

# **DEPARTMENT OF FINANCE**

Finance Administration  
FY 2018 Annual Report  
July 1, 2017 – June 30, 2018

## **Administration**

Ken M. Shimonishi, Director of Finance  
Sally A. Motta, Deputy Director of Finance (retired March 15, 2018)  
Paula M. Morikami (retired June 29, 2018)  
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. Adhere to Long Term Financial Plan policies adopted 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

Continued adherence to the Long Term Financial Plan policies adopted by the Council; 1) Reserve Fund (revised), and 2) Structurally Balanced Budget Policy. Successful issuance of General Obligation Bonds in the amount of \$24,015,000 in November of 2017. CAFR issuance in December 2017 indicated 30% Reserve Fund exceeded which allowed \$4.7 million excess to be appropriated to repairs and maintenance of Parks facilities. Continued growth in General Fund fund balance expected for the fourth consecutive year, and continued improvements to transparency portal reporting by adding additional reports available for public viewing.

### IV. BUDGET

	FY 2018 Budget	FY 2018 Actual	\$ Variance	% Variance
Salaries	424,725	424,722	3	0.0%
Employee Benefits	181,305	181,299	6	0.0%
Special Projects	1,125,552	963,932	161,620	14.4%
Travel/Training	18,608	16,434	2,174	11.7%
Other	16,638	15,914	724	4.4%
<b>County-Wide Costs:</b>				
Salaries/Adjustments	60,000	0	60,000	100.0%
Telephone	136,800	132,043	4,757	3.5%
Disaster Trust	102,065	102,065	0	0.0%
Liability Insurance	831,790	833,581	-1,791	-0.2%
Property Insurance	413,100	412,667	433	0.1%
Excess WC Liability Insurance	322,600	322,389	211	0.1%
Auto	28,000	20,395	7,605	27.2%
General Liability	647,577	489,152	158,425	24.5%
	4,308,760	3,914,592	394,168	9.1%

Note\* - Actual includes encumbrances

## **DEPARTMENT OF FINANCE**

### **Risk Management Services**

**FY 2017 Annual Report**

**July 1, 2017 – June 30, 2018**

#### **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 officials' errors & omissions, and employment practices liability), Cyber Liability, Property Insurance, Crime, Aircraft Liability, Excess Workers Compensation, Retention Buy Down (Lifeguard), Premises Pollution Liability 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**

<b>Insurance Premiums and Other Fees:</b>	<b>FY2017</b>	<b>FY2018</b>	<b>\$ Change</b>	<b>%Change</b>
Excess Workers’ Compensation	\$207,448	\$214,000	\$6,552	+3.1%
Excess General Liability	\$465,260	\$438,741	(\$26,519)	-5.7%
Property	\$334,976	\$357,482	+22,506	+6.7%
Government Crime	\$14,101	\$14,204	\$103	+0.07%
Aviation (Aircraft)	\$28,481	\$28,481	\$0	0%
Drone Liability		\$12,500	new	
Cyber Liability	\$23,496	\$26,116	+\$2,620	+11%
Subsidized Police Vehicles Liability (4/10/18-19)	\$46,515 35 units	\$65,790 45 units	\$19,275 +10 units	+41% +29%
<b>Total Insurance Expenditures</b>	<b>\$1,120,277</b>	<b>\$1,157,314</b>	<b>\$37,037</b>	<b>+3.3%</b>

Retention Buy Down Program (Lifeguard) Effective 7/1/17 to 11/1/18		\$181,243		
Pollution Liability Effective 7/1/17 to 11/1/19		\$42,408		

**Insurance Chart for Policy Year: 11/1/2017-11/1/2018**

<b>INSURANCE</b>	<b>INSURER</b>	<b>POLICY #</b>	<b>LIMITS</b>	<b>COVERAGE</b>	<b>DEDUCTIBLE/SIR</b>
<b>Property \$25M</b>	Indian Harbor/XL (50%) Liberty Surplus (50%) Starr Surplus (33.33%)  Chubb Custom Underwriters (33.33%) General Security Indemnity Corp (33.33%)	PRO0050866 1000281357-01 SLSTPTY11002817  4473297504  T0234451703947	\$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	Per Occurrence Per Occurrence Per Occurrence  Named Windstorm, Earthquake and Flood Loss of Business Income	\$100K AOP; except \$250K for locs >\$100K with missing COPE info  2% per unit with \$100K min for named storm, earthquake, and flood
<b>Excess Liability \$20M</b>	Peleus Insurance Co.  Great American Ins. Co.	2902095-00  EXC2191680	\$10M  \$10M excess of \$10M primary	General Liability; Auto Liability; Errors and Omission for Public Officials; Law Enforcement; and Employment Practices Liability.	\$750K per Occurrence
<b>Government Crime</b>	National Union Fire Insurance Co. of Pittsburgh	02-600-66-34	\$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
<b>Excess WC/Employers Liability</b>	Safety National Casualty	SP4057780	\$25M (WC) \$2M (EL)	Per Occurrence Max Limit per Occurrence	SIR: \$550K per occurrence;
<b>Aircraft Hull and Liability</b>	QBE Insurance Co.	QBAVAV1002	\$2.2M \$25M   \$10M  \$5M	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 Nil when not in Motion
Drone Liability					

