



The Department of Finance

Fiscal Year 2025 Annual Report

July 1, 2024 – June 30, 2025

**Chelsie Sakai
Director**

DEPARTMENT OF FINANCE

I. MISSION STATEMENT

To protect the County's assets by establishing and maintaining accurate and reliable technological and financial systems while providing effective, efficient, and kind professional service to the people of Kaua'i and to all that we serve.

II. DEPARTMENT GOALS

Vision: We envision a vibrant and collaborative network of Divisions who focus their unique strengths to make the County a better place to work.

Values:

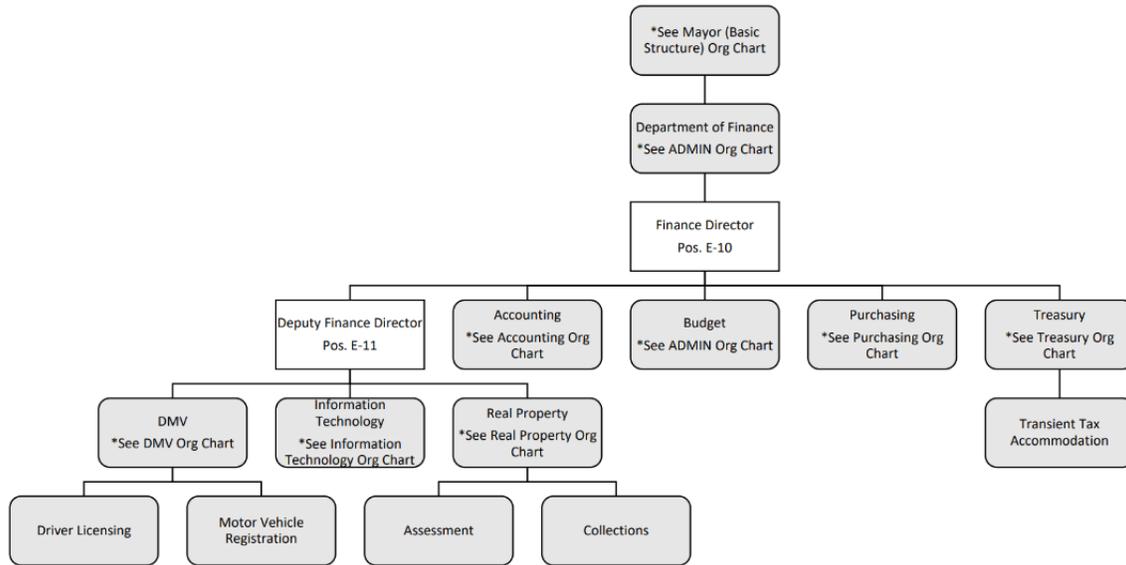
- **COMMUNICATION:** We will be open, approachable, and transparent in order to effectively communicate with everyone we serve.
- **ACCOUNTABILITY:** We are trustworthy and will provide accurate and timely information such that others can rely on our product.
- **COLLABORATIVE:** We commit to engaging the talents and passions of our people to achieve desired results.
- **ALOHA SPIRIT:** We approach each professional interaction with compassion, kindness, respect, and patience.

III. PROGRAM DESCRIPTION

Strategic Priorities:

- **Modernize Technology:** Enhance interconnectivity between Departments and Divisions through use of modernized software and systems for the purpose of increasing efficiency, transparency, and data accessibility.
- **Succession Planning:** Ensure protection of our intellectual capital by cross training and developing our staff from within.
- **Go Paperless:** Increase efficiency and be environmentally friendly by migrating to a paperless environment with automated workflows, digital document routing and electronic filing.
- **Reputation & Service:** Maintain the highest class of service to the community as well as all County Departments and Divisions to further cultivate the best possible reputation amongst those that we support.

Organizational Chart



IV. BUDGET

Consolidated Financial Results

General Fund - Fiscal Year Ended June 30, 2025 (Preliminary)				
Finance - Consolidated Summary				
	Revised Final Budget	Actual Exp. + Encumbrances	\$ Lapse	% Lapse
Sal., Wages, OT	\$ 7,454,958	\$ 7,177,340	\$ 277,618	3.7%
Benefits & CB	\$ 4,463,015	\$ 2,768,576	\$ 1,694,439	38.0%
Utilities, Insurance, Fuel	\$ 4,086,712	\$ 4,048,207	\$ 38,505	0.9%
Training & Travel	\$ 140,736	\$ 109,015	\$ 31,721	22.5%
Claims, Rent., Loans	\$ 451,456	\$ 432,618	\$ 18,838	4.2%
Svcs, Dues, Consult	\$ 4,624,277	\$ 4,407,396	\$ 216,881	4.7%
Spec. Proj., Grants	\$ 4,052,523	\$ 2,521,910	\$ 1,530,613	37.8%
Indirect Cost	\$ (2,680,000)	\$ (2,680,000)	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 130,887	\$ 120,302	\$ 10,585	8.1%
Ad, Print, Suppl, Commod.,	\$ 1,101,304	\$ 1,017,810	\$ 83,494	7.6%
Vehicle/Equip, Lease	\$ 89,229	\$ 88,837	\$ 392	0.4%
Total	\$ 23,915,097	\$ 20,012,010	\$ 3,903,087	16.3%

