

Department of Finance (Administration, Accounting, IT, Purchasing, Drivers License, Motor Vehicle, RPT Assessment, RPT Collections, Treasury, Kaua'i Humane Society Contract)

Honorable Arthur Brun (*excused at 10:59 a.m.*)
Honorable Mason K. Chock
Honorable Derek S.K. Kawakami (*present at 9:52 a.m.*)
Honorable JoAnn A. Yukimura
Honorable Arryl Kaneshiro

Excused: Honorable Ross Kagawa
 Honorable Mel Rapozo

The Committee reconvened on April 6, 2018 at 9:02 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Good morning. I would like to call back to order the Budget & Finance Committee and the Fiscal Year 2018-2019 Department Budget Reviews. On the schedule for today, April 6, 2018, we will be hearing from the Department of Finance. They will be talking us through their various Divisions and we will also have Kaua'i Humane Society at the very end of the day or whenever we are done with Finance. As we do each morning, we will take public testimony.

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Committee Chair Kaneshiro: For today's review, we will have Ken doing a presentation and we have the order. We will follow the same order that it went through in the budget. Ken, with that, do you have a quick presentation?

KEN M. SHIMONISHI, Director of Finance: *Aloha,* Committee Chair Kaneshiro, Members of the Committee, Ken Shimonishi, Director of Finance. We just have a brief overview of the Finance Department, our budget, and a comparison to last year. We have done this presentation over the past few years now. Slide Number 1 provides the list of the Divisions that fall within the Department of Finance. Our Administrative, Accounting, Information Technology (IT), Treasury, Drivers License, Motor Vehicle Registration, Real Property Assessment, Real Property Collections, and Purchasing. The number of employees in each one of those Divisions, for a total of eighty-four (84) employees. This is actually one (1) position less than what we had in the current FY budget and that is due to an eighty-nine (89) day contract position that was in our Real Property Collections, which we have since re-described or shifted to the Office of the County Attorney for a deputy, which will now handle not only be assigned to Finance, but would also handle our Real Property Collections of foreclosures, judicial foreclosures.

The columns represent the different funding sources that we may have, basically our General Fund is where most of our positions are funded with the exception of Drivers License positions and Motor Vehicle Registrations that they cover a few of those positions in that area. Also, the vacancies that we have as of the submission of this budget. Just some notes on position changes that are going on. In our Accounting Division, we have Position No. 562, which is an Account Clerk. This is being moved from the Drivers License Division and the recruitment status on that is pending. In IT, we currently have a vacancy there of Position No. 244. Again, recruitment pending. In Treasury, we shifted this position from the Motor

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Vehicle Registration, what was previously the officer, and this is to add more depth in our Treasury and to support that function, ongoing in that area. Drivers License, Position No. 238. This was the Commercial Driver's License (CDL) Examiner. We have since downgraded that to just a regular Driver's License Examiner with the hopes of training that person up to them becoming the CDL Examiner. We have interviewed and have actually gotten approval on a selection there, so we will be notifying that person. In Motor Vehicle Registration—we are adding a Senior Clerk. This was a move from our Purchasing Division to put another person on the front line to help with what we have been experiencing long lines in that area. Our Real Property Assessment vacancy position No. 249, Tax Clerk. We have interviewed and that is also pending. I believe we may even have that approved already. Our Real Property Collections vacancy position No. 233, Tax Clerk. That was also interviewed and we will be looking to possibly make a selection or renew the list as there were only a few candidates in there. In Purchasing, our current vacancy is Position No. 150, which is currently in recruitment.

Overall, on Slide Number 3, this is the budget provided by Division. In total, we are proposing a decrease in the last year's budget, which is primarily due to reducing our claims account. Last year, we had processed a few money bills out of the General Liability Claims Account and we have taken that allowance down by three hundred thousand dollars (\$300,000). Other areas you may know are vacancies and actually if we go to Slide Number 4 and 5, this would be the narrative relative to the decreases in those Divisions. Again, our Administration reduction totaled three hundred thousand dollars (\$300,000) in General Liability Claims and Puhi Metals remediation work. This was offset by insurance premium increases for property lines. As you know this past year there were a lot of disasters that occurred throughout the United States, whether it was Houston, Puerto Rico, Florida, and California fires and so on. We were given a heads-up by our insurance broker to accept an increase in our insurance property premiums. We show an increase in salaries and wages in Accounting. Again, this is due to the additional position that we re-described from the Drivers License Manager. Also overtime increases due to maximum compensation time when it is reached, so now we actually have to pay out cash for those additional hours. There is other services with the City and County Drivers License computer usage that went up, as well as our Governmental Accounting Standards Board (GASB) 75 audit fees, so this is a new pronouncement that we must adhere to. Our IT increase was due primarily to Granicus or livestreaming contract. This was shifted from Boards & Commissions to our IT to manage that and that was one hundred thirty thousand dollars (\$130,000). Treasury—we re-described the MVR Officer position to add depth to that Treasury Division, which was only two (2) people. As you know both of those long time staff retired at the end of last December and offset due to resetting of salary levels with new personnel. The Manager of Drivers License was re-described to Accounting, as I mentioned earlier. The prior year budget actually included a position that was grant funded, but the salaries were also budgeted in the General Fund, so that is also a reason why we show a decrease in that area. MVR—the Officer re-described to Treasury. We adjusted Other Commodities budget down based on historical data. Our Real Property Assessment—our budget shows a minimal increase of one point thirty-six percent (1.36%). Our Collections, again, budget reduction due to the eighty-nine (89) day contract that we re-described that was previously funded for six (6) months in the prior year's budget. That was to assist with three (3) month periods during the busy season, however, we think that with the new staffing, configuration, and that position going to the Office of the County Attorney that we would be able to manage without that being there. Our Purchasing—reduction is primarily due to savings in salaries and wages due to a long time previous staff retirements.

Slide Number 6, the same data except by expense category, again, overall salaries and benefits relatively neutral or in fact showing a minimal decrease with our utilities slightly up and then the reductions in our operations and vehicle equipment lease. Part of that reduction in the equipment lease is due to the generator that was budgeted last year in IT no longer reoccurring in this year's budget and we found another solution to that generator, which was anticipated being replaced outside of our...on Kūhi'ō Highway, but we are looking at a solution to use the generator from the Piikoi Building instead.

On Slide Number 7, the narrative on the expense by category, as I already mentioned, and I just provided also a chart of that General Liability Claims Account. What was previous budgeted in the prior years of 2014 was two million one hundred thirty-five thousand dollars (\$2,135,000); 2015, one million six hundred thousand dollars (\$1,600,000); 2016, one million fifty-five thousand dollars (\$1,550,000); 2017, one million fifty-five thousand dollars (\$1,550,000); 2018, one million twenty-five thousand dollars (\$1,250,000), and this year, we have reduced it further still. Keep in mind that this is based on our assumption that there really has not been much activity going on with the Puhī Metals site and should that occur, then we would need to look at ways of funding that and possibly using our self-insurance fund provision there. That is the end of my presentation. Any questions?

Committee Chair Kaneshiro: Any questions on the presentation? Knowing that we are going to go through each Division also...Councilmember Chock and then Councilmember Yukimura.

Councilmember Chock: Just to confirm the reduction of three hundred thousand dollars (\$300,000) is what we have talked about or have recognized previously. What I heard you say last is that there may be a need...taking it out, but we may need to revisit it in the future.

Mr. Shimonishi: It depends on how much remediation work is going to go on. Right now it is relatively inactive. Depending if that should kick up again, then we would need to look at...we will keep funding it from this account, but should we get into a deficit forecast looking position, then we would have to come back and say...

Councilmember Chock: When is the last time that you have had to utilize it?

Mr. Shimonishi: I think it has been two (2) years now.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: I think the Department of Public Works said that they are going to use whatever material or work was going to begin when they do the liner for the landfill, so I guess that is what the plan is.

Councilmember Chock: When is that happening?

Mr. Shimonishi: I am not really sure. I think it is within the next year or year and a half or so.

Councilmember Chock: Thank you.

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Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Good morning, Ken.

Mr. Shimonishi: Good morning.

Councilmember Yukimura: Commendations on Slide Number 2, where you laid out the positions, maybe we should require that of all departments, because that really helps.

Mr. Shimonishi: Yes, I just wanted to be sure that we were clear on how we are reshifting some of the positions. I know there are some concerns on how positions are being utilized and that was the goal.

Councilmember Yukimura: Yes, and it is clear explanations. Thank you. It is also quite remarkable to me that even with collective bargaining increases and some of the increases in the GASB requirements and of course that is spread over the entire County; that you come in with a slightly declining budget. How I am interrupting it is that you offset collective bargaining increases by efficiencies.

Mr. Shimonishi: That and a lot of the positions that retired were at a much significantly higher salary level, so we are resetting those as we put in new positions.

Councilmember Yukimura: Right. That is good personnel management. You have older employees retiring at higher salaries and now you are starting new ones at lower salaries?

Mr. Shimonishi: Correct.

Councilmember Yukimura: And training them up to new levels.

Mr. Shimonishi: Yes.

Councilmember Yukimura: Then the generators is a great example, too, because you did not just say, "Oh, we need another generator," you probably did that at first.

Mr. Shimonishi: Correct. That was the initial recommendation, but I think after further review, they had looked at the option to tie into the generator on the other side of the building to see if we can get that connection first before we actually try to just replace.

Councilmember Yukimura: Are these emergency generators?

Mr. Shimonishi: Correct. In the event of an emergency and the power shuts down, yes.

Councilmember Yukimura: Do you use them ongoing? Are they just on standby and you have to keep them maintained so that in cases of emergency?

Mr. Shimonishi: Yes.

Councilmember Yukimura: And then your review of existing Claims Account was the other thing that we did.

Mr. Shimonishi: Yes.

Councilmember Yukimura: Okay. I think that is it. Thank you.

Committee Chair Kaneshiro: Further questions on the presentation?

Councilmember Yukimura: Oh, one (1) more.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: You say on your Slide Number 4 that overtime increased due to maximum comp time limits reached. Can you explain that?

Mr. Shimonishi: Employees have the option to have the overtime paid as cash or to take it as comp time later.

Councilmember Yukimura: I see.

Mr. Shimonishi: That has already been maxed out in this particular...

Councilmember Yukimura: Is that an overall account that individual employees draw from?

Mr. Shimonishi: Right.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: We will go into the Administration budget. Any questions on the Administration budget?

Councilmember Chock: I am reading the narrative and I just had a couple questions on the narrative.

Committee Chair Kaneshiro: Yes.

Councilmember Chock: Thank you for this narrative and the presentation, Ken. One of the areas that you have spent a lot of time on and successfully, so congratulations, is the structurally balanced budget of the Reserve Fund. We are all very happy about that. I guess as it relates to this coming budget, a long-term financial plan is really an area that I felt like, "What are we going to focus on now moving forward and projecting." I do see that that is where you wanted to focus, but what does that look like in terms of outcome and what can we expect this next FY?

Mr. Shimonishi: Right. I am a little torn on that subject. I know that there are other elements of the long-term financial planning project that we could implement, which may require additional resources, but an example would be a review of our facilities to determine what is the real deferred maintenance of our facilities, what does that look like over the next five (5) years, or whatever that may be. We have struggled trying to address that task. I think where I would like to see us go is to really have a good five (5) year model or try to have a five (5) year model, at least, on what the County's finances look like that we are projecting. I think what is equally important or more important is whether or not we can become disciplined in how we make our decisions, because I think there have been a lot of decisions that have been made and they were made without any real discussion on how does this impact the County in the next few years when we have to try to do the lateral expansion, when we have to do the new landfill or what have you. I know everyone is passionate about projects in certain areas, but how do we become disciplined to make sure we are incorporating these assumptions into whatever we are forecasting and addressing. That is kind of where I feel like we need more work on.

Councilmember Chock: I know this is a really big discussion and I expect that we would not be able to get into it, but I think that is kind of what I am wanting to focus on, which are the liabilities or prioritizing of those in order to get a handle. It is about consistency of messaging for us as leaders to really understand that this is what we should be focusing on first. It kind of goes to the wayside because we hear everything else. The other part is that we are subjective to everything and I think we actually take into consideration of how we can become less subjected to...