INSURANCE	INSURER	POLICY #	LIMITS	COVERAGE	DEDUCTIBLE/SIR
<b>Cyber Liability</b>	Syndicate Underwriters at Lloyds	W146BA170501	\$1M Policy Aggregate \$250K Aggregate Sublimit  \$1M	Information Security and Privacy Privacy Notification Regulatory Defense Website Media Content PCFI Fines and Cost First Party Computer Security Coverage	\$50,000 SIR
<b>Subsidized Police Vehicles</b>	Crum & Forster Indemnity Co. Eff 4/10/18-19	1337432814	\$100K / \$300K \$100K \$50,000 \$100K / \$300K \$100K / \$300K	Bodily Injury Property Damage Personal Injury Protection Uninsured Motorist Underinsured Motorist (non-stacked)	First Dollar
<b>Retention Buy Down (Lifeguard GL)</b>	Underwriters at Lloyds, London Eff. 7/1/17 – 11/1/18	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.
<b>Pollution Liability</b>	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 Indian Harbor/XL (50%) and Liberty Surplus (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 \$100,000 AOP (All Other Perils) deductible, except locations with values greater than \$100K with missing COPE info is \$250,000. 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). Locations in Flood 100-year Special Flood Hazard Areas in flood zones (A, B, V) have a \$500,000 minimum deductible. 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 Peleus 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 to November 1, 2018 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 no deductible when the aircraft is not in motion. Drone Liability coverage was added with a \$5 Million limit.

**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. Coverage this year expanded to include First Party Computer Security Coverage. 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 45 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\*)**

<b>Self-Insured Workers' Compensation</b>	<b>FY2017</b>	<b>FY2018</b>	<b>Variance (\$/%)</b>
<b>Total Replenishments to TPA's Trust Fund</b>	<b>\$1,272,730</b>	<b>\$1,133,482</b>	<b>\$139,248 / 10.9%</b>

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

<b>Department</b>	<b>Division/Location</b>	<b>Total Paid</b>
Police	All Division/Location	\$228,476.87
Public Works	All Division/Location	\$328,212.65
Finance	RP Assessment	\$18.32
Parks and Recreation	All Division/Location	\$223,341.63
Fire	All Division/Location	\$133,403.01
Transportation	All Section/Location	\$174,869.88
Housing	Housing Section 8	\$392.42
Prosecuting Attorney	Administration	\$44,767.02
<b>Total Charges to Departments</b>		<b>\$1,133,481.80</b>

**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 (ongoing).



3. Assisted County Attorney's office with an audit of all open liability claims (ongoing).
4. When requested, 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. Designed a solution (Retention buy down program) for new increased lifeguard exposure for the County arising out of Legislative changes to existing immunity law.
8. Consulted on the Flood claim loss and filed initial notice of loss to the carriers.

## **DEPARTMENT OF FINANCE**

FY JULY 1, 2017 – JUNE 30, 2018

Annual Report for Accounting Division

Renee M. Yadao, Accounting Systems Administrator

Sherri Silva, Fiscal Control Analyst

Ann Wooton, County Grants Program Manager

Kenneth Kimura, Central Accounting Analyst [1]

Donna Gabriel, Accountant IV

Marisa Bettencourt, Accountant III

Carla Garania, Accountant I

Patrise Pancho, Accountant I

Melanie Luis, Accountant Trainee

### **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, 2017. The County has received this award for the 25<sup>th</sup> consecutive year. This award signifies that the County's 2017 CAFR has achieved the highest standards in financial reporting in accordance with Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. Despite our current operational challenges, we continue to remain hopeful and work towards completing the 2018 CAFR on time to submit our CAFR in December 2018.

### V. BUDGET

	FY2018	
	Budget	Actual
<b>Equivalent Personnel</b>		
Full-Time Permanent	9	9
Salaries	654,703	654,700
Employee Benefits	341,002	329,407
Other Services	109,727	104,737
Supplies	8,160	7,428
Equipment	4,021	4,021
Other	38,118	37,145

Note [1]: Employee started on 3.1.18.

## **DEPARTMENT OF FINANCE**

Driver License Division

Fiscal Year 2018

July 1, 2017- June 30, 2018

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  
Nalani Palma Soares, Commercial Driver's License Examiner (Trainee)  
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  
Michelle Manzano, Senior Clerk  
Carrie Perreira, Senior Clerk  
Jerilyn Rapozo, Senior Clerk

### **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 became effective July 01, 2016

#### **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 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 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 OFFICIAL 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 EMPLOYMENT, 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

