

DEPARTMENT OF FINANCE

Finance Administration

FY JULY 1, 2010 – JUNE 30, 2011 Annual Report

Administration

Wallace G. Rezendes, Jr., Director of Finance
Sally Motta, Deputy Director of Finance
Laurie Kelekoma, Private Secretary

Budgeting

Alvin H. Honda, Budget Administrator (retired May 2011)

Grants Management

Ann Wooton, Grant Program Manager

I. MISSION STATEMENT

To provide effective and efficient financial services to the people of Kauai and to all that we serve by establishing and maintaining a financial system that can properly account for its activities.

II. DEPARTMENT/DIVISION GOALS

A. Department Duties/Functions

Administration

Under the authority of 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, fiscal and budget officer of the county.

B. Department Goals

Budgeting

1. To prepare operating budget ordinances and capital budget ordinances.
2. To administer the budget functions of the County in accordance with all applicable laws and regulations.

Grants Management

1. To administer and oversee the various activities surrounding federal and state grant program.
2. To continuously monitor grant program activities and provide fiscal oversight for the various departments and agencies.

3. To provide training and presentations to various departments and agencies as needed.
4. To prepare adjusting budget, expenditure, and revenue entries to the general ledger.
5. To provide guidance for new grants and create new projects in the financial accounting system as needed.
6. To assist the independent auditor in providing documentation and information during the audit process.
7. To prepare and issue the annual “Single Audit” report that is audited by an independent and qualified Certified Public Accounting firm.
8. To prepare and submit a consolidated corrective action plan for all audit findings and recommendations.
9. Provide outside agencies and the community a single point of contact for all questions surrounding grant needs by the County of Kaua’i, if department to contact is not known.

III. Program Description

Grants Management provides oversight and assistance to all County of Kaua’i departments in the management of their grant awards. Provides assistance in grant seeking for new or special projects to include grant writing. Grant Program Manager is administrator of the Project Accounting Module of the GMBA Accounting system.

a. Objectives

To ensure all grant funds received by the County of Kaua’i are managed in accordance to the special conditions of the award of the funds.

b. Highlights

Closed all findings from a Department of Justice site visit in April 2003, received notification of acceptable finding resolution in September 2010. Provided training to departments with new staff members that were new to grant awards. Closed more than 150 projects in our general *ledger*.

c. Activities

Reviewed a total of 5200 possible grants for application by the County of Kaua’i. Provided training in Project Accounting, Government Accounting and other needed training to the departmental staff.

IV. Program Measures

Ensuring constant closure of old projects in our accounting system. Close open findings with federal or state agencies from site visits in a timely manner. Provide training and guidance to departmental fiscal/grant staff to allow for better management of grant awards.

V. Budget

	FY2011	
	Budget	Actual
Equivalent Personnel		
Appointed	4	4
Full-Time Permanent	2	2
Salaries	386,140	345,970
Employee Benefits	211,238	197,458
Other Services	18,400	357
Special Projects	1,000,000	850,000
Travel	33,700	18,445
Supplies	9,600	8,791
Equipment	-	-
Other	3,250	6,342
County-wide costs:		
Telephone	200,000	136,956
Salary Adjustments	50,377	-
Vacation accrual payout	475,000	408,157
Retiree Pension	10,000	6,584
Training	25,392	16,208
Post Employment Benefits (OPEB)	507,810	565,208
Liability Insurance	700,000	627,961
Fire & Flood Insurance	487,484	456,739
Excess Worker's Comp Insurance	473,261	241,806
Claims and Settlements	712,716	583,198
Central Services Cost Reimbursement	1,810,000	1,718,635
Special Projects	1,000,000	850,000

VI. Statistics – Reviewed a total of 5200 grant applications for possible application by the County of Kaua‘i.

DEPARTMENT OF FINANCE

Accounting Division

FY JULY 1, 2010 – JUNE 30, 2011 Annual Report

Renee M. Yadao, Accounting Systems Administrator
Kenneth Villabrille, Central Payroll Accountant
Sherri Silva, Central Accounting Analyst
Teresa Caires, Central Accounting Analyst
Maile Kaauwai, Accountant IV
Donna Gabriel, Accountant II
Patrise Pancho, Pre-audit Clerk II
Doris Agbulos, Accounting Technician
Marisa Sierra, Accounting Technician

I. MISSION STATEMENT

To provide oversight and maintain the accuracy and integrity of the County's financial system.

II. DEPARTMENT/DIVISION GOALS

- To maintain the general ledger accounting system for 33 County funds.
- To assist the independent auditor in providing documentation and information during the audit process.
- To prepare and issue the annual "Comprehensive Annual Financial Report" as audited by an independent and qualified Certified Public Accounting firm.
- To provide guidance and oversight to the various departments and agencies.
- To provide central payroll services and support to all departments and agencies.
- To provide central accounts payable services to all departments and agencies and process payment requests in a timely manner.
- To maintain County-wide capital asset records, including infrastructure and improvements.
- To maintain adequate internal controls of the general ledger accounting system.
- To implement and revise County-wide financial policies and procedures.
- To prepare and distribute monthly financial reports to all departments and agencies in a timely manner.
- To reconcile all bank statements and investments contained in the County's general ledger.
- To prepare adjusting budget, expenditure, and revenue entries to the general ledger.
- To prepare and submit a consolidated corrective action plan for all audit findings and recommendations, as applicable.

III. PROGRAM DESCRIPTION

The Accounting Division provides the centralized accounting and financial reporting for all operations County-wide. In addition, the Accounting Division administers all accounts payable, fixed assets, and payroll related transactions.

a. Objectives

The Accounting Division's primary objectives are to: 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

The Accounting Division has continued to streamline and improve processes over the past year to ensure timely payments are processed, financial reports are accurate, and consistently provide departments with their respective Detail Budget Reports in a timely manner.

IV. PROGRAM MEASURES – ACCOMPLISHMENTS / EVALUATION

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the County of Kaua'i for its **Comprehensive Annual Financial Report** (CAFR) for the fiscal year ended June 30, 2010. The County has received this award for the 18th consecutive year. This award signifies that the County's 2010 CAFR has achieved the highest standards in financial reporting in accordance with Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. We believe our current 2011 CAFR will continue to meet the requirements and will submit our CAFR in December 2011 to determine its eligibility.

V. BUDGET

	FY2011	
	Budget	Actual
Equivalent Personnel		
Full-Time Permanent	10	9
Salaries	681,671	661,200
Employee Benefits	629,740	337,841
Other Services	190,590	83,361
Supplies	11,735	8,270
Equipment	10,506	6,784
Other	7,700	6,342

**DEPARTMENT OF FINANCE
RISK MANAGEMENT DIVISION
FY JULY 1, 2010 – JUNE 30, 2011**

Janine Rapozo, Risk Management Administrator
Gerald Estenzo, Risk Management Coordinator

I. Mission Statement

The mission of the Finance Department-Risk Management Division is to protect the County's human, physical and financial assets through comprehensive and cost effective insurance and risk management programs.

II. Department Goals

The overall goal for the Risk Management Division is to identify risks and implement a loss control program based on risk reduction and prevention (training), risk retention (self-insurance), and risk transfer (insurance).