Mr. Shimonishi: Right.

Councilmember Chock: ...from the State's mandates and so forth. I am looking forward to focusing on that and wanting to ensure that at least budget-wise, you have what you need to make that happen.

Mr. Shimonishi: Right. My first blush would be that we understand a five (5) year model, we adopt a model, and be sure that everyone is clear on the assumptions and what we are doing, and then again, how do we incorporate the discipline when it comes to the exceptions to that model.

Councilmember Chock: Do you think that we will have a five (5) year plan by the end of this next budget period?

Ms. Shimonishi: I think it is possible. That is something I have worked out some rough numbers on, but clearly there is a lot more work that needs to go into that into really having something, I think, officially presentable and something that can be adopted. There is quite a bit more work that needs to be...

Councilmember Chock: Thank you. I do have one (1) more question.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Do you really think we can find discipline in a political process that is based on two (2) year terms?

Mr. Shimonishi: Well, I think if we mandated a fiscal impact requirement into any type of passage...

Councilmember Yukimura: Oh, that is interesting.

Mr. Shimonishi: ...prior to what we are doing, then that would force us to have some kind of analysis, right?

Councilmember Yukimura: Yes.

Mr. Shimonishi: We hear of things like the CBO or how we have to score a bill or whatever, right? If we had something similar, not that I want more work or anything, but that would force the County to have to recognize future impacts before actual adoption or decisions.

Councilmember Yukimura: Well if you take a look at what we have done with the Environmental Impact Statement (EIS), was it yesterday's conversation...anyway...it is hard. But I think that the fiscal impact idea does structure in some thinking along those lines, right? Is there any thought to set up some guidelines for review of fees on a regular basis?

Mr. Shimonishi: That was an element of the long-term financial plan. A policy to have that done. It is a difficult area to get address, I would say. Some of our larger facilities would seem the easiest to apply the type of fee policy, but I think as you mentioned, the political climate and that we provide for our residents and users of the parks, basically free, makes that difficult.

Councilmember Yukimura: Except that we did that with the roads and we are almost losing the roads, right? So that if you want the provision of services to continue, you have to have a sustainable financing in order to do that. It is a concept that is easy to discard on two (2) year terms, it really is short-term, I am not trying to be political as I speak, I am just talking about the structure of decision-making. But you know, we did that with the landfill because of the federal requirement that says, "You have to build in closure cost," right? That was a way to insist that we address that cost beforehand, before it comes up, in a way that makes us save gradually, for the day it comes due. We could try to institute somethings like that. Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: OpenGov has been a great tool and I appreciate the expansion of it. I wanted to ask in terms of...because it is out there for the public to review. Is there any feedback on how that is working in terms of transparency? Is it increasing? Is it providing answers to some of the questions that are out there from the community or is there even a way for that to occur? I have been looking at how to increase that kind of community engagement. I was just wondering if OpenGov is allowing that in any way for you.

Mr. Shimonishi: As far as tracking the usage, we have how many people visit the site and it is not anything impressive. I guess it is how engaged does the public want to be when it comes to the County's finances. Well, it is primarily finance driven

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data that we have on there, but it is not limited to that as we all could put up real property tax information, if we wanted to. We could put up police calls or fire calls or things like that.

Councilmember Chock: I guess the question more specifically was have you gotten any feedback since utilizing this?

Mr. Shimonishi: I have not, other than looking at that there were three (3) visitors on this day. One from someplace in the mainland, one from Kapa'a or whatever, but I have not had any direct feedback that I can recall. If I was to say, "I am going to put the election results on this for the next election," maybe that will drive more usage.

Councilmember Chock: Is there a way for this platform to translate that into things that are more tangible?

Mr. Shimonishi: Yes, I actually have that for the prior election that shows the island of Kaua'i and global maps of where the votes came in and you can drill down by candidate, by race, and all of that. I guess you need something to entice people to come and want to look at it, right, other than seeing, "This is the budget."

Councilmember Chock: I mean it would be more productive for us that we have better conversations. I have one (1) more question, but I do not know if there is a follow-up.

Committee Chair Kaneshiro: Is there a follow-up? You mean to tell me that people are not rushing to the OpenGov website to go look up our County financials.

Mr. Shimonishi: Maybe if we offered some type of discount incentive.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I think there are a lot of people who would be interested in it. One, they may not know of it and two, it may still be a bit overwhelming. My question is, is there a way to do a little tutorial called "County Budget 101"?

Mr. Shimonishi: The use of the site has a tutorial or an overview of how to use it. Aside from that, if you are talking about showing a video clip or something, I guess it is something we can look at. I think people at home who routinely watch the Council meetings know that the budget hearings go on for weeks and we ask for their participation. I am not sure what else we can do.

Councilmember Yukimura: I think if you can get something like down to a twenty (20) minute presentation...well, you can even take it to rotary clubs and elsewhere, sort of like the Planning Department taking to the community how we plan. I think there are people who are interested and by doing that, you would send a bit more people to OpenGov and build a more educated public. Thank you.

Committee Chair Kaneshiro: Councilmember Brun.

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Councilmember Brun: I have a question on Motor Vehicle, do you want to do it now?

Committee Chair Kaneshiro: We will take that question when we get to that Division.

Councilmember Chock: I had the same question I think.

Committee Chair Kaneshiro: Yes, let us hold off on that until we get to that Division. Any other questions for the Administration budget? I just have a few questions on insurance. What happened to the Pollution Insurance we had?

Mr. Shimonishi: The Pollution Insurance that we bought and it is actually listed in the narrative at the end of the Administration, but that policy runs until November 1, 2019. Last year we purchased that for that forty-two thousand dollars (\$42,000), I think, but it was a two and a half (2.5) year policy, so we are not needing to budget that this year.

Committee Chair Kaneshiro: Okay. Are we planning to keep that policy?

Mr. Shimonishi: Yes.

Committee Chair Kaneshiro: Okay. Lifeguard Liability Insurance—did we have that last year or is this the first year we have it?

Mr. Shimonishi: No. I do not think we had it last year, but we did purchase it last year and that was due to the State and their beach...not indemnifying the County, the lifeguards, and so on. Because we have million dollars of self-insurance that we have to cover our deductible, so to speak upfront, that we opted to purchase this gap coverage for our lifeguards to cover the initial million dollars should we have an exposure incident. That is a direct reflection of the State passing something that ultimately cost the Counties more money, right?

Committee Chair Kaneshiro: One hundred forty-two thousand dollars (\$142,000).

Mr. Shimonishi: Yes.

Committee Chair Kaneshiro: General Liability—I know you mentioned that our General Liability went up about three hundred thousand dollars (\$300,000). That is what the insurance providers are saying is due to all of the natural disasters we have had recently.

Mr. Shimonishi: Our property lines of insurance increased, right? We may have shifted some of the policies between where they go, but that is where we are seeing the increase and...

Committee Chair Kaneshiro: Yes, General Liability went up from...we had sixty hundred fifty thousand dollars (\$650,000) in the prior year and now it is nine hundred fifty thousand dollars (\$950,000). The line item for General Liability.

Mr. Shimonishi: The General Liability. If you look on page 40 on the bottom of the...that would be the summary of the budget ordinance. That shows the history as well as the budget last year, this year. If you look across the lines on the accounts, it is more like a six hundred thousand dollars (\$600,000) to six hundred thousand dollars (\$600,000). The General Liability of nine hundred fifty thousand dollars (\$950,000), that was previously the million two hundred thousand dollars (\$1,200,000) number. Are you folks seeing that?

Committee Chair Kaneshiro: In the prior year, we had six hundred fifty thousand dollars (\$650,000) for General Liability Insurance and then we had six hundred thousand dollars (\$600,000) for Puhī Metals facility. We dollar funded the Puhī Metals facility and increased the General Liability Insurance.

Mr. Shimonishi: Right. Basically we took that allowance account and wiped off the Puhī Metal side and just bumped up the other General, but in aggregate, we went down three hundred thousand dollars (\$300,000).

Committee Chair Kaneshiro: The three hundred thousand dollars (\$300,000) is just in case we need it?

Mr. Shimonishi: It is, "How much do we think in total we should have in that account and do we want to scale it back further," we could, but again, I was looking at that as an aggregate number rather than the difference of each line.

Committee Chair Kaneshiro: For clarification, this is not a premium.

Mr. Shimonishi: Yes, it is not premiums. It is claims allowance.

Committee Chair Kaneshiro: Okay.

Councilmember Yukimura: (Inaudible).

Committee Chair Kaneshiro: I am looking at page 42. It is our claims allowance and not an actual premium. Okay. The financial reporting system interface and setup. That is a new item for six thousand dollars (\$6,000), what is that for?

Mr. Shimonishi: In speaking with the vendor, OpenGov, one of the things that they had recommended was they could do a one (1) time setup to have our financial data imported regularly without someone actually manually generating the file, copying it over, uploading, verifying the data, and so on. That is what we have budgeted in there to see if they can get us to that point. Currently, it is me doing it, so...

Committee Chair Kaneshiro: Okay. Further questions for the Administration?
Councilmember Yukimura.

Councilmember Yukimura: The Humane Society is under the Administration, are we going to have that?

Committee Chair Kaneshiro: Yes. I think we budgeted the same amount for the Humane Society as we did last year. The Humane Society will come up with their budget and I believe they were hoping for us to give them more money, but our budget is the same.

Councilmember Yukimura: Are they coming forward? They are. When is that happening?

Committee Chair Kaneshiro: After we are done with all of the Finance.

Councilmember Yukimura: Today?

Committee Chair Kaneshiro: Yes.

Councilmember Yukimura: Okay. I have a question because I understand the twenty thousand dollars (\$20,000) for the Barking Dog Ordinance is a County requirement.

Mr. Shimonishi: Right.

Councilmember Yukimura: What are we seeing that money will pay for?

Mr. Shimonishi: That was just a basic add on to the base budget that they had already.

Councilmember Yukimura: That is when Scott Pizani came and said that would approximately how much the enforcement would take.

Mr. Shimonishi: Right. That was the guess any way.

Councilmember Yukimura: I see.

Mr. Shimonishi: I just opted to show that separately because I think as we ask the Humane Society to other things, that we try to keep it aside from the so-called base contract of the 7876.

Councilmember Yukimura: Okay. The sixty thousand dollars (\$60,000) and the fourteen thousand dollars (\$14,000) reflects the licenses that are coming in this year?

Mr. Shimonishi: Right. That may need to be adjusted slightly, but that would be again just whatever they expect to collect and we can get the money, but we forward it back to them to assist in their contract with the County.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: We will move on to Accounting. Any questions for Accounting? I have a question on Other Services, City & County of Honolulu Driver Licenses Computer Usage.

RENEE YADAO, Accounting Systems Administrator: Good morning, Committee Chair Kaneshiro and Members of the Council. My name is Renee Yadao, Accounting Systems Administrator. Basically the City & County of Honolulu shared usage is a Statewide

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software that is shared across the State for Drivers' Licenses, vehicle renewals, the Prosecuting Attorney uses it for certain things, and Police as well.

Committee Chair Kaneshiro: If we see a jump in the cost and they upgraded the system or something, do they allocate a bill to all the Counties?

Ms. Yadao: We do get an allocation based on usage and they recently did upgrade their system where they had issues where they were not providing us timely billings. We have seen that in a decrease slightly; however, I am not certain if they got all the kinks out. In the past, it seems to fluctuate, so basically the budget is there primarily for in the event if we do experience anything that comes in, that we do have available funds. Again, it is based on usage. We do not have an estimate a head of time.

Committee Chair Kaneshiro: Okay. Any other questions? If not, we will move on to IT. Thank you. Any questions for IT? Councilmember Yukimura.

Councilmember Yukimura: Good morning. I am looking at your payroll and personnel system project. You are announcing a new approach where you are looking to use a single vendor instead of multiple vendors. I just wondered if you could explain what the advantages of that would be.

