

DEPARTMENT OF FINANCE

Finance Administration
FY 2015 Annual Report
July 1, 2014 – June 30, 2015

Administration

Ken M. Shimonishi, Director of Finance
Sally A. Motta, Deputy Director of Finance
Laurie Kelekoma, Private Secretary

Budgeting

Ernest Barreira, Budget and Purchasing Director
Ann Wooton, Budget Analyst (Transferred to Accounting Division as County Grants Program Manager)
Ken Shimonishi, Budget Analyst
(Now Director of Finance & Analyst position was vacant at end of fiscal year)

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 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, Grants Management, and Risk Management (Transferred to Finance Accounting Department)

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
3. To administer and oversee the various activities surrounding federal and state grant programs.
4. To continuously monitor grant program activities and provide fiscal oversight for the various departments and agencies.
5. To provide training and presentations to various departments & agencies as needed.
6. Prepare adjusting budget, expenditure, and revenue entries to the general ledger.
7. To provide guidance for new grants and create new projects in the financial accounting system as needed.
8. To assist the independent auditor in providing documentation and information during

the audit process.

9. To prepare and issue the annual “Single Audit” report that is audited by an independent and qualified Certified Public Accounting firm.
10. To prepare and submit a consolidated corrective action plan for all audit findings and recommendations.
11. Provide outside agencies and the community a single point of contact for all questions surrounding grant needs by the County of Kaua’i, if the department contact is not known.
12. Analyze potential risk and procure mitigating insurance coverage to limit the County’s exposure to said risk.

III. Program Description

Budget includes the grants management function and provides oversight and assistance to all County of Kaua’i departments in the management of their budgets and grant awards. Provides assistance in grant seeking for new or special projects to include grant writing. The Budget Analysts concurrently serve as grant program managers and administers the Project Accounting Module of the GMBA Accounting system.

a. Objectives

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

IV. Budget

	FY 2015 <u>Budget</u>	FY 2015 <u>Actual</u>
Salaries	646,468	534,847
Employee Benefits	318,005	279,166
Special Projects	1,212,000	1,007,201
Travel/Training	27,590	7,232
Other	108,644	35,385
County-Wide Costs:		
Telephone	145,200	127,177
Liability Insurance	632,478	626,516
Property Insurance	427,154	400,994
Excess WC Liability Insurance	265,544	264,604
Auto	70,000	22,465
General Liability	1,753,347	1,237,076
Total	5,606,430	4,542,663
(*Actual = expenditures + encumbrance @ 06/30/2015)		

In FY 15, reorganization changes altered the budget allocation for the Administration Division. Major Changes in the Finance Administration Department include a change in the Director from Steven A. Hunt to Ken M. Shimonishi, who is no longer the Budget Analysis. Steven A. Hunt has returned to his previous position in the Real Property Department. The Budget Analyst position was not filled at close of FY 15, but the position had been reassigned to Purchasing Department. Ann M.K. Wooten, County Grants Program Manager position has been relocated to the Accounting Division. Risk Management position was eliminated and responsibilities are divided between Finance Administration and Human Resources.

DEPARTMENT OF FINANCE

Risk Management Services

Annual Report for FY2015

Mission Statement: To protect the County's assets (human, physical, financial) through a comprehensive and cost effective insurance and risk management programs.

Risk Management is an integral part of good management practices and County stewardship efforts. Efficient risk management is essential to the successful overall management of the County.

Goals and Objectives:

- Minimize potential risk relative to property, liability to third parties, and human resources.
- Promote risk management as a component of strategic planning and as a major budget item.
- Ensure a unified focus on cost reduction by all departments.
- Educate departments on risk management and gain support for risk management programs.

Functions of Risk Management Services:

- Purchase and administer Public Entity Excess Liability policy (comprehensive general liability, automobile liability, law enforcement liability, public officials' errors & omissions, and employment practices liability), Cyber Liability, Property Insurance, Crime, Aircraft Liability, Excess Workers Compensation and Subsidized Police Auto Fleet Liability coverage.
- Reconcile the insurance fund and the departments' workers' comp funds with the general ledger and prepare financial reports to the external auditors at end of the fiscal year.
- Provide internal consulting services for departments and agencies operations on loss control, liability exposures and policy development.
- Review contracts for insurance requirements, indemnification agreements, and vendor certificate of insurance.
- Periodically update property and automobile schedules for insurance coverage.
- Coordinate with the Office of the County Attorney on reporting liability claims to insurance carriers and third-party administrators.
- Serve as the county's liaison to brokers, TPA, and governmental agencies on insurance and risk management services.

The Department of Finance/Risk Management Services shall actively work toward minimizing the loss exposures of the County by incorporating sound risk management practices in the everyday functions and operations within the departments and decision-making process. This can be accomplished through effective management of the County's property and liability insurance programs

The County shall employ the following risk management techniques:

- Risk Identification: Determine the County's exposure to unexpected losses.
- Risk Analysis: Evaluate impact of potential loss financially, or an ability of County to provide services.
- Risk Control: Select techniques, develop policies and procedures to minimize frequency and severity of potential losses.
- Risk Transfer: Contractually transfer risk to other parties.
- Risk Financing: Determine County's ability to finance losses and purchase insurance.

Insurance Program:

- The insurance program continues 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.
- The public entity insurance marketplace has been trending upwards with underwriters demanding and receiving premium increases for excess workers compensation and law enforcement liability.

Insurance Program Last Two Fiscal Years
Actual Expenditures

Insurance Premiums and Other Fees:	FY2014	FY2015	\$ Change	%Change
Excess Workers’ Compensation	\$154,934	\$167,565	\$12,631	+8.15%
Excess General Liability	\$554,952	\$567,337	\$12,385	+2.23%
Property	\$387,316	\$355,912	(31,404)	-8.11%
Government Crime	\$13,784	\$13,597	(187)	-1.36%
Aviation (Aircraft)	\$37,925	\$35,170	(2,755)	-7.26%
Cyber Liability	\$21,032	\$21,280	\$248	+1.18%
Subsidized Police Vehicles Liability	\$9,823 <i>11 units</i>	\$39,870 <i>30 units</i>	\$30,047 <i>+19 units</i>	+305.88% <i>+172.73%</i>
Total Insurance Expenditures	\$1,179,767	\$1,200,731	\$20,965	+1.78%

Insurance Chart for Policy Year: 11/1/2014-11/1/2015

INSURANCE	INSURER	POLICY #	LIMITS	COVERAGE	DEDUCTIBLE/SIR
Property \$25M	Ironshore (50%)	1830101	\$5M part of \$10M	Per Occurrence	\$100K AOP
	Lloyds (50%)	PW00726	\$5M part of \$10M	Per Occurrence	
	Starr Surplus (33.33%)	14	\$5M part of \$15M	Per Occurrence	
	Chubb Custom Underwriters (33.33%)	0692614 44732975 01	\$5M part of \$15M excess of \$10M \$5M part of \$15M excess of \$10M	Earthquake and Flood Loss of Business Income	
	General Security Indemnity Corp (33.33%)	T0234451 401576	\$5M part of \$15M excess of \$10M		
Excess Liability \$20M	Starr Indemnity	10000051 30	\$10M	Comprehensive General Liability; Errors and Omission for Public Officials; Law Enforcement; and Employment Practices Liability.	\$750K per Occurrence
	Scottsdale Insurance	XCS00000 18	\$10M excess of \$10M primary		

