

DEPARTMENT OF FINANCE

Finance Administration
FY 2017 Annual Report
July 1, 2016 – June 30, 2017

Administration

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

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, risk management coordinator, fiscal and budget officer of the county.

B. Department Goals

1. To provide guidance and managerial oversight of various divisions within the Department of Finance.
2. To continue a fiscally sound approach of County finances to ensure that expenditures do not exceed the resources available.
3. To prepare the annual Operating and Capital budget ordinances within a structurally sustainable framework.
4. To administer the budget functions of the County in accordance with all applicable laws and regulations
5. To have the County operate in the most cost efficient manner possible, while maintaining adequate reserves for unanticipated circumstances.
6. Improve financial transparency within the County and to the general public.
7. Launch and implement Long Term Financial Plan for the County of Kaua'i.
8. To assist the independent auditor in providing documentation and information during the audit process.
9. Analyze potential risk and procure mitigating insurance coverage to limit the County's exposure to said risk.

III. PROGRAM DESCRIPTION

Overall financial management of the County, including monitoring and improvement upon the County’s financial position, and the oversight and assistance to all County of Kaua’i departments with regard to their budgets, revenues, and expenditures.

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 by providing timely financial information in a user friendly format.

b. Highlights

Concluded the Long Term Financial Planning project with Government Finance Officers Association (GFOA), and successfully proposed two policies which Council Adopted; 1) Reserve Fund (revised), and 2) Structurally Balanced Budget Policy. February 22, 2017 – Fitch Ratings upgraded the County to ‘AA’ from ‘AA-’. General Fund fund balance expected continued growth for the third consecutive year, and continued improvements to transparency portal reporting by adding additional reports available for public viewing.

IV. BUDGET

	FY 2017 <u>Budget</u>	FY 2017 <u>Actual</u> <u>(unaudited)</u>	<u>Variance \$</u>	<u>Variance %</u>
Salaries	368,139	368,139	0	0.0%
Employee Benefits	170,932	170,619	313	0.2%
Special Projects	1,155,527	1,021,333	134,194	11.6%
Travel/Training	14,378	5,024	9,354	65.1%
Other	55,750	50,851	4,899	8.8%
County-Wide Costs:				
Salaries/Adjustments	60,000	748	59,252	98.8%
Telephone	135,000	123,436	11,564	8.6%
Liability Insurance	685,844	662,231	23,613	3.4%
Property Insurance	429,173	377,558	51,615	12.0%
Excess WC Liability Insurance	319,208	298,840	20,368	6.4%
Auto	30,000	21,105	8,895	29.7%
General Liability	1,703,347	470,607	1,232,740	72.4%
Total	5,127,298	3,570,491	1,556,807	30.4%
(*Actual = expenditures + encumbrance @ 06/30/2017)				

DEPARTMENT OF FINANCE

Risk Management Services

FY 2017 Annual Report

July 1, 2016 – June 30, 2017

I. MISSION STATEMENT

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

II. DEPARTMENT/DIVISION GOALS

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 official's 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:	FY2016	FY2017	\$ Change	%Change
Excess Workers’ Compensation	\$198,293	\$207,448	\$9,155	+4.6%
Excess General Liability	\$465,257	\$465,260	\$3	+0%
Property	\$355,912	\$334,976	(\$20,936)	-5.9%
Government Crime	\$13,972	\$14,101	\$129	+0.09%
Aviation (Aircraft)	\$28,481	\$28,481	\$0	0%
Cyber Liability	\$22,540	\$23,496	(\$956)	+4.2%
Subsidized Police Vehicles Liability	\$46,515 <i>35 units</i>	\$46,515 <i>35 units</i>	\$0 <i>+0 units</i>	0%
Total Insurance Expenditures	\$1,130,970	\$1,120,277	\$10,693	+0.9%

Retention Buy Down Program (Lifeguard) Effective 7/1/17 to 7/1/18		\$135,561		
Pollution Liability Effective 7/1/17 to 11/1/19		\$42,408		

Insurance Chart for Policy Year: 11/1/2016-11/1/2017

INSURANCE	INSURER	POLICY #	LIMITS	COVERAGE	DEDUCTIBLE/SIR
Property \$25M	Ironshore (50%) Lloyds (50%) Starr Surplus (33.33%) Chubb Custom Underwriters (33.33%) General Security Indemnity Corp (33.33%)	1830103 PW0072616 SLSTPTY10895416 4473297503 T0234451603129	\$5M part of \$10M \$5M part of \$10M \$5M part of \$15M excess of \$10M \$5M part of \$15M excess of \$10M \$5M part of \$15M excess of \$10M \$5M part of \$15M excess of \$10M	Per Occurrence Per Occurrence Per Occurrence Earthquake and Flood Loss of Business Income	\$100K AOP 2% per unit with \$100K mini for named storm, earthquake, and flood.
Excess Liability \$20M	Allied World Ins Co Great American Ins. Co.	5110-0018-01/ 5111-0023-01 EXC4101355	\$10M \$10M excess of \$10M primary	Comprehensive General Liability; Errors and Omission for Public Officials; Law Enforcement; and Employment Practices Liability.	\$1M per Occurrence
Government Crime	National Union Fire Insurance Co. of Pittsburgh	023824586	\$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	\$25K per single loss

INSURANCE	INSURER	POLICY #	LIMITS	COVERAGE	DEDUCTIBLE/SIR
				Duty for Government Employees	
Excess WC/Employer's Liability	Safety National Casualty	SP4055869	\$25M (WC) \$2M (EL)	Per Occurrence Max Limit per Occurrence	SIR: \$550K 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 Lloyds	W146BA160401	\$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 4/10/17-18	1337402412	\$100K / \$300K \$100K \$50,000 \$100K / \$300K \$100K / \$300K	Bodily Injury Property Damage Personal Injury Protection Uninsured Motorist Underinsured Motorist (non-stacked)	First Dollar

INSURANCE	INSURER	POLICY #	LIMITS	COVERAGE	DEDUCTIBLE/SIR
Retention Buy Down (Lifeguard GL)	Underwriters at Lloyds, London Eff. 7/1/17 -18	PN1702100	\$1M \$1M \$1M \$1M \$50,000 Excluded (Defense inside)	General Aggregate Prod/Comp Ops Agg Each Occurrence Pers & Adv Injury Fire Damage Medical Payments	\$10,000 per occ.
Pollution Liability	Illinois Union Ins. Co. Eff. 7/1/17 - 11/1/19	PPLG46785277001	\$5,000,000	Per occurrence and in the aggregate per pollution condition or indoor environmental condition	\$50,000 SIR per pollution condition or indoor environmental condition 3 days deductible for Business Interruption loss

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 Allied World Insurance Company and Great American Insurance Company provides \$10 Million Excess of the primary \$10 Million. The program has a per occurrence or per wrongful act Self Insured Retention (SIR) of \$1,000,000.