### FISCAL 2018 DRIVER LICENSE and STATE IDENTIFICATION

2018 TOTAL LICENSED DRIVERS		56,537
2017 Total Licensed Drivers	56,100	
2018 Increase of:	437	
2018 % Increase	0.78%	
2018 TOTAL COMMERCIAL LICENSED DRIVERS		1,252
2017 Commercial Driver License	1,312	
2018 Decrease of:	(60)	
2018 % Decrease:	-4.57%	
2018 TOTAL MOPED/MOTOR SCOOTER/MOTORCYCLE		3,942
2017 Type 1 & 2 Drivers	3,823	
2018 Increase of:	119	
2018 % Increase:	3.11%	
2018 TOTAL STATE ID CARDS		2,510
2017 State IDs	2,428	
2018 Increase of:	82	
2018 % Increase:	3.38%	

**Department of Finance**  
**Division of Purchasing**  
FY 2017 - 2018 Annual Report  
June 1, 2017 – June 30, 2018

Ernest W. Barreira, M.S., Assistant Chief Procurement Officer/Budget Chief  
Jason Coloma, Procurement and Specifications Specialist V  
Kristi Mahi, Procurement & Specification Specialist IV  
Wendy Takemoto, Procurement and Specifications Specialist IV  
Hope Stem, Procurement and Specifications Specialist IV  
Procurement and Specifications Specialist I (Vacant)  
Procurement and Specifications Specialist I (Vacant)  
Carrie Moses, Procurement Technician II  
Raina Bautista, Procurement Technician II  
Christine Wong, Budget Analyst

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, 2017 to June 30, 2018, the Division's work accomplishments were as follows:

Completion of all equipment procurement as approved by the Budget Ordinance B-2017-821 and grants. Said procurement totaled \$7,472,646.76.

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

1. Lihue Town Core Mobility and Revitalization Design-Build	\$13,439,435.00
2. Adolescent Treatment and Healing Center (Onsite Work)	\$7,074,459.00
3. Twelve (12) Wheelchair Lift Accessible Passenger Buses	\$1,842,810.00
4. Puuopae Bridge Replacement	\$1,625,000.00
5. Islandwide Crack Filling and Seal Coating of Local Roads	\$1,539,803.34
6. Rehabilitation of Stormwater Sewer Beneath Pua Nani Street	\$1,387,300.00

- |     |   |                |
|-----|---|----------------|
| 7.  | Koae Workforce Housing Development  | \$1,350,000.00 |
| 8.  | Islandwide Road Resurfacing of Local Roads  | \$933,516.70   |
| 9.  | CM Services for Lihue Town Core Mobility and Revitalization                                 | \$930,000.00   |
| 10. | Seizure and Impounding of All Unlicensed Dogs and for the Maintenance of a Shelter or Pound | \$780,000.00   |

IV. Program Measures

ITEM	FY 2017		FY 2018	FY 2019
	TRANSACTION QUANTITY	DOLLAR AMOUNT	EST TRANS QUANTITY	EST TRANS QUANTITY
<b>PURCHASE ORDERS:</b>				
PROCESSED: <sup>a</sup> (Target turn-around time for processing of requisitions is 1 to 2 days.)z	2027	\$8,849,884.20	2500c	2500c
<b>INFORMAL &amp; TELEPHONE BIDS PROCESSED:</b>				
Written Informal - (Prepare and solicit bids within two (2) weeks after receipt of requisition.)	21	\$376,074.36	15	15
Telephone Bids	120	\$1,003,706.61	135	135
<b>ADVERTISED SOLICITATIONS:</b>				
Bid/Proposals Advertised	93		50	50
Awards <sup>b</sup> (construction, consultant, negotiated, price agreement, concessions)	172		100	100
<b>CONTRACTS BY TYPE:</b>				
Goods (GDS)	37	\$4,835,617.51	10	10
Equipment (E)	0	\$0.00	15	15
Services (S)	90	\$17,274,903.72	90	90
Construction (CIP)	37	\$34,424,849.49	15	15
Open End (OE)	0	\$0.00	2	2

Grants (G)	0	\$0.00		
MISC. (All Others) (M)	4	\$9,001.00	\$20,000	\$20,000
<b>SUBTOTAL</b>	<b>168</b>	<b>\$56,544,371.72</b>		
Concession (C)	4	-\$62,880.00		
<b>TOTAL</b>	<b>172</b>	<b>\$56,481,491.72</b>		
<b>CONTRACTS BY METHOD:</b>				
Invitation For Bids (IFB)	74	\$24,343,561.83	\$15,000,000	\$16,000,000
Request For Proposal (RFP)	10	\$14,430,281.82	\$1,000,000	\$1,000,000
PROF SVC (PS)	22	\$4,693,243.48	\$2,000,000	\$2,000,000
Small Purchase (SM)	1	\$8,460.00	0	0
Sole Source (SS)	15	\$2,297,572.69	\$1,000,000	\$1,200,000
Emergency (EMG)	6	\$2,235,870.68	\$3,000	\$3,000
Exempt (EX)	38	\$8,453,500.22	\$13,000,000	\$13,000,000
Co-operative Purchase (CO-OP)	0	\$0.00	0	0
Real Estate Lease (RL)	0	\$0.00	\$24,000	\$24,000
Non-procurement (NP)	6	\$19,001.00		
<b>TOTAL</b>	<b>172</b>	<b>\$56,481,491.72</b>		
<b>MAIL:</b>				
(Mail is processed daily.)	69,890	\$63,705.15	\$70,000	\$70,000
Estimated Hours Expended			620	620

<sup>a</sup> Totals are inclusive of Contracts, Informal & Telephone Bids awarded by Purchase Order

<sup>b</sup> Totals are inclusive of awards by purchase orders

<sup>c</sup> 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.

