

**Department of Human Resources, Office of the County Auditor, and Office of the County Clerk**

Honorable Arthur Brun  
Honorable Mason K. Chock  
Honorable Derek S.K. Kawakami  
Honorable Mel Rapozo  
Honorable Arryl Kaneshiro

Excused:       Honorable Ross Kagawa  
                  Honorable JoAnn A. Yukimura

The Committee reconvened on April 10, 2017 at 9:00 a.m., and proceeded as follows:

Committee Chair Kaneshiro:       Good morning. It is the final day of our budget meetings. So I would like to call back to order the Budget and Finance Committee and the Fiscal Year 2017-2018 Departmental Budget Reviews. On the schedule for today, April 10<sup>th</sup>, 2017, we will be hearing from the Department of Human Resources, Office of the County Auditor, which is being handled by the Office of the County Clerk, and the Office of the County Clerk. As we do each morning, we will take public testimony. Anyone in the audience wishing to testify?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Committee Chair Kaneshiro:       Seeing none, first up we have the Department of Human Resources. Janine...do you have a presentation? If not, we will go straight into questions.

JANINE M.Z. RAPOZO, Director of Human Resources:       Good morning, Janine Rapozo, Director of Human Resources. I do not have a presentation this morning. You do have our written presentation and basically, our budget is pretty flat all the way around. So the only place I think similar to other departments that have gone up is our benefits area. Actually, our operational side went down a little bit due to in-house training and we reduced that item and did move some maintenance fees for software to the IT Division. So other than that, I will just go ahead and take questions.

Committee Chair Kaneshiro:       Do we have any questions from the Members? I have a question on wages and hourly pay, 89-day contract positions, what is that for?

Ms. Rapozo:                        So when the Department of Human Resources was created, those positions were created to try and help us get rid of the backlog of items that are currently paper. We did a lot of shredding last year of old documents and we are currently trying to scan in a lot of our classifications from all of the jurisdictions from the past thirty (30) years so that we do not have to keep the paper. Those positions are doing that. We have not been able to have a steady 89-day contract since the Department was created. We currently have one right now who has been with us for a while. I should not say a while. Less than one (1) year. That way, we are now able to get those items done.

Committee Chair Kaneshiro:       Are               we               getting               closer?

Ms. Rapozo:                        Getting closer.

Committee Chair Kaneshiro: Or is this a multi-year project?

Ms. Rapozo: We actually shredded about eight-hundred (800) boxes last year. Now we are doing all of the classifications and trying to scan those all in. Hopefully, there will be an end date in sight.

Committee Chair Kaneshiro: Thank you. Any other questions for HR?  
Councilmember Chock?

Councilmember Chock: Thank you, Janine. I just wanted, maybe if you could expand on the consultant services line item? I know there is a little bit of..

Ms. Rapozo: Okay. So the various consultant services are used for the Employee Assistance Program (EAP). We contract out those services for any employee who needs counseling services. They have six (6) sessions each year. There is also money in there for a third-party administrator for workers' compensation claims. We also have another consultant for flexible spending. That is the pre-tax program where employers are allowed to pre-tax medical premiums, as well as to put money aside pre-tax for medical or dependent care. We have some moneys set aside for arbitration expenses should we need to go back either for contract negotiations or individual employee grievances. And I think that is it.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Janine, we have \$50,000 for countywide supervisor training.

Ms. Rapozo: Yes.

Councilmember Brun: Is that enough?

Ms. Rapozo: Yes, we actually had some budgeted...a little bit more last year \$92,000. We brought that down. We are very fortunate that we have some in-house people trained to do the training now. So they are doing it on more time and we are able to move these numbers down. CPR and First Aid is done in-house, as well as a Dominance Influence Steadiness Conscientiousness (DiSC) behavioral assessment, and customer service supervisor training. We are doing it all in-house now.

Councilmember Brun: I think, for me, it is more training our management, our supervisors, so we stay out of all of the lawsuits that we get.