Government Crime	National Union Fire Insurance Co. of Pittsburgh	17602159	\$5M	Employee Theft-Per Loss, Forgery Alteration, Inside Premises – Theft of Money and Securities, Inside Premises-Robbery or Safe Burglary of other property; Outside Premises; Computer Fraud, Funds Transfer Fraud, Money Order & Counterfeit; Credit, Debit or Charge Card; Forgery; Faithful Performance of Duty for Government Employees	\$25K per single loss
Excess WC/Employer's Liability	Safety National Casualty	SP4051946	\$25M (WC) \$2M (EL)	Per Occurrence Max Limit per Occurrence	SIR: \$500K per occurrence;
Aircraft Hull and Liability	QBE Insurance Co.	QAV000833	\$2.2M \$25M \$10M	Insured Value on Hull Single Limit BI including passengers and PD; Airport Premises Liability; Non-Owned Aircraft Liability Non-Owned Aircraft Physical Damage.	Hull: 2% of insured value in motion per occurrence, except \$1K Not in Motion
Cyber Liability	Syndicate Underwriters at Loyds	W146BA140201	\$1M Policy Aggregate \$250K Aggregate Sublimit	Information Security and Privacy Privacy Notification Regulatory Defense Website Media Content PCFI Fines and Cost	\$50,000 SIR
Subsidized Police Vehicles	Crum & Forster Indemnity Co. Eff 4/10/15-16	1337368176	\$100K / \$300K \$100K \$50,000 \$100K / \$300K \$100K / \$300K	Bodily Injury Property Damage Personal Injury Protection Uninsured Motorist Underinsured Motorist (non-stacked)	First Dollar

Property Insurance: The property insurance policy is written on a Manuscript policy form with various carriers participating on a Quota Share basis. The coverage includes All Risk Direct Physical Damage or Loss including Equipment Breakdown. The primary \$10 Million limit is

provided by Ironshore (50%) and Underwriters at Lloyd's (50%). The \$15 Million layer excess of the \$10 Million primary is provided by Starr Surplus Insurance Co. (33.33%), Chubb Custom (33.33%) and General Security Indemnity Cop. of Arizona (33.33%). The property program provides the County of Kauai with a \$25,000,000 per occurrence loss limit subject to a \$10,000 AOP (All Other Perils) deductible. The Catastrophic perils of Named Storm (Hurricane), Flood and Earthquake have a \$100,000 minimum occurrence deductible and are subject to a 2% of the values at damaged locations (whichever is greater). All covered perils have an Occurrence loss limit (the limit resets after each occurrence) with the exception of the perils of Flood and Earthquake which have a \$25,000,000 Annual Aggregate loss limit.

General Liability: The County purchases an Excess Liability policy designed for public entities and provides coverage for Public Entity Liability, Automobile Liability, Law Enforcement Liability, Employment Practices Liability and Public Officials Errors and Omissions. The program has a \$20,000,000 per Occurrence and Annual aggregate limit. The primary \$10 Million limit is provided by Starr Indemnity and Scottsdale Insurance provides \$10 Million Excess of the primary \$10 Million. The program has a per occurrence or per wrongful act Self Insured Retention (SIR) of \$750,000.

Commercial Crime: The crime coverage has a \$5,000,000 limit of liability subject to a \$25,000 per occurrence deductible. The coverage is underwritten by National Union Fire Insurance Co. of Pittsburgh, Pa. The wrongful acts covered by the policy include Employee Theft; Forgery or Alteration; Inside premises – Theft of money & Securities; Inside Premises – Robbery or Safe Burglary of Other property; Outside the Premises; Computer Fraud; Funds Transfer Fraud; Money Orders and Counterfeit Money; Credit, Debit or Charge Card Forgery; and Faithful Performance of Duty Coverage for government employees.

Excess Workers Compensation: The County of Kauai is authorized by the State of Hawaii Department Labor to self-insure their Workers Compensation exposure. The County purchases an Excess Workers Compensation policy to protect against catastrophic losses to its employees. The program is underwritten by Safety National and provides a \$25 Million per occurrence and annual aggregate limit. Safety National also provides Employers Liability coverage with a \$2,000,000 each accident limit and policy limit. Both the Excess Workers Compensation and Employers Liability coverage are subject to a \$500,000 per Occurrence Self Insured Retention (SIR).

Aircraft Liability and Hull Physical Damage: The County insures its helicopter liability and hull exposures through QBE Insurance Co. The program provides a \$25 Million limit each Occurrence single limit liability for Bodily Injury and Property Damage, including Passengers Liability; \$25 Million Airport Premises Liability; \$25 Million No- Owned Aircraft Liability each occurrence; and \$10 Million Non-Owned Aircraft Physical Damage. Hull Physical Damage coverage is provided on values of \$2,210,000 and is subject to a 2% deductible per occurrence, except a \$1,000 Deductible when the aircraft is not in motion.

Cyber Liability: The County purchases Cyber Liability protection from the Beasley Syndicate of Lloyd's. The coverage provides protection to the County claims arising from Information Security and Privacy, Website Media Content, Regulatory Defense and Penalties, PCI Fines and Costs and Cyber Extortion. The limit is \$1,000,000 on an annual aggregate basis with various sub-limits applicable to certain extensions of coverage. The deductible is \$50,000 per incident. The policy

also provides coverage for Privacy Breach and Response Services up to 2 Million Notified Individuals subject to a retention of 100 Affected Individuals.

Business Automobile Liability for Subsidized Police Vehicle Fleet: The County purchases a Business Auto Liability policy from Crum & Forster Indemnity Company for the vehicles (approximately 30 vehicles) in the subsidized police fleet. The Program has Bodily injury limits of \$100,000 Each Person and \$300,000 Each Accident; Property Damage Liability of \$100,000 Each Accident; Personal Injury Protection of \$50,000 per Person per Accident, Uninsured Motorists \$100,000 Each Person and \$300,000 Each Accident; Underinsured Persons \$100,000 Each Person and \$300,000 Each Accident.

Self-Insured Workers' Compensation Funds

Total Expenditures Charged to Departmental Budgets, (excluding TTD and TPA adjusting fees*)

Self-Insured Workers' Compensation	FY2014	FY2015	Variance (\$/%)
Total Replenishments to TPA's Trust Fund	\$1,234,066	\$1,272,730	\$ 38,664 (3.1%)

**TTD charged directly to payroll, TPA Adjusting Fees charged to Department of Personnel Services*

Department	Division/Location	Total Paid
Parks and Recreation	All Divisions/Locations	\$ 361,843
Public Works	All Divisions/Locations	\$ 358,174
Police	All Divisions/Locations	\$ 340,780
Finance	All Divisions/Locations	\$ 117,677
Fire	All Divisions/Locations	\$ 61,734
Transportation	All Divisions	\$ 15,948
Prosecuting Attorney	All Divisions	\$ 10,535
Mayor's Office	All Divisions	\$ 2,047
Elderly Affairs	All Divisions	\$ 1,773
Council Service	All Divisions	\$ 1,571
Housing	All Divisions	\$ 648
Total Charges to Departments		\$1,272,730

Activities/Projects:

The Department of Finance/Risk Management Services, in coordination with its insurance broker, Atlas Insurance Agency has undertaken strategic initiatives to assist the County in managing risk exposures and cost of insurance:

1. Conduct training sessions for all County contracting personnel on insurance, risk management strategies, and contractual risk transfer.
2. Assisted the County Purchasing office with revising County contracts' insurance requirements.
3. Assisted County Attorney's office with an audit of all open liability claims.
4. Assist the departments and agencies in identifying and managing risks by facilitating resources and consultation to appropriate risk control techniques.
5. Coordinate with TPA and insurance broker in establishing yearly reserves for workers' compensation claims.

DEPARTMENT OF FINANCE

FY JULY 1, 2014 – JUNE 30, 2015

Annual Report for Accounting Division

Renee M. Yadao, Accounting Systems Administrator

Sherry Silva, Fiscal Control Analyst

Ann Wooton, County Grants Program Manager [1]

Kai Li Spanski, Central Accounting Analyst

Donna Gabriel, Accountant III

Nancy Renteria, Accountant III

Marisa Bettencourt, Fiscal Specialist

Patrise Pancho, Accounting Technician

Melanie Luis, 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 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 County-wide operations. In addition, the Accounting Division administers all accounts receivable, account payable, and capital asset 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 to ensure timely payments are processed, financial reports are complete and 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, 2014. The County has received this award for the 22nd consecutive year. This award signifies that the County’s 2014 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 2015 CAFR will continue to meet the requirements and plan to submit our CAFR in December 2015 to determine its eligibility.