<sup>d</sup> 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 2017 Actual	FY 2018 Appropriated	FY 2019		
			Request	Expansion	Total
Equivalent Personnel (E/P)	10.0	9.0	*0	*0	10.0
Salaries and Wages	641,559	648,553	629,884	0	629,884
Operations	510,884	486,161	448,930	0	448,930
Equipment	5800	8640 (lease)	\$8,640 (lease)	0	\$8,640
Program Total	871,318	1,127,730	1,087,454	0	\$1,087,454

\*Pos. No. 232 was \$1 funded in the FY 17/18 budget and reestablished/fully funded as a Procurement and Specifications Specialist I in FY 19.

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

**A. Successful Solicitation and Awarding of over 100 Formal Bids**

For the first time in its history, the DoP processed the largest amount of formal bids in its history, totaling over \$56 million. Prior to FY 18, the largest amount of solicitations amounted to 71. This does not include the number of other procurement responsibilities assumed by the division to include professional services, exempt, sole source, emergency, and small purchases. The substantial increase is particularly noteworthy since the DoP staffing was reduced in the current fiscal year. The notable increase in workload coupled with the corresponding decrease in staffing speaks to success of the various technological initiatives that were implemented since 2011 and the commitment, character and effectiveness of this small team of professionals in the execution of their duties.

**B. Execution of a Paperless Budget Process**

Pursuant to a directive by Mayor Carvalho and consistent with his Holo Holo 2020 initiative, the FY 19 budget is the first executed by the Executive Branch following a paperless protocol. All financial components of the budget as well as budget presentations were submitted to the Council electronically. The initiative, while requiring some internal and procedural adjustments, resulted in a substantial savings for the Executive Branch in terms of paper and related resources. For a four year period prior to the submission of the FY 19 budget, the May 8 supplemental transmission was submitted electronically.



### **C. Digital Signatures and Electronic Records**

During FY 18, the DoP continued its partnership with the IT Division and the Office of the County Attorney in further developing the digital and electronic signature protocol that was discussed in the FY 17 report. In FY 18, the Policy on Electronic or Digital Signatures and Electronic Records was developed, approved and executed. This provides the pathway for full implementation of this initiative after the acquisition of the identified software which will be utilized by the County to ensure the highest level of security and effectiveness. Details of this acquisition will be addressed by the IT Division. The existing digital signature protocol that has been used throughout all of FY 18 has resulted in the division being able to achieve a completely paperless operation. It is intended that the same paperless utility will be possible among other departments as a result of this new resource.

The ability for the County to advance this initiative is 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 fifth year of implementation. During FY 18, two of the division's three senior managers retired after more than 60 years of collective procurement experience. The succession plan that was developed and expanded over the years focused upon effectively addressing these retirements and resulted in the successful recruitment and selection of a new procurement supervisor in December 2017. This selection provides the framework for immediate mid-management oversight of the division as well as the eventual replacement of the Division Chief who is also retirement eligible.

Active recruitment for an entry level procurement specialist position is underway. The filling of this position will retain the level of manpower that existed prior to the promotion of position 150. The continuing development of procurement expertise is 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. Equally important are the continued efforts to build and develop supervisory capacities among the senior specialists so as to create a pool of qualified professionals who will meet the requirements for eventual promotion to leadership positions in the division. This type of leadership continuity too is critical to the future success of the division.



## **Department of Finance**

### **Motor Vehicle Registration**

Fiscal Year 2017-2018

### **Motor Vehicle Registration**

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

Elena Gillespie, Senior Clerk

Delissa Nobriga, 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

Online Payment. The County commenced providing credit card and e-check services over the internet for Sewer Bill payments in April 2006, and for Real Property Tax payments beginning August 2006. The use rate for online payments for FY2009 was approximately 14% for sewer and 11.4% for real property tax payments. In February 2009, the County began providing online payment services for Motor Vehicle Registration. The online service use rates for FY2018 were 6.9% for sewer, 8.0% for real property tax payments, and 4.9% for MVR payments. Initially, the County absorbed the online service charges and credit card processing fees. In December 2009, the County ceased paying online fees and charges on behalf of users, which may explain the decline in online users from FY2009 to FY2018.

Fleet Registration. In December 2005, the County MVR Office instituted the Fleet Dealer Registration Program. This optional program enables companies needing to register fleets of new vehicles to engage a third-party processor to register vehicles and remit weight taxes electronically directly with the state and County. The program eliminates the need for participating companies to send representatives to the MVR office, and provides these companies with the ability to provide new vehicles to their customers in a timelier manner. Current participants are Alamo, National, Dollar, Enterprise, Hertz, Avis and Budget rental car companies. During FY2018, the program was expanded to include local motor vehicle dealerships. At the close of the fiscal year, one dealership opted to participate in the fleet registration program.

