



# **The Department of Finance**

**Fiscal Year 2024 Annual Report**

**July 1, 2023 – June 30, 2024**

**Michelle L. Lizama**  
**Director**

## DEPARTMENT OF FINANCE

### I. MISSION STATEMENT

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

### II. DEPARTMENT GOALS

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

**Values:**

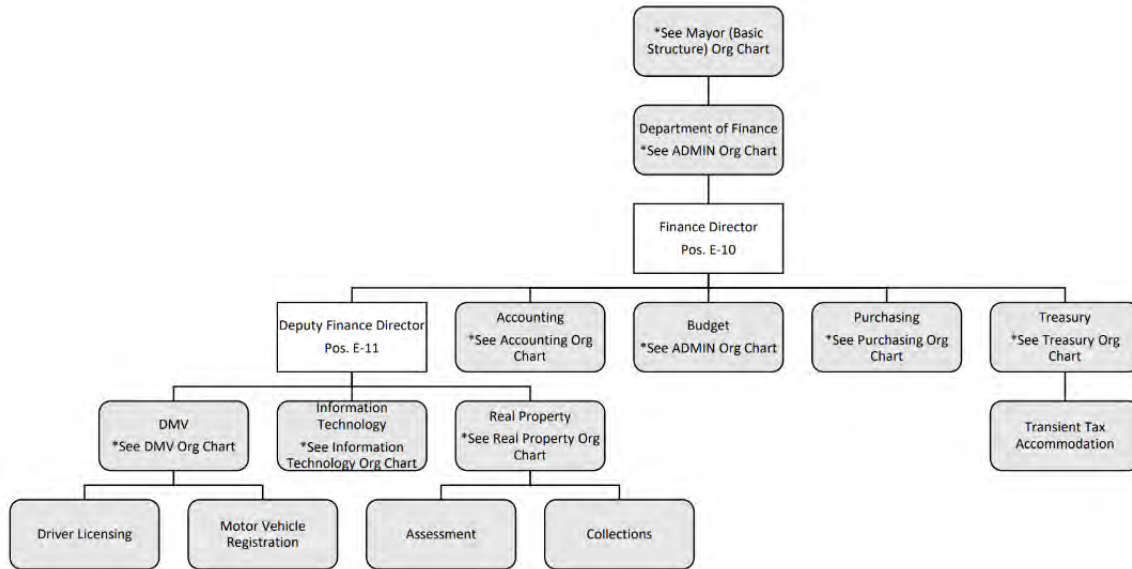
- **COMMUNICATION:** We will be open, approachable, and transparent in order to effectively communicate with everyone we serve.
- **ACCOUNTABILITY:** We are trustworthy and will provide accurate and timely information such that others can rely on our product.
- **COLLABORATIVE:** We commit to engaging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

### III. PROGRAM DESCRIPTION

**Strategic Priorities:**

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

## Organizational Chart



### IV. BUDGET

#### Consolidated Financial Results

<b>General Fund - Fiscal Year Ended June 30, 2024 (Preliminary)</b>				
Finance - Consolidated Summary				
	<b>Revised Final Budget</b>	<b>Actual Exp. + Encumbrances</b>	<b>\$ Lapse</b>	<b>% Lapse</b>
Sal., Wages, OT	\$ 6,045,884	\$ 5,745,346	\$ 300,538	5.0%
Benefits & CB	\$ 4,074,604	\$ 3,683,374	\$ 391,230	9.6%
Utilities, Insurance, Fuel	\$ 3,654,410	\$ 3,398,997	\$ 255,413	7.0%
Training & Travel	\$ 199,777	\$ 75,226	\$ 124,551	62.3%
Claims, Rent., Loans	\$ 1,180,127	\$ 1,065,187	\$ 114,940	9.7%
Svcs, Dues, Consult	\$ 3,998,532	\$ 3,759,957	\$ 238,575	6.0%
Spec. Proj., Grants	\$ 1,687,873	\$ 1,450,470	\$ 237,403	14.1%
Indirect Cost	\$ (2,680,000)	\$ (2,680,000)	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 311,501	\$ 280,746	\$ 30,755	9.9%
Ad, Print, Suppl, Commod.,	\$ 2,888,963	\$ 1,133,592	\$ 1,755,371	60.8%
Vehicle/Equip, Lease	\$ 80,090	\$ 79,608	\$ 482	0.6%
Total	<b>\$ 21,441,761</b>	<b>\$ 17,992,503</b>	<b>\$ 3,449,258</b>	<b>16.1%</b>

## **ADMINISTRATIVE DIVISION**

Michelle L. Lizama, Director of Finance  
Chelsie Sakai, Deputy Director of Finance

### **I. MISSION STATEMENT**

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

### **II. DIVISION GOALS**

#### **A. Duties/Functions**

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

#### **B. Division Goals**

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

### **III. PROGRAM DESCRIPTION**

#### **A. Program Objectives**

1. Overall financial management of the County, including monitoring and improvement upon the County's financial position, and the oversight and

assistance to all County of Kaua'i departments regarding their budgets, revenues, and expenditures.