V. BUDGET

	FY2015	
	Budget	Actual
Equivalent Personnel		
Full-Time Permanent	8	8
Salaries	547,375	497,363
Employee Benefits	277,867	230,286
Other Services	126,161	84,314
Supplies	16,000	6,699
Equipment	8,802	-
Other	28,475	19,196

Note [1]: In FY15, a re-organization was approved to reassign the County Grants Program Manager from Finance Administration to the Accounting Division. Although the position was reassigned in FY15, salary and related benefit amounts for this position will not be reflected in the Accounting Division budget until FY16.

FINANCE DEPARTMENT

Driver License

Fiscal Year 2014 - 2015

Vaughn P. Parongao, Chief Licensing Examiner/Inspector
Michael A. Drake, Supervising License Examiner/Inspector
Randall I. Wilson, Driver License Examiner/Inspector
Ivan D. Miller, Motor Vehicle Control Inspector
Taxi Inspector - Vacant
Jason H. Koga, Driver License Examiner
Colette Kawamura, Senior Financial Responsibility Clerk
Carolyn Inouye, Financial Responsibility Clerk
Dena Sumida, Staff Services Assistant
Marlene M. Moises, Driver License Clerk II
Priscilla Costa, Driver License Clerk II
Tami L. Compoc, Driver License Clerk II
Rosielily T. Omo, Driver License Clerk II
Driver License Clerk II - Vacant

I. MISSION STATEMENT

To provide a user-friendly system for the issuance of a learner's permit, driver's licenses, state identification cards, and other services by this department that will be up to standards and be able to give prompt and professional service to the public and other government agencies.

II. DEPARTMENT/DIVISION GOALS

To weed out the incompetent and problem drivers, as well as applicants afflicted with mental or physical infirmities or disabilities that would make it unsafe for both the motoring public and the licensee to operate a motor vehicle.

Continue to satisfy the Federal Commercial Motor Vehicle Safety Act of 1986 (Commercial Driver License or CDL).

Satisfy the new federal requirement, National Driver Register-Problem Driver Pointer System (NDR-PDPS), which was implemented on August 25, 1996.

Continue to implement the 2005 AAMVA (American Association of Motor Vehicle Administration) new CDL Testing System Statewide.

Install additional ADLKTS (Automatic Driver License Knowledge Testing System) to electronically administer knowledge tests for driver license types: 1, 2, and 3.

Amend the Administrative Rules and Regulations Chapters: 19-122 (Driver License) and 19-149 (Civil Identification).

Install the required Real I.D. Security Floor Plan that was approved by the Real I.D. Assessment Team (RIDAT).

Successfully implement Act 172 - Limited Purpose Driver's License statewide on January 1, 2016.

Fill vacant positions that are vital for normal operations.

A. Duties/Functions

The Division of Driver Licensing is responsible for adherence to the following:

- 1) Administration of Highway Safety, Chapter 286, Hawaii Revised Statutes.
- 2) Administration of Chapter 19-122 of the Hawai'i Administrative Rules.
- 3) Administration of Chapter 19-149 of the Hawai'i Administrative Rules.
- 4) Administration of Chapter 19-133.2 of the Hawaii Administrative Rules.
- 5) Administration of Motor Vehicle Safety Responsibility Act, Chapter 287, Hawaii Revised Statutes.
- 6) Administration of the FMCSA (Federal Motor Carrier Safety Administration) regulations.
- 7) Continue to verify and establish Legal Presence for all applicants (Section 19-122-304 Hawai'i Administration Rules).
- 8) Examination of the qualifications and fitness of any person desiring to obtain a learner's permit, driver's license, or a commercial driver's license.
- 9) Issuance of permits, furnishing instructions and all forms, supervision and inspection, suspending or revoking permits issued to Official Inspection Stations within the County of Kauai.
- 10) Issues written tests, annual taxi vehicle inspections, issues taxi drivers permits & taxi vehicle permits. Administration of the Kauai County Code, Relating to Taxis and the Rules & Regulations of the Director of Finance, Relating to Taxicabs.
- 11) Issuance of placards for parking privileges for disabled persons.

- 12) Administer Chapter 11-219 of the Hawai'i Administration Rules – Parking for Persons with Disabilities.
- 13) Adhere to the Memorandum of Agreement (MOA) effective July 1, 2015 between the Disability and Communication Access Board (DCAB), and the County of Kauai.

III. PROGRAM DESCRIPTION

Driver improvement is still considered the heart of Traffic Safety. Therefore, we are conducting research to develop a good and systematic program with the aid of enforcement agencies, courts, medical advisory board and the general public.

A. Program Objectives

Implement new legislation, procedures and computer system to meet the new requirements for the Real ID Act implemented by Congress.

Implement the Digital Image Access Exchange Program (DIAEP) that allows participating states to access and retrieve an out-of-state applicant's information and photograph. All counties of the State of Hawai'i have a responsibility to ensure that a driver license is only issued to a person whose identity can be confirmed. The DIAEP will help to achieve that.

Continue to implement Act 38, Legal Presence. Signed into law on 4/20/2010 by Governor Lingle. Act 38 requires an applicant for a driver license and instruction permit to submit proof of Legal Presence in the United States, and provides that immigrants and non-immigrants licenses expire no later than the date of their authorized legal stay in the U.S.

Continue to implement the Automatic Commercial Driver License Knowledge Testing System (ACDLKTS) which will meet and fulfill the new 2005 AAMVA CDL testing requirements. The testing system will provide security, eliminate fraudulent activity, flexibility to meet the test applicant's needs, and will provide options to design or alter tests and reports.

B. Program Highlights

The amendments to Chapter 19-122, Hawai'i Administrative rules to address the driver license procedures affecting persons with disabilities that could affect driving was passed and currently in effect.

Kauai's Driver Licensing Division, as well as the other Hawai'i Counties, are in full compliance with the Social Security Administration (SSA) system's security requirements.

Continue to implement Ordinance #899, New Driver Licensing Fees on September 1, 2010.

Legal Presence document requirements took effect on March 5, 2012.

July 2, 2012 amendments to Chapter 11-122 of the Hawai'i Administrative Rules - Parking for Persons with Disabilities took effect.

Continue to issue Civil Identifications (effective 1/1/2013) successfully. July 9, 2012, Governor Abercrombie signed Act 310, SLH 2012 into law - transfer State I.D. to HDOT (Driver License Divisions).

Installation and training for the ACDLKTS was completed on August 24, 2012.

IV. STATISTICS

2014 DRIVER LICENSE AND STATE I.D. STATISTICS

COUNTY OF KAUAI

TOTAL LICENSED DRIVERS **53,350**

2013 Total License Drivers 52,998

2014 Increase of 352 licensed drivers = 0.66% Increase

COMMERCIAL DRIVER LICENSE **1,456**

2013 Commercial Driver License 1,721

2014 Decrease of -265 licensed drivers = 15.40% Decrease

MOPED/MOTORSCOOTER/MOTORCYCLES LICENSES **3,619**

2013 Moped/Motor scooter/Motorcycle Licenses 3,559

2014 Increase of 60 licenses = 1.69% Increase

STATE ID ISSUED **7,391**

2013 Total State ID Issued **7,084**

2014 Increase of 307 IDs = 4.33% Increase

PERCENTAGE OF STATE IDs ISSUED = 2.1%

Department of Finance
Division of Purchasing
FY 2014 - 2015 Annual Report
June 1, 2014 – July 1, 2015

Ernest W. Barreira, M.S., Assistant Chief Procurement Officer/Budget Chief
Florence Kakuda, Procurement & Specification Specialist VI
Erwin Wright, Procurement & Specification Specialist VI
Kristi Mahi, Procurement & Specification Specialist III
Wendy Takemoto, Procurement and Specifications Specialist III
Hope Stem, Procurement and Specifications Specialist III
Jason Coloma, Procurement and Specifications Specialist II
Carrie Moses, Procurement Technician II
Raina Bautista, Procurement 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 portal 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, 2014 to June 30, 2015, the Division's work accomplishments were as follows:

Completion of all equipment procurement as approved by the Budget Ordinance B-2014-781 and grants. Said procurement totaled \$2,071,363.60.

