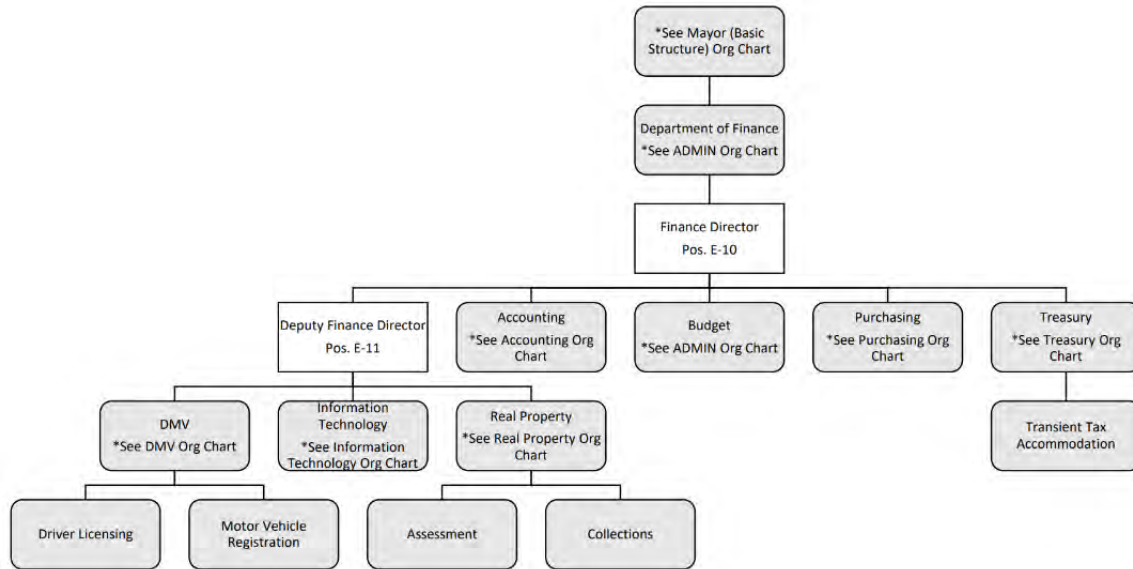
- **COMMUNICATION:** We will be open, approachable, and transparent in order to effectively communicate with everyone we serve.
- **ACCOUNTABILITY:** We are trustworthy and will provide accurate and timely information such that others can rely on our product.
- **COLLABORATIVE:** We commit to engaging 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 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, 2023 (Preliminary)				
Finance - Consolidated Summary				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 5,527,581	\$ 5,409,376	\$ 118,205	2.1%
Benefits & CB	\$ 3,449,917	\$ 2,722,923	\$ 726,994	21.1%
Util., Insur., Fuel	\$ 2,789,503	\$ 2,755,552	\$ 33,951	1.2%
Train., Travel	\$ 84,342	\$ 73,170	\$ 11,172	13.2%
Claims, Rent., Loans	\$ 651,927	\$ 367,217	\$ 284,710	43.7%
Svcs, Dues, Consult	\$ 3,670,216	\$ 3,545,089	\$ 125,127	3.4%
Spec. Proj., Grants	\$ 1,651,962	\$ 1,424,249	\$ 227,713	13.8%
Indirect Cost	\$ (2,680,000)	\$ (14,588)	\$ (2,665,412)	99.5%
R&M, Bldg. Roads, Land	\$ 449,564	\$ 424,459	\$ 25,105	5.6%
Ad, Print, Suppl, Commod.	\$ 1,260,638	\$ 1,144,242	\$ 116,396	9.2%
Vehicle/Equip, Lease	\$ 98,356	\$ 96,147	\$ 2,209	2.2%
Total	\$ 16,954,006	\$ 17,947,836	\$ (993,830)	-5.9%

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. 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 continue to work with our recently selected vendor, ClearGov, on our transparency portal.