DEL SHERMAN, IT Manager: Del Sherman, IT Manager for the County of Kaua'i. Currently, we use an AS400 system and we have portions of HR uses and that system and then there are some add on modules for things like onboarding, time and attendance, and scheduling that are not integrated or are not a part of the AS400. They are external applications that are kind of tacked on to that. Some work reasonably well and others not so much, so what we want to look at is a single system where instead of being a collection of modules that are interfaced or otherwise try to fit them together, is from a single vendor and provides a completely seamless intergraded solution and one that presents the information in a more graphical way, which is really the way people digest information. Seeing green lines of text on a screen, usually does not quite do it, but when you can see charts and graphs, you can visualize that data—it helps to get a better grip on the resources that you have. That is what we are targeting with this system.

Councilmember Yukimura: That is good because the AS400 is really old. I can see that you have a patch-work system so you want to go to a full integrated system. We have really complex collected bargaining agreements, are those going to be integrated into this system?

Mr. Sherman: That is our objective. In specifying what kind of product we are looking for, we have made it clear that we have exactly that. Lots of different ways that pay our people depending on whether they work during the day or during the night, it is a call-out, out just so many different ways, but whatever product we select, it would have to accommodate all of those things so that we are not struggling with these calculations as we move forward in trying to figure out how to pay our personnel.

Councilmember Yukimura: Okay. What is the cost?

Mr. Sherman: We have budgeted somewhere upwards of three hundred thousand dollars (\$300,000) for next year, but the cost is yet to be determined. The

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reason being, historically these kinds of softwares were sold as an installed thing. Where you buy this complicated program, you build servers, and you install it on sight. Vendors nowadays are migrating to a different way of delivering those solutions. It is known as software as a service. Basically, it is a cloud hosted thing where you access all of this data on-line and instead of having a complex and expensive infrastructure, you have to support locally that exists in a data center somewhere that is more cost-effected and it is a shared resource, so many people are paying for that instead of just us. As we get proposals back, we are thinking that the cost may be significantly less than what it would have been two (2) to three (3) years ago, even. We are trying to anticipate what that might be, so it is not to exclude certain vendors hence the amount that we put in our budget for next year for around three hundred thousand dollars (\$300,000).

Councilmember Yukimura: When you do software as a service, you are not making yourself totally dependent on that service. I guess you are in one sense. I remember at one point in our IT development, we were relying so heavily on consultants, it was getting expensive and our people did not have enough knowledge about it. I am guessing that you are going to have a balance?

Mr. Sherman: Yes, it will not really require any consultants. The software and service model just means that instead of us hosting all of this in-house, that it is hosted somewhere else in the cloud.

Councilmember Yukimura: Okay.

Mr. Sherman: It does not involve a lot of manpower as far as we are paying someone to come in and do analysis and all these other things, instead just the opposite is generally the case. When you buy software using that model, usually you use the off the shelf product with minimal customization and the expense goes down considerably.

Councilmember Yukimura: Okay, but there is going to have to be some customization due to the bargaining agreements.

Mr. Sherman: I would not really describe it as customization because the top tier vendors in this industry has those types of functionality built in to their systems where it is configurable, so it is not a customization, it is more defining codes and different code tables that apply to different groups for different times. That is how the software works just off the shelf.

Councilmember Yukimura: What about security?

Mr. Sherman: Security-wise—looking at a solution like that, I would suggest that it is more secure even than hosting it in-house because of the way these data centers have to conform to federal standards. You are looking at data standards that are harden to the degree where they support FBI, criminal justice standards, highly secure, and the inscription involved in moving that data back and forth between the client, you at your desk on your browser and the server, that inscription is of the highest level. Security...very secure.

Councilmember Yukimura: I am trying to remember if there was an FBI breach recently?

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Committee Chair Kaneshiro: In D.C. we hear a lot about smaller Counties getting their systems completely shut down and they are hijacked for Bitcoin. People shut down the entire County system and then request them to pay them in Bitcoin in order to open their system back up again. Security of our system is very important because it has happened to more than one (1) County. Councilmember Brun and then Councilmember Chock.

Councilmember Brun: On the issue of being more secure, how come we are getting all these junk mail from China. In our County E-mail, we get so much junk E-mail on that.

Mr. Sherman: We do.

Councilmember Brun: Do we have a good system in place? Are we spending the money to put in a good system, because we get rubbish E-mail every single day?

Mr. Sherman: Yes. We have an excellent system in place that filters our E-mails, scans it from viruses, and blocks things that are coming in with viruses attached so that it never reaches us. The difficult thing is to find a balance between restricting everything so much that all the junk gets eliminated, but occasionally things you actually would have wanted to ever received and not loosening the restrictions to the degree where we just get everything. Where we are at now is that balance. We could increase the restrictions, but the likelihood of blocking an E-mail that you really wanted to get would go up and we do not want to do that either. It is a tricky dance that we play to try to keep things in balance.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: In your users and subscriptions, you doubled the budget request. Can you provide an explanation and is that something you see ongoing moving forward in future budget request.

Mr. Sherman: We balanced our budget to more appropriately categorize our expenses. Like me pull up my spreadsheet. Our peripherals in supplies went down significantly and then dues and subscriptions went up, and we had some other budget categories that decreased. Overall, the collective amount is the same, it is just that we moved expenses from one category to another, so that in my opinion, the purpose for that expense was more in line with the category description.

Councilmember Chock: Got it. Would you be able to explain your largest item?

Mr. Sherman: It is quite expensive. That is what we pay to the company that maintains and operates the software that runs on AS400. That is our core accounting and core County management functions.

Councilmember Chock: Thank you.

Mr. Sherman: It is quite expensive.

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Committee Chair Kaneshiro: I did notice that we moved items around between dues and subscriptions, peripherals, and then I do not know if it was in alphabetical order the last time, so I had a hard time looking at last year's budget and then trying to figure out what moved around. It is a lot clearer now the way it is. It is a lot easier to read. As far as the payroll system, you folks were mentioning it is going to cost about three hundred thousand dollars (\$300,000) to implement.

Mr. Sherman: What we plugged in for cost...and I am describing it more as a Human Resources management system to include payroll along with many HR functions. What we have put in for cost is what we anticipate to be our first year's recurring cost plus any likely expenses related to installation, training, or startup cost.

Committee Chair Kaneshiro: What is that cost labeled as or where is it in the budget?

Mr. Sherman: Initially it is in our CIP, but there is an item that is identified in our budget as well. I would have to find it. I believe it is under dues and subscriptions, so there is an amount that we pay currently for the functions that we hope to move over to this new HRMS. That amount under dues and subscriptions would go towards paying future recurring costs associated with the new HRMS. Right now it is split between the two (2) areas where we are using some funds that are already budgeted for as we transition to a new product and then there is this CIP amount that will be our start up cost. What is the CIP amount, Ken?

Mr. Shimonishi: I think it is a little over two hundred thousand dollars (\$200,000).

Mr. Sherman: I believe so, yes.

Committee Chair Kaneshiro: Okay. Thank you. Any other questions for IT on their budget? You can look at their CIP right after. Councilmember Yukimura.

Councilmember Yukimura: When you said the servicing of our AS4000 is expensive, you are referring to the seven hundred fifty-two thousand dollars (\$752,000). Is that the cost?

Mr. Sherman: No. It is in that category.

Committee Chair Kaneshiro: It is on the next page. Page 53. One hundred seventy-seven thousand dollars (\$177,000).

Mr. Sherman: There are two (2) costs in our budget that pay for that. Actually, three (3), my apologies. We have Disaster Recovery Services and then a fee that we pay them for Help-Desk support, where you can call them and get help over the phone, and then general maintenance that qualifies us for continual upgrades to their products as they become available. The combined costs for all three (3) of those is a little over two hundred thousand dollars (\$200,000).

Councilmember Yukimura: I see. Okay. Is that an unusual cost?

Mr. Sherman: No, it is not unusual. It is typical for software that is hosted onsite. It is expensive, but par for the course.

Councilmember Yukimura: And maybe due in part to an aging system.

Mr. Sherman: Possibly. The vendor sets the cost of what they would charge to support their system and certainly as their product ages, it becomes more challenging for them to support and their cost to us go up. As long as we maintain the AS400 system, this is an expense that we cannot eliminate.

Councilmember Yukimura: When you think about it, if it is two hundred thousand dollars (\$200,000), you said, for a County as large as ours and budgets like we have and employees like we have, it is not that much.

Mr. Sherman: It is a small percentage overall. You have to view it as this is a cost to do business to implement the tools that we need to do our jobs.

Councilmember Yukimura: Absolutely, so it is essential. Thank you.

Mr. Sherman: It is.

Committee Chair Kaneshiro: Any other questions? Do we have questions on their CIP list? Councilmember Chock.

Councilmember Chock: The funding that funds the imaging program. Initially now the challenges that I am reading here is that those funds are not available since last year, so how are we approaching those imaging issues or needs?

Mr. Sherman: Are you referring to Document Imaging Project No. (39467)?

Councilmember Chock: Yes. In your narrative, you speak to the challenge of that not being available any longer or is the CIP funds not being available any longer?

Mr. Sherman: I think last budget's cycle was determined that...the software that the County was using to do document management or document imaging where paper would be scanned or eliminated entirely and the document would remain entirely digital, never touch paper. It was determined that that software likely was a little underutilized and those funds were sitting there idle and not really being expended to further the needs of that project and so it was put on hold. I think we are at a point as we move forward where we may want to reconsider our approach to that. Obviously our goal is to become paperless, so rather than allow that program to decline, beginning this next year, we use existing resources to try and give it a little boost and then maybe the following year, attack it hard so that we can make some effort to become paperless. What pushed me over the edge is when you look at the various storage areas that we have, they are just filled with paper records and it would be nice to get all of that digitized and then moving forward not create paper anymore. I know that is the goal of this Administration and has been for some time and mine as well, so you may see that increase in subsequent years and I think for this current budget cycle, we will make full use of the money that remains to try to get us back on track with getting paperless.

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Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I do not know if we were trying it here in Council Services Division, but this thing about scanning and then storing, we did not have...it is not here, it was Countywide or wherever we were doing the experiment, we did not have a really good system for organizing the scans, so you did not know where to put it and then the recovery of it and finding it when you needed it was hard. I remember being a concerned that if you did not have this organized information management system that just scanning it would be sort of a waste of money.

Mr. Sherman: You are right. Just scanning it is useless if you cannot get it back. For individuals not familiar with digital storage like that, you can image the analogy would be if you had all of your files and you just opened up your file drawer and just threw it all in, you could never find anything. Digital approach to managing documents is the exact same. You have to really put some thought into how you index it, so that you can get it back out when you want it. Fortunately, the software we have is more than capable of doing it. It is just a matter of thinking ahead as to how you would want to retrieve these things and then creating the structure to support that before you start. That is our approach now and we will be successful with that and I am excited to expand how we use the software that we already bought and paid for.

Councilmember Yukimura: Thank you for giving me the vocabulary, indexing the information and then retrieving it. Okay. Thank you.

Committee Chair Kaneshiro: Any other questions for IT regarding their Operating Budget or CIP? Councilmember Yukimura.

Councilmember Yukimura: Your Land Information Management System (LIMS), which I have been looking forward to for a long time. I think this past year, you have done some work on it, right? We funded it or are we just funding it this year?

Mr. Sherman: We have done work on it. It has been funded. The bulk of the work that we have done to-date involves an in-depth analysis of where we are at and what we need to do to move forward with making sure that whatever we put in place, that it is not a wasted effort. We expended a significant amount of time looking at how the different departments collect data, what standards can we adopt to make sure that as information flows between departments, it does so easily. Take a TMK for example and how that number is formatted. We want that to be the same department to department. Historically, it has not been. As we adopt those standards, we are building a framework on which LIMS will rest and fortunately, we have an excellent team now involved in implementing LIMS. We meet regularly, every Friday morning, and moving forward, I think we are in a really good position to build on this foundation and creating LIMS that gives us everything we need in managing our land and allowing others access to that information.