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

1. Resurface Collector Roads at various locations: Hauaala, Mailihuna, and portions of Olohena Roads: \$1,963,804.00
2. Island Wide Resurfacing (FY 2014-2015): \$1,963,630.00
3. Ballfield Lighting Retro-Fit for Various Parks Island-Wide: \$1,917,000.00
4. Replacement Bleachers at Hanapēpē Stadium: \$1,644,843.34
5. Conduct Independent Financial Audit (CAFR) – 4 year Multi-Term: \$950,000.00

6. Pono Kai Seawall Repairs: \$948,000.00
7. Līhu‘e Civic Center Chiller Replacement at Kapule Building: \$924,239.00
8. 911 Database Service and Support – 4 year Multi-Term: \$836,546.00
9. Automated Refuse Carts, RFID Tags and Handheld Reader: \$780,835.00
10. Seizure and Impounding of Unlicensed Dogs and for the Maintenance of a Shelter or Pound: \$760,000.00

IV. Program Measures

ITEM	FY 2015		FY 2016	FY 2017
	TRANSACTION QUANTITY	DOLLAR AMOUNT	EST TRANS QUANTITY	EST TRANS QUANTITY
BID DEPOSITS AND REFUNDS: (Target refund time is twenty (20) days after contracts are fully executed.)				
Bid Deposits & Performance Guarantees, Plans & Specs.	3	\$22,461.55	8	8
Refunds	4	\$29,940.00	10	10
PURCHASE ORDERS:				
PROCESSED: ^a (Target turn-around time for processing of requisitions is 1 to 2 days.)	2729	\$7,479,229.48a	2500c	2500c
INFORMAL & TELEPHONE BIDS PROCESSED:	150	\$1,365,757.05	150	150
Written Informal - (Prepare and solicit bids within two (2) weeks after receipt of requisition.)	15	\$232,829.36	15	15
Telephone Bids	135	\$1,132,927.69	135	135
ADVERTISED SOLICITATIONS:				
Bid/Proposals Advertised	73			
Awards ^b (construction, consultant, negotiated, price agreement, concessions)	143			
CONTRACTS BY TYPE:				
Goods (GDS)	13	\$1,646,889.13		
Equipment (E)	10	\$855,101.86		

Services (S)	83	\$10,654,118.81		
Construction (CIP)	22	\$11,855,792.34		
Open End (OE)	3	\$0.00		
Grants (G)	8	\$452,086.81		
MISC. (All Others) (M)	4	\$0		
TOTAL	143	\$25,463,988.95		
CONTRACTS BY METHOD:				
Invitation For Bids (IFB)	52	\$13,868,582.06		
Request For Proposal (RFP)	5	\$1,289,785.00		
PROF SVC (PS)	19	\$3,854,499.40		
Small Purchase (SM)	1	\$12,984.00		
Sole Source (SS)	18	\$1,466,959.81		
Emergency (EMG)	0	\$0.00		
Exempt (EX)	45	\$4,971,178.68		
Co-operative Purchase (CO-OP)	1	\$0.00		
Real Estate Lease (RL)	0	\$0.00		
Non-procurement (NP)	2	\$0.00		
TOTAL				
MAIL:				
(Mail is processed daily.)	78,875	\$74,461.33 ^d		
Estimated Hours Expended	620		620	620

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

^b Totals are inclusive of awards by purchase orders

^c The reduced projection is based on the continuing increase in the use of pCards for the purchase of goods and services under \$1,500 per transaction.

^d Mail expenditures continue to decrease as a result of electronic procurement and other paperless and technological initiatives.

V. ***Budget - Program Funding Resources (General Fund)***

Expense Type	FY 2014 Actual	FY 2015 Appropriation	Request	FY 2016 Expansion	Total
Equivalent Personnel (E/P)	8.0	10.0	0	2	*10.0
Salaries and Wages	420,180	590,626	641,569	0	\$641,569
Operations	445,338	510,884	486,161	0	\$486,161
Equipment	5800	5800	\$8,640 (lease)	0	\$8,640
Program Total	798,912	871,318	1,127,730	\$256,412	\$1,127,730

*In FY 15, two reorganization changes altered the budget allocation for the Division of Purchasing. Prior to FY 15, both budget analysts were administratively assigned to the Finance Administration Division. In FY 15, a formal reorganization was submitted and approved which transferred one (1) budget analyst to the Division of Purchasing. In addition, in October, 2014, the prior Budget and Purchasing Director was hired as the Assistant Chief Procurement Officer. The position was then organizationally reassigned from Finance Administration to The Division of Purchasing. This accounts for the FTE count increasing from 8.0 in the FY 14 Annual Report to 10.0 in this year's report. Note: there were no salary implications since salary and related expenses were simply moved from the Finance Administration Division to the Division of Purchasing. The net effect was 0. This is what accounts for the "expansion" amount of \$256,412 noted in the FY 16 column.

VI. Accomplishments/Evaluation/Future Program and Holo Holo 2020 Projects and Status

A. PCard Training

pCard training for pCard users, fiscal officers, and pCard coordinators continued in FY 15. The specific focus in FY 15 was to meet with department heads, deputy department heads, and fiscal officers in an attempt to ensure that personnel were specifically aware of their obligations and responsibilities to ensure full compliance with regard to pCard purchases. The department heads were also reminded that while they could delegate authority for the card transaction approvals to other appropriate employees within their departments, the ultimate responsibility to ensure compliance remained at their level.

The outcome of the FY 14 financial audit served as the true assessment of the effectiveness of training that has been provided over the past two years. In the FY 14 audit finding, from a sample of 40 transactions, there were six (6) errors; more than a 50% reduction in findings as compared to FY 13. While the findings indicate that the system is not yet perfect, the large reduction in findings is evidence of substantial improvement.

Particularly noteworthy is that in FY 14, there were a total of 7,595 the card transactions totaling \$1,774,729.70 worth of expenditures. This compares to 4,454 transactions in fiscal year 13 totaling \$1,004,261.70. Notwithstanding a 41% increase in the number of transactions between fiscal years 13 and 14, the findings by the auditor decreased substantially. The fact

that findings have substantially decreased while transactions in expenditures have increased, shows a positive trend in the right direction.

The expanded use of the pCard for the acquisition of goods and services by County departments and agencies have resulted in a substantial reduction in the use of purchase orders. Prior to the pCard implementation, the County generated approximately 8,500 purchase orders every year. In FY 14, the DoP generated approximately 5,000 purchase orders; a reduction of approximately 2,500. And the purchase order reduction trend continues in FY 15.

Credit for the success of the pCard program in fiscal year 15 is a result of a collaborative effort showing significant partnerships between the accounting division, the DoP, and our departments and agencies that have worked diligently to accept leadership and training and in turn, showing impressive results.

While there is reason for encouragement with regard to the continued rollout of our pCard initiative, it is not yet a perfect system and continued training and development will be provided to ensure maximum performance. In addition, the DoP will continue to work in partnership with the I.T. Division to acquire the vitally needed pCard module that will provide technological automation to support and improve the system.

B. Filling All Procurement Specialist Positions and Providing Needed Training

In FY 15, all recruitment and selection processes needed to fill all vacant positions were completed. The successful completion of these recruitment efforts was critical in order to advance all of the components of our succession plan which has been in place now for two years.

All procurement specialists and technicians have responded very favorably to the comprehensive and accelerated training regimen. The succession strategy has been heavily reliant on the abilities of the new specialists to acquire a functional understanding and competence in the Hawaii State Procurement Code, associated administrative rules, and various policies and procedures which have enabled reallocation to higher levels throughout the organizational structure. We achieved this by designing the training regimen to encompass all duties and responsibilities of the division via cross training, job sharing, job rotation, and peer training initiatives.

C. Development and implementation in the use of electronic scanning to avoid management of large paper files and the storage challenges that are involved.