2. To ensure all funds received by the County of Kaua'i are managed in accordance with the special conditions of the appropriation/award of the funds by providing timely financial information in a user-friendly format.
3. Working with the Office of the County Attorney, minimize potential risk relative to property, liability to third parties, and human resources. Promote risk management as a component of strategic planning and as a major budget item.
4. Continued adherence to the Long Term Financial Plan policies adopted by the Council; 1) Reserve Fund and 2) Structurally Balanced Budget Policy.

**IV. BUDGET**

<b>General Fund - Fiscal Year Ended June 30, 2024 (Preliminary)</b>				
ADMINISTRATION				
	<b>Budget</b>	<b>Actual + Encumbrances</b>	<b>\$ Variance</b>	<b>% Variance</b>
Sal., Wages, OT	\$ 629,676	\$ 563,445	\$ 66,231	10.5%
Benefits & CB	\$ 258,928	\$ 219,568	\$ 39,360	15.2%
Utilities, Insurance, Fuel	\$ 3,600,200	\$ 3,350,387	\$ 249,813	6.9%
Training & Travel	\$ 117,010	\$ 17,672	\$ 99,338	84.9%
Claims, Rent., Loans	\$ 1,152,455	\$ 1,040,606	\$ 111,849	9.7%
Svcs, Dues, Consult	\$ 26,412	\$ 25,364	\$ 1,048	4.0%
Spec. Proj., Grants	\$ 1,687,873	\$ 1,450,470	\$ 237,403	14.1%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 9,103	\$ 8,491	\$ 612	6.7%
Vehicle/Equip, Lease	\$ 1	\$ -	\$ 1	100.0%
<b>Total</b>	<b>\$ 7,481,658</b>	<b>\$ 6,676,003</b>	<b>\$ 805,655</b>	<b>10.8%</b>

**V. ACCOMPLISHMENTS/EVALUATION**

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

## **ACCOUNTING DIVISION**

Malia Kagawa, Accounting Administrator

### **I. MISSION STATEMENT**

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

### **II. DIVISION GOALS**

#### **A. Duties/Functions**

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

#### **B. Division Goals**

1. Promote growth, mentor, train, and retain our Accounting team in an environment that promotes teamwork while maintaining trust, value, transparency, and accountability.

### **III. PROGRAM DESCRIPTION**

#### **A. Program Objectives**

1. The Accounting Division provides centralized accounting services, guidance for accounting under GAAP and GASB, financial reporting, accounts receivable, accounts payable, capital asset management, and vendor maintenance including 1099 reporting for all county-wide operations.
2. The Accounting Division's primary objectives are: 1) Report accurately, all financial related information in a timely manner; and 2) Strive to maintain

effective internal controls, promote transparency, increase efficiencies, while being consistent throughout County-wide operations.

**IV. BUDGET**

<b>General Fund - Fiscal Year Ended June 30, 2024 (Preliminary)</b>				
ACCOUNTING				
	<b>Budget</b>	<b>Actual + Encumbrances</b>	<b>\$ Variance</b>	<b>% Variance</b>
Sal., Wages, OT	\$ 524,849	\$ 466,029	\$ 58,820	11.2%
Benefits & CB	\$ 544,332	\$ 540,056	\$ 4,276	0.8%
Utilities, Insurance, Fuel	\$ -	\$ -	\$ -	0.0%
Training & Travel	\$ 4,255	\$ -	\$ 4,255	100.0%
Claims, Rent., Loans	\$ 5,000	\$ 3,113	\$ 1,887	37.7%
Svcs, Dues, Consult	\$ 350,652	\$ 341,260	\$ 9,392	2.7%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ (2,680,000)	\$ (2,680,000)	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 147,385	\$ 144,831	\$ 2,554	1.7%
Vehicle/Equip, Lease	\$ -	\$ -	\$ -	0.0%
<b>Total</b>	<b>\$ (1,103,527)</b>	<b>\$ (1,184,711)</b>	<b>\$ 81,184</b>	<b>-7.4%</b>

**V. ACCOMPLISHMENTS/EVALUATION**

The Accounting Division went through a massive rebuild, with a total of five employees leaving within a span of three months, during the critical time of fiscal year end. Our biggest accomplishment is filling all of the vacancies in Accounting and restructuring the Division so that we could focus on rebuilding the Accounting Division for years to come. The team that we built is full of vibrant, intelligent individuals who will undoubtedly continue to gain vast governmental accounting knowledge.

The closing of the FY2023 financials and final issuance of the FY2023 Annual Comprehensive Finance Report (ACFR) took longer than most years due to staff turnover that occurred around the fiscal year end. However, the Accounting Division is on track to complete the FY2024 ACFR timely as the preliminary items are underway. We are aiming to issue the FY2024 ACFR by December 31, 2024 and the Accounting Division is going to improve year-end closing processes by completing an internal review process to hopefully assist the Departments by catching more items that could be potential findings.

The Accounting Division continues to seek ways to improve efficiencies, while maintaining the integrity of the accounting system and internal controls, to ensure that accurate and timely financial and accounting information is provided. The entire Accounting Division is looking forward to a new accounting system to make processes less manual so that we can focus more on internal controls and review.