Print-on-Demand. 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.

Self-Service Kiosks. During fiscal FY2018, the County of Kauai participated in a multi-county joint request for proposal (RFP) to select a vendor to provide automated self-service kiosks for motor vehicle registration renewals. As of the end of the fiscal year, the vendor had been selected pursuant to the RFP and two such kiosks are expected to be installed on Kauai during FY2019. The kiosks will allow customers to renew their motor vehicle registrations and receive their registration emblems and receipts at the time of the transaction. The kiosks will be available twenty-four hours per day, seven days a week. Further, the kiosks are cost neutral to the County, with the transaction and debit/credit card processing fees passed on to users, just as with online renewals.

## IV. PROGRAM MEASURES

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual
Sewer Bill Transactions (incl. e-pmts.)	24,693	25,713	24,698	24,636
Motor Vehicle Transactions (all types, incl. e-pmts.)	93,914	96,246	100,002	107,776
Bicycle, Business License, and Other*	3,283	1,866	1,539	2,384

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

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Expense Type	Actual	Actual	Actual	Actual	Request
Equivalent Personnel	10	10	10	10	10
Salaries & Wages	331,395	343,247	370,001	344,209	331,134
Operations	199,406	190,569	186,168	162,862	122,263
Equipment	4,063	0	0	0	0
<b>Program Total</b>	<b>534,864</b>	<b>533,816</b>	<b>556,169</b>	<b>507,071</b>	<b>453,397</b>

**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 two Vehicle, Titles and Registration Tech. positions, who also assist the County-funded positions in all other Motor Vehicle Registration-related functions.

**VII. Program Measures**

Grant Revenue	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY18 Actual
Registered Motor Vehicles (Incl. cycles and trailers)	85,342	85,195	88,657	90,876
State MV Weight Tax, Registration Fee, penalty EMED collected (\$)	\$9,235,430	\$9,674,025	\$9,767,719	\$9,747,504

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

Expense Type	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Request
Equivalent Personnel	2	2	2	2	2
Salaries & Wages	136,137	150,727	153,407	180,742	182,578
Operations	0	0	0	0	0
Equipment	0	0	0	0	0
<b>Program Total</b>	<b>136,137</b>	<b>150,727</b>	<b>153,407</b>	<b>180,742</b>	<b>182,578</b>



## **Department of Finance**

### **Treasury**

Fiscal Year 2017-2018

### **Treasury**

David S. Schwartz, Treasurer  
Nathalie Martell, Accountant III  
Stella Haruki, Departmental Accounting Tech

## **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 ensure deposits with financial institutions are fully collateralized.
2. To maintain sufficient liquidity to meet the County's cash requirements.
3. To invest surplus cash in accordance with state laws and County ordinances
4. To generate a return on investments at or above the two year U.S. Treasury Note and protect County assets from inflation risk, while maintaining safety of principal.

5. To ensure County funds are not unduly concentrated in any single financial institution.
6. To minimize fees associated with borrowing.
7. 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 July 10, 2012 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.

On November 8, 2017, the County issued Series 2017 bonds of \$26,000,000 to fund certain public capital projects including health, public safety, solid waste, park, open space, and County building improvements. The County was able to sell the Series 2017 Bonds at an interest rate of 3.08%.

**IV. PROGRAM MEASURES**

<b>Treasury Administration</b>	FY14	FY15	FY16	FY17	FY18
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Return on investment (all funds)	0.86%	.88%	1.0%	1.7%	1.64%
2 Year Treasury Note (FY)	0.46%	0.56%	0.60%	0.90%	1.24%
Fees as a percentage of bonds issued	N/A	N/A	N/A	N/A	0.725%

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

Expense Type	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Request
Equivalent Personnel	2	2	2	2	3
Salaries & Wages	173,370	178,355	187,280	191,672	186,917
Operations	0	0	0	0	0
Equipment	0	0	0	0	0
Program Total	173,370	178,355	187,280	191,672	186,917

**DEPARTMENT OF FINANCE  
INFORMATION TECHNOLOGY (IT) DIVISION  
Fiscal Year 2017/2018**

Del Sherman, IT Manager  
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, Help Desk Supervisor  
Maxwell Klutke, Assistant IT Manager  
Carlos Dela Cruz, IT Specialist I  
Jolene Silva, IT Specialist I  
Darrin Furusho, IT Support Technician I  
Robin Lopez, Administrative Support Assistant

**I. Mission Statement**

To provide The County of Kauai 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 allocated to technology projects or acquisitions from all departments and divisions 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 or recommending changes to programs/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 integration services for existing systems.
- vii. Provide technical consultation and implementation support on new system acquisitions.