ADMINISTRATION

Chelsie Sakai, Director of Finance

Michelle L. Lizama, Deputy Director of Finance

I. MISSION STATEMENT

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

II. DIVISION GOALS

A. Duties/Functions

1. Under the authority of Section 10.04 of the County Charter, the Director of Finance or the Deputy Director of Finance, in the absence of the Director of Finance, shall be the chief accounting, fiscal and budget officer of the county.
2. To provide guidance and managerial oversight of various divisions within the Department of Finance.
3. To prepare the annual Operating and Capital budget ordinances within a structurally sustainable framework and to administer the budget functions of the County in accordance with all applicable laws and regulations.
4. Working with the Office of the County Attorney, analyze potential risk and procure mitigating insurance coverage to limit the County's exposure to said risk.

B. Division Goals

1. To continue a fiscally sound approach of County finances to ensure that expenditures do not exceed the resources available and adhere to the long-term financial and reserve plan policies adopted for the County of Kaua'i.
2. To ensure that the County is in an adequate position to use reserves to upfront costs in the event of emergencies prior to potential FEMA reimbursement.
3. Continue to improve financial transparency within the County and to the general public.

III. PROGRAM DESCRIPTION

A. Program Objectives

1. 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 regarding their budgets,

revenues, and expenditures.

2. To ensure all funds received by the County of Kaua'i are managed in accordance with the special conditions of the appropriation/award of the funds by providing timely financial information in a user-friendly format.
3. Working with the Office of the County Attorney, 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.
4. Continued adherence to the Long Term Financial Plan policies adopted by the Council; 1) Reserve Fund and 2) Structurally Balanced Budget Policy.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2025 (Preliminary)				
ADMINISTRATION				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 649,562	\$ 651,460	\$ (1,898)	-0.3%
Benefits & CB	\$ 340,550	\$ 352,142	\$ (11,592)	-3.4%
Utilities, Insurance, Fuel	\$ 4,035,556	\$ 3,997,405	\$ 38,151	0.9%
Training & Travel	\$ 9,460	\$ 7,382	\$ 2,078	22.0%
Claims, Rent., Loans	\$ 423,455	\$ 410,738	\$ 12,717	3.0%
Svcs, Dues, Consult	\$ 117,602	\$ 114,078	\$ 3,524	3.0%
Spec. Proj., Grants	\$ 4,052,522	\$ 2,521,910	\$ 1,530,612	37.8%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 47,499	\$ 41,182	\$ 6,317	13.3%
Vehicle/Equip, Lease	\$ 1	\$ -	\$ 1	100.0%
Total	\$ 9,676,207	\$ 8,096,297	\$ 1,579,910	16.3%

V. ACCOMPLISHMENTS/EVALUATION

Continued adherence to the Long Term Financial Plan policies adopted by the Council: 1) Reserve Fund and 2) Structurally Balanced Budget Policy.

ACCOUNTING DIVISION

Malia Kagawa, Accounting Administrator

I. MISSION STATEMENT

The Accounting Division's mission is to provide accurate and timely financial information to all financial statement users, develop and maintain internal controls, display transparency for all functions related to accounting while continuing to ensure compliance with applicable federal, state and local laws and regulations.

II. DIVISION GOALS

A. Duties/Functions

1. Compliance with Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) pronouncements, prepare accurate, timely, and reliable financial reports for decision-making.
2. Maintain and preserve the integrity of the accounting system for 35 County funds and ensure that accurate and timely financial information is provided to all County Departments and/or Agencies.
3. Provide guidance and oversight of financial procedures to all County Departments and/or Agencies.
4. Maintain internal controls over financial procedures to prevent and detect fraud, develop policies and procedures that foster fiscal and fiduciary responsibilities to ensure compliance with applicable federal, state and local laws and regulations.

B. Division Goals

1. Promote growth, mentor, train, and retain our Accounting team in an environment that promotes teamwork while maintaining trust, value, transparency, and accountability.
2. Develop procedures and guidelines for Accounting team tasks from top to bottom for succession planning and talent development.

III. PROGRAM DESCRIPTION

A. Program Objectives

1. The Accounting Division provides centralized accounting services, guidance for accounting under GAAP and GASB, financial reporting, accounts receivable, accounts payable, capital asset management, lease management, and vendor maintenance including 1099 reporting for all county-wide operations.