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.
4. 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, 2023 (Preliminary)				
ADMINISTRATION				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 842,600	\$ 818,042	\$ 24,558	2.9%
Benefits & CB	\$ 425,100	\$ 401,200	\$ 23,900	5.6%
Util., Insur., Fuel	\$ 2,740,339	\$ 2,706,391	\$ 33,948	1.2%
Train., Travel	\$ 10,780	\$ 8,167	\$ 2,613	24.2%
Claims, Rent., Loans	\$ 622,360	\$ 341,184	\$ 281,176	45.2%
Svcs, Dues, Consult	\$ 42,602	\$ 22,345	\$ 20,257	47.5%
Spec. Proj., Grants	\$ 1,651,962	\$ 1,424,249	\$ 227,713	13.8%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.	\$ 3,003	\$ 1,994	\$ 1,009	33.6%
Vehicle/Equip, Lease	\$ 1	\$ -	\$ 1	100.0%
Total	\$ 6,338,747	\$ 5,723,572	\$ 615,175	9.7%

V. ACCOMPLISHMENTS/EVALUATION

Continued adherence to the Long Term Financial Plan policies adopted by the Council: 1) Reserve Fund and 2) Structurally Balanced Budget Policy.

Established a multi-year contract with the Kaua’i Humane Society to ensure continuity of services for animal care and welfare, investigation and enforcement, and licensing.

ACCOUNTING DIVISION

Renee Yadao, Accounting 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

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.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2023 (Preliminary)				
ACCOUNTING				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 604,491	\$ 602,425	\$ 2,066	0.3%
Benefits & CB	\$ 373,920	\$ (157,450)	\$ 531,370	142.1%
Util., Insur., Fuel	\$ -	\$ -	\$ -	0.0%
Train., Travel	\$ 2,008	\$ -	\$ 2,008	100.0%
Claims, Rent., Loans	\$ 5,000	\$ 3,099	\$ 1,901	38.0%
Svcs, Dues, Consult	\$ 231,290	\$ 201,215	\$ 30,075	13.0%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ (2,680,000)	\$ (14,588)	\$ (2,665,412)	99.5%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.	\$ 158,798	\$ 151,944	\$ 6,854	4.3%
Vehicle/Equip, Lease	\$ 20,000	\$ 20,000	\$ -	0.0%
Total	\$ (1,284,493)	\$ 806,645	\$ (2,091,138)	162.8%

V. ACCOMPLISHMENTS / EVALUATION

The County has received the *Certificate of Achievement for Excellence in Financial Reporting* for 29 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 2022 ACFR was submitted in January 2023.

The Accounting Division continues to seek ways to streamline and improve processes while maintaining the integrity of the accounting system and ensure that accurate and timely financial and accounting information is provided. Laserfiche forms have played a big part of this, and we are looking to increase our use of the form to reduce duplication and provide step-by-step processes that can be replicated by the newest accountants.

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, including but not limited to Periodic Motor Vehicle Inspection (PMVI or Safety Check) and Disability and Communication Access Board (DCAB) Disability Parking Permits.

B. Division 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 opening a new DMV satellite office in Kapa'a.
5. Automate Driver's License (DL) road test validation and scheduling.
6. Transition DL permit testing to a computer-based program.
7. Ensure continuity of the DMV queuing system for both Kapule and the Kapa'a DMV satellite office.
8. Secure a westside location for the DMV kiosk.

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.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2023 (Preliminary)				
MOTOR VEHICLE				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 748,544	\$ 735,821	\$ 12,723	1.7%
Benefits & CB	\$ 471,639	\$ 436,989	\$ 34,650	7.3%
Util., Insur., Fuel	\$ -	\$ -	\$ -	0.0%
Train., Travel	\$ -	\$ -	\$ -	0.0%
Claims, Rent., Loans	\$ 3,600	\$ 3,524	\$ 76	2.1%
Svcs, Dues, Consult	\$ 201,681	\$ 194,707	\$ 6,974	3.5%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 51,039	\$ 26,138	\$ 24,901	48.8%
Ad, Print, Suppl, Commod.	\$ 168,637	\$ 91,268	\$ 77,369	45.9%
Vehicle/Equip, Lease	\$ -	\$ -	\$ -	0.0%
Total	\$ 1,645,140	\$ 1,488,447	\$ 156,693	9.5%

V. ACCOMPLISHMENTS / EVALUATION

We have had numerous challenges in personnel turnover this year, revealing our vulnerability to service capacity limitations and employee retention 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.

