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COUNTY COST CONTROL COMMISSION 2013 Annual Report

Overview

Established by Charter in 1988, the goal of the Cost Control Commission is to reduce the cost of county government while maintaining a reasonable level of public services.

The Cost Control Commission is charged with the responsibility to review and scrutinize personnel costs, real property taxes, travel budgets, and contract procedures with the intent of eliminating, consolidating or reducing overlapping or duplicate County services and programs. The Commission is empowered to secure, through the Office of the Mayor or the Chairman of the Council, any reports or information from their respective departments or employees that are appropriate to accomplish its work.

The Cost Control Commission conducted eleven (11) regular meetings in the 2013 calendar year and is hereby submitting its Annual Report summarizing its recommendations which will be advertised as required in Section 28.05 of the Kaua'i County Charter.

I. RELATING TO SPECIAL COUNSEL COSTS FOR THE COUNTY

From February 2013, the Commission initiated a review of the County's special counsel contracts and expenditures. Special counsel contracts are budgeted in the Office of the County Attorney. According to County Attorney Al Castillo, he researched implementing a litigation team to reduce the cost of hiring special counsels. A wide spectrum of work has increased in the County in which becomes difficult for the county attorney's office to service everyone all at once.

Findings:

1. Maui Corporation Counsel has sixteen (16) Deputy Corporation Counsels. Eight (8) attorneys are assigned to the Litigation Division, and eight (8) attorneys are assigned to the Counseling and Drafting Division.
2. Hawai'i County Corporation Counsel has fourteen (14) Deputy Corporation Counsels (not including the 1st Deputy). A Senior Deputy Corporation Counsel supervises the attorneys assigned to both the Litigation Division and Counseling & Drafting Division. The Litigation Division consists of a Deputy Corporation Counsel Section Chief and six (6) attorneys. The Counseling & Drafting Division consist of a Deputy Corporation Counsel Section Chief and five (5) attorneys.
3. Kaua'i County Attorney's Office consists of nine (9) Deputy County Attorneys including the 1st Deputy. There is no Litigation Division at this time.

4. In 2011, the Office of the County Attorney saved the County of Kaua'i at least \$500,766 by doing cases in house.
5. In 2012, the Office of the County Attorney saved the County of Kaua'i at least \$314,790 by doing cases in house.
6. For Fiscal Year 2013-2014, the county would have saved \$459,268 to date as only \$75,000 would have been allocated for special counsel due to legal conflict issues.
7. In Fiscal Year 2012-2013, the County of Kaua'i spent approximately \$1.3 million dollars for special counsel costs alone, and the cost for a two-member litigation team plus a legal clerk would have cost the County approximately \$350,000-\$375,000.

Recommendation:

The Cost Control Commission firmly believes that hiring a two-member litigation team plus a legal clerk will save the County time and money and increase its efficiency in the County Attorney's Office. On October 14, 2013, this recommendation was sent to the Administration. The Mayor has endorsed this proposal and has sent a letter of support along with the Commission's recommendation to the Council. As of this date, the Council has not yet taken up the matter.

II. The Cost Control Commission also discussed the following for 2013:

• **ENERGY UPDATE**

The Commission requested information regarding energy savings regarding the Police Department located on Kaana Street. The Commission questioned the AC units running 24 hours a day, 7 days a week; what are other alternatives for the AC units to be turned off at night; and what was the cost of the AC units that are currently installed, and what will the expense be when they have to replace the AC units.

Findings:

1. With 24/7 operations in the Patrol, Cell Block, and Dispatch areas, it would be difficult to determine any cost savings with trying to isolate these areas with separate AC systems.
2. Turning off AC is not an option for the Police Department.
3. The AC chillers were not a separate itemized item. The entire AC system includes the chillers, pumps, motors, AHU, pipes, etc. Unsure of the cost for the original chillers except it was probably a lot cheaper 10-years ago and less costly to install, since it was put in when the building was being constructed.
4. The current plan is to replace both of the chillers' coils at an estimated cost of approximately \$200,000. That project will be going out to bid in hopes to extend the life of the chillers for another five (5) years. The chillers are eleven (11) years old and exposed to the salt air and other corrosive elements at its location. The 10+ year life for this type of exposure is normal.

At its November 14th meeting the Commission received another update from Glenn Sato, Office of Economic Development Energy Manager, regarding information on the internal practices of the County. The County is working diligently on reducing its carbon footprint with all departments and agencies on the same page. The Commission

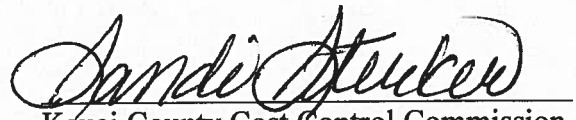
was provided a working spreadsheet on the County's sustainability action plan along with strategies and goals aimed for 2023.

The Commission also discussed the following matters:

- **RELATING TO TRAVEL BUDGET**
- **RELATING TO OVERTIME VS. VACANCIES IN THE COUNTY**
- **RELATING TO SPACE MANAGEMENT FOR THE LIHUE CIVIC CENTER'S PIIKOI BUILDING**
- **RELATING TO CIVIL SERVICE COMMISSION ENDORSMENT ON IMPLEMENTING A HUMAN RESOURCES INFORMATION SOFTWARE SYSTEM (HRIS)**
- **RELATING TO COUNTY REAL PROPERTY TAX EXEMPTIONS FOR NOT-FOR-PROFIT ORGANIZATIONS**

The members of the Commission would like to thank County Attorney Alfred Castillo, Glenn Sato and Ben Sullivan of the Department of Economic Development, Kaua'i Police Department's Chief Darryl Perry and Deputy Chief Michael Contrades, County Engineer, Larry Dill, Chair Catherine Adams of the Civil Service Commission, and the Finance Department and the Real Property Tax Division, with special acknowledgement of Steven Hunt, for the information provided, assistance and cooperation.

Respectfully Submitted:


Kauai County Cost Control Commission
Sandi Sterker, Chairman