2. The Accounting Division’s primary objectives are: 1) Report accurately, all financial related information in a timely manner; and 2) Strive to maintain effective internal controls, promote transparency, increase efficiencies, while being consistent throughout County-wide operations.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2025 (Preliminary)				
ACCOUNTING				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 705,613	\$ 701,116	\$ 4,497	0.6%
Benefits & CB	\$ 332,820	\$ (1,045,589)	\$ 1,378,409	414.2%
Utilities, Insurance, Fuel	\$ -	\$ -	\$ -	0.0%
Training & Travel	\$ 11,545	\$ 6,457	\$ 5,088	44.1%
Claims, Rent., Loans	\$ 5,000	\$ 3,339	\$ 1,661	33.2%
Svcs, Dues, Consult	\$ 307,406	\$ 292,418	\$ 14,988	4.9%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ (2,680,000)	\$ (2,680,000)	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 29,803	\$ 22,433	\$ 7,370	24.7%
Vehicle/Equip, Lease	\$ -	\$ -	\$ -	0.0%
Total	\$ (1,287,813)	\$ (2,699,825)	\$ 1,412,012	-109.6%

V. ACCOMPLISHMENTS/EVALUATION

The Accounting Division went through a massive rebuild, filling five vacancies throughout the end of FY2024 and continuing into FY2025. Our biggest accomplishment is training all the new employees, creating standard procedures and training for accounting processes and restructuring the Division so that we can continue to focus on rebuilding the Accounting Division for years to come. The team that we built is full of eager to learn individuals who will undoubtedly continue to gain vast governmental accounting knowledge as we continue to prioritize continuing education for governmental accounting principles so that our team understands the importance of maintaining internal controls and professional standards

As our Accounting Division reviews all the questionable transactions daily, the Accounting team has assisted the Treasury Division to implement Positive Pay and has helped catch potential fraudulent checks. The Accounting Division has also assisted the Treasury Division with implementing wire payments for pre-approved transactions, which we hope to expand when there is a new accounting system. **Working hand in hand with the other Finance Divisions was a priority for increased efficiency and positive working relationships.**

The closing of the FY2024 financials and final issuance of the FY2024 Annual Comprehensive Finance Report (ACFR) took longer than most years due to staff turnover

that occurred in the prior year's fiscal year end, which delayed the start of the FY2024 audit. There was a balancing act of training and learning the historical knowledge, which has taken time to ultimately resolve. However, the Accounting Division is on track to complete the FY2025 ACFR timely as the preliminary items are underway and we have gained experience to improve vastly for the FY2025 ACFR. We are aiming to issue the FY2025 ACFR by December 31, 2025 and the Accounting Division is going to improve year-end closing processes by completing an internal review process to hopefully assist the Departments by catching more items that could be potential findings. The Accounting Division has already conducted an internal search for unrecorded liabilities for FY2025, as well as additional training to assist with resolving matters for financial reporting purposes.

The Accounting Division continues to seek ways to improve efficiency, while maintaining the integrity of the accounting system and internal controls, to ensure that accurate and timely financial and accounting information is provided. The Accounting Division is looking forward to utilizing software complementing the auditors to assist with financial reporting in a timely matter. The entire Accounting Division is looking forward to a new accounting system to make processes less manual so we can focus more on internal controls and review as the County grows, with transactions increasing year to year.

DIVISION OF MOTOR VEHICLES

Jeremy K. Lee, Motor Vehicle and Licensing Administrator

I. MISSION STATEMENT

Provide Division of Motor Vehicle (DMV) services that are user-friendly, efficient, and meets the highest standards for prompt and professional service to the public and other government agencies.

II. DIVISION GOALS

A. Duties/Functions

1. Provide the County of Kaua'i effective and efficient Motor Vehicles and Drivers Licensing services.
2. Administration and application of all Federal, State and County laws and rules that are related to DMV services and scope of work.
3. Execute all transactions for motor vehicle registration and drivers licensing in compliance with applicable rules and laws.
4. Maintain all obligations to Federal, State and Local entities in the administration of associated functions.

B. Division Goals

1. Continue to improve timely, courteous, and efficient assistance and service to all DMV customers.
2. Screen and identify drivers and vehicles to keep Kaua'i's roads safe.
3. Continue to work with the State and all the counties to coordinate and collaborate to address common needs and provide consistency in service delivery across the state.
4. Continue to work with and support judicial and law enforcement entities.
5. Stay abreast of all new rules and laws that help to direct our work.
6. Transition drivers license permit testing to a computer-based program.
7. Launch drivers license services at the Kapa'a DMV satellite office.
8. Launch new statewide credentials in January 2026.