#### **IV. Program Measures - Accomplishments/Evaluation**

##### **a. Accomplishments**

- i. AS400 Upgrade – The County’s IBM AS400 system has been upgraded to the latest Operating System version. This upgrade was necessary in order to move forward with an upgrade to our Superior Public Administration software suite. The upgrade further enhances the reliability, security and functionality of our core software.
- ii. Core network switches – In partnership with Hawaiian Telcom, the County completed the design of a new set of core network switches. This upgrade was necessary to meet the growing demands of providing resilient, high bandwidth services to public safety servers and other infrastructure services such as VoIP systems.
- iii. Land Information Management Task Force – LIMS funding was added to our new bond and we are in the process of creating an RFP for the project. As we move forward with the procurement of a LIM System, our GIS team will concurrently work towards the adoption of data standards across departments. These standards will then serve to facilitate the implementation of LIMS. Next phases of GIS standardization continue to include business process documentation and improvements. The formation of the GIS team in preparation for LIMS represents a collaborative effort on behalf of several departments including Planning, IT and RPA.
- iv. Cashiering Upgrade – The upgraded cashiering system that supports the Real Property Collections, Motor Vehicles and Driver’s License Divisions is now in service. The implementation was very challenging, especially considering the requirement for significant changes to procedures and workflows each department had to adopt. It will take some time for our staff to adapt to the new system and adjust to new ways of conducting business but overall, the adoption of the upgraded system is making good progress. We are currently working

through refinements to the data export to our financial system and expect to have resolution for all issues related to the upgrade by the end of the present fiscal year.

- v. Electronic Forms/Workflow/Signature Solution – We have implemented an enterprise wide solution using Adobe Acrobat and the Adobe Sign digital signature service. Along with adopting the Adobe system, we will be implementing a new digital signature and electronic document policy that will provide guidelines as to how digital signature services will be utilized. This initiative will allow us to reduce the amount of paper we consume by switching to electronic processes.

## **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. Once again, similar to 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 departments. In the face of this reality, we continue with our 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 will continue to prioritize 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 are re-examining 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**

<b>Fiscal Year 2017 – 2018</b>	
<b>Expense Type</b>	<b>Actual Approved Budget (unaudited)</b>
Equivalent Personnel	13
Salaries & Wages	\$970,688.00
Employee Benefits	\$604,423.00
Operations & Equipment	\$1,434,896.00
Expense Totals	\$3,010,007.00

**VI. 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](http://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 2018

July 01, 2017 - June 30, 2018

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)  
Megan Shimamoto – Appraisal Assistant  
Terry Phillips - Agricultural Land Use & Valuation Specialist  
Lita Mamaclay – Real Property Tax Services Supervisor  
Leilani I-Lovell - Departmental Accounting Technician  
Karl Hoffmeyer - Tax Clerk (retired 12/31/17)  
Daphane Panui-Shokey- Tax Clerk  
Nadia Aquias- Tax Clerk  
Laura Quiocho – Tax Maps Supervisor  
Laurena Silva - Abstracting Assistant III  
John Kruse - Real Property Drafting Technician II  
Anneka Imkamp - GIS Analyst II (new hire)

#### **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](http://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

### **2. Implement New Technologies**

The conversion to Marshall & Swift’s MVP cost tables was completed during FY18 and incorporated into the most recent assessments for 2018. Using a nationally recognized cost estimating company that spent time and effort to develop Hawai‘i-based cost factors rather than indexing regional cost multipliers gives our Hawai‘i counties the best available tools for developing assessments using the Cost Approach to value.

RPA enhanced the Pictometry agreement, which is managed by Police, so that we could get improved countywide imagery for those sectors of this island that contain the greatest number of housing units. This new 3-inch imagery will make finding structures that are missing from our tax rolls more easily identifiable, which in turn assists this division’s future use of Assessment Analyst to remotely re-inspect residential properties from aerial images. These new images were updated in within Pictometry during FY18.

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.

The RPA clerical staff 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 was a CIP project (W15105) in the FY17 budget to move the front counter forward so that additional desk area can be created. Architectural drawings were worked on during FY18 and we anticipate construction funding for the office renovations in FY19.

## **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 Kauai 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 County's real property taxes billed (revenues on full accrual basis) increased by \$5.86 million. This revenue growth was once again primarily attributed to the increasing values and new construction being added to the assessment list, with

some additional revenue coming from tax classification enforcement. For FY18, the total amount billed, which includes refuse collection fees and community facilities district charges less any tax credits, was \$130.69 million as compared to \$124.75 million for FY17. The gross assessed values, that were completed and certified during FY18 but become effective in FY19, increased by approximately \$952.5 million (or 4.29%) going from \$22.198 billion to \$23.150 billion, while the net taxable values increased by approximately \$989.2 million (or 4.7%) going from \$19.105 billion to \$20.003 billion.

The 2018 assessment reflects that RPA's tax relief measures were well utilized with 1,347 additional Home Exemption for Low-Income approved; 1,251 Long-Term Affordable Rentals receiving the Homestead tax rate; and 487 approved Very Low Income credit applicants. The number of properties that are classified as Homestead grew slightly from 11,474 in 2017 to 11,536 in 2018.

A total of 187 properties received income-based tax credits that limited property taxes to 3% of gross income in-lieu of market calculated taxes.