III. Program Description

a. Objectives

- Identification of Risk
Establish a comprehensive inventory of the County's human, physical and financial assets and the risks associated with each area.
- Risk Reduction and Prevention
Provide a healthy, safe and secure work environment for employees by being responsive to employees and complying with all applicable safety and health laws, rules, regulations and standards.
- Risk Retention
Retain certain risks through self-insurance programs for losses that will occur with predictable frequency and in an amount which will not have substantial impact on the County's financial position.
- Risk Transfer
Protect the monetary resources of the County through effective loss control and risk management techniques.

b. Highlights

Insurance Program

The insurance program continued to follow a dual strategy of self-insuring the “normal” operating recurring claims from third-parties and its employees while purchasing excess insurance layers to protect the County from catastrophic losses.

The various insurance policies purchased by the County have emphasized purchasing adequate limits to cover potential loss exposure(s) while employing a “risk vs. reward” analysis to determine the various programs’ premium outlay are an effective use of County assets. As illustrated by the Chart of Insurance Premiums below the County’s premium expenses have been fairly consistent as in the previous fiscal year. The significant change in “Non-Owned Aviation” insurance resulted from the County’s acquisition of a helicopter in January 2011. The insurance program was restructured to cover the new helicopter incorporating chartered aircraft exposures. Other highlights include:

- Overall savings of 19% or \$96,306 for Property Insurance for a loss limit of \$25 million with a 4% increase in total insured value;
- Increased the Excess Liability Insurance program limit from \$15 million to \$20 million for a nominal (2%) change in cost;
- Continued to benefit from a flat rate on Excess Worker’s Compensation with the purchase of a multi-year policy in 2008;
- Increased the Crime Insurance limit to \$3 million; and
- Overall decrease in insurance premiums by \$47,204.

Chart of Insurance Premiums-Last Two Fiscal Years

Insurance Premiums:	FY2011	FY2010	Change in Dollars (\$)	Change in Percentage (%)
Excess General Liability	\$ 642,550	\$ 612,900	\$29,650	5%
Property Insurance	\$ 411,392	\$ 507,698	(\$96,306)	(19%)
Crime Insurance	\$ 9,021	\$ 8,306	\$ 715	9%
Non-Owned Aviation	\$ 53,867	\$ 16,349	\$37,518	329%
Excess WC	\$ 96,487	\$ 104,219	(\$ 7,732)	(7%)
Hull/Marine Liability(Fire Boat)	\$ 0	\$ 11,049	(\$11,049)	NA
Total Insurance Premiums	\$1,213,317	\$1,260,521	(\$47,204)	(4%)

Workers' Compensation Program

The County's Worker's Compensation Program relied on a combination of a self-insurance program along with additional excess insurance coverage for larger losses.

The County worked closely with its third party administrator (TPA), Brandvold Ku, Inc. and insurance broker, Aon Risk Services Inc. of Hawai'i to effectively and efficiently manage claims. In addition, a professional actuary conducted an analysis of the Workers' Compensation outstanding loss reserves in order to forecast expected payout for future fiscal years, allowing the County to prepare for potential obligations on a post-loss basis.

This fiscal year, there were 213 claims processed by our third-party administrator (TPA) of which 93 were new claims, down 27 from the previous fiscal year's total of 120. Of the total claims, 113 claims remained open and 100 claims were closed. Therefore, the closing ratio for worker's compensation cases for this fiscal year was 108% (100 closed cases divided by 93 new cases) for a better than acceptable Best Practices goal of 100%.

Below is a comparison of Worker's Compensation claims by Department and associated costs for the last two fiscal years.

Workers' Compensation Claims and Costs By Department-Last Two Fiscal Years

Number of Claims Processed

Cost

Department/ Agency	Open	Closed	Total Claims FY 2011	Total Claims FY 2010	Department/ Agency	Cost FY2011	Cost FY2010
Public Works	50	45	95	104	Public Works	\$ 416,976	\$ 309,375
Police	26	30	56	72	Parks & Rec	\$ 355,228	\$ 308,700
Parks & Rec	17	15	32	44	Police	\$ 207,237	\$ 271,000
Fire	11	3	14	17	Fire	\$ 30,690	\$ 44,444
Water	6	1	7	8	Transportation	\$ 16,572	\$ 95,077
Transportation	0	3	3	5	Water	\$ 9,700	\$ 64,102
Housing	2	0	2	1	Housing	\$ 7,471	\$ 0
Finance	0	1	1	6	Planning	\$ 6,634	\$ 0
Mayor	0	1	1	2	Finance	\$ 5,041	\$ 125,242
Planning	1	0	1	0	Prosecuting Attorney	\$ 2,055	\$ 0
Prosecuting Attorney	0	1	1	0	Mayor	\$ 293	\$ 8,696
Elderly Affairs	0	0	0	1	Elderly Affairs	\$ 0	\$ 27,681
County Atty	0	0	0	1	County Atty	\$ 0	\$ 843
Total	113	100	213	261	Total	\$1,057,897	\$1,255,160

Worker's Compensation benefits paid this fiscal year was \$1,057,897, down \$197,263 or 16% from last fiscal year's total of \$1,255,160. In addition, the reserve value was also reduced to \$1,769,841 from \$1,892,669, a difference of \$123,188 or down 6%.

As part of cost containment, medical expenses are audited by a third party bill reviewer to realize additional cost savings. For this fiscal year, the County was able to save a net total of \$141,661 in medical expenses. In addition, \$55,981 was recovered through expense refunds and subrogation efforts.

Below is a summary of Worker's Compensation actual costs and reserves by benefit type for the last two fiscal years.

Workers' Compensation Actual Costs and Reserves By Benefit Type-Last Two Fiscal Years

Benefit	Actual Costs			Reserves		
	FY2011	FY2010	Change	FY2011	FY2010	Change
Medical	\$ 489,686	\$ 526,040	(\$ 36,354)	\$ 591,663	\$ 707,411	(\$115,748)
Temporary Total Disability	\$ 321,501	\$ 311,275	\$ 10,226	\$ 122,845	\$ 199,489	(\$ 76,644)
Permanent Partial Disability	\$ 64,851	\$ 223,341	(\$158,490)	\$ 850,273	\$ 786,974	\$ 63,299
Vocational Rehabilitation	\$ 41,386	\$ 18,603	\$ 22,783	\$ 62,432	\$ 44,862	\$ 17,570
Other Allocated Expenses	\$ 66,337	\$ 88,706	(\$ 22,369)	\$ 142,268	\$ 153,933	(\$ 11,665)
Administrative Expenses	\$ 74,136	\$ 87,195	(\$ 13,059)	NA	NA	NA
Total Costs	\$1,057,897	\$1,255,160	(\$197,263)	\$1,769,481	\$1,892,669	(\$123,188)

Training

An updated Policy Against Discrimination and Harassment was distributed to all County employees in December 2010. Training on the policy started with sessions for elected officials and Department Heads and continued through the year for non-supervisory staff and finally, management staff. The training was filmed and made available through DVD for those unable to make the live training especially for those whose positions would make it difficult and inefficient to come in for a live training session (Firefighters, Water Safety Officers, etc.). The policy was also placed into the County's SharePoint portal

site which has become the repository for all County-wide policies, allowing for a central location for the most current version of these various documents.