**DIVISION OF MOTOR VEHICLES (DMV)**

Jeremy K. Lee, Vehicle Registration and Licensing Manager

**I. MISSION STATEMENT**

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

**II. DIVISION GOALS**

A. Duties/Functions

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

B. Division Goals

1. Continue to improve timely, courteous, and efficient assistance and service to all DMV customers.
2. Screen and identify drivers and vehicles to keep Kaua'i's roads safe.
3. Continue to work with the State and all the counties to coordinate and collaborate to address common needs and provide consistency in service delivery across the state.
4. Continue to work with and support judicial and law enforcement entities.
5. Stay abreast of all new rules and laws that help to direct our work.
6. Transition driver's license permit testing to a computer-based program.
7. Planning and opening a new DMV satellite office in Kapa'a.
8. Re-deploy the DMV appointment booking and queuing software tool, to include road test booking online.



**III. PROGRAM DESCRIPTION**

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

A. Program Objectives

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

**IV. BUDGET**

<b>General Fund - Fiscal Year Ended June 30, 2024 (Preliminary)</b>				
MOTOR VEHICLE				
	<b>Budget</b>	<b>Actual + Encumbrances</b>	<b>\$ Variance</b>	<b>% Variance</b>
Sal., Wages, OT	\$ 927,918	\$ 948,980	\$ (21,062)	-2.3%
Benefits & CB	\$ 587,492	\$ 519,751	\$ 67,741	11.5%
Utilities, Insurance, Fuel	\$ -	\$ -	\$ -	0.0%
Training & Travel	\$ 7,368	\$ 7,358	\$ 10	0.1%
Claims, Rent., Loans	\$ 3,600	\$ 3,590	\$ 10	0.3%
Svcs, Dues, Consult	\$ 292,992	\$ 201,621	\$ 91,371	31.2%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 97,690	\$ 67,138	\$ 30,552	31.3%
Ad, Print, Suppl, Commod.,	\$ 150,466	\$ 145,300	\$ 5,166	3.4%
Vehicle/Equip, Lease	\$ -	\$ -	\$ -	0.0%
Total	<b>\$ 2,067,526</b>	<b>\$ 1,893,738</b>	<b>\$ 173,788</b>	<b>8.4%</b>

**V. ACCOMPLISHMENTS/EVALUATION**

By continually reviewing our processes, we have been able to deliver positive results for both our team and our customers. Monthly meetings with statewide administrators and HDOT have fostered consistency and created opportunities to utilize statewide resources more effectively. With the backing of the County administration, we are making steady, thoughtful progress.

As our staffing has increased, we have seen marked improvement in our on-time performance and the overall customer experience. We continue to invest in our employees by providing training opportunities for them to participate in and have created an annual schedule for closures to allow for training to be conducted.

## **DIVISION OF PURCHASING**

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

### **I. MISSION STATEMENT**

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

### **II. DIVISION GOALS**

#### **A. Duties/Functions**

1. Facilitate the acquisition of goods, services, and construction for the County of Kaua'i in full adherence to the Hawai'i State Procurement Code pursuant to HRS Chapter 103D and applicable Hawai'i Administrative Rules.
2. Provide guidance, training, and direction to the County administration and all departments, divisions, and agencies regarding the requirements of procurement.

#### **B. Division Goals**

1. Maintain an updated portal of all solicitation boilerplates and forms consistent with the changes in laws and rules to provide critical guidance and training to all County departments and personnel.
2. Adopt and maintain an operational philosophy to acquire and implement technological resources available to improve operations, eliminate redundancies, achieve various levels of efficiencies and cost effectiveness, achieve timely processing of all work assigned to the Division, and maintain the highest level of quality in the delivery of services to the public.

### **III. PROGRAM DESCRIPTION**

#### **A. Program Objectives**

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

2. The objective of the Division of Purchasing is to promote economy, efficiency, and effectiveness in the timely procurement of goods and services, and the construction of public works for the County of Kaua'i and to ensure maximum competition as intended by the Hawai'i State Procurement Code. This involves a commitment of the Division to work with the various agencies in reviewing their procurement objectives, special requirements, and specifications; advising them of options and other information resources; and informing them of the requirements of the Public Procurement Code. The results of this commitment should reduce the number of protests filed and expedite the turn-around time for requisitions. Currently, the Division's goal for processing purchase orders is one (1) to two (2) days.

**IV. BUDGET**

<b>General Fund - Fiscal Year Ended June 30, 2024 (Preliminary)</b>				
PURCHASING				
	<b>Budget</b>	<b>Actual + Encumbrances</b>	<b>\$ Variance</b>	<b>% Variance</b>
Sal., Wages, OT	\$ 588,152	\$ 586,342	\$ 1,810	0.3%
Benefits & CB	\$ 378,753	\$ 344,825	\$ 33,928	9.0%
Utilities, Insurance, Fuel	\$ -	\$ -	\$ -	0.0%
Training & Travel	\$ 11,533	\$ 10,885	\$ 648	5.6%
Claims, Rent., Loans	\$ 794	\$ 793	\$ 1	0.1%
Svcs, Dues, Consult	\$ 32,937	\$ 32,936	\$ 1	0.0%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 201	\$ -	\$ 201	100.0%
Ad, Print, Suppl, Commod.,	\$ 108,473	\$ 108,379	\$ 94	0.1%
Vehicle/Equip, Lease	\$ 9,472	\$ 9,395	\$ 77	0.8%
<b>Total</b>	<b>\$ 1,130,315</b>	<b>\$ 1,093,555</b>	<b>\$ 36,760</b>	<b>3.3%</b>