III. PROGRAM DESCRIPTION

The Division of Motor Vehicles plays a vital role in traffic safety. From vehicle registration and titling to drivers licensing and state ID's. The DMV office provides a multitude of services to the community, helping to promote safe vehicle operation on our roads.

A. Program Objectives

1. Continually assess our internal processes and monitor best practices to proactively grow and be responsive to customer service needs, to provide the best service.
2. Continue to implement new acts of legislation that guide our services.

B. Highlights

1. Maintained an improved timely, courteous and efficient DMV service to all customers.
2. Continually sharpening our capacity to screen safety related issues with our customers.
3. Participation in statewide administrator meetings to improve consistency across the state in all DMV related areas of work.
4. The DMV has worked with judicial and law enforcement entities to support their duties for public safety. Providing DMV records and subpoena supporting testimony.

5. Creation of a training program, to provide refresher training, cross training to support and develop the growing team.
6. Working via a statewide contract, we will launch a remote and electronic drivers permit testing platform.
7. Implementation plan is on time and budget to launch Drivers License services at the DMV location in Kapaa.
8. Progressing success in launching a new statewide credentials in January 2026.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2025 (Preliminary)				
MOTOR VEHICLE				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 1,496,418	\$ 1,241,043	\$ 255,375	17.1%
Benefits & CB	\$ 947,237	\$ 621,158	\$ 326,079	34.4%
Utilities, Insurance, Fuel	\$ -	\$ -	\$ -	0.0%
Training & Travel	\$ 1,938	\$ 1,145	\$ 793	40.9%
Claims, Rent., Loans	\$ 7,200	\$ 4,163	\$ 3,037	42.2%
Svcs, Dues, Consult	\$ 346,316	\$ 311,487	\$ 34,829	10.1%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 6,931	\$ 6,929	\$ 2	0.0%
Ad, Print, Suppl, Commod.,	\$ 230,760	\$ 204,550	\$ 26,210	11.4%
Vehicle/Equip, Lease	\$ -	\$ -	\$ -	0.0%
Total	\$ 3,036,800	\$ 2,390,474	\$ 646,326	21.3%

V. ACCOMPLISHMENTS/EVALUATION

Efficiency efforts have continued to provide fruitful outcomes for our team and customers alike. We recently reviewed and updated our dealer program, creating efficiencies by consolidating work times and improvements in the tools that we use. Monthly statewide administrators/HDOT meetings have helped in building consistency and opened opportunities for growth and leveraging statewide resources. With the ongoing support of the county administration, we are taking reasonable growth steps to develop the County of Kaua'i DMV into a well-functioning DMV operation.

We believe that the DMV is a place that people want to come and work in. We still have had difficulty attracting and retaining personnel, revealing our vulnerability to service capacity limitations and legacy turnover issues. Work intensity coupled with low pay are key factors to fast turn over.

- As our staffing has increased, we have seen marked improvement in our on-time performance and the overall customer experience. If we experience a staffing

shortage, we have no back up supports to keep the system moving forward in a timely manner. Adding staff to the DMV would help build capacity and consistency of our service delivery.

- Continued statewide monthly meetings with HDOT and all the Counties to discuss all DMV related topics, continue to bear good fruits in consistency of service across the state and in reduction of duplicative work being done across the state.
- Regular training for the team has proven to be very successful in both skill building and consistency but also in team unity.
- Launched the DMV site at the Kapaa Armory in December 2024, creating a new integrated DMV location.

DIVISION OF PURCHASING

Ernest W. Barreira, M.S., Assistant Chief Procurement Officer

I. MISSION STATEMENT

The Division of Purchasing (DoP) is tasked with the responsibility for all formal procurement of Construction and Goods and Services for the County of Kaua'i. In addition, the Division is responsible for: contracts for services of independent contractors, purchasing materials, supplies and equipment; assisting with leases, rental acquisitions, or otherwise securing the use of real or personal property; maintaining control of all surplus County equipment and processing all inter-office and incoming/out-going mail, and postage.

II. DIVISION GOALS

A. Duties/Functions

1. 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.
2. Provide guidance, training, and direction to the County administration and all departments, divisions, and agencies regarding the requirements of procurement.