The Risk Management Division began working on providing an online web based training program for all County employees. The program, SafetyLogic allows the County to assign, monitor and document employment and safety related training and allows employees to participate whenever it is most convenient for them.

Topics include:

- Workplace Violence Prevention
- Preventing Slips, Trips and Falls
- Racial Harassment
- Safety and You
- Code of Conduct
- Road Rage
- Effective Supervision
- Reasonable Suspicion Training for Alcohol and Substance Abuse

c. Activities

- Request for Qualifications issued in September 2010 for Insurance Brokerage Services with contract awarded to Aon Risk Services, Inc. of Hawai‘i for a five year term, commencing on November 1, 2010. The contract includes an online safety training program for all County employees.
- Request for Qualifications issued in March 2011 for Third Party Administrators for Workers’ Compensation and Automobile Claims Administration with contract awarded to Brandvold Ku, Inc. for a four year term, commencing on July 1, 2011.
- Quarterly open claim reviews were held with respective Department representatives and the County’s TPA and broker to develop action plans on major workers’ compensation cases including returning injured workers to modified or light duty work assignments as part of loss control efforts to reduce costs.
- A joint property survey of the Līhu‘e Wastewater Treatment Plant, the new Līhu‘e County Complex and the Kaua‘i Police Department was conducted in January 2011 to update the County’s property schedule and values.
- Final settlements received for the Wailua Golf Course maintenance building and the Peter Rayno Park comfort station fires.

IV. Program Measures-Accomplishments/Evaluation

- Risk Management continues to seek ways to reduce workers’ compensation

costs and return injured employees to modified or light duty work assignments as soon as practical. In conjunction with the Department of Personnel Services, A Return to Work Program has been developed and will be implemented in the coming fiscal year.

- After several months of setup work in establishing the Countywide employee database, the online SafetyLogic training program will go live in the coming fiscal year, providing employment and safety related trainings for all County employees.
- Risk Management will continue to work with Aon Risk Services Inc. of Hawai‘i to conduct an overall review and update of policies, procedures and guidelines as they relate to contractual insurance requirements. Consistency and standardization in contractual transfer and insurance requirements to match the scope of the products and services performed on behalf of the County and training for contract managers will be undertaken in the coming fiscal year.
- In the upcoming fiscal year, a Risk Management Committee with representatives from various Departments will be created to review and develop safe work policies and programs, through the review of facility safety audits and inspections, accident investigations and safety training efforts.

V. Budget

	FY 2011-Budgeted	FY 2011-Actual
Equivalent Personnel	2	2
Salaries	\$118,023	\$114,100
Employee Benefits	\$ 73,795	\$ 55,922
Training	\$ 85,000	\$ 66,538
Other Services	\$ 5,502	\$ 2,989

DEPARTMENT OF FINANCE
DIVISION OF PURCHASING
FY 2010-2011 Annual Report

Ernest W. Barreira, M.S., Assistant Chief Procurement Officer
Florence Kakuda, Procurement & Specification Specialist VI
Erwin Wright, Procurement & Specification Specialist V
Ruena Victorino, Procurement & Specification Specialist IV
Kristi Morita, Procurement & Specification Specialist II
Hope Stem, Procurement Technician I
Calvin Maeda, Program Support Technician III
Carrie Moses, Program Support Technician I

I. Mission Statement/Division Functions/Duties

The Division of Purchasing is tasked with the responsibility to assume responsibility for all formal procurement of Construction, 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. 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.
- B. Provide guidance, training, and direction to the County administration and all departments, divisions, and agencies with regard to the requirements of procurement.
- C. Maintain an updated registry of all solicitation boilerplates and forms consistent with the changes in laws and rules so as to provide critical guidance and training to all County departments and personnel.
- D. 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

The Division of Purchasing, under the authority of Section 19.19 of the County Charter, is responsible for administering the centralized purchasing of all "materials, supplies, equipment and services" for the County.

In addition, further authority, duties, and responsibilities are provided by Hawaii Revised Statutes, Section 103D, and the related Hawaii Administrative Rules.

A. *Program Objectives*

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 Hawaii 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. *Program Highlights*

During the one (1) year period beginning July 1, 2010 to June 30, 2011, the Division's work accomplishments were as follows:

Completion of all equipment procurement as approved by the Budget Ordinance and Grants. Said procurement totaled \$3,792,583.39

Processing of the following top 10 bid solicitation/proposals/agreements/contracts:

1. Lydgate Park to Kapa'a Bike/ Pedestrian Path, Phase A - \$5,619,392.00
2. Kekaha Sanitary Landfill - \$4,974,875.00
3. Kīlauea River/Wailapa Stream Debris and Sediment Removal Project - \$3,961,190.00
4. CAD, Mobile CAD, GIS, Auto Vehicle Location, ECD, and RMS- \$3,949,661.07
5. Kapa'a Baseyard Structural Renovations - \$2,561,500.00

6. Motorola 800 MHz Radio Maintenance Upgrade, Phase 1 - \$2,255,096.00
7. Pi'ikoi Building Renovation - \$2,130,345.00
8. Independent Financial Statement Audit Services - \$870,000.00
9. Phase II, Leachate System Modification, Kekaha Landfill - \$711,000.00
10. Seven (7) Wheelchair Lift Accessible Diesel Passenger Buses - \$656,411.00

IV. Program Measures

ITEM	FY 2011		FY 2012	FY 2012
	TRANSACTION QUANTITY	DOLLAR AMOUNT	EST TRANS QUANTITY	EST TRANS QUANTITY
BID DEPOSITS AND REFUND: (Target refund time is twenty (20) days after contracts are fully executed.)				
Bid Deposits & Performance Guarantees, Plans & Specs.	8	\$78,331.68	25	25
Refunds	0	0	15	15
PURCHASE ORDERS PROCESSED:* (Target turn-around time for processing of requisitions is 1 to 2 days.)	7514	\$9,204,592.63	8700	8700
INFORMAL & TELEPHONE BIDS PROCESSED: (Prepare and solicit bids within two (2) weeks after receipt of requisition.)	578	\$2,140,204.04	660	660
ADVERTISED BIDS: (Bids are advertised as soon as possible.)				
Bid/Proposals Advertised	82		100	100
**Awards (construction, consultant, negotiated, price agreement, concessions)	204		225	225

CONTRACTS: (Contracts are processed upon receipt from the Various Agencies.)				
Construction Contracts (exclusive of change orders and amendments)	19	\$17,984,232.00	15	15
Professional Services, Consultant Contracts processed (RFP)	32	\$9,008,574.48	30	30
Grants, Sub-recipient Agreements, etc.	42	\$1,113,090.00	3	3
Equipment Contracts processed	30	\$3,792,583.39	45	45
Miscellaneous Contracts processed	70	\$12,189,900.39	100	100
Open End Contracts	0	NA	27	27
Concession Contracts	0		1	3
TOTAL				
MAIL: (Mail is processed daily.)				
Estimated Hours Expended	620		620	620

* Totals are inclusive of Contracts, Informal & Telephone Bids awarded by Purchase Order

** Totals are inclusive of awards by purchase orders

V. Budget - Program Funding Resources (General Fund)

Expense Type	FY 2010 Actual	FY 2011 Approp.	Request	FY 2012 Expansion	Total
Equivalent Personnel (E/P)	8.0	8.0	8.0	0	8.0
Salaries and Wages	410,928	365,525	420,180	0	420,180
Operations	379,584	364,775	460,803	0	460,803
Equipment	8,400	7200	5800	0	5800
Program Total	798,912	737,500	886,783	0	886,783

VI. Accomplishments/Evaluation/Future Program Projects

A. Costco

The ACPO and DoF recently finalized a purchase order agreement with Costco which will enable County employees to use Costco as an allowable merchant. Internal policies and procedures will soon be developed. Employees will be able to walk-in to attend to purchase order purchases as well as process larger orders. The purchase order agreement will also enable Costco to bid on open-end solicitations. Costco will also entertain the acceptance of our P-cards once this initiative is fully implemented.