**V. ACCOMPLISHMENTS/EVALUATION**

- A. Changes to HRS 103D-304 (Excellence): Our Division, in partnership with the County administration, State Procurement Office, and private engineers, architects and consultants succeeded in implementing changes to the Professional Services options when less than three resumes are received. Previously if this were to happen, departments were forced to resolicit or find a different method of procurement, often resulting in vitally needed professional services not being procured. With the changes, departments are now able to move forward with their procurement relying on structured procedures defined within the revised statute. The initial Professional Services advertisement for FY24 had 9 notices that did not receive three resumes. The secondary advertisement for these notices was posted and gave departments the opportunity to move forward.

- B. Laserfiche automation (Responsive Service): DOP has continued its efforts to implement Laserfiche automation to support its existing business processes. The DOP continues to work on automating additional forms and processes, existing forms continue to be updated to increase efficiencies. The DOP will continue to expand the use of the Laserfiche application for procurement-related work with a long-term goal of using the application to help design and further develop and address the entire procurement process. A number of requests have come in from departments to adjust our Laserfiche forms to meet their needs, and after review and consideration, we have implemented those changes.
- C. Small purchase threshold increase (Excellence): DOP is embarking on increasing the small purchase threshold for goods and services by utilizing the Public Purchase system. HRS 103D-305 explains that procurement of goods and services less than \$100,000 can utilize the small purchase procedures if it is done through an electronic system. We are updating our written informal bid template and deciding on procedures with the staff to move this forward. This initiative will be of great benefit to departments and agencies.
- D. Innovative changes to the auction process (Excellence): DOP continues to seek opportunities to improve its business processes as it pertains to the annual auction. We were successful in having the auction completely online, to include auction bids and offers being submitted electronically, making it a more use friendly application. This year, the technician team continues to improve the annual auction, implementing new procedures to help streamline the process. The DOP is actively researching the use of an on-line auction resource that will provide the means for escalation offers. This will result in a higher amount of salvage credit and make the process more open and competitive for those who participate.
- E. Procurement guidance and training (Responsive Service): DOP provides extensive and routine support, guidance and training, thus reducing unintended procurement violations and substantially improving departmental knowledge and will contribute to better compliance with all procurement requirements.
- F. Commitment to all County Departments/Agencies (Responsive Service): The DOP continues to provide qualified guidance and assistance to help our internal customers with the multitude of procurement projects throughout the year.
1. 84 formal solicitations were executed last year, this includes Invitations for Bid and Requests for Proposals.
  2. Seven Professional Service notices were posted.
  3. 135 Exemptions were completed.
  4. 92 Sole Sources were completed.

5. Top five high-value CIP project awarded for an accumulated total of over \$53M.
6. 165 contracts were awarded in FY24. The contracts for the year totaled over \$98M.
7. More than 700 purchase orders and blanket purchase orders were cut outside of contracts totaling more than \$13M.

## **TREASURY DIVISION**

Nancee Robles, Treasurer

### **I. MISSION STATEMENT**

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

### **II. DIVISION GOALS**

#### **A. Duties/Functions**

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

#### **B. Division Goals**

1. Eliminate the reliance on paper documents and document storage by utilizing electronic technology.
2. Continue to serve and support the County by creating efficiencies, eliminating redundancies, standardizing documents in an electronic format, and opening the communication channels.

3. Automate processes wherever possible to reduce manual entry and transfer of information between systems.

**III. PROGRAM DESCRIPTION**

A. Program Objectives

1. Account for, receipt, protect, deposit, invest, and disburse the County’s money while adhering to the proper authorization and policies.
2. Ensure deposits in financial institutions are fully collateralized.
3. Maintain sufficient liquidity to meet the County's cash requirements.
4. Invest surplus cash in accordance with state laws and County ordinances.
5. Ensure County funds are not unduly concentrated in any single financial institution.
6. Provide timely financial reporting to internal and external agencies.
7. Maintain and document effective internal controls and processes.
8. Facilitate bond issuances, including required compliance and reporting.

**IV. BUDGET**

<b>General Fund - Fiscal Year Ended June 30, 2024 (Preliminary)</b>				
TREASURY				
	<b>Budget</b>	<b>Actual + Encumbrances</b>	<b>\$ Variance</b>	<b>% Variance</b>
Sal., Wages, OT	\$ 356,250	\$ 300,743	\$ 55,507	15.6%
Benefits & CB	\$ 232,943	\$ 182,629	\$ 50,314	21.6%
Utilities, Insurance, Fuel	\$ -	\$ -	\$ -	0.0%
Training & Travel	\$ 5,100	\$ 2,795	\$ 2,305	45.2%
Claims, Rent., Loans	\$ -	\$ -	\$ -	0.0%
Svcs, Dues, Consult	\$ 164,034	\$ 121,498	\$ 42,536	25.9%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 2	\$ -	\$ 2	100.0%
Ad, Print, Suppl, Commod.,	\$ 4,502	\$ 3,618	\$ 884	19.6%
Vehicle/Equip, Lease	\$ 1	\$ -	\$ 1	100.0%
<b>Total</b>	<b>\$ 762,832</b>	<b>\$ 611,283</b>	<b>\$ 151,549</b>	<b>19.9%</b>