Retention Buy Down Program: The recent legislative session impacted the County’s risk transfer program by substantially increasing the exposure to loss when the immunity protection provided to County lifeguards was allowed to expire. This increased exposure led to the County purchasing a Retention Buy Down program for the lifeguard exposure. This policy has an inception date of July 1, 2017 and the program is restricted to only the County lifeguard ocean activities exposure. The program buys down the retention from the current \$1,000,000 SIR to a \$10,000 deductible which

includes defense costs. The coverage is Claims Made and both defense costs and indemnity payments erode the limit of liability. Losses which exceed this programs limit will be covered by the first excess liability policy.

Pollution Liability: Effective July 1, 2017 the County has purchased a Premises Pollution Liability insurance policy. The term is from 07/01/2017 through 11/01/2019 which brings the renewal term into concurrence with the County expiration schedule. The coverage is underwritten on a Claims Made basis and the carrier is Illinois Union Insurance Company. There is a \$5,000,000 limit per occurrence and in the aggregate limit over the term of the policy. The policy provides for the following: Coverage A which consists of Premises Pollution Condition Liability, Premises Indoor Environmental Condition Liability and Premises First Party Claims; Coverage B which consists of Transportation Liability, Transportation First Party claims and Coverage C which extends coverage to Non-owned Disposal Sites Liability. There is a \$50,000 per occurrence retention per Pollution Condition or Indoor Environmental Condition.

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 \$550,000 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 Beazley 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.

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 35 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	FY2016	FY2017	Variance (\$/%)
Total Replenishments to TPA's Trust Fund	\$1,524,893	\$1,458,545	(\$66,348) / (4.4%)

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

Department	Division/Location	Total Paid
Public Works	All Division/Location	\$449,429.56
Police	All Division/Location	\$421,746.88
Parks and Recreation	All Division/Location	\$228,708.69
Fire	All Division/Location	\$173,909.23
Transportation	All Section/Location	\$143,899.27
Prosecuting Attorney	Administration	\$31,885.44
Planning	All Division/Location	\$4,700.93
Finance	Accounting/Water #590	\$4,265.14
County Clerk	Council Services	\$0
Housing	Housing Section 258	\$0
Human Resources	Administration	\$0
Total Charges to Departments		\$1,458,545

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. Updated County contracts' insurance requirements with County Attorney and Purchasing.
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 during quarterly claims reviews.

6. Perform risk control training activities for various County Departments.
7. Secured a Pollution Liability policy for environmental claims against the County of Kauai.
8. Presented a Parametric Risk option to the County for consideration.
9. Designed a solution (Retention buy down program) for new increased lifeguard exposure for the County arising out of Legislative changes to existing immunity law.

DEPARTMENT OF FINANCE

FY JULY 1, 2016 – JUNE 30, 2017

Annual Report for Accounting Division

Renee M. Yadao, Accounting Systems Administrator

Sherri Silva, Fiscal Control Analyst

Ann Wooton, County Grants Program Manager

Kai Li Spanski, Central Accounting Analyst [1]

Donna Gabriel, Accountant III

Marisa Bettencourt, Accountant III

Carla Garania, Accountant I

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, 2016. The County has received this award for the 24th consecutive year. This award signifies that the County’s 2016 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 2017 CAFR will continue to meet the requirements and plan to submit our CAFR in December 2017 to determine its eligibility.

V. BUDGET

	FY2017	
	Budget	Actual
Equivalent Personnel		
Full-Time Permanent	9	9
Salaries	608,265	608,263
Employee Benefits	307,971	306,832
Other Services	104,830	17,784
Supplies	8,000	5,593
Equipment	935	932
Other	30,775	25,151

Note [1]: Employee moved to Parks and Recreation effective 7.1.17.

DEPARTMENT OF FINANCE

Driver License Division

Fiscal Year 2017

July 1, 2016- June 30, 2017

David S. Schwartz, Vehicle Registration and Licensing Manager

Michael A. Drake, Chief Examiner & Motor Vehicle Inspector

Ivan D. Miller, Motor Vehicle Control Inspector

Tami L. Pigao, Staff Services Assistant

Jason H. Koga, Driver's License Examiner

Colette Kawamura, Senior Financial Responsibility Clerk

Priscilla Costa, Driver's License Clerk II

Rosielily T. Omo, Driver's License Clerk II

Cienna Barretto, Senior Clerk

(Vacant), Driver License Clerk II

(Vacant), Driver License Clerk II

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, and meet the highest standards for prompt and professional service to the public and other government agencies.

II. DEPARTMENT/DIVISION GOALS

- Identify and screen out 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 improve timely, courteous, and efficient assistance and service to licensees and applicants.
- 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), 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. VI - 11

- Amend the Administrative Rules and Regulations Chapters: 19-122 (Driver License) and 19-149 (Civil Identification).
- Successfully implement Act 172 - Limited Purpose Driver's License statewide on January 1, 2016.
- Completed the Installation of the required Real I.D. Security Floor Plan that was approved by the Real I.D. Assessment Team (RIDAT). Including the tempered safety glass partition between driver license's clerks and the applicants in which were designed and purchased by County of Kauai.
- Educate the Periodic Motor Vehicle Inspection (PMVI) station and inspectors of the new law (Act 082, signed by Governor Ige on June 21, 2016) regarding the acceptance of the Electronic Insurance Identification Cards, which started July 01, 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 Chapter 19-133.5 of the Hawaii Administration Rules.
6. Administration of Motor Vehicle Safety Responsibility Act, Chapter 287, Hawaii Revised Statutes.
7. Administration of the FMCSA (Federal Motor Carrier Safety Administration) regulations.
8. Continue to verify and establish Legal Presence for all applicants (Section 19-122-304 Hawai'i Administration Rules).
9. Examination of the qualifications and fitness of any person desiring to obtain a learner's permit, driver's license, provisional license, commercial driver's license or a Limited Purpose driver license.
10. Issuance of permits, furnishing instructions and all forms, supervision and inspection, suspending or revoking permits issued to Periodic Motor Vehicle Inspection (PMVI) Stations/Inspectors, certified within the County of Kauai.