Councilmember Yukimura: That sounds excellent. Your team is an interdepartmental team, I would guess.

Mr. Sherman: Most definitely, yes. This is such a huge project. It is going to take participation from numerous people. It is really nice to see because I have

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been in jobs, other than this one, where sometimes it is a little challenging for the departments to get along and I do not see that here. Everyone is so onboard with this and you can see the excitement when we meet about it. Everyone is seeing the potential of this and everyone wanting to work together to accomplish it, so it is quite refreshing. I am looking forward to being able to get this off the ground within the next year.

Councilmember Yukimura: Thank you. It sounds very exciting.

Mr. Sherman: You are welcome.

Committee Chair Kaneshiro: If there are no further questions for IT, we will move on to Treasury. There really was no movement in the Treasury budget, but if anyone has any questions. Councilmember Chock.

Councilmember Chock: The ongoing issue with the safety inspection vendors stations and where I last left off was that...and this might be a Management Director question, but I just thought I throw it out there to see if it has been addressed is really about compliance issues and ensuring there is fair process about what the inspector stations are going through in order to keep certification. There was supposed to occur just to give some clear understanding on the boundaries because some of this is in State's hands, but are you aware of that?

Councilmember Yukimura: Excuse me. This is about safety checks.

Councilmember Chock: Yes.

Councilmember Yukimura: Okay.

Mr. Shimonishi: I would just say that that is handled in our Drivers Licensing Division. We can talk about it if we go over these three (3) areas, which is under Mr. Schwartz's direction. If I am hearing you right, the concern is that the standard is not being applied equally to all of the vendors, is that the complaint.

Councilmember Chock: What it sounds like to me and I am not close to the issue, but I keep getting the calls for them constantly, is about the inability for these vendors to keep their certification and not having the willingness to work towards that. I think that everyone has around the island experienced...and this is how I know, that there are long waits to try and get your safety inspection and there are less stations that are certified because they either lose their certification for whatever reason. The request was about trying to get to a place that we can work together and ensuring that it is still a program that these stations want to be a part of so that the service is there for the community. So what it has materialized into was me saying, "Go work it out with the Managing Director and your department."

Mr. Shimonishi: I have not heard a request to have another meeting with the affected inspectors or stations. I know previously we did have a couple of meetings and we subsequently held training at the Convention Hall where they could come in and voice their concerns with issues or what they saw as stumbling blocks to getting to the process done. Again, this is a State program mandated by the State and our personnel here is paid through that from the State. My personal experience to the stations that I go and see,

I have not heard complaints about the fairness of the evaluations of their submittals. I think clearly the biggest change was going from a manual system to a system that now requires photographs and actual documentation that is easily verifiable and easily were able to now see any inconsistencies with the data being captured versus what is on the system. Unfortunately, any type of penalties that may arise including suspension for the stations, I am sure does not go over well being that it obviously affects their ability to generate revenue. I am not sure what more I can add to that.

Councilmember Chock: Again, I understand that it is multi-agency issue. I think it is just a need to come together to make it as efficient as possible and maybe it is working for some and not for others and so there are some sharing that needs to happen in order for that to raise everyone and ensure they can stay in business and want to participate and provide service. I just wanted to make sure that it was the radar still.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: I just came back. Are we talking about the safety check? You said you have not had any complaints. I think that is all we have is complaints. The folks at the service stations are mechanics and I guess their biggest thing is that we are having a clerk come in who knows nothing about mechanics and trying to regulate them and telling them how they can be doing the safety checks. This has been an ongoing thing. I received a lot of calls from all over the island. Even in Kapa'a about the inspections not being fair and the way it is being run. I went to Mauna Kea for an opinion on this. It is an issue right now. I heard it a week ago. Especially on the westside, we only have one (1) station now that even wants to deal with it. It is not where they are qualified to do it, it is just that they do not want to deal with the mess of the entire thing. Kalāheo, all the way to Kekaha, I think there is only one (1) person out there right now that is willing to do this. How can we get these other folks back on board and feel comfortable with us as County Administration to do our job without interfering in how they do their job?

DAVID SCHWARTZ, Treasurer: For the record, David Schwartz, Treasurer. The gentleman who administers the program for the County, he is highly trained. He is not a clerk. He has been administering the program for years. He gets the same training on the program that the people who will be administering the program, the mechanics. I believe he is not a certified mechanic, but he is not new to this system. I think it is unfair to say he is not qualified to administer the program because I think he is the most knowledgeable person about this program, at least in the County. He has received the training from the State.

Committee Chair Kaneshiro: Councilmember Kawakami.

Councilmember Kawakami: I have some background on the actual subject matter. It is really not the individuals fault. What it is, is the change in the process and procedures that the State implemented a few years back in an effort to modernize and curb abuse, they deployed a few changes, some of them worked and some of them did not work. You may recall that the new safety check sticker, you were able to get denatured alcohol and rub off all the numbering. There were this pain of growing pains and in fact, at that time the legislature took a gut check reactive note and tried to just eliminate the need for safety checks and what they revealed was, it actually would have been detrimental to the Counties to the number one thing that safety checks were catching were that vehicles were not registered and that impacts our County Highway Fund as well and the impact of roads. A number of

these stations that used to do safety checks, just said, "It is not worth the additional process and procedure." They said, "We are just not going to do safety check." I think it is the procedure and the process that kind of weeded some people out. Yes, it is even more inconvenient to get a safety check. You have to schedule it in like any other automotive repair. Before, you could just drive up, get safety checked, and drive off. It requires this change in behavior. I did look at the job description and yes, the requirements were met. I think it is one of those things that is growing pains and a new process and procedure.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Clearly it is a State action that has caused these issues and I am not...it sounds like creating more integrity in the safety check process is good, but how it is to be done or how it was done is the issue. If a lot of vendors, I guess, you were calling them, those who administer the safety checks dropped out because the process was too onerous or whatever, I guess the question and it may not be for you...well, you are involved, well, the County is involved whether we like it or not. Is there any way to support the vendors in becoming more comfortable with the system so that more of them will be willing to actually do it and come back into the circle? Is that something we can suggest to the State? I do not know whose responsibility it is. You said the head of this division in the County has gone through these workshops or trainings that teach them how the system works. When Department of Commerce and Consumer Affairs (DCCA) instituted a new system, they started thinking about the user and how to build the capacity of the user to do the system.

Mr. Shimonishi: One of the things we can look at again is potentially having the County pay for the vendor to hold another series or workshop, so to speak, on how they can use the system and hopefully avoid making any type of procedural errors that cost them, in the end, a suspension of their license for any period of time.

Councilmember Yukimura: Right.

Mr. Shimonishi: That is really where the rug is. I know one of the complaints...just to clarify, it is not that I do not get any complaints. I do not know of any complaints, but the stations that I visit, I do not see them complaining. Another issue was that the fee that they are allowed to charge was not quite worth the effort of work that they are putting in, but again, that is not something that we dictate here at the County. Again, it is a State program. How do we address that? I guess, remains...it is something we put up towards the legislature at the following year, et cetera, but we are willing to look at that again as far as having the vendor come out, what the cost would be in that, is it several thousand dollars type of thing to open up to the stations.

Councilmember Yukimura: It is not the vendor.

Mr. Shimonishi: That would be ideal once we can get our own staffing up to the level that we need to. As I mentioned, we have interviewed for the CDL or what would be the CDL examiner. I think that would be the opportune time, once we get those positions filled, to revisit potentially having this type of outreach to the stations. It is not our intent at all to shut these folks down, we just try to apply to what is given to us with the tools that we have.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: I just want to clarify. These are the complaints that I am hearing that the folks are not qualified, it is a clerk. But I looked at the job description and sure enough, it does not call for a certified mechanic, and that is what I was trying to tell the garage owner. What you just talked about would be a great idea in trying to get these folks onboard to do these safety check. If you can do another training to help these folks out. Go to their stations and try to smooth this thing out. I do not know what went wrong. I know we have one (1) in Hanapēpē that called most of us and ripped into us. I like the person, but there is a lot of issues out there on the westside. Whatever we can do, please try to get it done, because we have one (1) station and we have to drive into Līhu'e to get our safety checks. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: What agency suspends the license?

Mr. Shimonishi: It is true, our Office here at the Drivers Licensing.

Councilmember Yukimura: We do the administration of the safety check vendors, the people who administer the safety checks and give out the certificates?

Mr. Shimonishi: Correct.

Councilmember Yukimura: Okay. Are we administering a State law?

Mr. Shimonishi: Yes, a State function.

Councilmember Yukimura: A State law and a State function.

Mr. Shimonishi: Yes.

Councilmember Yukimura: Who does the workshops that train people to administer this new documentation system?

Mr. Schwartz: For the most part, it is the vendor who provides the technology.

Councilmember Yukimura: Excuse me?

Mr. Schwartz: These are all done by computers now, on iPads. Those are provided to the vendors, the inspectors for free. The vendor who the State has contracted to procure these does the training.

Councilmember Yukimura: Okay, because for a while I was using the term "vendors" to describe the various stations that do the safety checks, but you are talking about the vendor who provides the iPads and the system for now approval or disapproving.

Mr. Schwartz: Correct.

Mr. Shimonishi: At our last workshop, we did have our Chief Driver License Examiner there with the vendor and being available to assist or provide feedback to the stations and their staff.

Councilmember Yukimura: So, it is within the County's *kuleana* to provide or request more of these trainings that can support the stations?

Mr. Shimonishi: At the County's cost.

Councilmember Yukimura: How expensive is it?

Mr. Shimonishi: The initial setup with the vendors, they will come out and train the stations and so on, but once that is done, any recurring type of needs, we would...if we are putting it on, pay for that.

Councilmember Yukimura: Who contracted with the vendor? I bet it is our cost because in the contract with the vendor, it said, "You are to offer one (1) initial free workshop, but after that, then we have to pay; either the State or the County." Who has the contract with the vendor?

Mr. Schwartz: It is the State's contract. We are just part of the State's contract.

Councilmember Yukimura: Because it is Statewide.

Mr. Schwartz: Yes.

Councilmember Yukimura: Right, this entire system. I can see two (2) inputs that we can give to the State, and this is a question, can we give two (2) inputs to the State in terms of the number of trainings that are offered and can we request that they pay for the trainings that the County feels is necessary beyond the initial training? Two, whether the State...I do not know who sets the reimbursement or the charges for the safety inspections, but can that fee or limitation be adjusted to recognize the additional costs to the stations? We can at least give feedback to the State people who are administering this, because likely the other Counties are probably having similar problems. Can we do that?

Mr. Shimonishi: Yes, we can inquire on that.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Councilmember Yukimura, this might be the first time that I totally agree with what you are trying to say.

Councilmember Yukimura: Wow, hey.

Councilmember Brun: Sorry, I am shocked. Going back to the supplier that supplies the iPad and equipment. So, if they are coming for a training, they are training

on how to use their products or are they training on what to look for to do a safety check? Is that two (2) different trainings?

Mr. Schwartz: That is two (2) different trainings.

Councilmember Brun: Because right now, and I could be wrong, but from the complaints that I am getting is not from using these iPads or the new system, it is the way they are getting suspended for is the way they are doing the safety checks. It is totally different from...I mean if we bring back these folks to train them again, is not going to do any good. We need the training on how to do an actual safety check, which we monitor here at the County. The State gives us full authority to do, right? That is where we need the training on. Not how to use the product and computers...

Mr. Schwartz: The State sets the standard of what is a car that passes and what is a car that fails.

Councilmember Brun: Yes.

Mr. Schwartz: And how that is applied in each instance, is actually up to the station because that is why the State now requires every station that is certified to have a certified mechanic and a safety officer, so that their professional qualifications are supposed to be able to apply what the technology requires.

Councilmember Brun: Okay. So, you are saying that it is up to the station to what their looking for to pass a safety check.

Mr. Schwartz: The State sets parameters and the certified mechanic inspector and certified safety inspector are supposed to know what test results, follow within those parameters, but also I think the software contains limiters and then they document whether it does actually intact fall within the parameters. I actually exhausted my entire knowledge of mechanics right there.

