



OFFICE OF THE MAYOR  
THE COUNTY OF KAUA'I

DEREK S. K. KAWAKAMI, MAYOR  
MICHAEL A. DAHLIG, MANAGING DIRECTOR

May 8, 2019

Honorable Arryl Kaneshiro, Council Chair  
And Members of the Kaua'i County Council  
4396 Rice Street  
Līhu'e, Hawai'i 96766

Re: Fiscal Year 2020 (FY20) Supplemental Budget Submittal

Aloha Chair Kaneshiro and Councilmembers:

Pursuant to the requirements of the Kaua'i County Charter, I am pleased to present to you the supplemental budget for the County of Kaua'i for fiscal year 2020 (FY20). This proposal includes an Operating Budget of \$242.02 million, which is virtually flat with the March submittal.

The administration made every effort to limit the amount of adjustments between the March and May budget submittals, however, there were a few significant developments and necessary adjustments that are highlighted below.

#### Parks Special Projects Account

As noted during the Parks budget review session in March, the text for the Parks Special Projects Account had inadvertently not been updated from the FY19 budget. The bulk of those funds were reallocated to fund the recently-finalized Kauai Seabird Habitat Conservation Program, as further detailed below. Additionally, a portion of the Special Projects Account was reallocated to help fund the increased maximum salaries related to the recent Salary Resolution, as introduced by the Salary Commission.

#### Salary Resolution

In anticipation of the Salary Resolution going into effect on July 1, 2019 for department heads and deputies, the supplemental budget includes the revised salaries for affected positions. As I have stated on the record, I will not authorize raises for incumbent appointees, for which I have the authority to designate salaries, until the executive has completed one year of work and has received favorable evaluation for their performance. As such, we have short-funded those positions to reflect that commitment.

### Kauai Seabird Habitat Conservation Program

The proposed budget line item in the amount of \$381,000 is related to the County's application to the Kaua'i Seabird Habitat Conservation Program (KSHCP) for an incidental take permit and an incidental take license under the federal Endangered Species Act and its state counterpart, HRS Chapter 195D, respectively. The proposed amount is the projected cost to comply with the KSHCP, namely, to allow for the operation and use of external artificial lights during the night that have the potential to "take" covered species, including the following: (1) the Newell's Shearwater ('A'o); (2) the Hawaiian Petrel ('Ua'u); (3) the Band-Rumped Storm-petrel ('Akē'akē); and the Green Sea Turtle (Honu).

### Waimea Land Acquisition

Another reprioritization of funds is the result of a potential acquisition of 417 acres in Waimea at the offering price of \$5.3 million. The administration sees this as a rare opportunity to collaborate with the community to determine the future facilities, activities, and improvements to this property that connects Waimea and Kekaha. Further, it is a milestone implementation of the principals of the Updated General Plan.

By rebalancing the CIP budget and Housing Development Fund, the administration has identified the necessary funds to continue acquisition negotiations. Two CIP projects, Aliomanu Road and the new KPAL building, had CIP funding for construction activities. However, both of these projects remain in the planning and permitting phases, and construction is not expected to commence within the next 18 months. Therefore, we have reallocated the construction costs for these two projects while maintaining the funding to complete the planning and permitting process. Additionally, \$500,000 will come from the bond fund balance and the remaining \$1,450,000 contribution is from the Housing Development Fund.

### Personnel Movements

In the FY19 budget, the previous administration moved two (2) positions and created Laborer I positions (No. 9443 and 1940) within the Department of Public Works Roads Division to clean and maintain bus stops and bus shelters islandwide. As these bus stops fall under the scope of the Transportation Agency operations, we are proposing to move these positions to the Transportation Agency in order to more effectively manage these functions.

We are also proposing to move the ADA Coordinator/EEO Officer position and subsequent budget to the Department of Human Resources. This will improve collaboration between HR and the ADA Coordinator/EEO Officer, particularly as it relates to EEO investigations.

The above proposed movements simply reflect a shift in positions from one department to another, and does not have monetary effect to the operating budget.

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As we conclude the FY20 budget process, we wish to thank the County Council for working collaboratively with our administration to produce a fiscally-responsible budget that seeks to address the needs and desires of our community.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal line and a small dot.

Derek S. K. Kawakami  
Mayor, County of Kaua'i

C: Michael A. Dahilig, Managing Director  
Reiko Matsuyama, Finance Director  
Ken Shimonishi, Budget Administrator