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

III. PROGRAM DESCRIPTION

Driver improvement is still considered the heart of traffic safety. Therefore, the Driver's License Division conducts research to develop systematic safety programs 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 Act 172 – Limited Purpose Driver License (LP) to those applicants that's unable to provide proof of legal presence within the United States. Administer the LP written test to obtain a LP permit, road test for their LP licenses. ***“NOT ACCEPTED FOR OFFICAL FEDERAL PURPOSES”*** labeled on the front of every LP permit or license. On the back of the LP permit or license states ***“THIS LICENSE IS ISSUED ONLY AS A LICENSE TO DRIVE A MOTOR VEHICLE. IT DOES NOT ESTABLISH ELIGIBILITY FOR EMPLOYEMENT, VOTER REGISTRATION, OR PUBLIC BENEFITS”***
- 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. VI - 13
- 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.
- Completion of the departments Security Awareness Refresher Training (SART), in compliance to the Real ID Act of 2005 (valid for three years, expiring April 2019)

IV. STATISTICS

2016 DRIVER LICENSE and STATE IDENTIFICATION STATISTICS (calendar year)

2016 TOTAL LICENSED DRIVERS		56,100
2015 Total Licensed Drivers	54,445	
2016 Increase of:	1,655	
2016 % Increase	3.04%	
2016 TOTAL COMMERCIAL LICENSED DRIVERS		1,312
2015 Commercial Driver License	1,369	
2016 Decrease of:	(57)	
2016 % Decrease:	-4.17%	
2016 TOTAL MOPED/MOTOR SCOOTER/MOTORCYCLE		3,823
2015 Type 1 & 2 Drivers	3,707	
2016 Increase of:	116	
2016 % Increase:	3.13%	
2016 TOTAL STATE IDENTIFICATION CARDS		2,428
2015 State ID’s	2,909	
2016 Decrease of:	(481)	
2016 % Decrease:	-16.53%	

Department of Finance
Division of Purchasing
FY 2016 - 2017 Annual Report
June 1, 2016 – July 1, 2017

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 IV
Wendy Takemoto, Procurement and Specifications Specialist IV
Hope Stem, Procurement and Specifications Specialist IV
Jason Coloma, Procurement and Specifications Specialist IV
Carrie Moses, Procurement Technician II
Raina Bautista, Procurement Technician II

I. Mission Statement/Division Functions/Duties

The Division of Purchasing is tasked with the responsibility to assume responsibility for all formal procurement of Construction and 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, 2016 to June 30, 2017, the Division's work accomplishments were as follows:

Completion of all equipment procurement as approved by the Budget Ordinance B-2016-812 and grants. Said procurement totaled \$2,555,292.83.

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

1. HOME Investment Partnership Program FY 2016 Funding for Koae Workforce Housing Development: \$2,250,000.00
2. Island Wide Resurfacing of Local Roads FY 2016-2017: \$2,140,460.00
3. Processing of Commercially Generated Recyclables: \$2,016,000.00
4. Prefabricated FRP Structure for Elevated Boardwalk at Kawaihau, Federal-Aid Project No. STP-0700(69): \$1,592,996.00
5. Eleele Iluna Phase 2- Increment B: \$1,535,787.00

6. Three (3) 21 Seat Wheelchair Lift Accessible Passenger Buses and Five (5) 29 Seat Wheelchair Lift Accessible Passenger Buses: \$1,176,810.00
7. Repairs and Improvements to the Kauai Veterans Cemetery Communal Hall: \$1,118,670.00
8. Automated Side Loading Refuse Trucks and Rear Loading Refuse Trailer (Lease): \$980,229.08
9. Reroofing of the Lihue Civic Center: \$952,585.00
10. Island Wide Bus Stop Improvements, Phase III: \$880,260.00

IV. Program Measures

ITEM	FY 2017		FY 2018	FY 2019
	TRANSACTION QUANTITY	DOLLAR AMOUNT	EST TRANS QUANTITY	EST TRANS QUANTITY
PURCHASE ORDERS:				
PROCESSED: ^a (Target turn-around time for processing of requisitions is 1 to 2 days.)	2376	\$8,086,397.47	2500c	2500c
INFORMAL & TELEPHONE BIDS PROCESSED:				
Written Informal - (Prepare and solicit bids within two (2) weeks after receipt of requisition.)	14	\$278,220.25	15	15
Telephone Bids	149	\$384,396.99	135	135
ADVERTISED SOLICITATIONS:				
Bid/Proposals Advertised	52		50	50
Awards ^b (construction, consultant, negotiated, price agreement, concessions)	131		100	100
CONTRACTS BY TYPE:				
Goods (GDS)	9	\$4,052,149.97	10	10
Equipment (E)	14	\$3,595,523.98	15	15