Ms. Rapozo: Agree.

Councilmember Brun: The more training we do, the less we pay in lawsuits, the last couple of years, crazy amount and to get our supervisors and management up to where they are supposed to be.

Ms. Rapozo: Yes, we are doing a lot of supervisory training now and we have a whole module whether in-house or bringing in different people. I think in the next couple of months we have Glenn Furuya coming down who has done training for us in the

past and Sarah Wang has done discrimination and harassment training and those will be in as part of the budget to hire them.

Councilmember Brun: I think we should do as much as we can to stay out of the lawsuits.

Ms. Rapozo: Okay.

Committee Chair Kaneshiro: Any further questions for HR? If not we are going to move on. Their budget stayed pretty flat. There is not much to it. With that, thank you, Janine.

### **Office of the County Auditor**

Committee Chair Kaneshiro: We are going to move on to the Office of the County Auditor. Office of the County Auditor starts on page 188. Bottom of page 188. Jade, we can take a quick recess. We will take a quick five-minute recess.

There being no objections, the Committee recessed at 9:07 a.m.

The Committee reconvened at 9:08 a.m., and proceeded as follows:

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Good morning Council Chair Rapozo, Committee Chair Kaneshiro, and Members. Before you is the budget for the Office of the County Auditor. There is no formal presentation, so I am open to any questions. As you know, we have taken over the responsibilities of the Office until an Auditor is selected.

Committee Chair Kaneshiro: Any questions regarding the Office of the County Auditor? Council Chair Rapozo?

Council Chair Rapozo: I do not have any questions. But I think it is important that we...for the millions of people that are watching this today, that we...every so often we will get an E-mail from a member of the public, complaining about no Auditor, no Auditor. So I think it is important that we actually explain why we do not have an Auditor and it is not because we have not been trying. Correct me if I am wrong, Jade, we have gone out on two (2) formal solicitations with newspapers basically throughout the country and we have had responses. We have had several interviews. We came very close and we made a job offer that was accepted and turned down from someone from the state of Washington and most recently an interested party a local resident of Kaua'i, who also did not, at the end, did not accept the position. So we are going out one last time with hiring an executive search company located out of Honolulu, to try to fill this position. You know, it is the Council's desire to fill this position, and have that Auditor's Office running, like it is supposed to. But again, rather than fill that position with someone that is not qualified, for the sake of filling a position, the Council believes that is not the right approach. So I just want the public to understand that we have tried and tried. We spent significant amounts of money trying to recruit, and we are actually going to spend another chunk of change for this executive search firm and we are all hoping that we can find someone suitable for this position. We have actually adjusted some of the requirements as well. We are trying to get the position filled with candidates that can do this job because we as far as the Council is concerned want to see that position filled. Until then, the Council will

be assuming the duties of the audits for this County. So I just wanted to express that before we move forward. Thank you.

Committee Chair Kaneshiro: Thank you for that. Any other...any questions from Councilmembers? I do not have any questions. Councilmember Kawakami.

Councilmember Kawakami: Thank you, Mr. Chairman. How long has the Office of the County Auditor been vacant?

Ms. Fountain-Tanigawa: The Office has been vacant...the last employee left, I think, just about a year ago. Prior to that...prior to the former County Auditor passing away, there were two (2) employees left, they were managing contracts, and I think handling the Comprehensive Annual Financial Report (CAFR), as well as just started the performance audit that the Council introduced for the Humane Society. But I guess due to the uncertainty in the Office, they chose to look elsewhere and were successful in finding employment somewhere else. So I would say about a year ago the last employee left. We have taken over processing invoices, and everything. To keep the Office running should an Auditor be selected.

Councilmember Kawakami: And if we were to fully staff and fund this, what does it look like it would cost?

Ms. Fountain-Tanigawa: The Office of the County Auditor could run approximately a little over \$1 million, amazingly enough. Fully-staffed.