Councilmember Brun: It is up to the station to stay within the parameters, so how is it that we can come in as a County and suspend this person's licenses if he feels he is within, you just said, it is determined by the station itself and a certified mechanic to stay within the parameters.

Mr. Schwartz: All those things are documented and if upon review they are not within those parameters, then those are the actionable items. I do not think that Ivan is going after stations that are within...there is some variability in what passes and what fails, but I do not think that he is looking at outliers and not at things that are on the average.

Councilmember Brun: Okay.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: It actually seems, based on the dialogue, that Councilmember Brun has given, it is like the interface between what is on the car and the use of this technology now, which is the instrument of documentation. So, it is not knowing

one or the other, it is actually knowing how to put the two (2) together, right? It just struck me that maybe Kaua'i Community College (KCC) could offer some classes to help. If the person is not a certified mechanic, then that would have automatically cut this station out, right? So, some of the attrition or departure of these stations from the available safety check stations, could have been because of that requirement alone.

Mr. Schwartz: I think you hit the nail on the head. Also, the economics of it. Ken mentioned that the stations are restricted in how much they can charge, so it becomes...you know you have certified mechanics or certified safety officers, obviously, should be paid more, but it is hard to keep them on. The dealers now do more inspections because they use it to add on other services, get cars in, find other things wrong with them, and say, "Oh, we can fix that for you." So, it is economically viable for the dealers to do it, but not so much the small stations, so that is a lot reason they might be getting out of it. Plus, the larger dealers are able to pay more to have certified mechanics and safety officer, because they are required to by their franchise.

Councilmember Yukimura: Yes, and that is why the westside is so disadvantaged because a lot of the dealers are more in the urban areas and so those stations that have disappeared, the hit is felt more over there.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I am sorry to make this a separate agenda item, but to wrap it up, the request would be that there need to be a little bit more clarity for some of these garage operators. I do not know if they are clear about what their options are. That way, they can make a choice about where to go and where to take their issues, because it could be State driven that they want to see a change. It honestly could be just likes and dislikes and personality in nature. We need to get to an end for them, so that we can move forward, and that is what my request is. Thank you.

Committee Chair Kaneshiro: Any further questions on this? Okay. We were looking at the Treasury budget, any questions on the Treasury budget? If not, we will go to the Driver License budget. Any questions? If not, Motor Vehicles, which we were talking about. Councilmember Brun.

Councilmember Brun: We do the online for registration...

Mr. Shimonishi: The online registration is available directly...at the last meeting, I misspoke, but there is a link directly on the County's website that will allow you to renew your registration online, provided you meet certain requirements, so basically it is just a straight forward renewal.

Councilmember Brun: I know that. I am saying we have it.

Mr. Shimonishi: Yes.

Councilmember Brun: And we charge an extra fee to do it. How much does it cost us to do that?

Mr. Shimonishi: The fee that is charged is charged by the payment vendor. It is not a County fee. We do not collect or keep that fee, but if you were to do it via eCheck, which is basically putting it in your ABA routing number and your account number, it would be a flat three dollar and fifty cents (\$3.50).

Councilmember Brun: So, we are not doing that in-house?

Mr. Schwartz: e.Hawaii.gov, which is a consortium of all the Counties and it is an IT consortium not owned by anyone, it is a corporative and self-funded.

Councilmember Brun: It is easier and that is how I do all of my billings, is through online, and a lot of our complaints come because they have to wait in line and I feel bad for the folks working at the windows. There is never any single window open and I feel bad because everybody is looking at them and mad at them because...we have rental cars in there taking up an hour or two, but can we open up a separate window where if you do more than three (3), you go to that separate window or make an appointment; rental cars, dealerships, and anybody that is doing a lot. They sit at the windows and are taking up the time of the regular day-to-day people that are trying to get to work, but they cannot. Is there any way we can work this out or get more people to open every window or push this online and get rid of the fee that we have to pay? There is a lot of people waiting in line and I feel bad for the workers because everybody is looking at them and it is not their fault, because they are trying their best. Everybody is giving them the "bad eye" and swearing, but it is not their fault.

Mr. Schwartz: It is a misconception that any of the people are rental car agencies. All of the large rent-a-car agencies do fleet registration, no large rental car agencies stands in line; it is the dealerships that still stands in line. One dealership, I think it is King, has gone to fleet registration, the other dealers are looking at it, but they have to get permission from their franchiser to do it. They are an essential office, Toyota has to say, it is okay to do it. We are hoping to move more and more of the dealers to not standing in line.

Councilmember Brun: Okay.

Mr. Schwartz: They are not a huge number of people in line; most of the people standing in line are taxpayers.

Councilmember Yukimura: Who come at the last minute.

Mr. Schwartz: Who come at the last minute.

Mr. Shimonishi: This was previously an agenda item that Budget & Finance Committee Chair Kaneshiro put on and what we found is looking at the analysis is basically in the last week of the month, we have the public trying to...we are trying to process half of the month's work within the last week of the month. The biggest thing the public can do to help us and help them to avoid the long lines is to try to not wait until the last week of the month. If they are willing to use the online option, if they can, and if not, also use the "mail in" option, because it saves so much more time than having to come in. If they are paying with cash or they need to do other types of transactions like title transfers and all of that they need to unfortunately stand in line.

Councilmember Brun: I love paying online. I have no complaints paying that extra money, but I am just trying to see how we can do more of that. Maybe we can push that out and then try to do some kind of announcement to the public. I do not think everybody knows about it. I found out from a co-worker, in fact and I love it, and that is all I use now. How do we get that message out because it is so much easier, faster, you do not have to worry, it will come in the mail, and it will take five (5) minutes to do online.

Mr. Shimonishi: Five (5) minutes, exactly.

Councilmember Brun: It is seven dollars (\$7), but who cares?

Mr. Shimonishi: One of the things that were suggested about notifying the public more and keep reinforcing that including potentially putting up a screen within the Driver License area giving them the options of, "This is what you can do," as well as regular public announcements, educating the public and helping them avoid the frustration as well.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I have a suggestion. You should use Councilmember Brun to do a public service announcement (PSA).

Ms. Shimonishi: Excellent idea.

Councilmember Brun: For a small fee.

Councilmember Yukimura: What if you were to have the deadline staggered?

Mr. Schwartz: The deadline is set by the State.

Councilmember Yukimura: I know. Go tell the State. They are supposed to be a partner in this and not an obstacle. I guess it is like Driver's License, it is staggered because it is by birthday.

Mr. Shimonishi: It is actually annually, a requirement, except for a new vehicle...oh wait, that is for safety check, I am sorry. So, the registration is annually and whenever it expires.

Councilmember Yukimura: Yes.

Mr. Schwartz: They are already sort of staggered because when you bought the car, you have a year. But a lot of people cluster their purchases in one part of the year.

Councilmember Yukimura: So, it is about moving that line to the computer or the box or doing it early in line.

Committee Chair Kaneshiro: Councilmember Brun.

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Councilmember Brun: I thought you were talking about staggered like doing it on the fifteenth (15th) and end of the month. That is what I thought "staggered" meant.

Councilmember Yukimura: Some type of staggered.

Councilmember Brun: The months, you cannot do anything about that, but half of the registrations at the fifteenth (15th) and half at the end of the month, but that is what I thought you were talking about.

Councilmember Yukimura: Yes, thank you. I think that is what I was talking about.

Councilmember Brun: I think we need a recess because we are agreeing...

Committee Chair Kaneshiro: You folks are on a roll today. Councilmember Kawakami.

Councilmember Kawakami: A few years ago the State started requiring mopeds to start getting registered, how many mopeds are we seeing come through the registration line and how has it impacted revenue and expenses? I see the expense side; it is about thirty-two thousand dollars (\$32,000), but on the revenue end?

Mr. Schwartz: In the last two (2) months, we had fifty-six (56) mopeds. There are not a lot of mopeds.

Councilmember Kawakami: Okay. Is it the same process where we have these moped companies doing fleet registration and standing in line? Can you expand more on how rental car companies are doing fleet registrations, just for my personal edification?

Mr. Schwartz: I will start with the fleet registration. There is a vendor who has contracted with the State or received permission from the State to interface directly with the State's registration system. What they will do is when rental cars bring in their new fleet of cars, they register all of those cars with the State and then they send the paperwork and check for all those cars to the individual Counties and the Counties process, create the titles, and all they have to do is pick them up. Mopeds are registered just like cars and there are not many fleets of moped rentals.

Councilmember Kawakami: Yes, not too much. If you do not have the number off the top of your head, can you send that over at a later date? I would like to know how many rental cars we have registered on Kaua'i annually. Maybe the last few years, I just want to see a trend.

Mr. Schwartz: Okay. It varies by month. I have the last three (3) months and in March, we registered six hundred seventy-six (676) rental cars, four hundred ninety-five (495) in February, and one thousand seven hundred seventy-one (1,771) in January and that is because Advantage Rental Car opened up here and registered eight hundred (800) cars. We can get you those figures for the entire year.

Councilmember Kawakami: On an annual basis, yes. Okay.

Mr. Schwartz: It will only be for the major rental car companies because we do not actually track what is a "rental car" except if it is one of the major companies.

Councilmember Kawakami: Yes, maybe three (3) years. I would like to see what that trend looks like.

Committee Chair Kaneshiro: Any other questions? I have a question on the calculation for passenger plates. I guess when you multiply the ten thousand nine hundred eighty-nine (10,989) by the five hundred twenty-five (525), I get fifty-seven thousand six hundred ninety-three (57,693), but we have thirty-seven thousand budgeted (37,000).

Mr. Shimonishi: Good catch. Actually in this scenario what I did was I looked back historically at what the expenditures were running and we were not hitting that budgeted amount and so I just used that to cut the budget in that area. I did not really address the narrative, so to speak, but that is an exercise that we did throughout all departments to look at what the average lapses were and to reduce budgets accordingly. It does not pencil out, but I think we can make it work.

Committee Chair Kaneshiro: So, would that be the same with the POD registration and emblems also?

Mr. Shimonishi: Correct.

Committee Chair Kaneshiro: Okay. Any further questions from the Members?
Councilmember Yukimura.

Councilmember Yukimura: That is very fine budgeting to do that kind of analysis. It is just that the text and the numbers did not jive. That is great, thank you.

Committee Chair Kaneshiro: Any other questions for Motor Vehicles? If not, we will move on to Real Property Assessment. Any questions for Real Property Tax Assessment? I do not have anything. If not, we can move on to Collections.

Councilmember Yukimura: Regarding the Agriculture Working Group, this is a group organized or convened to submit recommendations on proposed ordinance changes to the Ag Dedication Program to ensure bona fide commercial Ag activities. Draft is currently under review and likely to be submitted to the County Council for consideration by the end of FY 2018. The group has done its work and it is just doing County Attorney review?

STEVEN A. HUNT, Real Property Tax Manager: Steve Hunt, Real Property Tax Manager, for the record. Yes, the Ag Working Group met almost over a period of two (2) years and in April of 2017, they submit our first rough draft of the proposed ordinance changes to the County Attorney's for review. We did have some initial feedback and review in November/December period and we are waiting for additional suggestions and/or changes to come back. We will probably reconvene the group one more time to reveal all the revisions to make sure it is in accordance with the recommendations that were made and then at that point, submit the draft to you for consideration.

Councilmember Yukimura: Thank you for doing this work because we know our Ag Dedication Program was kind of piecemealed and also needed a review. This kind of review does take time and you seem to have included all the stakeholders. I am looking forward to the results. Thank you.

Committee Chair Kaneshiro: Any other questions for Assessment? If not, we will move on to Collections.

Councilmember Yukimura: Yes, good work. Thank you.

Committee Chair Kaneshiro: Any questions for Collections? I have a question on the Release Fee that was in your narrative. Would that be a County ordinance or a State ordinance?