CONTRACTS BY TYPE: (continued)				
Services (S)	90	\$18,619,588.92	90	90
Construction (CIP)	16	\$7,835,214.50	15	15
Open End (OE)	1	\$0.00	2	2
Grants (G)	0	\$0.00		
MISC. (All Others) (M)	1	\$24,000.00	\$20,000	\$20,000
SUBTOTAL	131	\$34,126,477.37		
Concession (C)	3	-\$156,030.00		
TOTAL	134	\$33,970,447.37		
CONTRACTS BY METHOD:				
Invitation For Bids (IFB)	45	\$16,754,327.38	\$15,000,000	\$16,000,000
Request For Proposal (RFP)	4	\$1,151,443.00	\$1,000,000	\$1,000,000
PROF SVC (PS)	21	\$2,199,856.21	\$2,000,000	\$2,000,000
Small Purchase (SM)	0	\$0.00	0	0
Sole Source (SS)	12	\$1,448,100.19	\$1,000,000	\$1,200,000
Emergency (EMG)	0	\$0.00	\$3,000	\$3,000
Exempt (EX)	49	\$12,392,720.59	\$13,000,000	\$13,000,000
Co-operative Purchase (CO-OP)	0	\$0.00	0	0
Real Estate Lease (RL)	1	\$24,000.00	\$24,000	\$24,000
Non-procurement (NP)	2	\$0.00		
TOTAL	134	\$33,970,447.37		
MAIL:				
(Mail is processed daily.)	82,216	\$69,561.36	\$70,000	\$70,000
Estimated Hours Expended			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 2016 Actual	FY 2017 Appropriation	Request	FY 2017 Expansion	Total
Equivalent Personnel (E/P)	10.0	10.0	9	*0	10.0
Salaries and Wages	641,559	648,553	580,573	<67,980>	\$580,573
Operations	510,884	486,161	483,009	0	\$483,009
Equipment	5800	8640 (lease)	\$8,640 (lease)	0	\$8,640
Program Total	871,318	1,127,730	1,072,222	<67,980>	\$1,072,222

*Pos. No. 232 was \$1 funded in the FY 17/18 budget.

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

A. Revision, Approval and Implementation of the General Provisions for Goods and Services Contracts

In FY 17, the DoP worked collaboratively with the Office of the County Attorney (OCA) in order to amend the Terms and Conditions for Goods and Services Contracts. The comprehensive revisions addressed a number of issues to include bringing the terms and conditions in line with procurement statutes, procedures, and administrative rules. The last formal revision to the general terms and conditions occurred in 2009. In addition to revising the General Terms and Conditions for Goods and Services Contracts, the OCA also created General Instructions to Offerors. Both documents are critical to more accurately define the various requirements for both competitive bids and for procurements that involve negotiated contracts (Professional Services, Sole Source and Exemptions). The update was a necessary component for the implementation of the second phase of electronic procurement for goods and services.

All documents have since been published and is available electronically on the Division of Purchasing and County of Kaua'i websites.

B. Continued Expansion of Electronic Procurement and Paperless Initiatives – Goods and Services Procurement

During the FY 17, after three years of various levels of research and development and the successful implementation of electronic procurement for construction contracts, the DoP launched its second phase of electronic procurement for Goods and Services projects, which also included concessions under HRS Chapter 102. As in the case of construction projects, this second phase was launched via the use of the division's electronic procurement system, Public Purchase, through The Public Group. The application allows

for complete electronic and paperless application of procurement solicitations for goods and services projects. The solicitations are let electronically and contractors are able to submit their offers electronically. It is a completely paperless application which has created a significant increase in division efficiency and effectiveness. This application has also been beneficial to the goods and services community in terms of time and cost. In addition, the electronic procurement system allows for bid openings to occur via the Internet. As such, traditional bid openings that occurred in the past which mandated the physical presence of bidders are no longer necessary. Bid openings and other procurement information are conveyed via the Internet and are also immediately available to departmental personnel and members of the public. Results of bid openings are also immediately posted in our County of Kaua'i web site so that persons who were not involved in the procurement may also have access to the bid information. This achieves the required transparency that is required by the procurement code.

The implementation of the new initiative was seamless and has been utilized exclusively by the division for all of FY 17.



C. Digital Signatures and Electronic Records

During FY 17, the DoP successfully researched and implemented an electronic signature protocol at no cost to the County. The system utilizes the Adobe Acrobat application which allows for a digital signature that migrates through the County's secure computer system. This process validates the identity of the person embedding the digital signature. The new digital signature protocol resulted in the division being able to achieve a completely paperless operation. It also provides the potential opportunity for other County departments and agencies who access the DoP SharePoint Portal for use of various procurement forms and documents, to also take advantage of this resource. This would be in stark contrast to the past practice of procurement officers generating hard copies of these documents in order to affix a written signature. Upon successful expansion of this initiative allowing for an electronic signature protocol, these documents can be accessed and completed electronically and transmitted via the County's email system to the DoP. The elimination of the need to create hard copy documents only to have to scan them as email attachments will result in a substantial savings in terms of time and money.

The ability for the County to advance this initiative is as a result of the support of the Office of the County Attorney relating to Act 177, SLH 2005. Two separate legal opinions executed by DCA Nick Courson and approved by CA Mauna Kea Trask provided the legal and procedural pathways for this initiative. The division also extends its thanks to the County Council for its unanimous support of the Council Resolution 2016-21 which enabled the County to advance these various electronic initiatives.



D. Succession Planning

The division's succession plan is in its fourth year of implementation. During FY 17, two of the division's three senior managers submitted notices of retirement which will occur on April 1 and July 1, 2017 respectively. The succession plan that was developed and expanded over the years was focused upon effectively addressing these retirement eventualities and being able to effectively carry out the various responsibilities and mission of the division after these separations occurred.

Effective in FY 17, all four senior specialists have been reallocated to the Procurement and Specification Specialist IV level. These specialists are "super journeyman" who have acquired the necessary skills and knowledge with regard to the various and diverse elements of the procurement code, related administrative rules, and internal policies and procedures of the DoP. Acquiring this level of procurement expertise was a critical component of the succession plan in terms of creating a cadre of workers who possess the knowledge, skills, and ability to ensure organizational and performance continuity. While additional job experiences and exposure to the complex areas of procurement will continue to hone these skills, the senior specialists and procurement technicians have advanced to the level of knowledge and expertise necessary to achieve operational continuity.

As has been discussed in prior presentations, succession planning in the public sector presents immense challenges in the presence of civil service system requirements governed by Chapter 76. Nonetheless, the creation of senior and seasoned specialists has created the vital pool of qualified workers who, among others, will be able to apply for higher level positions after the departure of our senior managers. In addition, it will create the pool of personnel resources to deal with the next challenging phase of the succession plan when a new Assistant Chief Procurement Officer will need to be hired to lead the division. The current ACPO is a 31 year veteran of government service and has qualified for retirement. Tentative plans to address this issue may come as early as 2020. The current succession plan includes this component.



