

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

October 19, 2001

Committee

Report No. 01-188

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on October 2, 2001, makes reference to a Miscellaneous Communication dated September 7, 1999, from the County Clerk, referring the matter relating to concerns about performance evaluations and overtime pay for Excluded Managerial (EM) employees (referred by the former Council's Budget Committee through Committee Report No. 99-153).

Your Committee notes that the Miscellaneous Communication was referred to the prior Council's Budget Committee at the Council meeting of September 3, 1999.

By correspondence dated August 19, 1999, the Budget Committee Chair requested that the Budget Director provide a report identifying the number of overtime hours worked by EM employees during Fiscal Years (FYs) 1998 and 1999.

By correspondence dated August 23, 1999, the Budget Committee Chair requested that the Director of Personnel Services monitor the submittal of performance evaluations for all County employees, especially EM employees, directors and deputy directors.

By correspondence dated August 27, 1999, the Director of Personnel Services commented on performance evaluations.

By correspondence dated September 3, 1999, the Budget Director provided a report identifying overtime hours and costs for EM employees for FYs 1998 and 1999.

At its meeting of November 28, 2000, the Budget Committee recommended that the Miscellaneous Communication be referred to the Council

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Chair for the term beginning January 2, 2001, for a recommendation as to referral or other disposition.

At its meeting of January 12, 2001, the Council referred the Miscellaneous Communication to your Budget and Finance Committee (County Communication No. 01-13).

By correspondence dated September 27, 2001, your Committee Chair requested that the Budget Director provide a report identifying the number of overtime hours worked by EM employees during FYs 2000 and 2001.

By correspondence dated September 27, 2001, your Committee Chair requested that the Director of Personnel Services provide a status report on the submittal of annual performance evaluations for EM employees.

At its meeting of October 2, 2001, your Committee met with the Director of Personnel Services, the Budget Director, and a Deputy Corporation Counsel.

Your Committee received the following documents:

1. Correspondence dated October 2, 2001 from the Budget Director, transmitting a chart that summarizes the overtime hours worked and associated costs for EM employees for FYs 2000 and 2001;
2. A report entitled "Current Status of Annual Job Performance Evaluations for Excluded Managerial Employees", from the Director of Personnel Services; and
3. Two documents entitled "Comparison of Hawaii Revised Statutes (HRS), Section 89C-2, Effective until July 1, 2002 and Effective July 1, 2002" and "Comparison of Hawaii Revised Statutes (HRS), Section 89C-5, Effective until July 1, 2002 and Effective July 1, 2002" provided by Committee Staff.

The Director of Personnel Services informed your Committee that there are 64 EM positions, which includes 3 vacancies. He reviewed a report on the current status of performance evaluations for the EM employees. The report

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shows that 23 evaluations are current and 5 additional reviews are in process. The results indicate that 54 percent of the EM employees do not have current evaluations.

The Budget Director informed your Committee that EM employees, up to the EM-8 level, are entitled to overtime and premium pay. She stated that the majority of division heads are at the EM-7 level. In addition, she noted that most of the hours accrued are in the public safety area, i.e., the Civil Defense Agency, the Department of Fire Control and the Department of Police.

Your Committee expressed concerns about the need for division heads to work overtime, since the departments generally have other line supervisors or managers that are not EM employees. Your Committee also recognized that emergencies do occur, particularly in the public safety area, which may require additional overtime hours. However, your Committee stated that it is important for the Administration to review the need for Assistant Fire Chiefs to work a 24-hour schedule, including holidays, as well as consider an overall reduction in the amount of overtime for the EM employees.

Your Committee Chair noted that recent revisions to the Civil Service Laws, particularly Chapter 89 of the Hawaii Revised Statutes, require that EM employees' pay adjustments be tied to performance beginning next fiscal year, July 1, 2002.

Your Committee expressed concerns relating to the non-existence of employee-performance evaluations on which to base increases in pay, especially for EM employees, directors, and deputy directors.

The Director of Personnel Services clarified that currently, salary increases for EM employees are not merit increases based upon performance. Section 89C-2, Hawaii Revised Statutes, provides that adjustments to the EM employees' compensation plan shall not be less than those provided under collective bargaining to officers and employees in the professional and scientific employees bargaining unit (HGEA Bargaining Unit 13). However, the Director pointed out that effective July 2002, a percentage of the payroll will be set aside for "pay for performance". Management will then have the ability to reward those employees performing at a higher level and withhold an increase for those

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performing at a lower level. He stated that this change is one of the major areas of change under Civil Service reform. He further indicated that a positive outcome of this change will be more timely submittals of performance evaluations.

After further discussion and recognizing that the change in the law, effective July 2002, will make performance evaluations a necessity for "pay for performance", your Committee voted to file the communication.

Your Budget and Finance Committee **RECOMMENDS** that the Miscellaneous Communication be FILED.

Adoption of this report is respectfully requested.

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