Council Chair Rapozo: Let me just jump in real quick, Councilmember Kawakami, because that is fully-staffed as it was.

Ms. Fountain-Tanigawa: Correct.

Council Chair Rapozo: But as we spoke to candidates throughout the process it was expressed to us that that Office could function with less employees.

Committee Chair Kaneshiro: So right now the budget is showing \$746,000 for the Auditor's Office, \$240,000 of that is for the yearly audit of the CAFR.

Ms. Fountain-Tanigawa: Right.

Councilmember Kawakami: To yearly audit the CAFR?

Committee Chair Kaneshiro: Yes.

Councilmember Kawakami: Who is currently auditing the CAFR now?

Committee Chair Kaneshiro: We have a third-party contract.

Councilmember Kawakami: How much does that cost, do you know?

Ms. Fountain-Tanigawa: \$240,000.

Committee Chair Kaneshiro: \$240,000.

Ms. Fountain-Tanigawa: And we also have budgeted fully-funded the County Auditor's position, and an Auditor II position, as well as the Administrative Staff Assistant. So that is another \$244,487.

Councilmember Kawakami: And how many audits have we actually conducted since we established this Office?

Ms. Fountain-Tanigawa: I believe since Mr. Pasion started, until present, I would say about eight (8).

Councilmember Kawakami: Eight (8) audits.

Ms. Fountain-Tanigawa: Eight (8) performance audits and the yearly CAFR.

Councilmember Kawakami: And the recent Kaua'i Humane Society Audit cost around?

Ms. Fountain-Tanigawa: \$65,000.

Councilmember Kawakami: So with this budget, how many total employees? Three? Four?

Ms. Fountain-Tanigawa: Three (3) total employees.

Councilmember Kawakami: Three (3) total.

Ms. Fountain-Tanigawa: And two (2) dollar-funded. So five (5) total bodies.

Councilmember Kawakami: Potential of five (5), but three (3) tangible that we are budgeting for. Thank you, Mr. Chairman.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: So Jade, for the building lease we are budgeted at \$47,000, almost \$48,000 annually. My understanding right now it is an empty building that we are paying for, is that correct?

Ms. Fountain-Tanigawa: That is correct.

Councilmember Chock: Is there anything that we can do? I mean, I understand our interest in filling the position, and filling the office, and it is really hard to swallow that we are paying a lease that we are not using. Has there been any discussion? Because if the idea is...we have heard you can do it with less staffing, for instance. That we might consider other options, you know, in the interim? As it is, I think our search could likely take about half a year, and I think any cost-savings to this County is a dollar well-saved. So I just wanted to bring that up for discussion.

Ms. Fountain-Tanigawa: And we recognize that we have a month-to-month lease currently and you are correct, the office is empty. It is tough to pay that

amount every month. That was always...that was under the understanding that we would shortly have an Auditor moving in, which was the reason why we kept the office. We chose to keep the office open. Should there be a decision made to either go on a smaller scale, or maybe some type of reorganization or placement as far as positions somewhere else, it is month-to-month.

Councilmember Chock: Month-to-month lease?

Ms. Fountain-Tanigawa: Yes.

Councilmember Chock: I do not know if the option to sublease it, or...utilize it...at least utilize it? If there are other areas, and we have got the Planning Department, who cannot even walk through their hallways and yet, we have an empty building there. So I think it is sort of these issues that we should probably look at.

Ms. Fountain-Tanigawa: Sure. We will look at the contract.

Committee Chair Kaneshiro: The rationale for having the Auditor, I guess, completely separate is that...is that what O'ahu or other counties with auditors...they try to keep them separate?

Ms. Fountain-Tanigawa: With the County Auditor's Office, the whole intent is to maintain that independence, complete independence from the administration, as well as the County Council and the Legislative Branch. So when this County Auditor's Office was formed, they really wanted to physically be located somewhere...I do not want to say "far away," but close enough where they can still get to things, but they could still maintain their independence. And feel comfortable their work space was their work space and their files would be maintained.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I remember looking at this some time ago, there was interest in looking at a space, another space that I think across the street as a potential location. And I cannot remember if...remind me if there were reasons we were not ready for it? I can kind of remember Ernie talking about it. Maybe you can recollect where we are with that option?