Department of Finance

Motor Vehicle Registration

Fiscal Year 2016-2017

Motor Vehicle Registration

Callie F. Gandeza, Motor Vehicle Registration. Officer

Natalie Konishi, Accounting Technician

Robert Roman, Vehicle. Titles & Registration. Technician

Annette Baptiste, Vehicle. Titles & Registration Technician

Lisa Yamaguchi, Vehicle Titles & Registration. Technician

Brandon Perriera, Vehicle. Titles & Registration. Technician

Lynn Salvador, Vehicle. Titles & Registration. Technician

Tracie Sakamoto, Vehicle. Titles & Registration. Technician

Thaila Waiamau-Gonzales, Vehicle. Titles & Registration. Technician

Elena Gillespie, Senior Clerk

I. MISSION STATEMENT

To provide efficient and accurate motor vehicle registration and other fee collection and revenue management services to the people of Kauai and to the departments and agencies of the County.

II. DIVISION GOALS/DUTIES

- a. Collects and accounts for the motor vehicle weight taxes, fees for licensing penalties, bicycle, business license and other revenues associated with these fees.

III. PROGRAM DESCRIPTION

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.

a. Program Objectives

1. To collect and account for motor vehicle weight taxes, fees for licensing, penalties, bicycle, and business licenses.
2. To issue and collect monies for tipping fee coupons.
3. To issue and collect monies for bus passes
4. To collect payments for sewer, solid waste and sludge, plus commercial refuse.
5. To collect, and account for all monies due to or receivable fairly and uniformly.
6. To input all motor vehicle registration records directly into the State Data System

operated by the City and County of Honolulu through Computer Terminals.

7. To provide courteous, effective and efficient service to the public.

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 FY2017 was 4.6% for sewer, 9.9% for real property tax payments and 4.5% for MVR payments. There were 1,154 sewer users, 5,377 real property tax users and 3,966 MVR users. The decline in users from FY2009 to FY2017 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.

Since May 2011 the County MVR Office has contracted with an outside vendor for a “Print on Demand” (POD) program. When a vehicle registration is renewed and updated via Data Systems, POD allows for on-the-spot printing of the current registration and emblem, which are provided to the customer at the time of the transaction. POD also adds important security features and safeguards that discourage theft of emblems on license plates.

IV. PROGRAM MEASURES

	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual
Sewer Bill Transactions (incl. e-pmts.)	24,868	24,693	25,713	24,698
Motor Vehicle Transactions (all types, incl. e-pmts.)	92,765	93,914	96,246	100,002
Bicycle, Business License, and Other*	3,862	3,283	1,866	1,539

*Other includes tipping fees, transfer deposits, solid waste, sludge, and firecracker fees; (Does not include outside agency deposits, phone inquiries, information requests, reject mail, filing, bus passes, etc.)

V. PROGRAM RESOURCES (General fund; without fringe costs)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Expense Type	Actual	Actual	Actual	Actual	Request
Equivalent Personnel	10	10	10	10	10
Salaries & Wages	345,837	331,395	343,247	370,001	344,209
Operations	199,844	199,406	190,569	186,168	162,862
Equipment	0	4,063	0	0	0
Program Total	545,681	534,864	533,816	556,169	507,071

VI. 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

To provide effective and efficient motor vehicle registration.

b. Program Highlights

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

VII. Program Measures

Grant Revenue	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Actual
Motor Vehicle Transactions	70,751	71,059	73,280	73,369
State MV Weight Tax, Registration Fee, penalty EMED collected (\$)	9,159,995	9,235,430	9,674,025	9,767,719

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

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Expense Type	Actual	Actual	Actual	Actual	Request
Equivalent Personnel	2	2	2	2	2
Salaries & Wages	133,989	136,137	150,727	153,407	180,742
Operations	0	0	0	0	0
Equipment	0	0	0	0	0
Program Total	133,989	136,137	150,727	153,407	180,742

Department of Finance

Treasury

Fiscal Year 2016-2017

Treasury

David F. Spanski, Treasurer

Jean R. Kurosaki, Accountant III

II. 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.

III. DIVISION GOALS/DUTIES

- 1) Keep accounts of receipts and disbursements.
- 2) Collect monies and or deposit slips from all county agencies.
- 3) Perform cash management for the County of Kauai.
- 4) Manage bond issuance, compliance, and debt service.

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 \$183-239 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 \$159.5 million of which \$59.6 million is reimbursable by the Department of Water.

***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 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.

b. Program Highlights

On July 07, 2011 the County issued the Series 2011A Bonds of \$26,110,000 (County portion \$20,985,000, Dept. of Water \$5,125,000) to current refund/refinance all of the County’s outstanding 2001A Bonds of \$26,695,000 (County \$21,455,000, Dept. of Water \$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.

IV. PROGRAM MEASURES

Treasury Administration	FY14	FY15	FY16	FY17
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Return on investment (all funds)	.86%	.88%	1.0%	1.7%
2 Year Treasury Note (FY)	.46%	.56%	.60%	.90%
Fees as a percentage of bonds issued	N/A	N/A	N/A	N/A

V. PROGRAM RESOURCES (General fund; without fringe costs, includes Treasury and MVR)

Expense Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Request
Equivalent Personnel	2	2	2	2	2
Salaries & Wages	159,874	173,370	178,355	187,280	191,672
Operations	0	0	0	0	0
Equipment	0	0	0	0	0
Program Total	159,874	173,370	178,355	187,280	191,672

**DEPARTMENT OF FINANCE
INFORMATION TECHNOLOGY (IT) DIVISION
Fiscal Year 2016/2017**

Del Sherman, Acting IT Manager (Executive Assistant to the Mayor)
Mabel Antonio, Computer Systems Officer
Amanda Swanson, 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 our County Government with the best attainable technology systems, infrastructure and support in serving the needs of our residents while doing so in the most cost effective and efficient manner possible.