Mr. Hunt: It would be a County ordinance. Essentially, what we would ask for is that at the time of a filing of lien that we would collect for the release. One of the challenges that we have had is once the releases are given by the Collections Division, they are not recorded timely or sometimes at all. The longest incident, I am aware of, someone came back seventeen (17) years after the release was written asking for a copy of the release. It is not something we have on file. We need to research and find those documents and often reissue another release, so it takes time to research and to prepare new releases. The thought would be if we are eventually going to have that release, that we would collect upfront to get that either recorded at the Bureau or Land Court, whatever the appropriate recording place is, but we would collect those fees in advance. So, it is a pass-through, it is not actually us getting fees, it is just collecting fees that we would then pay to the State or the Tax Clerk.

Committee Chair Kaneshiro: We just need that language in an ordinance to be able to collect it at the time of the lien?

Mr. Hunt: Correct.

Committee Chair Kaneshiro: Are you folks planning to send that over to us?

Mr. Hunt: It has been assigned to a Deputy County Attorney for review and we are waiting to create some language for that.

Committee Chair Kaneshiro: Okay. Any other questions? Councilmember Yukimura.

Councilmember Yukimura: Just commendation on your work on delinquent taxes. It looks like you are really getting some movement.

Mr. Hunt: We have been aggressively pursuing payment agreements and filing liens. We are looking at electronically and filing as well to be efficient. The big change that is forthcoming is moving the foreclosure process from non-judicial to judicial by moving that position to the Office of the County Attorney.

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Councilmember Yukimura: When you mentioned the electronic lien process, that means that we as a County can impose a lien electronically?

Mr. Hunt: Yes, we can file directly. I think it is through the same vendor, eHawaii.gov, that allows us to do those filings for essentially the cost of a stamp.

Councilmember Yukimura: Wow, that is amazing. This consortium is a government initiated corporative effort, is that what it is?

Mr. Hunt: I am not familiar how it actually came about. I know they have been given consideration to be exempted from the procurement process because they went through the channels to create this on behalf of the State, so the Counties and State may use this without going through procurement.

Councilmember Yukimura: Well, it sounds like it is a real good thing. Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I am looking into the Tax Increment Financing (TIF) a little bit more and I am just wondering about the feasibility on your end as it relates to Collections.

Mr. Hunt: We are doing the community facilities districts, so I think it is Section 26 that created the ordinance to allow that, so if there was enabling legislation to do some sort of additional fees for properties as long as they are identified and there is some means by which the division of that fee or tax will be imposed, I am sure on our end we will figure out a way to implement that.

Councilmember Chock: Okay.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: It seems like if you are developing a bill maybe you should include Real Property Tax.

Councilmember Chock: I am not though?

Councilmember Yukimura: I mean I am in favor of looking for financing that is doable.

Councilmember Chock: I will continue to look at it.

Councilmember Yukimura: I do not have any more questions.

Committee Chair Kaneshiro: Okay. No more questions for Collections? We will move on to Purchasing. Any questions for Purchasing? Councilmember Yukimura.

Councilmember Yukimura: I just want to say it is really helpful when you have such clear goals for the next FY. I appreciate that.

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Committee Chair Kaneshiro: Okay, if not, we are done with Finance. My plan is to take our ten (10) minute caption break and when we come back, we will have the Kaua'i Humane Society, and that will be our final item for today. Ten (10) minute caption break.

There being no objections, the Committee recessed at 10:48 a.m.

The meeting was called back to order at 11:02 a.m., and proceeded as follows:

Humane Society

Committee Chair Kaneshiro: Welcome back. Up next we have the Kaua'i Humane Society. Do you have a PowerPoint presentation that you were going to go over or did you just want to take questions?

ORIANNA SKOMOROCH: Good morning, Councilmembers. Thank you so much for giving us the time today regarding our budget. My name is Orianna Skomoroch, also known as Ori. I have been honored to be appointed as the Interim Executive Director for Kaua'i Humane Society by the Board of Directors. I have been in this position since November 2017 and as a Board Member of Kaua'i Humane Society for approximately ten (10) years. Kaua'i Humane Society has been contracted by the County for animal control and we are here to present our budget proposal for FY 2019. With us today is our President of the Board, Ms. Diann Hartman and the Managers who are the professionals and will help assist me, because I have been here in such a short time in an operational level to answer your questions regarding the budget that we submitted. Esther Rivera, Outreach and Client Service Manager, Jessica Vanamann, Fields Service Manager, Laura Lee, Development Director, and Barbara Elmeda, Controller. Thank you. Together we look forward to presenting our budget request and answering all your questions regarding our budget proposal, our services, and how we are fulfilling our contract obligations and meeting the needs of the communities of Kaua'i and animal welfare. Thank you.

LAURA LEE, Development Director: The second slide is just our mission. The Kaua'i Humane Society (KHS) is dedicated to ensuring compassionate, informed care of all Kaua'i's animals and promoting the human-animal bond. We are continually improving our processes and programs to increase the live outcomes. KHS offers a variety of programs to the community so that KHS can be a resource to others.

The third slide is the MASH clinics. We had one in September of 2017 and one in March of 2018, just last month. The blue color is our total income and expenses for the September clinic and the orange is the income and expenses for the March clinic that we just had. Do you have any questions?

Committee Chair Kaneshiro: We will probably just go through the whole presentation and then we will take questions at the end. It will be a lot smoother.

Ms. Lee: Okay. The next slide is outcome for FY 2017. As you can see, we had about one thousand four hundred (1,400) euthanasia with adoptions, return to owner (RTO), and transfers, and then the outcome for FY 2018, the euthanasia decreased significantly. I was going to say a whole lot, but significantly and it is more with

the adoptions and the transfers—that is our key to programs that we are trying to succeed in so that more animals that can come out with a live outcome.

Ms. Skomoroch: The slide in fund is the current expense allocation FY 2018 and you can see where our contract and what Kaua'i Humane Society has an expenses in providing services to the island. It is also in reference to the appropriations between the County and Kaua'i Humane Society. The next slide is what we are projecting in our budget. A snapshot view. What is the contract covers, what is Kaua'i Humane Society covering, and then we also have SOS and their expenses. That is the end of our little PowerPoint.

Committee Chair Kaneshiro: Any questions on the presentation? We do have all of their budget numbers and the prior year budget numbers, but any questions on the presentation?

Councilmember Yukimura: You showed us the cost of the MASH clinics, can you tell us the results?

Ms. Lee: Yes.

Councilmember Yukimura: I presume you had some goals and you can tell us whether those goals were met.

Ms. Lee: Of course. In September 2017, we sterilized six hundred fifty-four (654) animals and in March, we sterilized five hundred twenty-nine (529) animals.

Councilmember Yukimura: Okay. Of those, how many were chipped and owned?

Ms. Lee: They were all chipped.

Councilmember Yukimura: Okay, so they...

Ms. Lee: They were all chipped after they came in.

Councilmember Yukimura: Okay, so that means they all have owners.

Ms. Lee: Yes.

Councilmember Yukimura: Okay.

ESTHER RIVERA, Outreach Manager: My name is Esther Rivera. They all have owners or caretakers for the cats. To differentiate for stray or feral cats where they did Trap, Neuter, Release (TNR), we did still chip, so the caretakers will still take ownership of those cats.

Councilmember Yukimura: How many of the five hundred twenty-nine (529) that were done this month were stray or feral? If you want to provide that information as a follow-up that would be great.

Committee Chair Kaneshiro: We can always follow-up in writing.

Ms. Lee: In the March numbers, for sure, we know that two-thirds of that number was stray and feral, but as far as the March numbers, we would have to get back to you.

Councilmember Yukimura: So for both the 2017 and 2018, if you can breakdown your numbers into, what do you call them, "categories"? Either caretakers or owners, is that the line? You said they all are chipped, which to me meant they all have owners.

Ms. Rivera: Right. The caretakers are taking ownership of all those animals.

Councilmember Yukimura: Okay. I would like to know which ones are caretakers and which ones are owners.

Ms. Rivera: Basically, who had a feral caretaker and who does not.

Councilmember Yukimura: Yes, that would be great. Thank you. Can we have the chart where you show the deficit? You showed a red portion of the bar that shows...Oh, okay. Let me just refer to your circle chart.

Committee Chair Kaneshiro: We have a copy of it.

Councilmember Yukimura: Okay, I do not have a copy right now. Where you have the breakdown in a pie chart of the number of...I am going to go to your pie chart first. The total of the pie chart is the number of animals...this is both cats and dogs...are these just cats and dogs or it is other animals as well?

Ms. Lee: They are just cats and dogs.

Councilmember Yukimura: They represent the total number of cats and dogs that have come to the Humane Society, right?

Ms. Lee: Correct.

Councilmember Yukimura: And so you are showing the number that were transferred, adopted, and what is RTO?

Ms. Lee: Return to owner.

Councilmember Yukimura: Return to owner. On the pie chart, the RTO is the gray, so everything else of the pie chart is not owned? So they were available for adoption or transfer?

Ms. Lee: Correct.

Committee Chair Kaneshiro: Councilmember Chock has a question.

Councilmember Yukimura: Sure.

Councilmember Chock: Can you explain the live outcome program that significantly reduced the euthanasia?

Ms. Lee: Are you referring to the transfer program?

Councilmember Chock: On your slide, it says, "live outcome programs."

Ms. Lee: For the transfer program for FY 2018, we hired somebody that was quite qualified and she had a background, so she was able to do through wellness checks, as well as be able to see which animals were capable. She is from Seattle Humane Society, so she also has a network to work with these people to know what kind of animals can be adopted out. Her goal was to transfer as many animals that we could afford to transfer out.

Councilmember Chock: I see. So we are taking them off-island. How many of those animals were transferred?

Ms. Lee: For this year, it is five hundred fifty-nine (559) transfers.

Councilmember Chock: Okay.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: What was the cost of transferring these animals?

Ms. Lee: The flight cost is one hundred fifty dollars (\$150).

Councilmember Yukimura: Is this a per animal cost that you are talking about?

Ms. Lee: It is by weight. Therefore, two (2) kittens can be about one hundred dollars (\$100).

Ms. Rivera: Well it is by weight and crate size. If we can fit two (2) kittens in a crate, that will save us money. It will be between one hundred dollars (\$100) to one hundred fifty dollars (\$150). Larger dogs will between one hundred fifty dollars (\$150), it is a program that Alaska provides to us for cheaper. What we see with transferring them to different shelters on the mainland such as Seattle or Kentucky Humane Society is they have a higher adoption rate there, so the animals normally get adopted within three (3) days to a week, but most times, as soon as they get there, rather than sitting in our shelter for weeks and months at a time.

Councilmember Yukimura: It sounds like a good program. It is just the flight that is the cost of transfer?

Ms. Lee: It is more than that, it is the animal care and taking care of that animal as well, but what we ask owners to donate is the cost.

Councilmember Yukimura: Which it covers the care.

Ms. Lee: It only covers the cost of the flight.

Councilmember Yukimura: So you do not pay the cost of the flight?

Ms. Lee: We try not to. We try to do it all by donations.

Councilmember Yukimura: But there are some cases in which you pay.

Ms. Lee: Correct.

Councilmember Yukimura: For the fact of being able to get a home for the animal and not have it be a stray here.

Ms. Lee: Right. In addition, we had other transfer partners such as Seattle Humane Society and Oregon Humane Society, they have teaching veterinarians where they can actually be able to work on an animal that we cannot work on and we are able to transfer that animal over, they take care of the medical, and then they will adopt out the animal.

Councilmember Yukimura: That is a great arrangement. If they can do it faster than we can find a home here, it also cuts down on the care time and the cost that this Humane Society would have to put forth.

Ms. Lee: That is correct.

Councilmember Yukimura: It really is a win for the island to be able to transfer them. Okay. The others are adoptions. You got it to a point where the transfers are getting close to the number of adoptions, which is why you have been able to reduce the euthanasia numbers?

Ms. Lee: That is correct.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: It sounds like there is an opportunity to build capacity on the transfers. For instance, if more than Seattle is out there that we can enlist and we can cut this number down even further. Is that the plan? If so, how are we moving forward on that?