B. Increase Procurement/Purchasing Thresholds for Small Purchases

In 2011, the Director of Finance approved an increase in the small purchase threshold from \$1,000 to \$5,000. This change allowed for the elimination of the manually-prepared SPO 10 form for purchases under \$5,000. The computer generated requisition form continues to be required wherein all price quotes and other procurement-related requirements are met. The change in the threshold eliminated the confusing and inefficient processes of an electronic requisition and a hard copy generated SPO 10 form. The savings in time have been notable and County agencies have been able to more timely seek needed goods and services.

VII. Holo Holo 2020 Projects and Status

A. P-Card Planning and Development

Development of a P-Card system for the purchase of general commodities for the County of Kaua'i has been an on-going joint partnerships between the Division of Purchasing, Finance Accounting Division, and the I,T, Division. The P-Card system will substantially reduce the reliance upon the laborious and costly purchase order system by allowing designated employees to charge small purchases from vendors using the P-Card without having to prepare a purchase order. During the last fiscal year an increase in the threshold for travel and related expenditures for P-card purchases was approved by the Director of Finance. The current threshold is \$5,000 with a proviso in place which allows the Director to grant the use of the P-card for larger purchases as mandated. This has broadened the application of this valuable resource.

Extensive planning and development occurred in fiscal year 2011 with regard to the plan to adopt the P-card for general commodity purchases. The Director of Finance, Division of Purchasing, Finance Accounting Division, and the I.T. Division have worked collaboratively together over the past year to develop this valuable resource. To date, draft policies and procedures have been developed and preliminary

communications with various agencies have occurred,. Two P-card briefings were held with County employees about issues such as policies, use restrictions, accountability and responsibility, and procurement requirements. P-card applications have been processed and al P-cards for general commodities have been received and will be issued to employees once policies and procedures are finalized. A graduated implementation for the use of P-cards for general commodities will occur to ensure smooth transition and adjustment.

B. Contract Tracking Improvements

The Division of Purchasing has launched its implementation of the automated contract processing initiative. The initiative replaces the past practice of processing multiple copies of contract documents. Some highlights of the new initiative:

1. The current initiative requires the submission of only one (1) original contract by County agencies to the Division of Purchasing. This provides clarify as to the one true original contract as opposed to the past practice of executing multiple copies of the same contract thereby having multiple rather than one original.
2. The original contract is scanned and electronically transmitted to the contractor. Upon receipt, the contractor generates the hard copy original and executes.
3. The original contract is returned to the County and routed for required signatures.
4. The fully executed contract is scanned and stored in both hard copy (legal requirement) and as an electronic file in the DoP. The PDF scanned copy of the fully executed contract is then emailed to the contractor and other County agencies.
5. The revised process substantially eliminates costs associated with photocopying and postage. It also creates measurable efficiencies in the timely processing of contracts. The creation of the electronic contract files will facilitate timely access and research.
6. An electronic contract storage portal for the County of Kaua'i will be developed which will be accessible to all County employees. This will replace the current process of emailing PDF copies of contracts since County personnel will be able to access these contracts via the shared portal.

C. Electronic Signatures

The continued movement toward a fully integrated electronic procurement system harnessing all available technologies and efficiencies will require that the County

move toward adopting the necessary legal revisions to provide for the use of electronic signatures. This initiative will be critical to overcome current restrictions wherein certain hard file documents must be maintained due to legal requirements. Electronic signatures, as they are allowed in chapter 507 HRS, will provide the pathway for the Division of Purchasing and other County agencies to fully execute electronic resources to process the work that has been historically driven by large amounts of paper, staff time and energy, and the high postage, paper, and photocopying costs related to these practices.

D. Electronic Procurement Initiative

As noted in the 2010 annual report, procurement functions of the division involve very paper-intensive processes. The DoP has committed to a graduated approach in the development of a fully functional electronic procurement system for the County of Kaua‘i. This vision is supported by the Mayor and the Director of Finance.

Effective July 2011, all solicitations for IFB, RFP, Professional Services, and Written Informal Bids are posted on the County of Kaua‘i, Division of Purchasing Web Site at WWW.Kauai.gov. The solicitations can be found via the “Bids and Proposals” link. The internet location allows for all interested bidders to access these solicitations on-line as opposed to having to be provided these documents in written format as has been the historical practice. Bidders who wish to view or print an on-line solicitation are required to submit an on-line registration. Upon successful completion, they are sent an automated email message with a link where the solicitation can then be reviewed and printed. Under this system, bids continue to be submitted in hard copy form for review and evaluation purposes. In addition to solicitations, the following documents are also posted on line:

- Addenda
- Tabulations
- Awards
- Notices (e.g. Exempt and Sole Source)

This current electronic posting of solicitations initiative and associated processes essentially eliminates the duplication of photocopies, postage, and the substantial expenses associated with these processes.

The development of the on-line solicitations and posting systems was a joint effort between the DoP and the IT. Division.

In 2012, the annual RFQ (Professional Services) resume submission process will undergo substantial revision. Rather than paper submission of resumes and the associated time delays, photocopying, and mailing costs involved, the revised process will allow for electronic submission of these resumes. In addition to the significant cost savings, the electronic process will enable a more timely

transmission of these resumes to County agencies for evaluation, selection, and contract execution purposes.

The next step in the electronic procurement initiative will be to issue an RFP as a means to solicit proposals for review and award of an on-line based electronic procurement system. The system will not only facilitate on-line postings, but will also provide the means for the electronic submissions and tabulations of bids. This will mark yet another major departure from the traditional method of written submitted bids and the paper-intensive management of the various documents associated with that process.

E. Electronic Forms Initiative

The electronic forms initiative is a vital component of the Division of Purchasing's overall goal and objective to adopt and implement a fully integrated electronic procurement system. More than 100 procurement-related forms have been reprogrammed as electronic data –fill capable. This will eliminate the need for manually-generated forms since all forms will reside on a shared drive and be accessible by all County agencies. Agencies will then complete their forms on their computers and transmit these electronically with other required attachments. The initiative will all but replace the need for paper that has been the standard component of the procurement operation for the past 20 years.