Ms. Fountain-Tanigawa: The discussion I remember was they were in the space planning phase, and that the County Auditor's Office could possibly take up some space there. But it was not necessarily a priority. There were other departments, such as Planning, that would require much more space. So, I do not know where they are in that phase of planning. That was the last that I heard.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Follow-up. So on that office, who can make that decision to close it down?

Ms. Fountain-Tanigawa: It really would be the decision of the County Council.

Councilmember Brun: Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: That is a discussion that Jade and I have had for quite a while and as Jade said, every time she asked me what...about keeping the office? It was always some candidate hanging in the wind and to close the office and have to go renegotiate the price and space would be difficult. I do agree now with going down this route, best-case scenario we are looking at six (6) months. You know, so I definitely would look at reducing the cost to this office in the salaries, as well as that office. I think that is a discussion that we have to have. I do not think we should be keeping that office anymore, because it is a waste of money. There is no one in the wings right now, telling us that they are interested. Understand though, that when we do hire, we are going to have to find a place for them. One of the suggestions, and it is not a popular one, but one suggestion and possible scenario is relocating the Kaua'i Historical Society and have that house our Auditor's Office. We have a long-term lease with them, a dollar a year lease. That would be ideal for them to take over that space, if we cannot find space across the street? Or somewhere else? And the other discussion about the possible move if I am not mistaken was the basement and the suggestion was made by the Administration to move the Auditors to the basement, which, you know? Please...I mean, there is absolutely no way a handicapped person could go down and that Auditor's Office is for the public and it is not a Central Intelligence Agency (CIA) top-secret operation. It is for the public. So that is not even an option. But that is what was offered, the basement. So that is something that we are going to have to decide as we get to Decision-Making and my proposal was that obviously...at least six-month reduction in the salaries, removal of the office expenses, and we deal with it when we get to that point. Because the reality is this, if, in fact, we cannot find someone for that position and if, in fact, we go down the road and spend another \$25,000 or whatever to find some potential candidates and we cannot seem to find it, this Council is going to make a decision whether or not we want to keep that Office? Or do we initiate a Charter Amendment to remove that from the Charter? Because that was one Office that again, the people voted, because it sounded like the right thing to do. But if you look at the cost over the years, the \$1 million + dollars a year to staff that Office and I agree with the candidates that we had, we do not need three (3) auditors, two (2) administrative people, and an Auditor. I am convinced that Office can operate with an Auditor, a second Auditor, and an administrative position. I believe at this point, that as we start that Office, that would be sufficient. Having said that, if we get that staffing in a County-owned facility with no rent, no overhead as far as rental and buying new equipment. We have got all the equipment already. I think it is a feasible option having the Auditor's Office, provided you have that person. But we are going to have to make that tough decision at some point, whether or not we want...because politically, the public will say the Council just wants to get rid of that Office...they are saying it already. We do not want the Auditor, because...please, we want that Auditor. We tried and we continue to try. But at the end of the day, if we cannot find someone, then, we have to assume that responsibility, and if you look at it, the Auditor's Office, the Auditor decides the audit plan, one person. Which really has no obligation or responsibility to the voters of Kaua'i. The Council, if they take over that duty, they are elected every two (2) years. As far as accountability to the public, I believe that function in the Legislative Branch works. We will see where it takes us so far as the search, but it is very difficult to find someone to come here, on that pay, and in an expensive community that we live in, and take on that responsibility. So the discussion will be had in Decision-Making.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Just one more clarification and I see under consultant services \$240,000, and that goes for the CAFR.

Ms. Fountain-Tanigawa: Yes.