II. Department/Division Goals

Take the lead in procuring and developing state of the art software and technology systems. Provide timely, expert technical support in servicing the needs of our County's technology users. Provide the best possible services to County of Kauai residents. Pursue all means possible in identifying and implementing cost savings initiatives related to utilizing technology.

III. Program Description

The Information and Technology (IT) Division is tasked with setting the course for all County technology initiatives. It is the responsibility of IT to ensure County funds from all departments and divisions allocated to technology projects or acquisitions are expended in an appropriate and cost effective way. The IT Division is tasked with supporting all County technology, from archiving data and fiber optic networks to desktop printers, personal computers and virtual servers.

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 technology 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. Monitor infrastructure performance and implement improvements required to maintain reliable operations including workstations, servers, network components, and peripheral devices (e.g. printers, copiers, etc.).
- ii. Resolve incoming support issues from all County agencies based upon assigned type and priority.
- iii. Assist all County agencies in the procurement of new hardware and software required for ongoing business operations.
- iv. Expand use of GIS throughout the County, and increased web-based services/information for community members.

- v. Implement functional upgrades for existing systems as warranted.
- vi. Provide system integration services for existing systems.
- vii. Provide technical consultation and implementation support on new system acquisitions.

IV. Program Measures - Accomplishments/Evaluation

a. Accomplishments

- i. Virtual Desktop Infrastructure (VDI) – Utilizing hardware and software from Dell Computers and VMware, we have deployed a network of virtual desktop systems as part of a pilot project testing efficiencies of VDI. This system eliminates the need for a desktop personal computer and replaces it with a single screen that incorporates the electronics needed to establish a connection to the assigned desktop system running on a centralized server. Because there is no data on the local device, security and reliability are greatly enhanced. Power consumption is also reduced by as much as two thirds. This pilot project will determine the course we set moving forward regarding further deployment of VDI technology within the County.
- ii. Fiber Optic Cabling – In partnership with the State of Hawaii and local cable service providers, we were able to initiate the extension of fiber optic network connectivity to additional County remote office locations at no cost to the County. The addition of this fiber will allow us to eliminate the recurring fees associated with digital subscriber line (DSL) connections to those locations. As a result, we will realize a monthly cost savings and greatly improve the connection performance of the networks at the newly connected sites.
- iii. Geographic Information Systems (GIS) – We continue to work on expanding the use of GIS within our County. Recent initiatives include supporting applications related to Ocean Safety, County Parks, Land Information Management and Kauai Bus routes, to name a few. We see GIS as a means to work in partnership with County and State agencies to create and provide access to geospatial data for the County, its residents, and visitors. Moving forward, our GIS initiatives will also contribute to the preservation of Kauai's resources by creating GIS services that foster public understanding, appreciation, and enjoyment of Kauai's natural and cultural heritage.

b. Evaluation

The IT Division continues to balance daily operational requirements alongside achieving progress on advancing our use of technology. As the County continues to grow, our needs for automating or streamlining County technology related processes will increase. Because of this, our course moving forward will involve rethinking the way we have traditionally done business in order to improve services/efficiencies while staying within current resource/budget constraints.

- i. Similar to the recap from last year’s Annual Report, our staff-to-work ratio continues to present challenges in providing 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 renewed an initiative to work closely with Human Resources in making sure IT is structured with 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 modernized. We plan to move forward with projects that will reduce or eliminate our dependency on paper-based systems with the end goal of improving County services for everyone.
- iii. Supporting existing outdated infrastructure and systems is resource-intensive and will require a transition to alternative solutions, both software and hardware. We will continue to evaluate our technology environment and implement strategies that allow us to do more with less. Among other things, we will continue to focus on expanding our use of server virtualization to realize efficiencies while minimizing overhead and cost. Additionally, we will re-examine our use of various software applications in an effort to consolidate software functionality into fewer applications, with an end goal of improving services and reducing support costs.

V. Budget

Fiscal Year 2016 – 2017	
Expense Type	Actual Approved Budget (unaudited)
Equivalent Personnel	13
Salaries & Wages	\$ 964,966.00
Employee Benefits	\$ 539,467.00
Operations & Equipment	\$ 1,774,978.00
Expense Totals	\$ 3,279,411.00

VI. Statistics

Left out per previous reports.

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

Key projects identified by the Citizen Technology Survey developed in conjunction with the Mayor's Holo Holo 2020 initiative for *Bringing County Services Closer to Home* have been completed. These projects included improving access to online services, redesign of the county web site, creating a better county directory on www.kauai.gov, providing on-line services for event registrations and implementing a better tracking system for county paratransit and bus services.

DEPARTMENT OF FINANCE

REAL PROPERTY ASSESSMENT

Annual Report FY 2017

July 01, 2016 - June 30, 2017

Steven A. Hunt - Real Property Tax Manager
Kim Hester - Real Property Technical Officer
Mike Hubbard - Real Property Appraiser V
Sean Roche - Real Property Appraiser V
Brad Cone – Real Property Appraiser IV
Craig Arzadon - Real Property Appraiser III
Damien Ventura - Real Property Appraiser III
Kelsie Tone - Real Property Appraiser I
Megan Shimamoto - Real Property Appraisal Assistant I
Howard Uohara - Appraiser I (contract position)
Terry Phillips - Agricultural Land Use & Valuation Specialist
Lita Mamaclay – Real Property Tax Services Supervisor
Leilani I-Lovell - Departmental Accounting Technician
Karl Hoffmeyer - Tax Clerk
Megan Shimamoto - Tax Clerk
Laura Quiocho – Tax Maps Supervisor
Laurena Silva - Abstracting Assistant III
John Kruse - Real Property Drafting Technician II
Anneka Imkamp - GIS Analyst II

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, long term affordable rental relief, Kuleana exemptions, alternative energy exemptions, charitable exemptions, disabled veteran and disability exemptions, Hawaiian Homelands exemptions, Additional Income

exemptions and tax credits for Very-Low Income owners, 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 Training

To ensure public trust, it is essential that RPA continue training our appraisal staff to become highly proficient in both the “market modeling” and “cost” valuation methods. Understanding market conditions and how outside market forces affect value is crucial to being journeymen appraisers. Continued training will include on-the-job training provided by the more seasoned staff members, online courses and webinars, and formalized classroom education delivered by designated International Association of Assessing Officers (IAAO) instructors. For succession planning, it is also essential that we work towards getting our less seasoned appraisers on a path to becoming journeymen appraisers.