The remaining step in this initiative is for DoP personnel so conduct a content review of all reprogrammed forms to ensure content and operational accuracy. The forms are being piloted by select agencies as a means to test accuracy and usefulness. Forms will also be categorized in a manner that allows for ease for County personnel to identify needed forms in a timely and efficient manner. The initial step will be to make all forms accessible via a shared drive that will be developed with the assistance of the I.T. Division.

Department of Finance
Treasury/Motor Vehicle Registration

Treasury

David F. Spanski, Treasurer

Jean R. Kurosaki, Accountant III

Motor Vehicle Registration

Verna A. Yamase, MVR Officer

Callie F. Gandeza, Treasury Clerk II

Harriette U. Yoshino, Veh. Titles & Reg. Tech

Natalie Konishi, Veh. Titles & Reg. Tech

Annette Baptiste, Veh. Titles & Reg. Tech

Lisa Yamaguchi, Veh. Titles & Reg. Tech

Dawn D. Costa, Veh. Titles & Reg. Tech

Lynn Salvador, Veh. Titles & Reg. Tech

Robert Roman, Treasury Support Clerk

Tracie Sakamoto, Senior Clerk

I. Mission Statement

To provide prudent financial management and services to the people of Kauai and to the departments and agencies of the County that we serve.

II. Division Goals/Duties

- 1) Keeps accounts of receipts and disbursements
- 2) Collects and accounts for the motor vehicle weight taxes, fees for licensing penalties, dog, bicycle, business license and other revenues associated with these fees.
- 3) Collects monies and or deposit slips from all county agencies.

III. Program Description

The Treasury function accounts for, protects, deposits, invests, and disburses the public's monies due to or receivable by the County and State. The Treasury keeps accounts of receipts, disbursements, cash flow and prepares the Bank and Fund Balance Statement.

The Motor Vehicle Registration function registers motor vehicles, trailers, motorcycles, bicycles, dogs and issues license plates, emblems or tags and business licenses. Also, collects and accounts for monies from the public and other County agencies.

a. Program Objectives

1. To insure deposits with financial institutions are fully collateralized.
2. To maintain sufficient liquidity to meet the County's cash requirements.
3. To generate a return on investments at or above the two year U.S. Treasury Bill.
4. To minimize fees associated with borrowing.
5. To provide timely financial reporting to outside agencies, and establish and maintain effective internal controls and processes.
6. To collect and account for motor vehicle weight taxes, fees for licensing, penalties, dogs, bicycle, and business licenses.
7. To issue and collect monies for tipping fee coupons.
8. To issue and collect monies for bus passes
9. To collect payments for sewer, solid waste and sludge.
10. To collect, and account for all monies due to or receivable fairly and uniformly.
11. To input all motor vehicle registration records directly into the State Data System operated by the City and County of Honolulu through Computer Terminals.
12. To provide courteous, effective and efficient service to the public.
13. To implement the process of having the sewer bills bar coded.

b. Program Highlights

The Motor Vehicle Registration function is supplemented with two positions funded by the State Department of Transportation to provide State mandated services to assist in the collection of State funds.

Credit card and E-check services was provided over the internet for Sewer Bill payments beginning April 2006, and for Real Property Tax payments beginning August 2006. The use rate for FY2009 was approximately 14% for sewer and 11.4% for real property tax payments. There were 3,491 sewer users and 6,805 real property tax users. In February 2009 online services was provided for Motor Vehicle Registration. The use rate for FY2011 was 3.4% for sewer and 5.3% for real property tax payments. There were 845 sewer users and 3,064 real property tax users. The decline in users from FY2009 to FY2011 is attributed to the County stopping the subsidy of online payment user fees as of December 31, 2009.

In December 2005, the County MVR Office instituted the Fleet Dealer Registration Program. This program is optional to new car dealers and rental car companies, to provide license plates and emblems for their new vehicles. It provides the rental car companies with the ability to have their new vehicles available sooner to their customers without the necessity to stand in line at the MVR office. Current participants are Alamo, National and Dollar rental car companies.

IV. Program Measures

Treasury Administration	<u>FY08</u> <u>Actual</u>	<u>FY09</u> <u>Actual</u>	<u>FY10</u> <u>Actual</u>	<u>FY11</u> <u>Actual.</u>	<u>Est.</u>
Return on investment (all funds)	4.5%	2.8%	1.5%	1.2%	5.300%
2Year Treasury Bill (FY)	N/A	1.14%	.59%	.40%	4.850%
Fees as a percentage of bonds issued	N/A	N/A	.89%	N/A	>1.50%
 Motor Vehicle Registration					
Sewer Bill Transactions + e-pmts.	23,121	24,029	24,021	23,809	
Motor Vehicle Transactions (all types) + e-pmts.	89,758	89,330	87,845	89,816	68,302
Bicycle, dog, business license transactions tipping fees, T/F deposits, solid waste, sludge, firecracker; (Does not include outside agency deposits, phone inquiries, info requests, reject mail, filing, etc.)	4,516	5,641	4,365	4,432	

V. Program Resources (General fund ; without fringe costs, includes Treasury and MVR)

Expense Type	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Request
Equivalent Personnel	10	10	10	10	10
Salaries & Wages	441,198	486,840	486,216	466,618	491,570
Operations	438,342	439,131	335,206	238,270	286,263
Equipment	0	0	0	0	0
Program Total	879,540	925,971	821,422	704,888	777,833

Department of Finance

Grant Revenue Motor Vehicle Registration

II. Grant Revenue - Program Description

The Motor Vehicle Registration function is supplemented with two positions funded by the State Department of Transportation to provide State mandated services to assist in the collection of State funds.

a. Program Objectives

1. To provide effective and efficient motor vehicle registration.

b. Program Highlights

The State funded Motor Vehicle Registration function, two Vehicle Titles and Registration Tech. positions, also assist the County funded positions in all other Treasury related functions in performance of their program objectives.

V. Program Measures

Grant Revenue	FY 08	FY09	FY10	FY11	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	.
Motor Vehicle Transactions	67,675	69,484	67,544	69,142	
State MV Weight Tax , Registration					
Fee, penalty, EMED collected(\$)	4,304,372	4,325,964	4,329,423	4,365,047	

IV. Program Resources (State Grant Revenue; includes fringe)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Expense Type	Actual	Actual	Actual	Actual	Request
Equivalent Personnel	2	2	2	2	2
Salaries & Wages	121,969	141,142	140,625	137,165	165,831
Operations	0	0	0	0	0
Equipment	0	0	0	0	0
Program Total	121,969	141,142	140,625	137,165	165,831

**DEPARTMENT OF FINANCE
INFORMATION TECHNOLOGY (IT) DIVISION
Fiscal Year 2010-2011**

Brandon Raines, IT Manager (Executive Assistant to the Mayor)
Mabel Antonio, Computer Systems Officer
Eric Inouye, IT Specialist IV
Nyree Norman, IT Specialist IV
Amanda Swanson, IT Specialist IV
Garrett Johnson, Senior GIS Analyst
Maxwell Klutke, IT Specialist II
Kelly Agena, IT Specialist II
Carlos Dela Cruz, IT Specialist I
Jolene Silva-Peralta, IT Computer Support Technician II
Dexter Takashima, Public Safety Telecommunications Officer
Robin Otei, Senior Clerk

I. Mission Statement

To provide the Mayor's Office, County Agencies and Council with information technology services which enable them to serve the public in a cost-effective and efficient manner.