### **C. Activities**

The total number of exemptions within Kaua'i County grew from 18,044 to 18,156 between FY17 and FY18. 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 \$5,204,218,400.

For 2018, there were 127 appeals that are contesting approximately \$178 million in value, which is only 0.89% of the \$20 billion in total net taxable value. These 127 appeals represents only 0.38% of the 33,759 total parcels assessed. By comparison, there were 157 appeals in FY18; 392 in FY17; and 442 in FY16.

The addition of the GIS Analyst II position in fiscal year 2018 allowed our division to complete the update of the County's parcel layer as well as add a new CPR layer to our GIS maps. This is a crucial step towards moving forward on the Land Information Management System plan.

The Agricultural Working Group, which was comprised of farmers, ranchers, tree farmers, and large landowners, submit their recommendations for proposed ordinance changes to the Office of the County Attorney in April 2017. These proposed changes to the agricultural dedication program will encourage bona fide commercial agricultural activities, enhance enforcement efforts, and stagger the workload more evenly for the department's staff. The draft is currently under review and anticipate ordinance implementation during the FY19.

#### IV. PROGRAM MEASURES

The continued refinements in “market modeling” has resulted in better median assessment-to-sales ratios, ranging from 99.2% to 100.2% in the three residential models, and from 99.9% to 101.4% for the three condominium models. The coefficient of dispersion (COD), which measures the average percentage deviation from the median ratio, also improved throughout the models. Most jurisdictions require a COD of less than 20 (20%) to validate market models are working uniformly. The three residential market models employed for the 2018 assessments produced a COD range of 6.5 to 9.7. The three condominium models returned CODs ranging from 6.1 to 7.2. These results indicate that the coefficients and variables selected to value our residential and condominium properties are seeming producing credible values based on the 749 sales utilized in these models. Properties that are less homogenous within their respective neighborhoods are generally valued on the Cost Approach as the regression analysis loses reliability when being applied to “outlier” properties.

#### V. BUDGET

A comparison of the FY17 and FY18 is shown below:

	<b>FY 2017</b>	<b>FY 2018</b>	<b>% + or -</b>
Salaries & Wages	1,027,890	1,047,060	19,170
Benefits	544,391	650,679	106,288
Utilities	720	720	0
Vehicle/Equipment, Lease	6,002	7,252	1250
Operations	512,534	405,108	(107,426)
<b>Total</b>	<b>2,091,537</b>	<b>2,110,819</b>	<b>19,282</b>

Salaries & Wages and Benefits are higher in FY18 due to the filling vacant positions, increased pay from collective bargaining and step movements, staff progression, and higher employer contributions towards the retirement system. The decrease in Operations for FY18 is due to the removal of a one-time contract extension to align the annual renewal date with the fiscal year monies allocated as well as the removal of the onsite business process and support from our assessment software vendor. During FY18, the business process and support will be provided from a centralized location in Colorado through a time and material charge that will be attended to on an “as needed” basis.

#### 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 2018

July 01, 2017 - June 30, 2018

Michelle Lizama - Tax Collection Supervisor (226)

Mona Caldeira - Senior Account Clerk (224)

Emma Iloreta - Tax Clerk (223)

Kathleen Singson – Account Clerk (272)

Hollie Santos (Hire: 08/16/2017, Vacant: 11/10/2017) – Account Clerk (233)

Elizabeth Lindsey (Hire: 06/01/2018) 89-Day Contract RP Tax Clerk – (233)

Nadia Aquias (Hire: 07/01/2017, Vacant: 04/27/2018) - 89-Day Contract RP Tax Clerk – (275)

#### 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 Kukai'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

- a. POS #275 – FY18-19, will be moving to CA Office as a “Deputy County Attorney” whereas one of the duties will be to coordinate Judicial Foreclosures against delinquent Real Property Taxes. Non-Judicial Foreclosures will no longer be done at the RP Collections Office.
- b. POS #233 – Remains under “Continuous Recruitment” until an Eligible List can be obtained; in the meantime, an 89 Day Contract is assuming the duties and responsibilities of this position.

## 2. Implement New Technologies

In December 2017, the Real Property Collections, along with the entire Treasury Department, upgraded to a new web based Cashiering System - iNovah, by System Innovators Inc (SII).

## 3. Reduce Delinquencies

The Delinquency Rate as of June 30, 2018 was 2.54% with a total outstanding amount of \$3,393,346.565. The Real Property Collections Department continues to enter into approved Payment Agreements and Files Liens where necessary.

## 4. Improve Efficiency and Utilize Technology

Continued goals include exploring filing liens electronically, Paperless Bill Presentment, Kauai County Code amendment for Lien Releases, Kauai County Code amendment to allow the rollover of refunds to future taxes and a Credit Card Payment system at the counter.