Focused “market modeling” training for the appraisal staff will help provide a greater understanding of the statistical process and multiple regression analysis that is the underlying basis for the residential assessments. This will allow the staff to make better decisions on neighborhood groupings and selection of coefficients. For those properties that cannot be modeled, additional training on the Cost Approach will also be conducted by our vendor, Marshall & Swift.

2. Implement New Technologies

FY17 continues to be another transitional year in terms of adopting new technologies. While the conversion of the CAMA assessment software from a client-server based version to a hosted, web-based version was completed, it is far from perfect as we have incorporated many outside (third-party) vendors to complement the work being done by appraisers. The cost tables for FY18 will now be from a nationally recognized leader in cost estimating, Marshall & Swift; however the data mapping for this transition will involve extensive review and testing to minimize potential problems.

The 2,983 records that were georeferenced through ESRI Canada's Assessment Analyst software application discovered approximately \$23 million in improvement value that had been missing from our assessment records in the Līhu'e district. These records were updated in the 2017 assessments that through an ETL process. The goal of moving into the Waimea district in FY17 was delayed as the Pictometry contract was delayed and no new imagery was provided. Finding missing improvements in this district will remain an ongoing goal for FY18.

The hiring of a GIS Analyst II has allowed RPA to create a CPR map layer within ArcGIS during FY17. This map layer will be beneficial to several agencies throughout the County including Public Works, Planning, Police, and Fire. Being able to correctly identify both existing and proposed structures with their respective CPR units should create operational efficiencies and time savings. Our future goals in this discipline include expanding the County's GIS capabilities through development of a Land Management Information System (LIMS) as well as assembling a GIS team for overall governance.

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 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. This will continue to be one of our ongoing goals well into the future.

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

There is a CIP project (W15105) in the FY17 budget to move the front counter forward so that additional desk area can be created. During FY17, preliminary plans for an office renovation were developed and an architectural bid package was prepared with the assistance of Public Works Building Division. It was confirmed that RPA would not be affected by Pi'ikoi space plan, thus the RPA renovation was "green lighted" during FY17. It is RPA's goal to pursue architectural drawings during FY18 and then seek construction funding for the office renovations in FY19.

Another continuing goal is 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 2017 assessments, which are processed during FY17 but taxed in FY18, reflect 1,257 properties that benefitted the Long-Term Affordable Rental program. That's an increase of 100 properties or 8.6% over the prior year. Additionally, there were 377 homeowners that qualified for the Very Low Income tax credit; however only 110 of these owners benefitted by paying 3% of their gross income as opposed to the calculated market taxes with the additional income exemption. The Commercialized Home Use tax category had 1,981 owner-occupied properties that also have income or non-qualified second dwellings.

C. Activities

The total number of exemptions within Kaua'i County grew from 17,989 to 18,044 between FY16 and FY17. 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 \$5,121,912,767.

For the 2017 assessment, there were 36,760 total parcels of which 33,835 were taxable. The number of properties classified as Homestead decreased by 109 or 0.9% from 11,583 to 11,474. This decrease is the result of a number of factors including residents selling their homes, owner-occupants passing away, and stepped-up compliance efforts by our RPA staff. Nevertheless, the Homestead classification is still the largest tax class by both parcel count, at 33.9% of the total parcels, and by gross value at nearly 29.3% to the assessment base. After exemption deductions, however, the Homestead class became the second highest net assessed tax class at approximately 22.8% of the net assessed value and, due to the most favorable tax rate, pays only 10.6% of the total real property taxes.

There were 157 appeals filed for the 2017 year which represents only about 0.46% of the total taxable properties assessed. By comparison, in 2016 there were 392 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 incorporated all legislated changes, described in prior year's annual report and has tackled the additional legislative changes listed below:

Coded the programing changes for the three percent (3%) assessment cap on properties that are owner-occupied or designated at Long-Term Affordable rentals.

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 2017 assessments, the island-wide ASR showed a mean of 101.15 and a median of 99.74 based on 926 validated sales, with a standard deviation of 24.44.

V. BUDGET

A comparison of the FY16 and FY17 is shown below:

	FY 2016	FY 2017	% + or -
Salaries & Wages	956,112	1,027,890	71,778
Benefits	515,970	549,025	33,055
Utilities	720	720	0
Vehicle/Equipment, Lease	5,502	7,202	1,700
Operations	441,532	506,700	65,168
Total	1,919,836	2,091,537	171,701

The operating budget for Real Property Assessment grew by approximately 8.9% between FY16 and FY17. The largest increase was associated with the Salaries & Wages which was related to filling a formerly vacant position along with collective bargaining increases. The controllable expenses within the Operations portion of the budget increased by approximately 14.8% due to a one-time contract extension with our assessment software provider to bring this renewal date into FY18. Excluding this contract extension, the overall Operations budget would have reflected a small decrease in year-over-year expenses.

VI. STATISTICS

See "Highlights" and "Activities" in Section III above.

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 2017

July 01, 2016 - June 30, 2017

Michelle Lizama - Tax Collection Supervisor

Mona Caldeira - Senior Account Clerk

Kathleen Singson - Senior Account Clerk

(Vacant) - Account Clerk

Emma Iloreta - Tax Clerk

Tax Clerk (Vacant - 89-Day Temporary Hire)

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. The Real Property Tax Collection function administers the tax collection system and assists with custodial responsibilities for all real property records.

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

With the status of a Senior Account Clerk position having been recently changed from a fulltime position to a contract position during FY16, the Real Property Collections division will need to redistribute some of the existing workload and could see slightly higher overtime costs to complete all of the tasks assigned. It remains to be seen whether the reduction of a 0.5 fulltime equivalent position will have any noticeable impact on operations; however, inasmuch as this position was a compliment to the Tax Collection Assistant and focused on delinquencies, this is potentially an area that may require reprioritizing responsibilities. The Tax Collection Assistant resigned on October 31, 2016, and despite recruiting efforts during FY17, no qualified applicant was found to replace this position. The tax

office foreclosures for properties with three or more years of delinquent back taxes will need to be placed on hold until staff have been adequately trained on the proper procedures for hosting a tax sale auction.