II. Department/Division Goals

The primary goal for our IT Division is to provide quality customer service and expert technical services that empower County employees through the availability of accessible and useful information, as well as the use of automated systems that improve their productivity.

III. Program Description

a. Objectives

- i. Provide County employees with easily accessible technical support and timely responses via a centralized Help Desk function.
- ii. Maintain and enhance the County's technical infrastructure to ensure reliable, efficient, and secure operations.
- iii. Assist County Agencies with the procurement and implementation of new systems that will increase operational efficiencies, as well as improve the services available to our citizens.
- iv. Recommend solutions and strategies that will leverage the power of technology to address countywide needs.

b. Highlights

The IT Division is organized into three primary service areas including:

- i. IT Help Desk & Infrastructure - Responsible for managing, procuring, and maintaining hardware/software/networking systems. Provides centralized Help Desk function for all County agencies. Incorporates administrative support for division operations.
- ii. IT Development & Systems Analysis - Responsible for understanding and evaluating County agency system requirements, identifying requisite changes to core systems, and making changes to programs/systems. Includes GIS, Web, ERP (enterprise resource planning), CAMA (computer assisted mass appraisal), public safety CAD/RMS (computer aided dispatch/records management system), as well as other agency systems.
- iii. IT Telecommunications & Radio - Oversees the design, installation, operation and maintenance of the municipal telecommunications systems, primarily the 800 MHz public safety radio system.

c. Activities

- i. Monitored infrastructure performance and implemented key improvements required to maintain reliable operations including workstations, servers, network components, and peripheral devices (e.g. printers, copiers, etc.).
- ii. Resolved incoming support issues from all County agencies based upon assigned type and priority.
- iii. Assisted all County agencies in the procurement of new hardware and software required for ongoing business operations.
- iv. Expanded use of GIS throughout the County, and increased web-based services/information for community members.
- v. Implemented functional upgrades for existing systems as warranted.
- vi. Provided system integration services for existing systems.
- vii. Provided technical consultation and implementation support on new system acquisitions.
- viii. Coordinated required maintenance and upgrade planning for the 800MHz public safety radio system.

IV. Program Measures - Accomplishments/Evaluation

a. Accomplishments

- i. Implemented the Granicus webcasting solution to provide live County meeting coverage over the Internet, as well as on-demand access to meeting archives.
- ii. Upgraded Internet bandwidth for primary County offices in order to increase productivity and prepare for future initiatives.
- iii. Received Special Achievement in GIS (or SAG) award at the 2011 ESRI International User Conference. This award is given to user organizations around the world to recognize outstanding work with GIS technology. In

addition to achieving much with limited resources, the County of Kauai was recognized for our unique initiative to combine Pictometry and GIS on a mobile device. This was done via an IT partnership with Fire when working on their MDT rollouts.

- iv. Added more On-line Forms and interactive pages available from Kauai.gov, including the Anti-Drug Data Bank forms/views, as well Police report forms for Suspicious Activities and Service Requests.
- v. Created GIS Maps and Data Lists that will be used to create new evacuation maps that are near to potentially hazardous dam areas. Effort was coordinated Civil Defense, Pacific Disaster Center, Police, Fire and DLNR.
- vi. Updated the Kauai County Hazard Mitigation Strategy for Civil Defense by creating 120 maps and submitting them to University of Hawaii consultants. This work allows Kauai to access federal emergency funds in the event of a natural disaster.
- vii. Completed FLSA (Fair Labor Standards Act) project upgrading our Payroll system for compliance and implementing audit procedures to ensure accuracy. This was a joint project involving IT, Finance, the software vendor, and third-party consulting services
- viii. Assisted Purchasing and Finance/Central Accounting with the initial startup of the pCard – (procurement card) project. Once implemented as planned in FY2012, pCard will expedite the procurement process for County agencies.
- ix. Provided assistance to the Solid Waste Division with route maps and address information for their automated curbside refuse pickup program.
- x. Completed Phase 1 of the countywide Document Imaging project, as well as a comprehensive assessment to plan for Phase 2.
- xi. Partnered with the Purchasing Division to implement a solution to publish bid and solicitation documents on the County website, eliminating the previous paper-intensive process.
- xii. Secured funding and signed contract with Motorola Solutions to perform a critical maintenance upgrade to the County's 800MHz Public Safety Radio System moving our operations toward industry standard, P25 compliance.
- xiii. Established quarterly strategy meetings with senior IT staff across the state to facilitate relationships and exchange knowledge that can be utilized to improve County operations.
- xiv. Completed full review of CIP funds assigned to IT-related projects, and prioritized initiatives for FY 2011/2012.
- xv. Facilitated Purchasing Division research efforts to pursue a countywide electronic procurement solution, and identified key requirements for creating the associated RFP.
- xvi. Facilitated Department of Public Works research efforts to pursue a CIP management solution, and identified key requirements for creating the associated RFP.
- xvii. Identified opportunity to partner with existing ERP vendor to purchase and implement a solution for electronic plan review.

b. Evaluation

The IT Division continues to meet daily operational requirements and achieve solid progress on several fronts. However, the automation needs of the County are great and it will be necessary to rethink the way we have traditionally done business in order to improve services/efficiencies while staying within current resource/budget constraints.

- i. Our staff-to-work ratio makes it difficult to provide 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 agencies. In the face of this reality, we are working closely with Personnel to re-describe our open positions and thereby ensure that we hire the most appropriate staff to move County projects and priorities forward.
- ii. The County has many aging systems and paper-intensive processes that need to be addressed, but resource constraints will limit our ability to act quickly. We cannot expect to change things overnight, but proper planning and prioritization will allow us to realize short-term gains while we continue to strive toward mid and long-term goals. Focus will be placed on implementing significant efficiency in County operations while ensuring return on investment for our investments.
- iii. Current infrastructure and systems are resource-intensive requiring a transition to alternative solutions that leverage non-County assets. We will evaluate our current environment from top-to-bottom, and implement strategies that allow us to do more with less. This will require closer relationships with our existing technology partners, as well as the adoption of new partners. Strong consideration will be given to the adoption of “cloud-based” services which utilize third-party infrastructure and expertise to deliver key application functions without requiring internal hardware/software, maintenance and monitoring.

V. Holo Holo 2020 Projects & Status (Technology Survey Initiative)

As part of the Mayor’s Holo Holo 2020 vision, the IT Division is pursuing a community outreach initiative to gather public input on the technology-based services that are most important to our residents. The guiding premise is that we should ask our community what they want in terms of technology improvements rather than assume that we know what is best. This includes daily interactions with our County government, as well as other opportunities to serve the community at large.

During the second half of 2011, we will be developing and publishing a simple survey to gather specific data points while also providing an opportunity to provide general comments or requests regarding the County’s technology-based services. Results will be published along with projects addressing key items identified by the survey.

The survey will be available as an on-line form at the County website, and also in hard-copy for pickup/delivery on County premises. Rather than spending lots of money on research, consultants, mailings, etc. we will keep it simple and leverage existing resources to minimize overhead costs. We will partner with local organizations (radio, weekly publications, etc.) to get the word out and provide incentives for participation.