## **V. ACCOMPLISHMENTS/EVALUATION**

Treasury Division is staffed with competent employees who are constantly seeking opportunities to improve their skills, knowledge and abilities. Automation and efficiencies were at the forefront of Treasury's initiatives in FY24 and will continue into FY25. Timely and accurate reports are consistently provided. Measures were taken to improve the safety of County funds and counteract fraudulent activity. Treasury has taken advantage of favorable interest rates and improved the County's earnings.

- A. Examined the fee structure of our financial institutions to better identify and manage investments.
  - 1. Negotiated higher rates of interest on cash and cash equivalents at all financial institutions holding County funds.
  - 2. Improve liquidity and cash flow analysis by hiring third party cash flow experts.
  
- B. Increased investment earnings by taking advantage of the rising interest rates.
  - 1. Negotiated with financial institutions to have liquid cash accounts held at the money market rate.
  - 2. Created an even maturity ladder for a consistent cycle of investments.
  - 3. Worked closely with Investment Brokers to locate advantageous investment positions.
  
- C. Increased security of County funds on deposit with local banks.
  - 1. Implemented ACH Debit Blocker to avoid fraudulent activity.
  - 2. Implemented Positive Pay process to avoid fraudulent activity.
  - 3. Implemented ACH fund transfer capability with all local banks holding County funds for ease of transfer between banks and electronic access to funds.
  
- D. Provided Bond Issuance and Compliance Training for staff including Executives to improve skills and knowledge.
  - 1. Staff attended Bond Compliance training from BLX, its Arbitrage Reporting contractor.
  - 2. Treasury staff, Executive staff, and interested Departments were provided a Bonds 101 training.
  - 3. Treasury, Executive and Accounting staff attended multiple training sessions from the Government Financial Officers Association (GFOA).

## **INFORMATION TECHNOLOGY (IT) DIVISION**

Del Sherman, IT Manager

### **I. MISSION STATEMENT**

Our mission is to empower the County of Kaua'i with innovative, reliable, and secure technology solutions that enhance productivity, streamline operations, and foster collaboration. We are committed to delivering exceptional service through a user-centric

approach, ensuring that our technology infrastructure not only meets the current needs of our community but also anticipates and adapts to future challenges. By investing in our people and leveraging cutting-edge technologies, we aim to create a resilient and sustainable digital environment that moves the County forward.

## II. **DIVISION GOALS**

### A. Duties/Functions

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

Our focus and guiding principles are:

**Empowering Synergy:** We foster a culture of collaboration across all departments, encouraging cross-functional teams to work together in achieving strategic objectives. By leveraging collective expertise, we drive innovation and ensure that technology solutions meet the diverse needs of the County.

**Strategic Alliances:** We build and nurture strategic partnerships with key stakeholders, both internal and external, to enhance the quality and responsiveness of IT services. These alliances enable us to deliver tailored support and innovative solutions that align with the County's goals.

**Open Governance:** We commit to transparency in all decision-making processes related to IT. By utilizing clear communication channels and involving stakeholders in governance, we ensure that resource allocation and project prioritization are aligned with the County's broader objectives.

**User-Centric Design:** Our IT decisions are driven by a deep understanding of user needs and behaviors. We prioritize intuitive design, seamless access, and responsive support to deliver technology solutions that empower users and enhance productivity.

**Continuous Innovation:** We embrace a forward-thinking mindset, continuously exploring and integrating emerging technologies that drive efficiency and effectiveness. Our IT team is dedicated to fostering a culture of creativity, where new ideas are encouraged and supported.

**Data-Driven Security:** We ensure that the County's data is both secure and accessible. Our approach to data management emphasizes resilience, with robust security protocols and disaster recovery plans that protect



sensitive information while facilitating timely access to data for informed decision-making.

**Skill Development:** We are committed to the ongoing professional development of our IT staff and the broader County workforce. By investing in training and knowledge-sharing, we equip our team with the latest skills and best practices to meet the evolving technological needs of the County.

**Sustainable Resource Management:** We focus on maximizing the value of IT resources by promoting sustainable practices. This includes prioritizing the use of refurbished or reconditioned equipment and making data-driven decisions to ensure that investments in technology deliver the greatest benefit to the County.

## B. Division Goals

### 1. Current and future year goals:

- a. **Network Infrastructure Improvements:** Our next target for network infrastructure is to implement a secure and scalable storage network that prioritizes cybersecurity and redundancy. This project will expand our storage capacity, enabling us to eliminate current limitations on storage space while supporting a diverse range of storage architectures, including cloud, on-premises, and hybrid solutions. By enhancing our network's resilience and flexibility, we will create a foundation for future growth and innovation, ensuring that our systems are prepared to meet the evolving needs of the County.
- b. **New software applications:** The County is still using decades old software systems and, in some cases, paper-based methods, to manage critical County data. The implementation of the first replacement of these legacy systems is complete, a Human Resources Management System (HRMS). Next we will focus on other Enterprise Resources such as Finance and Accounting with a planned release of an RFP for these items in the near future.