B. Division Goals

1. Maintain an updated portal of all solicitation boilerplates and forms consistent with the changes in laws and rules to provide critical guidance and training to all County departments and personnel.
2. 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

A. Program Objectives

1. The Division of Purchasing, under the authority of Section 19.19 of the County Charter, is responsible for administering the centralized purchasing of all "-goods, services, and construction" for the County. In addition, further authority, duties, and responsibilities are provided by Hawai'i Revised Statutes, Section 103D, and the related Hawai'i Administrative Rules.
2. 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 Hawai'i State Procurement Code. This involves a commitment of the 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.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2025 (Preliminary)				
PURCHASING				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 635,249	\$ 630,183	\$ 5,066	0.8%
Benefits & CB	\$ 366,239	\$ 376,306	\$ (10,067)	-2.7%
Utilities, Insurance, Fuel	\$ -	\$ -	\$ -	0.0%
Training & Travel	\$ 19,153	\$ 8,748	\$ 10,405	54.3%
Claims, Rent., Loans	\$ 1	\$ -	\$ 1	100.0%
Svcs, Dues, Consult	\$ 8,818	\$ 2,104	\$ 6,714	76.1%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 201	\$ -	\$ 201	100.0%
Ad, Print, Suppl, Commod.,	\$ 137,462	\$ 133,789	\$ 3,673	2.7%
Vehicle/Equip, Lease	\$ 9,472	\$ 9,110	\$ 362	3.8%
Total	\$ 1,176,595	\$ 1,160,240	\$ 16,355	1.4%

V. ACCOMPLISHMENTS/EVALUATION

- A. Small purchase threshold increase (Excellence): DoP has implemented the Formal Small Purchase method in order to take advantage of the increased small purchase threshold set by HRS 103D-305 which explains that procurement of**

goods and services less than \$100,000 can utilize the small purchase procedures if it is done through an electronic system. Departments and agencies are now able to go through the Formal Small Purchase method for goods purchases (services are reviewed on a case-by-case basis) and in the end, cut a PO instead of going through the cumbersome process of a contract.

- B. ERP System procurement (Excellence): DoP worked closely with project managers and the consultant to fine tune the solicitation for a new ERP system. DoP also processed a standalone lease financing solicitation specifically for the ERP system funding.
- C. Innovative changes to the auction process (Excellence): The new auction process through Public Surplus was discussed at length in FY25. The lead DoP technician was the liaison between the vendor, Public Surplus, and the Finance team. Many discussions were held regarding electronic payments, the vendor's fee, sales tax, etc. Once everything was ironed out, DoP created procedures, began testing the website and making final alterations. The first auction utilizing the new process has already been started in FY26.
- D. Procurement guidance and training (Responsive Service): DOP provides extensive and routine support, guidance and training, thus reducing unintended procurement violations and substantially improving departmental knowledge and will contribute to better compliance with all procurement requirements.
- E. Commitment to all County Departments/Agencies (Responsive Service): The DOP continues to provide qualified guidance and assistance to help our internal customers with the multitude of procurement projects throughout the year.
 - 1. 107 formal solicitations were executed last year, this includes Invitations for Bid and Requests for Proposals.
 - 2. 6 Professional Service notices were posted.
 - 3. 154 Exemptions were completed.
 - 4. 122 Sole Sources were completed.
 - 5. Top 5 high-value CIP project awarded for an accumulated total of over \$96M.
 - 6. 158 contracts were awarded in FY25. The contracts for the year totaled over \$170M.
 - 7. More than 1000 purchase orders and blanket purchase orders were cut outside of contracts totaling more than \$15M.

TREASURY DIVISION

Nancee Robles, Treasurer

I. MISSION STATEMENT

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

II. DIVISION GOALS

A. Duties/Functions

1. Protect the funds of the County of Kaua'i
2. Maintain records of receipts and disbursements.
3. Monitor the deposits of all County agencies.
4. Perform cash management for the County of Kaua'i including, but not limited to, the performance of timely bank reconciliations.
5. Manage issuance, compliance, and debt service of Bonds.
6. Perform investment management services for County funds.
7. Collect and record Transient Accommodations Tax.

B. Division Goals

1. Continue to serve and support the County by protecting its funds, creating efficiencies, eliminating redundancies, and standardizing documents in an electronic format.
2. Automate and document processes wherever possible to reduce manual entry and transfer of information between systems.
3. Create and maintain electronic procedures and transition plans for all Treasury staff for easy transitions for new staff upon retirement or promotions.

III. PROGRAM DESCRIPTION

A. Program Objectives

1. Account for, receive, protect, deposit, invest, and disburse the County's money

while adhering to the proper authorization and policies.

2. Ensure deposits in financial institutions are fully collateralized.
3. Maintain sufficient liquidity to meet the County's cash requirements.
4. Invest surplus cash in accordance with the investment policy.
5. Ensure County funds are not unduly concentrated in any single financial institution.
6. Provide timely financial reporting to internal and external agencies.
7. Maintain and document effective internal controls and processes.
8. Facilitate bond issuances, including required compliance, debt service and reporting.