Our goal is to hear back from as many citizens as possible, consider what they have to say, and make a plan to put that feedback into action.

FINANCE DEPARTMENT
Real Property Assessment
FY July 1, 2010 – June 30, 2011

Steven Hunt, Real Property Review Officer
Kim Hester, Supervising Appraiser VI
Domie Bucasas, Appraisal Support Services Administrator
John Herring, Real Property Appraisal Consultant
Curtis Bedwell, Appraiser V
Danielle Teter, Appraiser IV
Damien Ventura, Agricultural Appraiser Specialist
Nelson Salvador, Appraiser IV
Sandy Howatt, Appraiser IV
Howard Uohara, Contract Position – Tax Relief Programs Project Manager
Lita Mamaclay, Tax Clerk Supervisor
Karl Hoffmeyer, Tax Clerk
Lei I-Lovell, Tax Clerk
Laurena Silva, Assistant Abstractor
John A. P. Kruse, Drafting Tech II
Kris Nakamura, Finance Services, Finance Personnel & Board of Review Secretary

I. MISSION STATEMENT

Pursuant to Section 5A of the Kauai 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.

II. DEPARTMENT/DIVISION GOALS

A. Department Duties and Functions

The Real Property Assessment Division is responsible for: (1) providing Fair Market Value ad valorem tax assessments throughout the County of Kaua'i jurisdiction; (2) defending market assessed valuations before the Board of Review and/or State Tax Appeals Court; (3) maintaining accurate records pertaining to the transfer of title to real property; (4) creating and updating tax maps, in hard copy form as well as for satellite mapping parcel layer; (5) administering special tax relief programs, individual or multiple applications, including but not limited to home exemptions, agricultural dedication, permanent home use tax cap, long term affordable rental tax cap, circuit breaker credit, kuleana exemption, charitable/non-profit exemption, disabled veteran and disability exemptions, Department of Hawaiian Homelands exemptions, Additional Income exemption and all government leases; (6) coordinating accurate billing information with the Real Property Collections Division; (7) providing real property information to the general public at their request as well as electronically, through RPA website : kuaipropertytax.com

B. Division Goals

1. Continue to develop and build a strong, educated Real Property Team by filling vacant clerical positions; streamlining and enhancing the abstracting & mapping process and developing advanced use of technological tools, under a “Property Technical” leadership, currently administered by the Appraisal Supervisor.
2. Incorporating new technology tools such as Pictometry, ChangeFinder, GIS satellite mapping and model capabilities, as well as laser measuring tools and hopefully, field tablets that have the capability for data entry in the field to update current assessment records “live” or by daily upload. The current assessment software is five years past its “expectant life” and we are reviewing new technologies for possible replacement in the near future. One of the biggest barriers to change, however, is the significant cost of customization that would be required to replicate our unique tax relief programs.
3. Vigilantly monitor the number of open permits, so no improvement is omitted for more than 1 year after its date of completion. Work with IT and implement a streamlined communication line between the “final inspections” of improvements from the Building Division and the individual appraisers, by model area, to be better informed of recently completed permits. Explore the feasibility of utilizing Marshall & Swift standardized cost tables for determining “cost value” on all improvements on Kaua'i as well as uploading cost tables to our assessment software. Add the “Changefinder” enhancement to our Pictometry database to allow for new data to be “layered over” existing aerial photos, to help “find” new additions and/or structures.
4. Maintain and annually update all Computer Assisted Land Pricing (CALP) models and develop new CALPS to reflect changes in market areas, land divisions and types of ownership, as well as new and pending legislative changes to entitlements effecting Market Prices for Real Property. Utilize technological tools, such as Pictometry and GIS to visualize land changes, such as erosion or to help verify agricultural dedication use. Pictometry also helps to provide better views of topography, floodways, pali and other neighborhood characteristics as well as helps to identify Market Listing statements as to view planes or view obstructions, which can then be verified in the field.
5. Maintain, review, and annually adjust all “Market Models” to account for market trends. Market Models are being re-configured from the traditional “ahupua'a” boundaries, by Zone, to more concentric shapes that reflect actual Market Areas. Models are being re-assigned to different appraisers, in order to get a fresh pair of eyes on these properties as well as a renewed motivation for learning new “market areas”, thereby ensuring better uniformity of assessments. Technological tools such as Pictometry and GIS enhance visualization of market areas and help the appraisers to identify and “map” parcels placed in neighborhood groups, consolidate those that share similar characteristics, and identify outliers.

6. Conduct research, preparation, training and implementation of the continued tax relief programs; recently run through auditing, then troubleshoot for the effects of layering and/or removing of multiple tax relief on affected parcels. Continue to engage and work with the Council and Administration in providing information for and proposing to new legislation that addresses goals such as:

Single Value/ Single Tax Rate

Alternative Energy Incentives

Taxation by Use rather than Zoning

Accelerate the Assessment & Certification Dates for Budgeting

Revise Appeal guidelines and fees structure

Discuss legislation affecting assessment or taxes of: Circuit Breaker, Agricultural Dedication, Permanent Home Use Cap, Income Exemption, Farm Worker Housing, and Transient Vacation Rentals

7. Incorporate and utilize new equipment, such as Mapper/Plotter, Pictometry Changefinder, GIS Modeling and “Tapestry” applications, to streamline processes and increase efficiency and production levels. Continued goals explored include online applications for exemptions, appeals and ag dedications; email option for assessment or qualification letter delivery, new and better website software and enhanced information on parcel characteristics provided to the public, as well as a secure “FTP” site for industry use by approval. Current assessment software is now 5 years past end-of-life expectancy, yet is highly customized, due to the multiple tax calculations needed for a little over one third of total taxable parcels on Kaua'i. Maui County is researching and developing preliminary RFI for new assessment software vendors.
8. The need for more space in the Real Property Division office has become mandatory, as well as implementation of better security for staff and vital information sources is currently in process, based upon a PID developed by Project Manager Joe Blevins, in 2009 for reconfiguration of the front of the office, fire safety protection of historic records, scanning of all paper documents to reduce waste and security for staff.
9. Information sources have become outdated as to receipt of records or documentation such as Bureau of Conveyance documents, Conveyance Tax Certificates, State Leases, Death Certificates and File Plan maps. The update of the General Plan as well as recent restrictive zoning legislation is cause for a “codification” of the zoning layer over the current parcel layer maps, to ensure the most current entitlement and restriction information for the valuation team and there is a proposal to obtain services from the GIS vendor to provide a solution to this issue, possibly using Kaua'i County as a software development “project.”

III. PROGRAM DESCRIPTION

A. Program Objectives

The program's primary objectives are to accurately, fairly, and uniformly assess all taxable real property within the County of Kaua'i jurisdiction on an annual basis. Additionally, the division strives to generate timely tax information upon request; and to ensure that every taxpayer is provided with an equitable and punctual system for tax appeal.