We have completed the DMV integration project in FY23. We were able to combine Drivers Licensing and Motor Vehicles into one division. By cross training our staff, we have been able to provide improved services to the community we serve.

DIVISION OF PURCHASING

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

I. MISSION STATEMENT

The Division of Purchasing is tasked with the responsibility for all formal procurement of Construction and Goods and Services for the County of Kaua'i. In addition, the Division is responsible for: contracts for services of independent contractors, purchasing materials, supplies and equipment; assisting with leases, rental acquisitions, or otherwise securing the use of real or personal property; maintaining control of all surplus County equipment and processing all inter-office and incoming/out-going mail, and postage.

II. DIVISION 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. Division 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.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2023 (Preliminary)				
PURCHASING				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 566,886	\$ 538,993	\$ 27,893	4.9%
Benefits & CB	\$ 358,589	\$ 324,662	\$ 33,927	9.5%
Util., Insur., Fuel	\$ -	\$ -	\$ -	0.0%
Train., Travel	\$ 10,785	\$ 10,739	\$ 46	0.4%
Claims, Rent., Loans	\$ 2,647	\$ 2,429	\$ 218	8.2%
Svcs, Dues, Consult	\$ 1,640	\$ 1,636	\$ 4	0.2%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 201	\$ -	\$ 201	100.0%
Ad, Print, Suppl, Commod.	\$ 150,008	\$ 149,829	\$ 179	0.1%
Vehicle/Equip, Lease	\$ 9,472	\$ 8,673	\$ 799	8.4%
Total	\$ 1,100,228	\$ 1,036,961	\$ 63,267	5.8%

V. ACCOMPLISHMENTS/EVALUATION

1. Changes to HRS 103D-304 (Excellence): Our Division, in partnership with the County administration, State Procurement Office, and private engineers,

architects and consultants succeeded in implementing changes to the Professional Services options when less than 3 resumes are received. Previously if this were to happen, departments were forced to resolicit or find a different method of procurement, often resulting in vitally needed professional services not being procured. With the changes, departments are now able to move forward with their procurement relying on structured procedures defined within the revised statute.

2. Laserfiche automation (Responsive Service): DOP has continued its efforts to implement Laserfiche automation to support its existing business processes. The DOP continues to work on automating additional forms and processes, existing forms continue to be updated to increase efficiencies. The DOP will continue to expand the use of the Laserfiche application for procurement-related work with a long-term goal of using the application to help design and further develop and address the entire procurement process.
3. Innovative changes to the auction process (Excellence): DOP continues to seek opportunities to improve its business processes as it pertains to the annual auction. They were successful in having the auction completely online, to include auction bids and offers being submitted electronically, making it a more use friendly application.
4. Procurement guidance and training (Responsive Service): DOP provides extensive and routine support, guidance and training, thus reducing unintended procurement violations and substantially improving departmental knowledge and will contribute to better compliance with all procurement requirements.
5. Commitment to all County Departments/Agencies (Responsive Service): The DOP continues to provide qualified guidance and assistance to help our internal customers with the multitude of procurement projects throughout the year.
 - a. 71 formal solicitations were executed last year.
 - b. Top-5 high-value CIP project awarded for an accumulated total of nearly \$30M.
 - c. 106 contracts were awarded in FY23. The contracts for the year totaled over \$70M.
 - d. Approximately 815 purchase orders and blanket purchase orders were cut outside of contracts totaling more than \$13M.

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

A. Duties/Functions

1. Maintain 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, but not limited to, the performance of timely bank reconciliations.
4. Manage issuance, compliance, and debt service of Bonds.

B. Division Goals

1. Eliminate the reliance on paper documents and document storage by utilizing electronic technology. Electronically route documentation requiring approval and delivery to various departments.
2. Continue to serve and support the County by creating efficiencies, eliminating redundancies, standardizing documents in an electronic format, and opening the communication channels.
3. Automate processes wherever possible to reduce manual entry and transfer of information between systems.