B. Highlights

1. Examined the fee structure of our financial institutions to better identify and manage investments.
 - a. Negotiated higher rates of interest on cash and cash equivalents at all financial institutions holding County funds.
 - b. Improve liquidity and cash flow analysis by collaborating with third party cash flow experts.
2. Increased investment earnings by taking advantage of the past rising interest rates and maintaining good rates on re-investments.
 - a. Negotiated with financial institutions to have liquid cash accounts held at the money market rate.
 - b. Created an even maturity ladder for a consistent cycle of investment earnings.
 - c. Worked closely with Investment Brokers to locate advantageous investment positions.
3. Increased security of County funds on deposit with local banks.
 - a. Implemented ACH Debit Blocker and Positive Pay to avoid fraudulent activity.
 - b. Decreased the number of accounts on deposit by consolidating.
 - c. Implemented check scanning for select deposit locals.

4. Refunded Series 2010A Build America Bonds totaling \$56,640,000.
 - a. Received \$224.1 million in orders, resulting in a 3.9x oversubscription rate, highlighting strong confidence on investors.
 - b. Realized substantial net present value savings of \$304,500.
 - c. Safeguarded the County’s fiscal health by mitigating potential uncertainties related to changes in federal policy.

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2025 (Preliminary)				
TREASURY				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 388,283	\$ 361,428	\$ 26,855	6.9%
Benefits & CB	\$ 221,574	\$ 208,113	\$ 13,461	6.1%
Utilities, Insurance, Fuel	\$ -	\$ -	\$ -	0.0%
Training & Travel	\$ 4,161	\$ 3,591	\$ 570	13.7%
Claims, Rent., Loans	\$ -	\$ -	\$ -	0.0%
Svcs, Dues, Consult	\$ 154,404	\$ 150,224	\$ 4,180	2.7%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 2	\$ -	\$ 2	100.0%
Ad, Print, Suppl, Commod.,	\$ 5,441	\$ 5,438	\$ 3	0.1%
Vehicle/Equip, Lease	\$ 1	\$ -	\$ 1	100.0%
Total	\$ 773,866	\$ 728,795	\$ 45,071	5.8%

V. ACCOMPLISHMENTS/EVALUATION

Treasury Division is staffed with competent employees who are constantly seeking opportunities to improve their skills, knowledge and abilities. Automation and efficiencies continue to be at the forefront of Treasury’s initiatives in FY25. Timely and accurate reports are consistently provided. Measures were continued to improve the safety of County funds and counteract fraudulent activity. Treasury has taken advantage of a favorable market to refinance a bond and created savings for the County.

INFORMATION TECHNOLOGY (IT) DIVISION

Del Sherman, IT Manager

I. MISSION STATEMENT

We lead the County of Kaua’i in building a strong, reliable, and secure technology environment that enables County staff to deliver exceptional public service. By anticipating needs, solving problems, and adopting innovative solutions, we ensure our systems and services remain resilient, efficient, and responsive to the community we

serve.

II. DIVISION GOALS

A. Duties/Functions

1. The Information Technology (IT) Division is tasked with managing 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 supports all County technology, from archiving data and fiber optic networks to desktop printers, personal computers, and virtual servers.

Our focus and guiding principles are:

- a. Empowering Synergy: We foster a culture of collaboration across all departments, encouraging cross-functional teams to work together in achieving strategic objectives. By leveraging collective expertise, we drive innovation and ensure that technology solutions meet the diverse needs of the County.
- b. Strategic Alliances: We build and nurture strategic partnerships with key stakeholders, both internal and external, to enhance the quality and responsiveness of IT services. These alliances enable us to deliver tailored support and innovative solutions that align with the County's goals.
- c. Open Governance: We commit to transparency in all decision-making processes related to IT. By utilizing clear communication channels and involving stakeholders in governance, we ensure that resource allocation and project prioritization are aligned with the County's broader objectives.
- d. User-Centric Design: Our IT decisions are driven by a deep understanding of user needs and behaviors. We prioritize intuitive design, seamless access, and responsive support to deliver technology solutions that empower users and enhance productivity.
- e. Continuous Innovation: We embrace a forward-thinking mindset, continuously exploring and integrating emerging technologies that drive efficiency and effectiveness. Our IT team is dedicated to fostering a culture of creativity, where new ideas are encouraged and supported.
- f. Data-Driven Security: We ensure that the County's data is both secure and accessible. Our approach to data management emphasizes resilience, with robust security protocols and disaster

recovery plans that protect sensitive information while facilitating timely access to data for informed decision-making.

- g. Skill Development: We are committed to the ongoing professional development of our IT staff and the broader County workforce. By investing in training and knowledge-sharing, we equip our team with the latest skills and best practices to meet the evolving technological needs of the County.
- h. Sustainable Resource Management: We focus on maximizing the value of IT resources by promoting sustainable practices. This includes prioritizing the use of refurbished or reconditioned equipment and making data-driven decisions to ensure that investments in technology deliver the greatest benefit to the County.