B. Program Highlights

Real Property Assessment continues to refine and modify the IAS Legacy assessment software, provided by Tyler Technologies, to meet our statutory requirements as described by Chapter 5A of the Kaua'i County Code. Over the past five years, the majority of our troubleshooting has dealt with adjusting tax credits for those properties that subject to the 2% PHU tax cap. A number of these PHU-capped properties have also had characteristic changes, such as loss of Homestead tax class, change in exemption(s), loss of a circuit breaker credit, change in agricultural dedication status, or the addition of non-capped construction.

In FY 2011, there were 226 qualified Long-Term Lease applicants, 34 Circuit Breaker recipients, and 9,050 Permanent Home Use beneficiaries which cumulatively received a total tax credit of approximately \$6.8 million. Real Property Assessment processed and/or monitored 17,598 exemptions with an aggregate value of approximately \$3.36 billion. Many of these exemptions require annual renewal applications and involve a considerable amount of time from both the appraisers and that tax clerks to verify and process.

DEPARTMENT OF FINANCE
REAL PROPERTY COLLECTIONS
 FY JULY 01, 2010 – JUNE 30, 2011

Michelle Lizama, Tax Collection Supervisor
 Vacant, Tax Collection Assistant
 Vacant, Senior Account Clerk
 Karen Samiano, Senior Account Clerk
 Marites Cruzada, Senior Clerk
 Healani Asing, Tax Clerk (Contract)

I. Mission Statement

To bill, collect and account for all real property taxes for the County of Kaua‘i.

II. Department/Division Goals

- a. Reduce the real property tax delinquency.
- b. Provide public with superb customer service.

III. Program Descriptions

a. **Program Objectives:**

- i. Pursue delinquent accounts and enforce penalties in the collections of delinquent payments.
- ii. Maintain monthly trial balances on current and delinquent accounts.

b. **Program Highlights**

- i. **Lock Box Vendor** processed (13,005) bills in Cycle 1 in the amount of \$21,930,378.66
- ii. **Lock Box Vendor** processed (10,194) bills in Cycle 2 in the amount of \$16,903,900.51
- iii. **Lock Box Vendor** Interim Months processed (Sept, Oct, Nov, Dec, March, April, May & June).

	COUNT	AMOUNT
SEP	227	229,548.56
OCT	182	152,197.98
NOV	112	74,805.17
DEC	55	44,249.76
MAR	190	166,651.39
APR	139	189,041.61
MAY	82	94,017.89
JUNE	89	74,978.18
TOTAL:	1076	\$ 1,025,490.54

- iv. For a Total of (24,275) bills for the entire Fiscal Year 20101-11 for a Grand Total of **\$39,859,769.71** collected by Lock Box.

- v. **The Agency Billing Program** collected (12,054) accounts in Cycle 1 in the amount of \$12,204,700.50
- vi. **The Agency Billing Program** collected (12,028) accounts in Cycle 2 in the amount of \$11,875,459.90
- vii. For a Total of (24,082) accounts for the two installment periods with a grand total of **\$24,080,160.40** collected by Agency Billing Program.
- viii. **The Online Payment Program** utilizes HIC (Hawai'i Information Consortium) as a portal to allow taxpayers to pay their County of Kaua'i Real Property Taxes via Credit Card and ACH (Automated Clearing House aka e-check). Online Program launched in August 2006. The activity of users and amount collected via online are as follows:

	ACH	AMOUNT	CC	AMOUNT	TOTAL USERS	TOTAL AMOUNT
July	75	153,221.61	144	221,746.61	219	374,968.22
Aug	443	960,593.53	816	1,073,255.62	1259	2,033,849.15
Sept	26	48,227.98	55	58,040.32	81	106,268.30
Oct	7	13,682.35	26	41,050.92	33	54,733.27
Nov	7	20,515.53	17	29,109.19	24	49,624.72
Dec	13	36,401.40	18	18,771.52	31	55,172.92
Jan	65	136,740.47	130	178,370.10	195	315,110.57
Feb	402	933,352.35	647	821,660.04	1049	1,755,012.39
Mar	35	38,996.28	59	54,347.13	94	93,343.41
Apr	18	53,106.57	14	18,384.46	32	71,491.03
May	5	6,762.81	11	5,955.87	16	12,718.68
Jun	14	13,189.73	12	30,558.83	26	43,748.56

1110 \$2,414,790.61 1,949 \$ 2,551,250.61 3,059 4,966,041.22

- ix. There were (11) Statements of Assessed Values and Real Property Taxes Due (Tax Searches) processed and certified.
- x. There were (4285) Bankruptcy Notices Received.
- xi. There were (35) Tax Clearances.
- xii. There were (46) Service Fee's for dishonored checks.
- xiii. Delinquent outstanding tax balance as of June 30, 2011 = **\$1,591,159.55 for a total of 377 accounts.**

IV. Program Measures

FISCAL YEAR 2010-11 COLLECTIONS (CURRENT YEAR)

Beg Balance as of July 01, 2010	90,037,263.08	
Authorized Adjustments - P38 Debits		1,504,197.56
Other Debits		-
Pay Debits		2,427,505.20
		<hr/>

TOTAL DEBITS		93,968,965.84
Beg Balance as of July 01, 2010 - CB/PHU/LTL	(6,798,663.37)	
Authorized Adjustments - P38 Credits		(1,121,053.34)
Write-Offs (End of Fiscal Year - under \$1)		(24.30)
Other Credits		-
Pay Credits		(84,294,348.07)
TOTAL CREDITS		<u>(92,214,089.08)</u>
Outstanding Tax Balance		<u><u>1,754,876.76</u></u>
Subtotal:(CURRENT YEAR)	92,214,089.08	
Refunds		(78,664.94)
Penalty		(404,803.38)
Interest		(94,661.50)
Other Fees		<u>22.50</u>
TOTAL		(578,107.32)
OUTSTANDING TAX BALANCE:	<u><u>1,754,876.76</u></u>	
Total Tax Collected	81,483,722.95	

FISCAL YEAR 2010-11 COLLECTIONS (PRIOR YEAR)

Beg Balance as of July 01, 2010	3,486,574.64	
Authorized Adjustments - P38 Debits		2,990,318.19
Other Debits		<u>1,548,244.53</u>
TOTAL DEBITS		4,538,562.72
Authorized Adjustments - P38 Credits		(428,732.92)
Write Offs (End of Fiscal Year - under \$1)		(0.14)
Other Credits/Pay Credits		(6,005,244.73)
TOTAL CREDITS		<u>(6,433,977.79)</u>
Outstanding Tax Balance		<u><u>1,591,159.57</u></u>

Subtotal: (PRIOR YEAR)	6,433,977.79	
Refunds		19,031.93
Penalty		(450,261.09)
Interest		(378,708.16)
Other Fees		9,396.72
		<hr/>
TOTAL		(800,540.60)

OUTSTANDING TAX BALANCE: 1,591,159.57

Total Tax Collected: -1,895,415.07

V. Accomplishments/Evaluation

- a. The convenience of tax payments with the implementation of credit card and ACH payments online in August 2006.
- b. Increased efficiency and service to the general public
 - i. Streamlining website information at www.kauaipropertytax.com
 - ii. LB Vendor year round – Real Property Tax payments are mailed directly to a secure PO Box at the USPS in Honolulu to be picked up and processed by Lock Box Vendor.
 - iii. Online payments via credit card and ACH at www.kauai.gov/paypropertytax