Councilmember Chock: All of it goes to the CAFR. So I just wanted to... if we are proposing...we should still consider audits, and the function of the audit, even if we have to contract it as we have in last few years. That drawdown would be a General Fund drawdown, not from this budget?

Ms. Fountain-Tanigawa: Correct, the way the Charter is written, it allows any audit that is requested by the Council, not follow-up audits, but new audits requested by the Council would be through a Resolution and then the Council would need to fund it. We have always put some money in our budget to fund performance audits and we would not necessarily see those audits in the Auditor's budget as you would ours.

Council Chair Rapozo: Again, for the public watching, the CAFR is our financial audit every year, mandated and always done by an outside accounting firm. And that is not done in-house. So that is what the CAFR is. It is just the financial audit we get every year. And we get the results every single year from the auditors. It is a multi-year contract as well. I think it is a 3-year contract now?

Ms. Fountain-Tanigawa: This current contract is 4-year, we are in the third year of a 4-year contract.

Council Chair Rapozo: The longer you contract it, the cheaper it gets. We decided to go to four (4) years, we meaning the Council and that is where we are at today. Thank you.

Committee Chair Kaneshiro: Thank you, any further questions? I think good conversation today. I think that is the battle we have been going through. I think the entire time I have been here, is we cannot find someone for the Auditor's Office. We have to keep the space open just in case we get somebody, but we cannot find anybody. What do we do? I think on our budget you will see that we have a line item for audits. So if we are not able to find an Auditor, and we want to do audits, we have the opportunity to do that. Then again, what is the cost to us? Is it cheaper to just pay for audits? I mean the Kaua'i Humane Society one was \$65,000. You know, at that budget, for the County Auditor's Office we can do seven (7) audits a year. That is how much the audits are costing and if we do seven (7) audits a year for the next 4-5 years, I think we will be pretty much can audit everything that we want to audit and then we will have to go and re-do audits or something. That is stuff to take into consideration as we are moving forward. Any further questions for the County Auditor? If not, we are going to move on to the Office of the County Clerk.

### **Office of the County Clerk**

Ms. Fountain-Tanigawa: You have received our budget presentation, and if you have any questions, I would be glad to answer them.

Committee Chair Kaneshiro: We are on Council Services, page 17.

Ms. Fountain-Tanigawa: Our budget is relatively flat as well. I believe it is about a 2.5% increase due to wages and benefits.

Committee Chair Kaneshiro: Any questions for Council Services? Council Chair Rapozo?

Council Chair Rapozo: Again, as we have discussed with all departments so far as positions, I want to commend Jade when the transition occurred. We had some vacancies, we had the discussion, and I asked Jade to see how we could manage without filling positions. She did a great job and our staff is phenomenal. Derek was here before and it is not new to him, but I am sure to Arthur, it is just amazing the work we get from our staff, and I just want to thank Jade and all of our staff. We have been able to do more with less. So using the same rationale, again, and I have already had the discussion with Jade, that some of these positions you will see will be removed as well from our budget. We do have some recent openings that we have to fill, but these positions that we have not been using will be...anyway the proposal will be to remove as we will with the administrative position as well. I just wanted to make that clear just to have a position on the books just for the sake of having a position on the books, I have discussed a possible change in Council Services that we will probably have a discussion, as a separate item. But I am not going to have that discussion here today, because I am not sure where we are going to go with that. There may be...after hearing through the whole budget session how many positions are morphed, that we could possibly improve our performances at Council Services with a different positions. So we are still having that discussion with Jade. And you can definitely have that discussion as we move through the Decision-Making process. Otherwise, again, just thank you, Jade for the work.

Committee Chair Kaneshiro: Any questions for Council Services? If not, we are going to move on to Elections. Thank you, Jade.