The DoP's has continued its operational initiative to maximize the use of technology in order to achieve the highest possible level of operational efficiencies and to eliminate cumbersome processes. The use of scanning as an effective tool in achieving these objectives have been noticeably effective not only for the division, but for the County overall. When conducting our annual estimated quantity assessment for copy paper this

year, there was a noticeable reduction in the use of paper County wide. This is not only a positive development in terms of cost savings, but will also have environmental benefits as well.

D. Routine and On-Demand Training for Departments and Agencies



During FY 15, the DoP has continued its process of providing routine and on-demand procurement training for all departmental and agency personnel who are assigned procurement duties and responsibilities. The philosophical and pragmatic process that has been followed is to encourage department heads and division chiefs to inform the DoP of procurement training needs within their respective departments. This will enable the DoP to customize procurement training based on the demands and needs of each individual department and agency. Focused and goal-directed training is the most effective method to ensure the highest level of learning, understanding, and information retention.

Customized procurement training for all methods will continue to be a matter of standard operating procedure for the DoP.

E. Continue Active Planning to Address Succession Challenges



The DoP's comprehensive and detailed succession plan, as presented to the Council in two prior budget presentations, continues to move forward. This continued forward movement is due to the outstanding level of commitment, energy, and enthusiasm of new employees who have fully engaged themselves in the intensive training and performance standards that have been vital components of the training regimen. Credit is also owing to our two outstanding procurement managers who have been primarily assigned the responsibility for all staff training.

Department of Finance
Treasury/Motor Vehicle Registration
Fiscal Year 2014-2015

Treasury

David F. Spanski, Treasurer
Jean R. Kurosaki, Accountant III

Motor Vehicle Registration

Callie F. Gandeza, Motor Vehicle Registration Officer
Robert Roman, Vehicle Titles & Registration Technician
Natalie Konishi, Vehicle Titles & Registration Technician
Annette Baptiste, Vehicle Titles & Registration Technician
Lisa Yamaguchi, Vehicle Titles & Registration Technician
Dawn D. Costa, Vehicle Titles & Registration Technician
Lynn Salvador, Vehicle Titles & Registration Technician
Tracie Sakamoto, Vehicle Titles & Registration Technician
Thaila Waiamau-Gonzales, Treasury Support Clerk
Vacant, 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, 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, receipts, protects, deposits, invests in authorized investments, and disburses upon proper authorization the public's monies due to or receivable by the County and State of an average portfolio of \$174-218 million. The Treasury function keeps accounts of receipts, disbursements, cash flow forecasting, investment of funds in authorized investments, issues and/or refinances debt and maintains the County's Long Term General Debt schedules of approximately \$174.3 million of which \$65 million is reimbursable by the Department of Water.

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

IV. 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 Note.
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, 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, plus commercial refuse.
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.

V. 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 FY2015 was 3.5% for sewer, 7.6% for real property tax payments and 3.0% for MVR payments. There were 867 sewer users 4,097 real property tax users and 2,662 MVR users. The decline in users

from FY2009 to FY2014 for sewer and real property payments 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, emblems, and registrations 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, Dollar, Enterprise, Hertz, Avis and Budget rental car companies.

In May 2011 the County MVR Office entered into a "Print on Demand" (POD) program. Whenever a registration is renewed and updated via Data Systems, a current registration and emblem will be printed out through this program. The emblem number printed out will be the license plate number of the vehicle being renewed. This saves time, emblems and discourages theft of emblems on license plates.

On July 07, 2011 the County issued the Series 2011A Bonds of \$26,110,000 (County portion \$20,985,000, DoW \$5,125,000) to current refund/refinance all of the County's outstanding 2001A Bonds of \$26,695,000 (County \$21,455,000, DoW \$5,240,000). The Series 2011A Bonds were sold at an interest rate of 2.93%. The refunding generated \$4.3 million in PV savings (16.2% of refunded par). On an annual basis the County will save \$270.0K on average through FY2026.

On 7/10/12 the County issued the Series 2012A Bonds of \$26,160,000 (County portion \$23,215,000, Water \$2,745,000) and Series 2012B (AMT) of \$8,215,000, which is allocable to the County's landfill facility managed by a private contractor. The purpose of these issues was to advance refund a portion of the County's outstanding Series 2005A Bonds for economic savings. The County was able to sell the Series 2012 Bonds at an interest cost of 2.96%. The refunding generated over \$1.9 million in PV savings (5.88% of refunded par). On an annual basis the County will save over \$155,000 on average through FY2030.

VI. Program Measures

Treasury Administration	FY 12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	Estimate
Return on investment (all funds)	1.1%	1.0%	.86%	.88%	5.300%
2 Year Treasury Note (FY)	.24%	.25%	.46%	.56%	4.850%
Fees as a percentage of bonds issued	1.0%	.83%	N/A	N/A	>1.50%

Motor Vehicle Registration	FY 12 Actual	FY 13 Actual	FY 14 Actual	FY 15 Actual	Estimate
Sewer Bill Transactions + e-payments	23,791	24,472	24,868	24,693	21,649
Motor Vehicle Transactions all types + e-payments	91,629	90,182	92,765	93,914	68,302
Bicycle, Dog, Business License Transactions, Tipping Fees, T/F deposits, Solid Waste, Sludge, Firecracker; (Does not include outside agency deposits, phone inquiries, information requests, reject mail, filing, etc.)	4,408	4,087	3,862	3,283	

VII.

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

Expense Type	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Request
Equivalent Personnel	12	12	12	12	12
Salaries & Wages	494,862	463,801	505,711	504,765	538,721
Operations	211,837	238,778	199,844	199,406	243,678
Equipment	0	0	0	4,063	0
Program Total	706,699	702,579	705,556	708,234	782,399

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 Technician 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 12 Actual	FY 13 Actual	FY14 Actual	FY15 Actual
Motor Vehicle Transactions State Motor Vehicle Tax, Registration	69,867	68,174	70,751	71,059
Fee, Penalty, EMED collected (\$)	7,677,431	8,924,737	9,159,995	9,235,430

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

Expense Type	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2015 Request
Equivalent Personnel	2	2	2	2	2
Salaries & Wages	140,054	119,091	133,989	136,137	174,754
Operations	0	0	0	0	0
Equipment	0	0	0	0	0
Program Total	140,054	119,091	133,989	136,137	174,754

**DEPARTMENT OF FINANCE
INFORMATION TECHNOLOGY (IT) DIVISION
Fiscal Year 2014/2015**

Brandon Raines, IT Manager (Executive Assistant to the Mayor)
Mabel Antonio, Computer Systems Officer
Amanda Swanson, IT Specialist IV
Del Sherman, IT Specialist IV
Eric Inouye, IT Specialist IV
Nyree Norman, IT Specialist IV
Winston Yama, IT Specialist IV
Garrett Johnson, Senior GIS Analyst
Kelly Agena, IT Specialist III
Maxwell Klutke, IT Specialist III
Carlos Dela Cruz, IT Specialist I
Jolene Silva, IT Computer Support Technician II
Robin Lopez, Senior Clerk

I. Mission Statement

To provide the Mayor's Office, County Agencies, and the County Council with information technology solutions 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 two primary service areas including:

- i. IT Infrastructure & Help Desk - 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.

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.

IV. Program Measures - Accomplishments/Evaluation

a. Accomplishments

- i. Information Technology Steering Committee - Facilitated discussions with senior management to form a new Information Technology Steering Committee (ITSC). Initiated regular ITSC meetings starting in November 2014, including representation from Council Services to begin in February 2015. In accordance with industry best practices, the ITSC works in partnership the IT Division to ensure that the County's strategic, technology-based initiatives are aligned with established business goals, objectives, and priorities across the organization. The ITSC's primary role is to provide the IT Division with executive level guidance and support to assist them as needed with the successful implementation of strategic technology initiatives. This includes reviewing major decisions and establishing high-level priorities that help to guide the overall direction of technology for the County.