In adhering to our strategies and guiding principles, three key goals, Security, Quality and Efficiency, continue to be the focus of our efforts as we enter the new fiscal year. These goals are reviewed periodically and adjusted to keep pace with current needs. The following matrix continues to serve as a guide in setting objectives and measures that will allow us to meet these goals.

Goal	Objective	Measures	Targets
Security	System protection	Number of captured incidents versus infections	Capture and prevent greater than 95% of all incidents
		System anti-virus reports	100% of all network connected systems with installed up-to-date antivirus
	Enhance cybersecurity measures	Number of systems in place	Implement more than three levels of security
	Improve internal account audits	Spot check user accounts	Fewer than 2% non-compliance
Quality	Improve delivery of services	Number and timeliness of Help Desk Tickets opened and closed	Greater than 75% of all Help Desk calls closed within two days
	Improve partnerships with stakeholders	Number of Agreement Memorandums signed	Greater than 50% of key stakeholders with MoA
	Improve awareness and accountability of services	Reports from stakeholders by means of survey	Greater than 80% stakeholder satisfaction
	Reduce repeat calls for the same problem	Call counts tracked in KACE Systems Management	Less than 10% repeat calls
Efficiency	Increase amount of training given to IT staff	Percent of staff attending training	Greater than 80%
	Utilize technology to improve efficiency	Percent of applications with automated deployment	Greater than 50%
		Automation of previously paper dependent business processes	Greater than 50%

### III. PROGRAM DESCRIPTION

#### A. Program Objectives

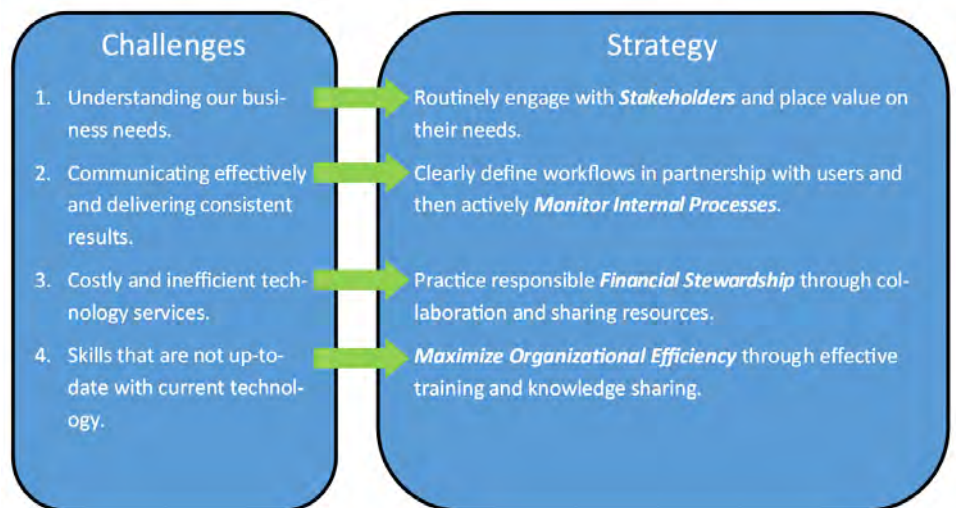
##### 1. Paradigm and Vision:

- a. In the past it was common for departments charged with the responsibility of procuring and servicing technology systems to disengage from system users and take a hands-off approach, often leaving end-users and system stakeholders to fend for themselves. This approach served to further fragment technology environments with stakeholders going off on their own to find solutions to problems, frequently with little or no direction from IT.
- b. Beginning with fiscal year 2020 forward, we are adhering to our model of collaborating closely with all County departments on technology initiatives to foster a sense of partnership with all involved. We continue to engage with stakeholders to find solutions that fully mesh with existing technology infrastructure and initiatives

as well as future needs. To overcome challenges in supporting this new direction, we have adopted a set of principles that will serve as the core to guide us into the future.

2. Challenges and Core Strategy:

- a. The County has made tremendous progress in developing a state-of-the-art technology infrastructure. Numerous enhancements have been implemented that continue to serve us well in delivering services to our stakeholders and in hardening our ability to tolerate system failures. At the same time, we are faced with real and immediate challenges; these include fragmented environments, duplication of systems, architecture that is misaligned with our mission and a lack of interconnecting processes.
  
- c. While recognizing our accomplishments, we realize that there is still much work to be done. The following principles will form the core of the strategy we will apply in achieving our goals.