LYNDON M. YOSHIOKA, Elections Administrator: Good morning, Mr. Chair, Mr. Budget Chair, Councilmembers, Lyndon Yoshioka, Elections Administrator. I do not plan to go over the narrative. If you have any questions, let me know. I would however, like to highlight and apologize for two (2) errors in our portion of the narrative, the first occurring on page 14. Under that line item, absentee mail turnout, that number should be 7,644 not the 4,644. Then on page 16, I left out the Governor's contest as one of the contests appearing on the 2018 ballot. I apologize for that error. Other than that, I would be happy to entertain any questions you may have.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Just one question and it is really not about the budget, but just for our information and the public's, what are we looking at any changes in the next election? There is talk about online voting and same-day registration for primaries and generals, is there anything that...not that is being discussed, but that is going to happen differently in 2018?

Mr. Yoshioka: Thank you for the question. Yes, we have actually several things that will be sort of new. We already have online voter registration that was part of what we implemented during the 2016 election. Very well-received, and we also, during the 2016 election had same-day voter registration, but it was strictly held in conjunction with early voting. However, in the 2018 elections, we will roll that out and expand service to the polls on Election Day. So anyone who is not already registered, will be allowed to go to the polls, or at early voting, and register and vote at the same time. We would, though, like to highlight if an individual opts to utilize the service at the polls, they should anticipate errors because there is a process we need go through to properly vet the individual and make sure they are eligible to register, that they can provide some form of identification, and then also, to ensure that they are in the correct polling place. So that process does require some time and they will be delayed somewhat.

Council Chair Rapozo: How does that impact the results? So let us say you get 100 voters, 200 voters come in on Election Day and register? At the site, at the poll? There has to be some form of verification after the fact?

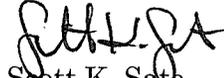
Mr. Yoshioka: We actually will be doing the verification at the time the individual is there at the polling place. Basically what happens is poll workers are required to have them complete this affidavit, and they will get on the phone and call us. We have a call center set up in our office, manned by Council Services Staff, who are absolutely wonderful. And we will vet that application case-by-case and determine whether or not the individual is eligible to vote. And of course, ensure that they are in the correct polling place, which is required by law.

Council Chair Rapozo: Thank you.

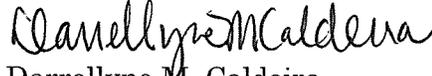
Committee Chair Kaneshiro: Any other questions? For Elections? If not, it is a fast day. And it is our last day of Budget Reviews. Thank you all again. I would just like to say thank you to everyone again for their participation in these budget reviews. I know that we have sent a lot of questions over and I ask that the Administration for this work hard to get us answers as soon as possible, and prior to the decision-making sessions. Just for the public's information and as reminders to the Councilmembers, here are some important dates to consider...Call-Backs were not needed, so Call-Backs which were scheduled for April 11, 13, 17, and 18 have already been canceled. Staff will be meeting with each Councilmember separately to go over your decision-making proposals so that they are able to prepare various proposals. These meetings are strictly between you and staff. The Mayor will transmit his May Supplemental Budget Communication as authorized by the Charter on or before May 8, 2017. Staff will be preparing a comparison, and I am asking the Administration to please submit the various changes as well so that it is transparent. On May 10, 2017 at 5:00 p.m., we will be holding our public hearing on the Mayor's March budget submittal. Decision-Making will start on May 11 and continue on May 12 and 15 (if needed). Again, thank you to everyone for being a part of this process and for all of your hard work. This concludes our scheduled Departmental Budget Reviews. Seeing no objections, I will adjourn the Departmental Budget Reviews for Fiscal Year 2017-2018.

There being no objections, the Committee adjourned the Fiscal Year 2017-2018  
Departmental Budget Reviews at 9:37 a.m.

Respectfully submitted,



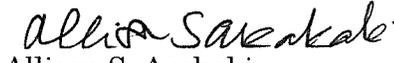
Scott K. Sato  
Deputy County Clerk



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APPROVED at the Committee Meeting held on May 10, 2017:



ARRYL KANESHIRO  
Chair, Budget & Finance Committee