- ii. Alternate Dispatch Center Improvements – Partnered with KPD to secure E911 funds allowing the County to upgrade our Alternate Dispatch Center (ADC) in order to achieve fully redundant dispatch capabilities at this location. Managed the associated upgrades to our County IT infrastructure while coordinating as needed with outside technology vendors. The project is well underway and is expected to come on-line in FY16. Once completed, the ADC will be able to function as a stand-alone facility replacing our primary, EOC-based facility in the event of a disaster or catastrophic equipment failure. Additionally, the ADC will be able to supplement the primary facility during a major disaster, effectively doubling our available dispatching capabilities during such an event. The upgraded ADC will ultimately provide a much needed enhancement to our public safety infrastructure and help to ensure that we are able to dispatch emergency responders under the worst of conditions.
- iii. Cloud-based Initiatives – Partnered with multiple agencies to provide technical assistance as needed to support their pursuit of new, cloud-based automation initiatives including: Budget Analysis, Grants Management, and CIP Management (eBuilder). All these are expected to go-live by no later than the end of 2015.
- iv. Email Archival & Retention Policy – Created and implemented a new policy to properly manage the ever growing volume of email information being accumulated by our County employees. The policy incorporates new technology and rules to improve operational capabilities, while ensuring that our County email system continues to run reliably and efficiently into the future. Implementation of the email archiver technology and the associated email archival/retention policy was achieved without any disruption of ongoing services, and has successfully addressed the County’s long-standing problem with managing email volumes that continue to grow daily. As a result, the production email server has been trimmed down in size and is running more efficiently, while the email archive server has met or exceeded our needs for historical email access.
- v. Forms Management & Workflow - Completed research on vendors and products that can provide the County with a feature-rich forms management system that includes configurable electronic forms, workflow-driven document routing, managed work queues, and electronic signatures. Developed system requirements to ensure that the County can procure a solution that meets our needs while ensuring that we get the most out of our investment. Initiated procurement efforts and established plans to implement our selected solution in FY16.

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 challenging 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 have worked closely with Personnel to re-describe and fill our open positions ensuring that we have the most appropriate staff possible 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 gains for County operations and providing additional technology-based services for our residents while ensuring appropriate return on investment.
- iii. Current infrastructure and systems are resource-intensive requiring a transition to alternative solutions that leverage non-County assets. We will continue to evaluate our 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 and technologies. 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. There will also be a focus on expanding use of server virtualization to realize efficiencies while minimizing overhead/cost.

V. Budget

Expense Type	FY 2014-2015 Budget	FY 2014-2015 Actual	Variance	Percentage
Equivalent Personnel	13	13	0	100%
Salaries & Wages	\$ 932,497	\$ 917,278	\$ (15,219)	98%
Employee Benefits	\$ 515,911	\$ 503,823	\$ (12,088)	98%
Operations & Equipment	\$ 1,464,682	\$ 1,431,361	\$ (33,321)	98%
Expense Totals	\$ 2,913,090	\$ 2,852,462	\$ (60,628)	97%

VI. Holo Holo 2020 Projects & Status (Citizen Technology Survey Initiative)

Analyzed results from the Citizen Technology Survey that was developed in conjunction with the Mayor's Holo Holo 2020 initiative for Bringing County Services Closer to Home. Created and published a report of survey results identifying several key projects based upon the input provided by our community. Developed corresponding project definitions and gained consensus to proceed as indicated by the survey results. Initiated work efforts on all of these projects (described below), and set targeted completion dates for FY16.

- On-line Services Awareness: Improve public awareness regarding what types of on-line services are available to them, and encourage use of those services by improving ease of access, visibility, communications, etc.
- County Website Overhaul: Redesign Kauai.gov to make it more visual and easier to navigate with a concise, uncluttered menu system. Ensure that the updated user interface provides a simple process for all website users to access the information and services that they are interested in.
- County Directory Plus: Create a centralized, on-line resource allowing citizens to easily contact key County personnel. Implement internal policies and procedures to ensure that this contact information is maintained on a consistent, timely basis so that it is as accurate as possible.
- New On-line Services: Provide new on-line services to sign up for events, reserve parks/facilities, apply for camping permits, and pay for associated fees on-line using website transactions or smart phone applications. This is a multi-phase project with the initial phase being focused on event registration with on-line payments.
- Paratransit Management & Fleet Tracking System (PMFTS): Implement a real-time bus tracking system that will help the County to efficiently manage routes and dispatch buses. Work closely with the Transportation Agency to procure and implement the PMFTS based upon well-defined requirements and a phased implementation plan.

DEPARTMENT OF FINANCE

REAL PROPERTY ASSESSMENT

Annual Report FY 2015

July 01, 2014 - June 30, 2015

Steven A. Hunt - Real Property Tax Manager
Kim Hester - Real Property Technical Officer
John Herring - Real Property Appraisal Officer
Mike Hubbard - Real Property Appraiser IV
Sean Roche - Real Property Appraiser IV
Craig Arzadon - Real Property Appraiser III
Howard Uohara - Contract Position – Appraiser I
Lita Mamaclay - Tax Clerk Supervisor
Leilani I-Lovell - Real Property Tax Relief Services Technician
Karl Hoffmeyer - Tax Clerk
Megan Shimamoto - Tax Clerk
Fran Hollinger - Abstractor II
Laurena Silva - Abstracting Assistant III
John A. P. Kruse - Real Property Drafting Technician II
Appraisal Support Services Administrator (Vacant – Re-described to GIS Analyst IV)
Agricultural Appraiser Specialist (Vacant – Re-described to Agricultural Land Use Inspector)
Real Property Appraiser II (Vacant – Re-described to Real Property Appraiser I)
Real Property Appraiser V (Vacant - Mike Hubbard via TA)

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 for real property; (4) creating and updating tax maps; (5) administering special tax relief programs, processing exemption and/or dedication applications, including but not limited to Home Use exemptions, agricultural dedications, special tax caps, long term affordable rental tax caps, Kuleana exemptions, alternative energy exemptions, charitable exemptions, disabled veteran and disability exemptions, Hawaiian Homelands

exemptions, Additional Income exemptions, and exemptions for all government leases; (6) enforcing the compliance of the laws and administrative rules contained in Section 5A of the Kaua‘i County Code; and (7) providing real property information to both the public and other government agencies through written correspondence, personal interaction at the front counter, and through our RPA & RPC website: www.kauaipropertytax.com.

B. Division Goals

1. Staff Development

Priority number one has been the recruitment of qualified individuals to fill the five remaining vacancies in RPA, most of which are appraiser positions. Focus will then shift to the training and education of the Real Property staff to ensure strong public trust and confidence in the methods employed for mass appraisal. Training will include on-the-job training provided by the more seasoned staff members, online courses and webinars, and in-state classroom education delivered by designated International Association of Assessing Officers (IAAO) instructors. Priority number two is incorporating comprehensive technology for streamlining procedures and practices as well as better accuracy and efficiency in administration of tax relief programs and assessments.

Continue “market modeling” training on an annual basis so the appraisal staff fully understands the statistical process involved in this multiple regression analysis. This will allow the staff to make better decisions on neighborhood groupings and selection of coefficients.

Expand the mapping capabilities by adding a GIS Analyst to the staff. This will also help with succession planning for the mapping section and allow tax maps to be created digitally in the near future.

2. Implement New Technologies

Complete the conversion of our computer aided mass appraisal (CAMA) software solution from a client-server based version, which is over 14 years old, to a hosted, web-based version called IAS World. This involves extensive testing, reviewing business processes, formatting the webpages, confirming security and access by user roles, and working closely with the vendor and our IT division to ensure a smooth transition. Looking to leverage field mobile tablets to avoid duplication in data collection and data entry. Two tablets have been purchased and will be configured for the iField mobile application. If there are significant efficiencies realized, additional tablets and GPS units may be requested and become standard issue for all field inspections. Additionally, scanning and storing documents directly at the parcel level will now allow staff to reduce the number of files held in paper form as digital copies will become the new standard for data retention

In conjunction with the CAMA software conversion, Real Property Assessment has also embarked on a complete overhaul of the cost tables by contracting with

Marshall & Swift, the national leader in cost estimation for residential and commercial construction. The initial contract was accomplished through a statewide cooperative agreement to get preferential pricing, although each county has independently contracted their services with the vendor directly. The first phase has already resulted in a hardcopy of the Hawai'i-based cost tables, however the actual conversion of the cost tables within the IAS World software won't be deployed until the middle of FY16. Creating an accurate data mapping of these cost tables and reviewing the local grade factors will be critical to making this transition successful.