### **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
- c. Daily updates to the website information at [www.kauaipropertytax.com](http://www.kauaipropertytax.com)
- d. Accepting online payments via credit card and ACH at [www.kauai.gov/paypropertytax](http://www.kauai.gov/paypropertytax)

#### **C. Activities**

#### **Current Tax Roll for FY2018:**

<b>Beginning Tax Roll for FY 2017-18</b>	
Real Property	126,396,777.90
RRCA	3,467,825.00
KKUCFD	1,031,994.90
<b>Subtotal:</b>	<b>130,896,597.80</b>
<b>Tax Credits for FY2017-18</b>	
PHU (Perm Home Use)	0
LIC (Low Income)	0
LTL (Long Term Lease)	0
HPL (Home Preservation Limit)	-69,532.82
VLI - (Very Low Income)	-135,003.09
<b>Subtotal:</b>	<b>-204,535.91</b>
<b>Current Tax Roll Balance:</b>	<b>130,692,061.89</b>

<b>Lock Box Vendor Processing (LB):</b>	<b>Amount</b>
07/01/2017 to 12/31/2017	-29,395,798.52
01/01/2018 to 06/30/2018	-19,182,355.68
<b>Total:</b>	<b>-48,578,154.20</b>

<b>Agency Billing/Collection Program (AGY):</b>	<b>Amount</b>
07/01/2017 to 12/31/2017	-20,394,975.04
01/01/2018 to 06/30/2018	-19,790,499.26
<b>Total:</b>	<b>-40,185,474.30</b>

<b>Online Payment Program (OL):</b>	<b>Amount</b>
07/01/2017 to 12/31/2017	-10,840,768.12
01/01/2018 to 06/30/2018	-8,404,382.48
<b>Total:</b>	<b>-19,245,150.60</b>

<b>Over the County Payments (SII):</b>	<b>Amount</b>
07/01/2017 to 12/31/2017	-10,372,960.05
01/01/2018 to 06/30/2018	-7,520,605.74
<b>Total:</b>	<b>-17,893,565.79</b>

<b>Excel Batch Payments (EBP):</b>	<b>Amount</b>
07/01/2017 to 12/31/2017	-1,468,139.97
01/01/2018 to 06/30/2018	-3,531,714.76
<b>Total:</b>	<b>-4,999,854.73</b>

#### IV. PROGRAM MEASURES

<b>FISCAL YEAR 2017-18 COLLECTIONS (CURRENT YEAR)</b>		
<b>Beg Balance as of July 01, 2017</b>		
RP	126,396,777.90	
RRCA	3,467,825.00	
KKUCFD	1,031,994.90	
HPL - (Home Preservation Limit)	(69,532.82)	
VLI - (Very Low Income)	(135,003.09)	
<b>Subtotal</b>	<b>130,692,061.89</b>	
Authorized Adjustments - P38 Debits		401,608.49
Other Debits		25,228.34
Pay Debits		1,062,873.41
<b>TOTAL DEBITS</b>		<b>132,386,308.04</b>
Authorized Adjustments - P38 Credits		(273,529.58)
Write-Offs (End of Fiscal Year - under \$1)		(23.38)
Other Credits		(214,267.91)
Pay Credits		(130,403,034.76)
<b>TOTAL CREDITS</b>		<b>(130,890,855.63)</b>
<b>Outstanding Tax Balance</b>		<b>1,495,452.41</b>
Refunds		(929,578.40)
Penalty		(409,774.70)
Interest		(71,270.63)
Other Fees		174.00
<b>TOTAL</b>		<b>(1,410,449.73)</b>
<b>OUTSTANDING TAX BALANCE:</b>	<b>1,495,452.41</b>	
<b>Total Current Tax Collected</b>	<b>129,196,609.48</b>	

<b>FISCAL YEAR 2017-18 COLLECTIONS (PRIOR YEAR)</b>		
<b>Beg Balance as of July 01, 2017</b>	2,992,206.55	
Authorized Adjustments - P38 Debits		278,558.25
Other Debits		837,139.35
<b>TOTAL DEBITS</b>		<b>1,115,697.60</b>
Authorized Adjustments - P38 Credits		(154,008.52)
Write Offs (End of Fiscal Year - under \$1)		-
Other Credits/Pay Credits		(2,056,021.99)
<b>TOTAL CREDITS</b>		<b>(2,210,030.51)</b>
		(1,094,332.91)
Adjustment		(20.51)
<b>Outstanding Tax Balance</b>		<b>1,897,894.15</b>
Refunds		52,647.52
Penalty		(107,862.55)
Interest		(223,995.23)
Other Fees		(16.50)
<b>TOTAL</b>		<b>(279,226.76)</b>
<b>OUTSTANDING TAX BALANCE:</b>	<b>1,897,894.15</b>	
<b>Total Delinquent Tax Collected:</b>	<b>1,094,312.40</b>	



## V. BUDGET

A comparison of the FY16 and FY17 is shown below:

	<b>FY 2017</b>	<b>FY 2018</b>	<b>% + or -</b>
Salaries & Wages	219,235	209,900	(9,335)
Benefits	105,421	133,341	27,920
Utilities	0	0	-
Vehicle/Equipment, Lease	0	0	-
Operations	105,226	66,910	4,103
<b>Total</b>	<b>429,882</b>	<b>410,151</b>	<b>(19,731)</b>

The operational costs were reduced as RPC did not host a tax sale auction in FY18.

## 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.