**IV. Budget**

<b>General Fund - Fiscal Year Ended June 30, 2024 (Preliminary)</b>				
IT TEAM				
	<b>Budget</b>	<b>Actual + Encumbrances</b>	<b>\$ Variance</b>	<b>% Variance</b>
Sal., Wages, OT	\$ 1,437,872	\$ 1,357,979	\$ 79,893	5.6%
Benefits & CB	\$ 966,008	\$ 832,712	\$ 133,296	13.8%
Utilities, Insurance, Fuel	\$ 54,209	\$ 48,610	\$ 5,599	10.3%
Training & Travel	\$ 18,798	\$ 17,676	\$ 1,122	6.0%
Claims, Rent., Loans	\$ 3,211	\$ 2,393	\$ 818	25.5%
Svcs, Dues, Consult	\$ 2,532,847	\$ 2,476,589	\$ 56,258	2.2%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ 213,608	\$ 213,607	\$ 1	0.0%
Ad, Print, Suppl, Commod.,	\$ 580,534	\$ 579,026	\$ 1,508	0.3%
Vehicle/Equip, Lease	\$ 65,502	\$ 65,500	\$ 2	0.0%
<b>Total</b>	<b>\$ 5,872,589</b>	<b>\$ 5,594,092</b>	<b>\$ 278,497</b>	<b>4.7%</b>

**V. ACCOMPLISHMENTS/EVALUATION**

Human Resources Management System (HRMS) – In partnership with our county HR Department, we have successfully introduced a new software application, Workday, for HR and Payroll management. This multi-year project has the potential to greatly improve the tools that we use to manage our county workforce. We are excited to continue this project this fiscal year by configuring additional functionality of modules such as onboarding and performance evaluations.

Server Infrastructure – We have finished the deployment of new server infrastructure in partnership with Dell Computers. The project was advanced enough that it was featured in the most recent Dell Technologies World Expo, a globally attended event. The new systems allow the County nearly unlimited expansion in addressing our future server needs with the ability to support diverse operating system architectures from Windows to Ubuntu. With this new platform in place we are well positioned to support county growth well into the future.

Work has begun on the first stages of procuring a new Enterprise Resource Planning (ERP) system for the County. An ERP includes things like accounting and budgeting along with permitting and online payments. We plan to release a Request for Proposal (RFP) within the fiscal year for the purpose of soliciting proposals outlining potential ERP systems.

The IT Division continues to balance daily operational requirements alongside achieving progress on advancing our use of technology. As the County grows, our needs for automating or streamlining County technology related processes continues to increase. Because of this, as has been the case in previous fiscal years, our course moving

forward will involve rethinking the way we have traditionally done business to improve services/efficiencies while staying within current resource/budget constraints.

- **Balancing Workforce Capacity and Innovation:** The increasing demands on our IT infrastructure and services present ongoing challenges in maintaining high-quality customer service while simultaneously driving innovation and supporting critical new projects. To address this, we are collaborating closely with Human Resources to optimize our IT structure, ensuring that our team is strategically aligned to effectively manage current workloads and advance the County's technology initiatives.
- **Accelerating Digital Transformation:** We are making significant strides in modernizing the County's aging systems and eliminating paper-intensive processes. Our focus remains on digital transformation, prioritizing projects that enhance automation, improve data accessibility, and streamline workflows. These efforts are aimed at delivering more efficient and responsive services to our community.
- **Modernizing Legacy Systems for Future Resilience:** Maintaining outdated infrastructure is increasingly resource-intensive. To overcome this, we are committed to transitioning to more sustainable and scalable solutions, both in software and hardware. By continuously assessing and upgrading our technology environment, we aim to enhance operational efficiency and ensure that our systems are robust enough to meet future demands.

## **REAL PROPERTY DIVISION**

Scott Teruya - Real Property Tax Manager

### **I. MISSION STATEMENT**

Pursuant to Chapter 5A of the Kaua'i County Code, the purpose of the Real Property Assessment (RPA) Section is to assess all real property within the County of Kaua'i, to produce and provide fair, accurate and uniform ad valorem tax assessments; maintain and update owner information; create and revise tax maps; administer current tax relief programs and provide educated and courteous customer service on an annual basis.

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

### **II. DIVISION GOALS/DUTIES**

#### **A. Duties/Functions (Real Property Assessment)**

1. Provide fair market value ad valorem tax assessments throughout the County of Kaua'i jurisdiction.

2. Defend market assessed valuations before the Board of Review and/or State Tax Appeals Court.
3. Maintain accurate records pertaining to the transfer of title for real property.
4. Create and update tax maps.
5. Administer special tax relief programs, processing exemption and/or dedication applications, including but not limited to home use exemptions, agricultural dedications, long term affordable rental relief, Kuleana exemptions, alternative energy exemptions, charitable exemptions, disabled veteran and disability exemptions, Hawaiian Homelands exemptions, additional income exemptions and tax credits for very-low income owners, and exemptions for all government leases.
6. Enforce the compliance of the laws and administrative rules contained in Chapter 5A of the Kaua'i County Code.
7. Provides real property information to both the public and other government agencies through written correspondence, personal interaction at the front counter, and through our Real Property websites: [www.kauaipropertytax.com](http://www.kauaipropertytax.com) and [www.kauai.gov/Government/Departments-Agencies/Finance/Real-Property-Tax/Collections](http://www.kauai.gov/Government/Departments-Agencies/Finance/Real-Property-Tax/Collections)

B. Duties/Functions (Real Property Collections)

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

C. Division Goals

1. Staff Training and Development: To ensure public trust, it is essential that RPA continue training our appraisal staff to become highly proficient in both the market and cost approach. Understanding market conditions and how outside market forces affect value is crucial to being journeymen appraisers. Continued training will include on-the-job training provided by the more seasoned staff members, online courses and webinars, and formalized classroom education delivered by designated International

Association of Assessing Officers (IAAO) instructors. For succession planning, it is also essential that we work towards getting our less seasoned appraisers on an educational program to becoming journeymen appraisers.