In May 2015, the County executed a licensing agreement with ESRI Canada for the use of their Assessment Analyst software solution for locating through georeferencing tools and sketching missing or undersized improvements that are not currently on the County's assessment list. A pilot area of approximately 3,000 parcels was identified and we expect to complete testing and outstanding configuration issues during FY16.

Continue to use ArcGIS and Pictometry images to perform quality control and enhance our mapping capabilities. This will include the development new parcel layers, such as a CPR layer, layers relevant to sales analysis and neighborhood grouping accuracy and ag dedicated use areas, to better capture real property information that can be used the appraisers as well as the public and other government agencies.

Continued goals also include exploring an online application process for exemptions, tax appeals, and dedications; expanding e-mail delivery for assessment notices and taxpayer correspondences; and an improved website offering for greater access to public information related to assessments and property taxes.

3. Compliance and Enforcement

There are several areas of our work that require code enforcement and compliance checks. This includes, but is not limited to, dealing with homeowner exemption fraud, monitoring agricultural dedications, locating unpermitted construction, discovering illegal or unpermitted uses, and other actions that may affect a property's value or tax classification. Compliance may also result in the creation of an amended notice of assessment, and ultimately rollback taxes.

To eliminate unnecessary rollback taxes due to an after-the-fact discovery of a change in property use, the RPA clerical staff now generates a new survey form for all transfers of ownership. This allows the new owner to affirm how their property is being used. In addition, escrow companies are now contacting RPA to determine if transfers of ownership affects the status of existing agricultural dedications, thereby protecting buyers from absorbing possible rollback taxes and penalties. RPA clerical is in process of publishing a standard form for new buyers to either state intent to continue existing use or change the existing agricultural use(s).

4. Space Management

Pursue the proposed enhancements to the RPA office space area by working closely with the Department of Public Works as they rollout their space plan for the Civic Center complex. There may soon be a shortage of desk space at RPA once the vacant positions are filled. Before committing to changes in the work space that may require construction, however, it is important to check with the overall master plan for the Kapule Building so that any new construction would be consistent with the vision set forth in that plan. There is a current CIP project (W15105) in the FY16 budget to move the front counter forward so that additional desk area can be created.

Another goal is to fireproofing the storage room that houses all of the historical mapping and abstracting documents along with field reports from prior property inspections.

III. PROGRAM DESCRIPTION

A. Program Objectives

The primary program objectives of Real Property Assessment are to accurately, fairly, and uniformly assess all taxable real property within the County of Kaua'i jurisdiction on an annual basis. This encompasses keeping the legal ownership, parcel data, and tax map records up to date; having the appropriate exemptions and tax relief measures applied; making sure the assessed values are representative of market values; and assuring the tax classification are correct based on actual use. Taxpayers must also be afforded the opportunity to appeal their assessments to either the Board of Review or Tax Court.

B. Highlights

The 2015 assessments, which are processed during FY15 but taxed in FY16, reflect 1,439 properties that benefitted the Long-Term Affordable Rental program. That's an increase of 509 properties or 55% over the prior year. Additionally, the newly enacted Very Low Income tax credit provided property tax relief to 172 properties. The new Commercialized Home Use tax category provided 1,739 owner-occupied properties with tax rates reductions that ranged between 17% and 43%, depending on how they had been previously classified. Many of the current income-related exemptions require annual renewal applications and Real Property is working toward a more efficient and user-friendly intake process, in an effort to reduce processing and verification time, as the additional survey processes add to the workload of the entire staff.

C. Activities

The total number of exemptions within Kaua'i County grew from 17,577 to 17,844 between FY14 and FY15. This includes exemption for Home Use, Low Income, Totally Disabled Veterans, Disabled Owners, Government Properties, Hawai'ian

Homes, Kuleanas, Public Utilities, Schools, Churches, Hospitals, Cemeteries, Charitable Uses, Credit Unions, Alternative Energy Facilities, Tree Farms, Low- to Moderate-Income Housing, Historic Residential Properties, and Roadways. The total estimated value of these exemptions is \$4,941,643,000.

For the 2015 assessment, there were 36,191 total parcels of which 33,207 were taxable. The number of properties classified as Homestead grew by 474 or 4.3% from 10,992 to 11,466, where now Long Term Affordable rental properties that may or may not have owner occupants residing there as well, benefit from the lower Homestead tax rate as an incentive. The Homestead classification represents approximately 34.5% of the total parcels by count and 30.9% in gross valuation.

There were 442 appeals filed for the 2015 year which represents only about 1.3% of the total taxable properties assessed. Of those appeals, one project submit 232 individual appeals for the increased assessments of their timeshare units. By comparison, in 2014 there were only 146 appeals, whereas in 2011 there were 1,030 appeals. It is reasonable to expect the appeal count to range between 1% and 3% of the total number of properties being assessed.

Real Property Assessment continues to refine and modify the annual valuation process, through the Cost and Market Approaches to meet our statutory requirements as described by Chapter 5A of the Kaua'i County Code. Statewide, many of the assessors have become members of the International Association of Assessing Officers and have started the "Hawaii Chapter" of the IAAO to benefit from cost savings in continuing education and establish standards practices.

Real Property incorporated all legislated changes, described in prior year's annual report and has tackles the additional legislative changes listed below:

Implemented a "Very Low Income" tax credit, based on 3% of the homeowner's gross income for qualifying homeowners, in lieu of market-based property taxes.

Instituted a one-time tax cap that limited the tax increase in 2014 to \$250 for owner-occupied properties that met certain criteria.

Reinstated the Credit Union exemption with a new minimum tax floor.

Created two new tax classifications: Residential Investor and Commercialized Home Use.

Returned timeshare valuations to market approach using fee simple, wholly-owned condominium sales as basis rather than interval re-sales, and capped valuation increases to 50% for the first year.

Developed Administrative Rules for Tax on Use.

Processing the Tax Class Reconsideration applications for the 2014 year.

IV. PROGRAM MEASURES

The primary program measure is the Assessment-to-Sales Ratio (ASR) that compares the assessments to actual sales that were validated. Whether valued by either the Market or Cost Approach, the vast majority of the assessments should be within 15% of the purchase prices paid and the mean and median ASR should be close to 100. For the 2015 assessments, the islandwide ASR showed a mean of 102.54 and a median of 100.61 based on 1,017 validated sales, with a standard deviation of 24.61.

V. BUDGET

A comparison of the FY14 and FY15 is shown below:

	FY 2014	FY 2015	% + or -
Salaries & Wages	841,932	942,973	101,041
Benefits	483,073	500,816	17,743
Utilities	1	720	719
Vehicle/Equipment, Lease	31,500	4,000	(27,500)
Operations	513,458	484,408	(29,050)
Total	1,869,964	1,932,917	62,953

The operating budget for Real Property Assessment grew by 3.37% between FY14 and FY15. The largest increase was associated with the Salaries & Wages section of the budget and was largely driven by two factors: (1) increased salaries from collective bargaining agreements; and (2) the return of funding for the Tax Manager position.

VI. STATISTICS

The statistics of the program are adequately described in Section III above under “Highlights” and “Activities”.

VII. HOLO HOLO 2020 PROJECTS & STATUS

There are no Holo Holo 2020 projects currently assigned to Real Property Assessment.

DEPARTMENT OF FINANCE

REAL PROPERTY COLLECTIONS

Annual Report FY 2015

July 01, 2014 - June 30, 2015

Michelle Lizama - Tax Collection Supervisor

Karen Samiano - Tax Collection Assistant

Emma Iloreta - Tax Clerk

Senior Account Clerk (Joanne Brun/Vacant)

Senior Account Clerk (Esther Brown/Vacant)

Senior Clerk (Vacant)

I. MISSION STATEMENT

The mission of the Real Property Collections Division is to bill, collect, process payments, adjustments and refunds, and account for all property taxes within the County of Kaua'i. Additionally, Real Property Collections is also responsible for the imposition of penalties, accrued interest, and collection efforts for taxpayers that are in arrears.