III. PROGRAM DESCRIPTION

A. Objectives

1. Account for, receipt, protect, deposit, invest, and disburse the County's money while adhering to the proper authorization and policies.
2. Ensure deposits in financial institutions are fully collateralized.
3. Maintain sufficient liquidity to meet the County's cash requirements.

4. Invest surplus cash in accordance with state laws and County ordinances.
5. Ensure County funds are not unduly concentrated in any single financial institution.
6. Provide timely financial reporting to internal and external agencies.
7. Maintain and document effective internal controls and processes.
8. Facilitate bond issuances, including required compliance and reporting.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2023 (Preliminary)				
TREASURY				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 251,781	\$ 235,382	\$ 16,399	6.5%
Benefits & CB	\$ 168,341	\$ 145,593	\$ 22,748	13.5%
Util., Insur., Fuel	\$ -	\$ -	\$ -	0.0%
Train., Travel	\$ 600	\$ -	\$ 600	100.0%
Claims, Rent., Loans	\$ -	\$ -	\$ -	0.0%
Svcs, Dues, Consult	\$ 136,947	\$ 91,030	\$ 45,917	33.5%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 2	\$ -	\$ 2	100.0%
Ad, Print, Suppl, Commod.	\$ 10,322	\$ 8,023	\$ 2,299	22.3%
Vehicle/Equip, Lease	\$ 1	\$ -	\$ 1	100.0%
Total	\$ 567,994	\$ 480,028	\$ 87,966	15.5%

V. ACCOMPLISHMENTS/EVALUATION

1. Actively recruited for a new Treasurer after the position was vacant for over 6 months.
2. Examined the fee structure of our financial institutions to better identify and manage investments.
 - a. Produced an RFP to utilize a liquidity and investment management professional service.
 - b. Discovered opportunities to earn higher rates with lower fees.

3. Increased investment earnings by taking advantage of the rising interest rates.
 - a. Negotiated with financial institutions to have liquid cash accounts held at the money market rate.
 - b. Created an even maturity ladder for a consistent cycle of investments.
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.

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

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.

B. Division Goals

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 continue to be underway from last fiscal year and will continue to be the focus next fiscal year as we replace core network switches, routers and firewalls to improve bandwidth and systems security.
- b. Server Infrastructure: The County's core servers are over a decade old and require replacement. This project continues from last fiscal year with the initial replacement of our core ERP server and subsequent replacements of other virtual server infrastructure. 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 last fiscal year. Our implementation of Workday is well along at this stage and we are now examining replacements for our remaining enterprise systems which will continue for at least the next five years.

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%

III. PROGRAM DESCRIPTION

A. Objectives

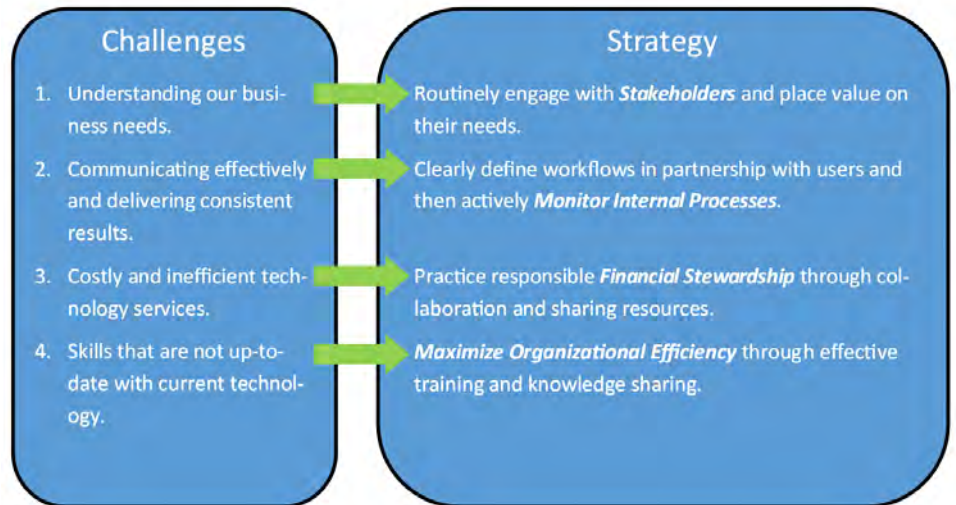
1. Paradigm and Vision:

- 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.