B. Division Goals

- 1. Modernize Infrastructure: Continue upgrading network, storage, and server systems to support current and future operational needs. Expand capacity, improve redundancy, and adopt designs that allow for scalable growth and rapid recovery in the event of disruptions.
- 2. Upgrade Enterprise Systems: Move forward with replacing aging business applications and legacy processes. With the Human Resources Management System completed, focus next on implementing modern Finance and Accounting solutions to improve efficiency, transparency, and service delivery.
- 3. Enhance Cybersecurity: Maintain a proactive security posture by deploying new protective measures, monitoring tools, and staff awareness initiatives. Strengthening our ability to detect, respond to, and recover from emerging cyber threats.
- 4. Support Departmental Priorities: Partner with departments to identify technological solutions that meet their operational goals. Deliver tailored support while aligning with County standards and best practices.
- 5. Support Critical Operations 24/7: Ensure uninterrupted technology services for County emergency management and public safety agencies, including KPD, KFD and KEMA. Maintain constant readiness with on-call coverage and rapid response capabilities so critical operations always remain supported.
- 6. Invest in People: Continue building skills and knowledge within the IT team and across County staff, ensuring that the workforce is equipped to leverage technology effectively and securely.

III. PROGRAM DESCRIPTION

The Information Technology Division manages all County technology systems, projects, and services. We ensure that funds allocated for technology are invested wisely, delivering secure, cost-effective, and sustainable solutions. Our responsibilities span the full technology lifecycle: from planning and procurement to deployment, support, and maintenance, covering everything from enterprise networks and servers to user devices and specialized applications.

Our roles include:

- Overseeing enterprise infrastructure, including fiber networks, servers, storage systems, and cloud services
- Providing responsive support for end-user devices, applications, and communications systems
- Implementing technology projects that improve efficiency, security, and service delivery across County operations
- Managing procurement, licensing, and contracts for County technology assets
- Safeguarding County data through secure storage, backup, and recovery solutions

IV. Budget

General Fund - Fiscal Year Ended June 30, 2025 (Preliminary)				
IT TEAM				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 1,646,377	\$ 1,668,326	\$ (21,949)	-1.3%
Benefits & CB	\$ 1,003,315	\$ 1,035,939	\$ (32,624)	-3.3%
Utilities, Insurance, Fuel	\$ 51,093	\$ 50,801	\$ 292	0.6%
Training & Travel	\$ 25,630	\$ 19,047	\$ 6,583	25.7%
Claims, Rent., Loans	\$ 2,500	\$ 2,397	\$ 103	4.1%
Svcs, Dues, Consult	\$ 2,967,344	\$ 2,915,219	\$ 52,125	1.8%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 123,753	\$ 113,373	\$ 10,380	8.4%
Ad, Print, Suppl, Commod.,	\$ 472,046	\$ 467,107	\$ 4,939	1.0%
Vehicle/Equip, Lease	\$ 65,503	\$ 65,500	\$ 3	0.0%
Total	\$ 6,357,561	\$ 6,337,708	\$ 19,853	0.3%

V. ACCOMPLISHMENTS/EVALUATION

The past fiscal year saw significant progress across multiple initiatives, strengthening the County’s technology environment and positioning us for future improvements.

Highlights include:

- Completion of key infrastructure upgrades to expand capacity, improve redundancy, and enhance disaster resilience

- Deployment of secure wireless coverage at additional public safety and community locations
- Implementation of improved backup and storage systems, enabling faster recovery and greater data protection
- Launch of initiatives to harden critical sites against disasters, supported by grant funding
- Advancements in cybersecurity posture through proactive monitoring, layered defenses, and ongoing staff awareness programs
- Care and improvement of County facilities, including upgrades to protect the longevity and safety of buildings and equipment
- Support for major departmental projects, such as system integrations and workflow enhancements, to improve service delivery

These efforts reflect our commitment to security, quality, and efficiency, and demonstrate the IT Division’s role in enabling County operations to adapt and thrive in a rapidly evolving technology landscape.

REAL PROPERTY DIVISION

Scott Teruya - Real Property Tax Manager

I. MISSION STATEMENT

Pursuant to Chapter 5A of the Kaua’i County Code, the purpose of the Real Property Assessment (RPA) Section 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.

Real Property Collections (RPC) Section provides prudent financial management and services to the people of Kaua’i and to the departments and agencies of the County that we serve. The Real Property Collection Section administers the tax collection system and assists with custodial responsibilities for all real property records.