Ms. Rivera: Correct. We do have other transfer partnerships, like Oregon Humane Society, NOA, Jefferson Humane Society, so we do have other options as far as transferring. Sometimes the flight with Alaska might not let us at the same rate to different organizations, but we do have other partnerships inquiring if we had the funding to continue to transfer more.

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Councilmember Chock: What is the goal for the organization in terms of transfers?

Ms. Lee: Our goal is to transfer out at least one hundred (100) animals per month, approximately. We have transferred about one hundred eighteen (118) in January and so it increased our live release rate to about eighty-nine percent (89%). That is what we would like to do.

Councilmember Chock: Thank you.

Ms. Rivera: Which is about thirty percent (30%) increase from last year.

Ms. Lee: So that would approximate to about fifteen thousand dollars (\$15,000) per month plus the salary of the transfer coordinator.

Councilmember Yukimura: Fifteen thousand dollars (\$15,000) per month?

Ms. Lee: Correct, to run the transfer program.

Councilmember Yukimura: If we go to the chart of current expense allocation, that bar chart.

Committee Chair Kaneshiro: I have a question on the transfers and adoptions.

Councilmember Yukimura: Sure.

Committee Chair Kaneshiro: Is it just that the locations that we are sending them to they have such a huge demand for adopted animals or are they seeing, "This dog is from Hawai'i, so maybe there is more of an attraction to it."

Ms. Rivera: It is both. That is a big key and you know, the dogs we have here are majority Hounds, Whippets, and that type of breeds that they do not see. Even with people who come here from the mainland and adopt from our shelter, it is something that they just do not see there, and then they get to bring home a souvenir like, "This dog came from Hawai'i or Kaua'i."

Ms. Lee: The other thing is the shelter is surrounded by six (6) Counties and they are the only shelter within those six (6) Counties, so that is why the demand is so high over there.

Committee Chair Kaneshiro: Good. Thank you. Councilmember Kawakami.

Councilmember Kawakami: Can we do a transfer a chicken program? I am just playing.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: The County moneys are paying one hundred percent (100%) the transfer and the adoptions. Is that what your chart shows right?

Committee Chair Kaneshiro: The County money is in green.

Councilmember Yukimura: Oh, excuse me, so you folks are paying one hundred percent (100%). So, excuse me. What does animal control stand for? Is it the sheltering of the animals?

Ms. Lee: It is the fill services, the humane officers.

Councilmember Yukimura: Oh, so it is going out and picking up the strays?

Ms. Lee: Correct.

Councilmember Yukimura: Or the strays or the cats do not have an owner that people call in about.

JESSICA VANAMANN: And all of the investigations.

Ms. Rivera: All of the investigations as far as barking dogs or cruelty and neglect, dangerous dogs...

Councilmember Yukimura: Can you state your name?

Ms. Vanamann: My name is Jessica Vanamann. I am the Field Services Manager, so animal control is part of my roll.

Councilmember Yukimura: So the animal control constitutes Jessica, why do we not hear from you since you are in the trenches there? It was already said, but did we miss anything?

Ms. Vanamann: I do not think so. We pick up stray animals, we conduct all of the investigations, which includes cruelty, neglect, barking dogs, stray dogs causing a nuisance, dog bites, and any community concern that is related to animals. We also provide any animal related support to both the Police Department and the Fire Department. We do pretty much anything that happens outside of the shelter.

Councilmember Yukimura: So the cost of euthanasia is under animal control too?

Ms. Vanamann: It often times is because it is a County service for the island.

Councilmember Yukimura: Right. Is spay and neuter is animal control, but it is not covered.

Ms. Vanamann: It is not because that is the current agreement that the County does not want to cover any spay and neuter. Although it is an integral part of reducing the animal population and controlling the animal.

Councilmember Yukimura: Yes, very key. Okay. What are your spay/neuter costs?

Committee Chair Kaneshiro: If it is not readily available, you can always...

Ms. Vanamann: It was on our cheat sheet. Hang on one (1) second.

Committee Chair Kaneshiro: Okay. You anticipated the question.

Ms. Vanamann: We did.

Councilmember Yukimura: They are well prepared, except that they cannot find it right now.

Ms. Skomoroch: If I can direct you to our binder. Our actual cost for spay and neuter, a male cat would be...

Councilmember Yukimura: Okay, you are talking about the per pet cost, but I was interested in the total cost of your spay/neuter program. Is it on the next page?

Committee Chair Kaneshiro: One hundred seventy-three thousand dollars (\$173,000).

Ms. Skomoroch: It is page 3.

Ms. Vanamann: That was last year.

Committee Chair Kaneshiro: FY 2017, the total cost for spay and neuter was one hundred seventy-three thousand dollars (\$173,000).

Councilmember Yukimura: Okay. Are you folks covering that on your own?

Ms. Vanamann: Yes.

Councilmember Yukimura: One hundred seventy-three thousand dollars (\$173,000) is your total spay/neuter cost. Okay. Finally, back to your bar chart, your last bar chart. You are showing County funding, County operation expenses, total Operating Budget, which includes the County and the Humane Society, SOS/Nene, okay. So where you say, "County operation expenses," you are showing a deficit of one hundred six thousand dollars (\$106,000).

Ms. Skomoroch: Correct.

Councilmember Yukimura: That is, you folks are subsidizing what is County operation expenses.

Ms. Skomoroch: Yes.

Councilmember Yukimura: But you do not include spay/neuter in these expenses.

Ms. Vanamann: No. If you were being realistic and looking at the big picture, it would be that one hundred seventy thousand dollars (\$170,000) plus the one hundred six thousand dollars (\$106,000).

Councilmember Yukimura: Right. So, it is like two hundred seventy thousand dollars (\$270,000). And your spay/neuter for owners would not actually be animal...well, it might be...

Ms. Vanamann: It can be and it is tied to it, but we do try...if the people are able to afford, we try to get people to take responsibility and pay for their own surgeries for their pets. When they cannot, often times, we incur that costs.

Councilmember Yukimura: To the extent that you can spay/neuter this animal so it does not have more babies, which may become overwhelming to a family and then just become strays, you are cutting off the source of what would be future animal control expenses.

Ms. Vanamann: Yes. We are saving money by spaying a mother dog or cat, for instance, down the road, we are going to save ourselves a lot of money and we are also increasing the quality of life for that individual animal. It is a win-win.

Councilmember Yukimura: Very good. Thank you very much.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: We spent a lot of time here on the Barking Dog Ordinance. I see just based on your calls, if I can recall, I do not think those numbers have changed significantly. I see forty-three (43) calls to dispatch. I am just curious as to how the program is moving along.

Ms. Vanamann: It has been interesting because as I am sure you know this can be a very polarizing subject and we all have different degrees of tolerance for barking. Overall, I would say the law has been good because it sets some parameters for us to work with in. I do not know if it completely solves the problem, but it does give us a tool for when we go out. Most of what we end up doing to resolve these cases is mediation between the neighbors. I found that to be the most effective. We provide education and we try to talk them through being reasonable about what amount of barking might be okay and then we try to talk to the dog owner and provide educational resources and in some cases, we do see animal welfare concerns associated with these barking complaints and those sort of shift into more of a neglect cases and things like that. Then, we will approach it from a different perspective, which in turn will address the barking issue once we get the animals into a happier place.

Councilmember Chock: That seems to be the tipping point for moving that ordinance forward. Out of the forty-three (43) that you have here, what percentage are you looking at that ends up being cruelty and neglect?

Ms. Vanamann: I would probably say there are animal welfare concerns associated with about half of those cases. I would not say that those were cases that

are going to go through an entire court process, but they might be a case where we go out and make recommendations that the owner follows through on, which reduces the barking. I would say about half. A lot of times we do go to these cases and people are not equipped to care for these animals and they may just want to give up some of the dogs or perhaps give up the one that is the major barker.

Councilmember Chock: Twenty (20) are moving towards cruelty and neglect, how many of them end up in court?

Ms. Vanamann: I have not actually had any go through the court process. We do find that most of them fizzle out at the mediation stage because one or both parties make a change or come to some sort of an understanding. There are a lot of things that have been very effective, like the citronella bark collars, which are considered the most humane method of controlling barking when you are not at home to provide training. We offer a lot of information. We found that even though we do have the opportunity to send some of these people to the Kaua'i Economic Opportunity (KEO) mediation program, we really find that the officers are best equipped to provide that education, sit with the dog owner, and figure out what is going on. That is where we usually end up with those.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: I like when you used the word "tolerance," because a lot of time that is the level that people do not agree on. Councilmember Yukimura.

Councilmember Yukimura: Well, it is easy to be tolerant when the citronella collar works.

Ms. Vanamann: True.

Councilmember Yukimura: Of the forty-three (43), how many do you feel like are resolved?

Ms. Vanamann: I would say overall. Most times they resolve because some sort of action is taken by the dog owner. We do see ones, like you are mentioning about the citronella bark collar, they have an actual canister of citronella and sometimes that will run out and we get a call again, we go back out and remind the dog owner, and go through the process again. I would say overall more than half resolve completely. I would say about a quarter will have contact with them again in the future, but it will be intermitted and not an overall big issue—just more of a reminder kind of situation. Maybe less than a quarter are things that I do not know if the complainants have a reasonable expectation and so we will end up with a situation where the dog owners are doing everything in their power and maybe not even technically violating the law anymore, but it is still one of those situations where may be the barking echoes and it does continue to be an ongoing issue. Those are the ones that are hard for us because they are time consuming, but nobody ends up being one hundred percent (100%) pleased with the outcome. Those can be hard with the officers to really find a good solution.

Councilmember Yukimura: That is one extreme where let us say that the neighbor is extra sensitive or very intolerant of noise, but on the other extreme, there may

be a dog owner who is very intolerant of any coaching or even recognition of the problem. Do you have that?

Ms. Vanamann: We do see those, but I think we are a little bit harder on the dog owners because it is our area of expertise. We all work in a shelter every day and we understand that even though you can get used to your own dogs barking, that does not mean it is okay to just let them continue barking and ignore them and let all of your neighbors suffer. We do have some people that are more resistant, but I would say overwhelmingly, we do not end up with people that just do not care. People here tend to...even at first they are resistant, they will after some thought and after some explanation, they will take the time to be considerate of their neighbor. Some of the ones that are hard is if there is a situation where the barking actually echoes, so even if the dog owner is trying to remedy the situation, it can actually magnify the sound. Those are the difficult ones to deal with.

Councilmember Yukimura: So where there is a serious barking problem and there is an owner, you are saying that the owner will listen to you.

Ms. Vanamann: I would say more often than not we are very successful with education and providing resources and even sometimes providing the option to surrender the dogs into our custody and let us find new homes for them. Sometimes that is the way we go. If we end up in a situation where the dog owner is not compliant and not making an effort and the barking is in the amount that violates the law and they are refusing to attend mediation and make any sort of changes, in that case, we are left with no choice to issue a citation and let them go through the court process.

Councilmember Yukimura: Thank you. That feels like a pretty complete report. It does sound like you started out at the beginning by saying the law has given some framework.

Ms. Vanamann: It has. I think it has been very helpful for the public to have a better understanding of what we can provide and the process that they are going to need to go through.

Councilmember Yukimura: And it lets them know the different options they have, thanks to your work.

Ms. Vanamann: Thank you to you folks. You do a good job.

Committee Chair Kaneshiro: Any other questions? No.

Councilmember Yukimura: Are you folks requesting the deficit, right? The deficit that you define in your chart.

Ms. Skomoroch: We are asking for one hundred ninety-five thousand dollars (\$195,000) in addition and that would also include obtaining two (2) trucks for the field services department in order for us to continue doing the services that Jessica has.

Ms. Vanamann: I can speak to that, if anyone had questions about that.

Councilmember Yukimura: I think if you feel you need those moneys, you need to take this opportunity to explain why you need them.