Focused “market modeling” training for the appraisal staff will help provide a greater understanding of the statistical process and multiple regression analysis that is the underlying basis for the residential assessments. This will allow the staff to make better decisions on neighborhood groupings and selection of coefficients. It is also essential that we effectively train and provide a successful career path for our staff. Kaua’i has a complex property tax system containing many exemptions and tax credits. Our clerical staff is the voice of the office and continuity within this sector of the office is essential for the continued delivery of excellent customer service.

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

Continued goals also include exploring an online application process via our land information management system for exemptions at [connect.kauai.gov](http://connect.kauai.gov). Future goals include online tax appeals and expanding e-mail delivery for assessment notices and taxpayer correspondences; and an improved website offering for greater access to public information related to assessments and property taxes.

3. Compliance and Enforcement: There are several areas of our work that require code enforcement and compliance checks. This includes, but is not limited to, dealing with homeowner exemption fraud, monitoring agricultural dedications, locating unpermitted construction, discovering unpermitted uses, and other actions that may affect a property’s value or tax classification. Compliance may also result in the creation of an amended notice of assessment, or rollback taxes. This will continue to be one of our ongoing goals well into the future.

The RPA clerical staff generates a new survey form for all transfers of ownership. This allows the new owner to affirm how their property is being used. In addition, most escrow companies are contacting RPA to determine if transfers of ownership affect the status of existing agricultural dedications, thereby protecting buyers from absorbing possible rollback taxes and penalties.

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

**III. PROGRAM DESCRIPTION**

**A. Program Objectives**

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

The primary program objectives of Real Property Collections are to accurately bill, collect, process payments, perform office adjustments, issue refunds for overpayment of Real Property Taxes, and to account for all property taxes within the County of Kaua’i. Secondary objectives include billing and collection of the Residential Refuse Collection Assessment (RRCA) for the Public Works Solid Waste Division and the billing and collection of the Kukui’ula Community Facilities District (KKUCFD) for the Kukui’ula Subdivision.

**IV. BUDGET**

<b>General Fund - Fiscal Year Ended June 30, 2024 (Preliminary)</b>				
<b>REAL PROPERTY ASSESSMENT</b>				
	<b>Budget</b>	<b>Actual + Encumbrances</b>	<b>\$ Variance</b>	<b>% Variance</b>
Sal., Wages, OT	\$ 1,363,416	\$ 1,335,611	\$ 27,805	2.0%
Benefits & CB	\$ 952,779	\$ 926,953	\$ 25,826	2.7%
Utilities, Insurance, Fuel	\$ 1	\$ -	\$ 1	100.0%
Training & Travel	\$ 35,210	\$ 18,840	\$ 16,370	46.5%
Claims, Rent., Loans	\$ 10,067	\$ 10,067	\$ -	0.0%
Svcs, Dues, Consult	\$ 594,708	\$ 557,179	\$ 37,529	6.3%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 1,762,988	\$ 24,830	\$ 1,738,158	98.6%
Vehicle/Equip, Lease	\$ 5,114	\$ 4,713	\$ 401	7.8%
<b>Total</b>	<b>\$ 4,724,283</b>	<b>\$ 2,878,193</b>	<b>\$ 1,846,090</b>	<b>39.1%</b>



<b>General Fund - Fiscal Year Ended June 30, 2024 (Preliminary)</b>				
REAL PROPERTY COLLECTIONS				
	<b>Budget</b>	<b>Actual + Encumbrances</b>	<b>\$ Variance</b>	<b>% Variance</b>
Sal., Wages, OT	\$ 217,751	\$ 186,216	\$ 31,535	14.5%
Benefits & CB	\$ 153,369	\$ 116,880	\$ 36,489	23.8%
Utilities, Insurance, Fuel	\$ -	\$ -	\$ -	0.0%
Training & Travel	\$ 503	\$ -	\$ 503	100.0%
Claims, Rent., Loans	\$ 5,000	\$ 4,626	\$ 374	7.5%
Svcs, Dues, Consult	\$ 3,950	\$ 3,511	\$ 439	11.1%
Spec. Proj., Grants	\$ -	\$ -	\$ -	0.0%
Indirect Cost	\$ -	\$ -	\$ -	0.0%
R&M, Bldg. Roads, Land	\$ -	\$ -	\$ -	0.0%
Ad, Print, Suppl, Commod.,	\$ 125,512	\$ 119,116	\$ 6,396	5.1%
Vehicle/Equip, Lease	\$ -	\$ -	\$ -	0.0%
<b>Total</b>	<b>\$ 506,085</b>	<b>\$ 430,349</b>	<b>\$ 75,736</b>	<b>15.0%</b>

**V. ACCOMPLISHMENTS/EVALUATION**

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

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

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