II. DIVISION GOALS/DUTIES

A. Duties/Functions (Real Property Assessment)

1. Provide fair market value ad valorem tax assessments throughout the County of Kaua’i jurisdiction.
2. Defend market assessed valuations before the Board of Review and/or State Tax Appeals Court.
3. Maintain accurate records pertaining to the transfer of title for real property.
4. Create and update tax maps.
5. Administer 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. Enforce the compliance of the laws and administrative rules contained in Chapter 5A of the Kaua'i County Code.
7. Provides real property information to both the public and other government agencies through written correspondence, personal interaction at the front counter, and through our Real Property websites: www.Kaua'i_propertytax.com and [www.Kaua'i .gov/Government/Departments-Agencies/Finance/Real-Property-Tax/Collections](http://www.Kaua'i.gov/Government/Departments-Agencies/Finance/Real-Property-Tax/Collections)

B. Duties/Functions (Real Property Collections)

1. Bill all taxable properties throughout the County of Kaua'i. Collect and process tax payments to include trash fees and the Kukui'ula special assessment.
2. Establish escrow trust accounts for tax appeals and transfer funds appropriately between the general fund and trust accounts.
3. Prepare refunds and tax adjustments.
4. Collect on delinquent accounts and oversee tax lien foreclosures as necessary.

C. Division Goals

1. Staff Training and Development: To ensure public trust, it is essential that RPA continue training our appraisal staff to become highly proficient in both the market and cost approach. 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 an educational program 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. It is also essential that we effectively train and provide a successful career path for our staff. Kaua'i has a complex property

tax system containing many exemptions and tax credits. Our clerical staff is the voice of the office and continuity within this sector of the office is essential for the continued delivery of excellent customer service.

2. Implement New Technologies: RPA has attempted to achieve processes to establish a paperless environment, which allowed greater productivity in the remote work environment.

Continued goals also include exploring an online application process via our land information management system for exemptions at connect.Kaua'i.gov. Future goals include online tax appeals and 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, or 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, most escrow companies are contacting RPA to determine if transfers of ownership affect the status of existing agricultural dedications, thereby protecting buyers from absorbing possible rollback taxes and penalties.

4. Reduce Delinquencies: The delinquency rate as of June 30, 2024 was 2.14% with a total outstanding amount of \$5,449,049.33. This is a decrease from the rate of 3.12% and 3.50% for FY23 and FY22 respectively. The Real Property Collections Section and County Attorney's office are working together to continue to enter taxpayers into approved payment agreements and file liens when necessary.

III. PROGRAM DESCRIPTION

A. Program Objectives

The primary program objective of Real Property Assessment is to assess all taxable real property accurately, fairly, and uniformly 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 Appeal Court.

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

IV. BUDGET

General Fund - Fiscal Year Ended June 30, 2025 (Preliminary)				
REAL PROPERTY ASSESSMENT				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 1,676,066	\$ 1,670,980	\$ 5,086	0.3%
Benefits & CB	\$ 1,097,528	\$ 1,078,084	\$ 19,444	1.8%
Utilities, Insurance, Fuel	\$ 63	\$ -	\$ 63	100.0%
Training & Travel	\$ 59,846	\$ 55,451	\$ 4,395	7.3%
Claims, Rent., Loans	\$ 9,200	\$ 8,437	\$ 763	8.3%
Svcs, Dues, Consult	\$ 672,786	\$ 618,048	\$ 54,738	8.1%
Spec. Proj., Grants	\$ 1	\$ -	\$ 1	100.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 57,857	\$ 46,600	\$ 11,257	19.5%
Vehicle/Equip, Lease	\$ 14,252	\$ 14,227	\$ 25	0.2%
Total	\$ 3,587,599	\$ 3,491,827	\$ 95,772	2.7%

General Fund - Fiscal Year Ended June 30, 2025 (Preliminary)				
REAL PROPERTY COLLECTIONS				
	Budget	Actual + Encumbrances	\$ Variance	% Variance
Sal., Wages, OT	\$ 257,390	\$ 252,804	\$ 4,586	1.8%
Benefits & CB	\$ 153,752	\$ 142,423	\$ 11,329	7.4%
Utilities, Insurance, Fuel	\$ -	\$ -	\$ -	0.0%
Training & Travel	\$ 9,003	\$ 7,194	\$ 1,809	20.1%
Claims, Rent., Loans	\$ 4,100	\$ 3,544	\$ 556	13.6%
Svcs, Dues, Consult	\$ 49,601	\$ 3,817	\$ 45,784	92.3%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 120,436	\$ 96,711	\$ 23,725	19.7%
Vehicle/Equip, Lease	\$ -	\$ -	\$ -	0.0%
Total	\$ 594,282	\$ 506,492	\$ 87,790	14.8%

V. ACCOMPLISHMENTS/EVALUATION

The continued refinements in “market modeling” has resulted in better median assessment-to-sales ratios. The Adoption of Marshall and Swift Cost Tables provides a recognized industry leader to establish our Cost Valuations.

We passed numerous pieces of legislation which will assist both our office administration as well as the public to streamline processes, create efficiencies, and promote equity across our assessments.

We continue to find ways to outreach to the public and improve service to the general public.