Ms. Vanamann: As far as the operating costs, I think we showed that we are subsidizing some of that through KHS funding. We are finding that we do have an increased number of intakes and we do find an increased cost associated with finding live outcomes, which are defined by adoptions and transfers instead of euthanasia. That is what we are really passionate about and that is what we are moving towards as an organization and that is what the community wants us to do. Some of those costs are associate just with this larger amount of intakes and then finding positive outcomes for those animals. What we have also seen is just like everybody else that has been in here, I am sure, our cost has gone up for regular supplies—food, medical, and things like that. Just small amounts, but all of those adds up. That is some of our operating costs that have gone up. Obviously, with all of those things that are mentioned, that means we need a slight amount more staff. We did find that we were understaffed and not all of our positions were filled in the previous year. This year moving forward, we intend to have all of those positions filled, so that we can provide proper service to the community. That is part of that money that we are asking for. Some of the other things would be more considered allocations. I know that previously when we came in we had asked for a part-time dispatcher for our field services department. What we found with that is that the community expects the phone to be answered for their community complaints during business hours. We currently would like to move that position from a part-time into a full-time, so that would be a small cost, but I think the return is going to be huge. It is currently what we are moving towards regardless if we are able to get the funding or not, because that is what needs to happen. That is one of the things that would be factored into that. We also did see a little bit of overtime with the short staffing and so we intend to fill those positions, so that we can reduce our overtime. It is very important to us and it is also important for our staff turnover. That answers that question, yes.

Councilmember Yukimura: When you say you want a full-time dispatch, you mean basically eight (8) hours a day.

Ms. Vanamann: That is correct.

Councilmember Yukimura: Because for Police, it is like 24/7, but you are talking basically so that people can reach you during business hours.

Ms. Vanamann: That is actually a two-part answer. The dispatcher function is one person that works a forty (40) hour week and is there to answer phones during the shelter business hours. In the off-hours, one of the humane officers answer the phone for emergency calls. So, we are available to the community twenty-four (24) hours a day. We simply differentiate that business hours and after hours. The dispatcher also provides a variety of functions. They do all of the data entries for all of the animals coming in, they do all of the support services for the officers in the field—it is an essential position to run an efficient department.

Councilmember Yukimura: Basically what you are saying is you need two (2) people doing that job, really.

Ms. Vanamann: Quite possibly.

Councilmember Yukimura: Because it is two (2) jobs. Data entry, support for your field services department, and so you actually have a person answering the phones and doing all these other stuff that is all part of one job description.

Ms. Vanamann: Currently it is all part of one job description. We try to make the most of each position that we are able to afford.

Councilmember Yukimura: It is true that it is not like our dispatch center where the calls are just always coming in.

Ms. Vanamann: It is hit or miss. That is why we do like to combine it, so when we are busy with calls, obviously other things fall behind, but if we are not as busy, that person always has something to jump into and do.

Councilmember Yukimura: This full-time dispatch does not cover your off-hours?

Ms. Vanamann: No.

Councilmember Yukimura: Okay.

Ms. Vanamann: The humane officers answer the on-call. Those calls go through actual police dispatch, after-hours.

Councilmember Yukimura: Are they working off-hours or are they on-call?

Ms. Vanamann: We are on-call off-hours and so the things that we come out and respond to are animals posing a danger to the public, injured animals, and then assistance for Police or Fire and in an emergency situation.

Councilmember Yukimura: What about barking dog?

Ms. Vanamann: We do not come out after-hours for barking dogs. The only time we would assign someone to do that is if I had someone calling in at 2:00 a.m. to 4:00 a.m., "My neighbor's dog barks, but it is quiet all the rest of the time," we would make an allowance for that, obviously.

Councilmember Yukimura: I see. Okay.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Do you have a plan if you do not get the money from the County? What is the plan? Do you have a listing of the things you mentioned in a prioritized fashion in terms of what it is you would like first and the costs associated with each one.

Ms. Vanamann: I think one of our most essential cost at this time, which I guess would be considered a capital ask because it is something that is a little bit separate from our Operating Budget is we currently have four (4) humane officers including myself. We only have two (2) functioning vehicles, which is very limiting. We traditionally and historically have always had four (4) functioning vehicles, so one of the things that we are asking for today is the money to be able to purchase or lease two (2) vehicles that would be appropriate for the services we provide. I would say that that is one of the things that is top of our list because we cannot respond to complaints without working vehicles. What we figured out in our research in doing that is that the most cost effective way to do that over a period of time is actually going to be the outright purchase the vehicles. We did get a very considerate deal, for a lack of a better term, so that we would be able to make monthly payments on those vehicles. I think that would be so much more efficient to have something that is functioning and not in the shop every other day, something that is safe and reliable for us to drive. We are asking for two (2) vehicles. The monthly increase for that would end up being about one thousand two hundred fifty dollars (\$1,250) for the two (2) vehicles over a six (6) year period.

Councilmember Yukimura: Are you thinking about purchasing it or leasing it?

Ms. Vanamann: The reason I was thinking purchasing is because if we lease them, based on the amount of miles that we have to put on the vehicles, you would actually end up paying more, and then you would be forced to buy it out at the end of the four (4) years. We are open to either way. Whatever you folks are comfortable with, but just in my research, that was the cheapest way to do it.

Councilmember Yukimura: And in terms of a lump sum money, you are wanting a one-time lump sum.

Ms. Vanamann: We would go either way. If you folks wanted to do it yearly, that would be fine, and if you wanted to do a one-time lump sum, obviously, that will save us in interest. If we were looking at lump sum, it is basically forty thousand dollars (\$40,000) for each truck, which would include everything to outfit the truck—the camper shell. We have to have four-wheel drive for the locations that we have to access, but if we wanted to go lump sum, it would be forty thousand dollars (\$40,000) per vehicle.

Councilmember Yukimura: Okay.

Councilmember Chock: My question is for the Administration on where they are on this. Why was it short funding and if there is a reason. Do they support or not support? Is this an after-the-fact request or was it denied?

Ms. Vanamann: The one hundred ninety-five thousand dollars (\$195,000) is what we found our cost were in excess of what we anticipated and it is also what we found that as we wanted to increase these live outcomes, the costs just increase. That is pretty much what we found, so we did not anticipate it costing quite as much.

Mr. Shimonishi: Ken Shimonishi, Director of Finance. When we put together our budget, we just held it as the same as last year, however we knew that the Humane Society has always presented their case of running in a deficit on this contract. I think this is something we will bring back in the May submittal after further discussions

with the Mayor, but at this time, we had not incorporated any of those changes yet. Obviously, there is compelling reasons stated and we would want to reconsider that funding amount as well.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Just for confirmation, in the past, we had questions about the proper allocations for expenses and I know after the last budget session and I think we had an audit that said we were going to work on that and try get those numbers concrete so that everyone is happy and everyone knows what percent of expenses are allocated to the County and to Kaua'i Humane Society. Are we done and set with that percentage and our agreement with Kaua'i Humane Society?

Mr. Shimonishi: I would say that we are comfortable with it and there is always the philosophical difference of how much the County is supposed fund on this. At one time, we were really referring purely to the Hawai'i Revised Statutes (HRS) on stray dogs and now we move more into should we be absorbing more into cats as well and trying to support them on the mass clinics and their supplies and all of that. I think it is always something to be looked at, but clearly the largest part being the animal control officers and the dispatch and the related expenses, which we would obviously want to pick up the greater share of which we have been, but again, what does this cost to intake one thousand (1,000) dogs or whatever it is versus one thousand five hundred (1,500), I am not well prepared to say what is that differential.

Committee Chair Kaneshiro: I think just being sure that we are allocating cost correctly was one big step that we moved towards. In the past, I think they may have used the certain percentage one year and a different percentage the next year, but there is no predictability when you do that, but I am glad that we worked on getting the percentages comfortable, sticking to it, and we are not going to change it every year or else we are not going to be able to look at the financials and know what it what. That is a huge step and I am glad we have moved in that direction. Any other questions? Councilmember Yukimura.

Councilmember Yukimura: The County budget, if you add up all the Humane Society earmarked moneys, it looks like about eight hundred sixty-four thousand dollars (\$864,000). Can we have the last bar chart in the Humane Society presentation? The chart shows us giving you more than one million dollars (\$1,000,000) or am I not reading that correctly?

Ms. Vanamann: You know what, it looks like that. Do you want to give us more than one million dollars (\$1,000,000)? That sounds fabulous.

Councilmember Yukimura: No. I do not know...it is your understanding of what we are giving you.

Ms. Vanamann: I am finding someone that knows the answer.

Councilmember Yukimura: I am just trying to figure out what you see us adding one hundred ninety-five thousand dollars (\$195,000) to, because right now, you think we are giving you more than one million dollars (\$1,000,000). Am I wrong?

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Department of Finance (Administration, Accounting, IT, Purchasing,
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BARBARA ELMEDA, Controller: We are asking for the seven eighty plus the one hundred ninety-five, which brings you up to the nine seventy-five. An additional ask is for the capital for trucks.

Councilmember Yukimura: You said you are asking for in addition to the seven eighty?

Ms. Elmeda: The seven eighty we have been getting that was flat the last couple of years. We have increased it by only twenty-five percent (25%), which is one hundred ninety-five thousand dollars (\$195,000).

Councilmember Yukimura: Okay. In the budget that Finance has given us, they are allocating, correct me if I am wrong, but eight hundred sixty-four thousand dollars (\$864,000), so if you are wanting one ninety-five plus seven eighty plus forty, right, you would be nine hundred seventy-five thousand dollars (\$975,000) plus another forty thousand dollars (\$40,000) would be one million fifteen thousand dollars (\$1,015,000).

Ms. Elmeda: On the actual budget, the capital ask is separate and not included as part of this regular proposed budget.

Councilmember Yukimura: Right, but what you gave us is you are asking for one hundred ninety-five thousand dollars (\$195,000) above the seven hundred eighty thousand dollars (\$780,000).

Ms. Elmeda: That is correct.

Councilmember Yukimura: That you understand us to be giving, but we are actually giving you a bit more. Let us keep the forty thousand dollars (\$40,000) separate. The one hundred ninety-five thousand dollars (\$195,000) plus, what you call, seven eighty means that you are asking for nine hundred seventy-five thousand dollars (\$975,000).

Ms. Elmeda: Yes.

Councilmember Yukimura: Plus the forty thousand dollars (\$40,000) on the side. Right now our budget is eight sixty, so actually you are asking for one hundred fifteen thousand dollars (\$115,000) more.

Ms. Elmeda: Actually it is the two (2) trucks.

Councilmember Yukimura: The two (2) trucks is eighty thousand dollars (\$80,000).

Ms. Elmeda: Eight thousand dollars (\$80,000) and not forty thousand dollars (\$40,000).

Councilmember Yukimura: Excuse me, yes. Thank you. One hundred fifteen thousand dollars (\$115,000) plus basically eighty thousand dollars (\$80,000) as a one-time.

Ms. Elmeda: Yes.

Councilmember Yukimura: But the one hundred fifteen thousand dollars (\$115,000) would be.

Ms. Vanamann: Ongoing.

Councilmember Yukimura: Operating expenses, which you are likely to come back and ask us for. Okay. I think I am clear about what you are asking for. That is all I wanted to know. Thank you.

Committee Chair Kaneshiro: Any other questions for the Humane Society?

Councilmember Yukimura: This is regarding Ken. If the animal control categories are pretty much set and I agree with the Budget & Finance Committee Chair that it really helps to have that clarity, but it does not include spay/neuter, which to me is in the category of animal control. I am remembering that I think it went back to a point where the Humane Society was saying, "Spay/neuter is kind of a (inaudible) issue, we can raise that money privately, so do not worry about that, but give us this other stuff," but I think as we all really rethink this, spay/neuter is really an animal control measure in the present, but also for the future. It is a long-term animal control strategy.

Ms. Skomoroch: You are correct.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: Any more questions? If not, you folks are done. We are actually done for today. Thank you to everyone for coming prepared. Thank you Kaua'i Humane Society for the binder and all the information. It helped us get through the information a lot faster. At this time, I would like to recess the Department Budget Reviews and will reconvene at 9:00 a.m., on April 9, 2018 where we will have the reviews for the Emergency Management Agency, Human Resources, Office of the County Attorney, and Agency on Elderly Affairs.

There being no objections, the Committee recessed at 11:55 a.m.