II. DEPARTMENT/DIVISION GOALS

A. Department Duties and Functions

The Real Property Collections Division is responsible for: (1) billing all taxable properties throughout the County of Kaua'i jurisdiction; (2) collecting and processing tax payments, which now include trash fees and the Kukui'ula CFD; (3) establishing escrow trust accounts for tax appeals; (4) preparing refunds and tax adjustments; (5) accounting for all receipts and disbursements, which includes developing reports for both the Treasury and Accounting divisions; (6) moving monies appropriately between the general fund account and the trust account; (7) collecting on delinquent accounts; and (8) overseeing tax lien foreclosures when necessary.

B. Division Goals

1. Staff Development

The recent departure to two Senior Account Clerks combined with the implementation of the web-based version of Tyler's IAS software for billing and collections will pose significant challenges in early FY16. Increased overtime and significant delays in posting first half payments are anticipated. Filing these vacant positions and training both existing and future staff how to effectively use the new IAS World software will be one of the higher priorities for FY16.

2. Implement New Technologies

In addition to the new IAS World software for billing and collections, RPC will also be upgrading to the latest version of the SII cashiering system. All agencies that process payments and report to Treasury will be required to convert as SII no longer supports older Microsoft Windows versions.

Continued goals also include encouraging more taxpayers to opt for email delivery of their bills as well as use of the online payment option. This ultimately reduces mailing costs and promotes going paperless.

3. Reduce Delinquencies

While it is difficult to collect from taxpayers that simply do not have the monies to pay off their real property taxes owed, a concerted effort to get these delinquent accounts on payment plans can help reduce the total amount of delinquencies. For those unwilling to consider payment plan alternatives, tax lien foreclosures may become the last measure to collect.

III. PROGRAM DESCRIPTION

A. Program Objectives

The primary program objectives of Real Property Collections are to accurately bill, collect, process payments, adjustments and refunds, and account for all property taxes within the County of Kauai jurisdiction. Secondary objectives include assisting Public Works Solid Waste division and the Kukui'ula developers bill and collect for their respective fees, trash collection and community facilities district.

B. Highlights

- 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
- c. Going Paperless!!! Paperless billing began with the FY2014-15 Real Property Tax Bills. Those taxpayers who signed up for Paperless billing received an email with a link to look up their Real Property Tax Bill.

C. Activities

Total Billings for FY15:

Beginning Tax Roll for FY 2014-15	
Real Property	108,547,944.68
RRCA	2,774,844.00
KKUCFD	848,220.27
Subtotal:	112,171,008.95
Tax Credits for FY2014-15	
PHU (Perm Home Use)	0.00
LIC (Low Income)	0.00
LTL (Long Term Lease)	0.00
Home Preservation Limit	-35,368.02
Subtotal:	-35,368.02
Current Tax Balance:	112,135,640.93

Lock Box Vendor processed:

	# OF BILLS	AMOUNT
CYCLE 1 (July - Aug)	20,813	25,127,457.95
SEPT	724	732,601.52
OCT	80	79,536.71
CYCLE 2 (Jan - Feb)	12,380	18,556,873.38
MAR	668	1,027,244.18
APR	92	83,269.45
GRAND TOTAL:	34,757	45,606,983.19

Agency billing program:

	# OF BILLS	AMOUNT
CYCLE 1	9,757	16,998,593.97
CYCLE 2	20,306	16,355,730.98
GRAND TOTAL:	30,063	33,354,324.95

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). The 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	223	996,362.74	259	506,970.51	482	1,503,333.25
Aug	629	3,507,980.01	761	1,155,787.33	1390	4,663,767.34
Sept	54	131,390.09	59	82,391.14	113	213,781.23
Oct	21	53,611.59	34	77,614.58	55	131,226.17
Nov	6	10,147.10	13	16,312.84	19	26,459.94
Dec	36	137,842.80	38	101,989.01	74	239,831.81
Jan	203	799,559.58	196	343,966.60	399	1,143,526.18
Feb	682	3,680,699.24	625	862,313.84	1307	4,543,013.08
Mar	67	117,728.77	88	97,133.37	155	214,862.14
Apr	22	59,332.91	31	15,408.60	53	74,741.51
May	13	11,137.03	15	6,518.77	28	17,655.80
Jun	4	48,167.16	11	11,768.61	15	59,935.77
1960		9,553,959.02	2,130	\$3,278,175.20	4,090	\$12,832,134.22

- i. There were (2) Statements of Assessed Values and Real Property Taxes Due (Tax Searches) processed and certified.
- ii. There were (30) Bankruptcy Notices Received.
- iii. There were (27) Tax Clearances.
- iv. There were (22) Service Fee’s for dishonored checks.
- v. Delinquent outstanding tax balance as of June 30, 2015 = **\$1,716,343.60**.

Real Property incorporated all legislated changes, described in prior year’s annual report and has tackles the additional legislative changes listed below:

Instituted a one-time tax cap that limited the tax increase in 2014 to \$250 for owner-occupied properties that met certain criteria.

IV. PROGRAM MEASURES

FISCAL YEAR 2014-15 COLLECTIONS (CURRENT YEAR)

Beg Balance as of July 01, 2014

RP	108,547,944.68
RRCA	2,774,844.00
KKUCFD	848,220.27
Subtotal	112,171,008.95

Authorized Adjustments - P38 Debits	523,100.05
Other Debits	27,696.00
Pay Debits	4,930,499.14
TOTAL DEBITS	<u>117,652,304.14</u>

Beg Balance as of July 01, 2014 - HOM PRES (35,368.02)

Authorized Adjustments - P38 Credits	(1,896,410.55)
Write-Offs (End of Fiscal Year - under \$1)	(28.82)
Other Credits	(47,484.00)

Pay Credits (114,118,522.28)

TOTAL CREDITS (116,097,813.67)

Outstanding Tax Balance 1,554,490.47

Subtotal:(CURRENT YEAR) 116,097,813.67

Refunds (2,387.55)

Penalty (357,742.40)

Interest (64,276.56)

Other Fees 189.67

TOTAL (424,216.84)

OUTSTANDING TAX BALANCE: 1,554,490.47

Total Tax Collected 110,581,150.46

FISCAL YEAR 2014-15 COLLECTIONS (PRIOR YEAR)

Beg Balance as of July 01, 2014	3,104,989.26	
Authorized Adjustments - P38 Debits		409,006.64
Other Debits		200,485.41
TOTAL DEBITS		609,492.05
Authorized Adjustments - P38 Credits		(54,261.83)
Write Offs (End of Fiscal Year - under \$1)		-
Other Credits/Pay Credits		(2,102,675.37)
TOTAL CREDITS		(2,156,937.20)
		<u>(1,547,445.15)</u>
Outstanding Tax Balance		1,557,544.11
Subtotal: (PRIOR YEAR)	2,156,937.20	
Refunds		5,413.54
Penalty		(168,725.26)
Interest		(394,003.71)
Other Fees		<u>15,458.89</u>
TOTAL		(541,856.54)
OUTSTANDING TAX BALANCE:	<u>1,557,544.11</u>	
Total Tax Collected:	1,547,445.15	

V. BUDGET

A comparison of the FY14 and FY15 is shown below:

	FY 2014	FY 2015	% + or -
Salaries & Wages	213,984	228,608	14,624
Benefits	119,469	113,057	(6,412)
Utilities	0	0	0
Vehicle/Equipment, Lease	0	0	0
Operations	106,035	109,956	3,921
Total	439,488	451,621	12,133

The operating budget for Real Property Collections grew by 2.76% between FY14 and FY15. This increase was primarily associated with higher Salaries & Wages due to new collective bargaining agreements.

VI. STATISTICS

The statistics of the program are adequately described in Section III above under “Highlights” and “Activities”.

VII. HOLO HOLO 2020 PROJECTS & STATUS

There are no Holo Holo 2020 projects currently assigned to Real Property Collections.