IV. Budget

General Fund - Fiscal Year Ended June 30, 2023 (Preliminary)				
IT TEAM				
	Budget	Actual +	\$ Variance	% Variance
		Encumbrances		
Sal., Wages, OT	\$ 1,269,299	\$ 1,259,368	\$ 9,931	0.8%
Benefits & CB	\$ 804,286	\$ 778,335	\$ 25,951	3.2%
Util., Insur., Fuel	\$ 49,163	\$ 49,161	\$ 2	0.0%
Train., Travel	\$ 10,004	\$ 7,372	\$ 2,632	26.3%
Claims, Rent., Loans	\$ 5,500	\$ 5,387	\$ 113	2.1%
Svcs, Dues, Consult	\$ 2,527,513	\$ 2,524,280	\$ 3,233	0.1%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 398,322	\$ 398,322	\$ -	0.0%
Ad, Print, Suppl, Commod.	\$ 629,264	\$ 629,263	\$ 1	0.0%
Vehicle/Equip, Lease	\$ 67,452	\$ 67,440	\$ 12	0.0%
Total	\$ 5,760,803	\$ 5,718,928	\$ 41,875	0.7%

V. ACCOMPLISHMENTS/EVALUATION

Human Resources Management System (HRMS) – In partnership with our county HR Department, we have successfully introduced a new software application, Workday, for HR and Payroll management. 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 by configuring additional functionality of modules such as onboarding and performance evaluations.

Work has begun on the first stages of procuring a new Enterprise Resource Planning (ERP) system for the County. An ERP includes things like accounting and budgeting along with permitting and online payments. We plan to release a Request for Proposal (RFP) within the fiscal year for the purpose of soliciting proposals outlining potential ERP systems.

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. Duties/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, 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 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.kauaipropertytax.com and www.kauai.gov/Government/Departments-Agencies/Finance/Real-Property-Tax/Collections

B. Duties/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 Kukui`ula 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 attempted to achieve processes to establish 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 at connect.kauai.gov. Future goals include online tax appeals and 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.

4. Reduce Delinquencies: The delinquency rate as of June 30, 2023 was 3.12% with a total outstanding amount of \$6,309,223. This is a decrease from the rate of 3.50% and 3.63% for FY22 and FY21 respectively. 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.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2023 (Preliminary)				
REAL PROPERTY ASSESSMENT				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 1,073,349	\$ 1,050,018	\$ 23,331	2.2%
Benefits & CB	\$ 731,136	\$ 687,034	\$ 44,102	6.0%
Util., Insur., Fuel	\$ 1	\$ -	\$ 1	100.0%
Train., Travel	\$ 47,362	\$ 45,025	\$ 2,337	4.9%
Claims, Rent., Loans	\$ 8,720	\$ 8,717	\$ 3	0.0%
Svcs, Dues, Consult	\$ 524,483	\$ 506,699	\$ 17,784	3.4%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.	\$ 25,722	\$ 24,714	\$ 1,008	3.9%
Vehicle/Equip, Lease	\$ 1,430	\$ 34	\$ 1,396	97.6%
Total	\$ 2,412,203	\$ 2,322,241	\$ 89,962	3.7%

General Fund - Fiscal Year Ended June 30, 2023 (Preliminary)				
REAL PROPERTY COLLECTIONS				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 170,631	\$ 169,328	\$ 1,303	0.8%
Benefits & CB	\$ 116,906	\$ 106,562	\$ 10,344	8.8%
Util., Insur., Fuel	\$ -	\$ -	\$ -	0.0%
Train., Travel	\$ 2,803	\$ 1,867	\$ 936	33.4%
Claims, Rent., Loans	\$ 4,100	\$ 2,877	\$ 1,223	29.8%
Svcs, Dues, Consult	\$ 4,060	\$ 3,177	\$ 883	21.7%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.	\$ 114,884	\$ 87,208	\$ 27,676	24.1%
Vehicle/Equip, Lease	\$ -	\$ -	\$ -	0.0%
Total	\$ 413,384	\$ 371,019	\$ 42,365	10.2%

V. 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.

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.