2. Implement New Technologies

The Real Property Tax system began a new “web” based software program for their Billing and Collections – iasWorld that went live in July 2015. Additional tweaking to our screen views and reports continues as we adjust to the new software platform.

Real Property Collections will also be upgrading to the latest version of the System Innovators Inc (SII) Cashiering System - iNovah. All agencies that process payments and report to Treasury will be required to convert to this new web-based program – iNovah, as SII no longer supports older Microsoft Windows versions. The projected timeline to complete the conversion is October 2017.

3. Reduce Delinquencies

The Delinquency Rate as of June 30, 2017 was 2.33% with a total outstanding amount of \$2,992,227.06. The foreclosure process tends to be lengthy and requires not only a significant amount of staff time from RPC but also time allocated from the County Attorney’s office to review and prepare the legal documents necessary. Payment Agreements do not waive any accrued penalties or interest, but it does provide the County with a steady stream of monthly payments.

III. PROGRAM DESCRIPTION

A. Program Objectives

The primary program objectives of Real Property Collections are to accurately bill, collect, process payments, perform office adjustments, issue refunds for overpayment of Real Property Taxes, and to account for all property taxes within the County of Kaua’i and Niihau jurisdiction.

Secondary objectives include billing and collection of the Residential Refuse Collection Assessment (RRCA) for the Public Works Solid Waste Department and the billing and collection of the KKUCFD (Kukui‘ula Community Facilities District) for the Kukui‘ula Subdivision.

B. Highlights

- a. The convenience of tax payments with the implementation of credit card and ACH payments online.
- b. Increased efficiency and service to the general public
 - i. Daily updates to the website information at www.kauaipropertytax.com
 - ii. Accepting online payments via credit card and ACH at www.kauai.gov/paypropertytax

C. Activities

Total Billings for FY2017:

Beginning Tax Roll for FY 2016-17	
Real Property	120,538,589.69
RRCA	3,414,634.00
KKUCFD	999,410.57
Subtotal:	124,952,634.26
Tax Credits for FY2016-17	
PHU (Perm Home Use)	0.00
LIC (Low Income)	0.00
LTL (Long Term Lease)	0.00
HPL (Home Preservation Limit)	-58,245.61
VLI - (Very Low Income)	-145,385.51
Subtotal:	-203,631.12
Current Tax Balance:	124,749,003.14

Lock Box Vendor processed:

	AMOUNT
07/01/2016 to 12/31/2016	-27,946,804.01
01/01/2017 to 06/30/2017	-21,182,937.37
GRAND TOTAL:	-49,129,741.38

Agency billing program:

	AMOUNT
07/01/2016 to 12/31/2016	-19,388,598.53
01/01/2017 to 06/30/2017	-18,882,391.75
GRAND TOTAL:	-38,270,990.28

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:

	AMOUNT
07/01/2016 to 12/31/2016	-9,880,074.30
01/01/2017 to 06/30/2017	-7,977,696.42
GRAND TOTAL:	-17,857,770.72

- i. There were (54) Return Check Service Fee's from FHB due to dishonored checks.
- ii. There were (36) Return Check Service Fee's from HIC Online ACH due to dishonored checks.

IV. PROGRAM MEASURES

FISCAL YEAR 2016-17 COLLECTIONS (CURRENT YEAR)

Beg Balance as of July 01, 2016		
RP	120,538,589.69	
RRCA	3,414,634.00	
KKUCFD	999,410.57	
Subtotal	124,952,634.26	
Authorized Adjustments - P38 Debits		324,541.82
Other Debits		13,276.00
Pay Debits		1,285,171.03
TOTAL DEBITS		126,575,623.11
Authorized Adjustments - P38 Credits		(762,752.41)
HPL - (Home Preservation Limit)		(58,245.61)
VLI - (Very Low Income)		(145,385.51)
Write-Offs (End of Fiscal Year - under \$1)		(23.83)
Other Credits		(8,428.00)
Pay Credits		(124,241,629.94)
TOTAL CREDITS		(125,216,465.30)
Outstanding Tax Balance		1,359,157.81
Refunds		(59,043.89)
Penalty		(386,135.18)
Interest		(81,919.10)
Other Fees		30.00
TOTAL		(527,068.17)
OUTSTANDING TAX BALANCE:	1,359,157.81	
Total Current Tax Collected	123,389,845.33	

FISCAL YEAR 2016-17 COLLECTIONS (PRIOR YEAR)

Beg Balance as of July 01, 2016	3,928,659.04	
Authorized Adjustments - P38 Debits		254,758.73
Other Debits		905,926.15
TOTAL DEBITS		1,160,684.88
Authorized Adjustments - P38 Credits		(809,539.32)
Write Offs (End of Fiscal Year - under \$1)		(0.20)
Other Credits/Pay Credits		(2,646,735.15)
TOTAL CREDITS		(3,456,274.67)
		(2,295,589.79)
Outstanding Tax Balance		1,633,069.25
Refunds		(10,600.90)
Penalty		(225,939.62)
Interest		(376,331.98)
Other Fees		39,076.22
TOTAL		(573,796.28)
OUTSTANDING TAX BALANCE:	1,633,069.25	
Total Delinquent Tax Collected:	2,295,589.79	

V. BUDGET

A comparison of the FY16 and FY17 is shown below:

	FY 2016	FY 2017	% + or -
Salaries & Wages	218,124	218,535	411
Benefits	141,460	106,121	(35,339)
Utilities	0	0	-
Vehicle/Equipment, Lease	0	0	-
Operations	101,123	105,226	4,103
Total	460,707	429,882	(30,825)

The operating budget for Real Property Collections shrank by 6.69% between FY16 and FY17. The most significant decrease was due to dollar funding workers compensation which, if incurred, will be paid from the employee salary and wages budgeted amount.

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.