

SALARY COMMISSION
MINUTES
KALANA O MAUI, MAYOR'S LOUNGE
FRIDAY, JULY 9, 2004
8:30 a.m.

Present: Scott Matsuura, Chair Helen Nielsen, Vice-Chair Gladys Baisa Curtis Franks Janet Tomita Michael Westfall Jason Williams	Absent: Anthony Lemmo Douglas Levin
Staff: Diane Wakamatsu, Executive Assistant Traci Fujita Villarosa, Deputy Corporation Counsel Lynn Krieg, Director of Personnel Services	Others: David DeLeon, Senior Executive Assistant to the Mayor Michael Foley, Director of Planning Roy Katsuda Sean McLaughlin, AKAKU Brian Moto, Corporation Counsel Keith Regan, Director of Finance Kenneth Taira, 1 st Assistant to the Managing Director Charmaine Tavares, Maui County Council Member

I. Call to Order

Meeting was called to order by Chair Matsuura at 8:40 a.m.

II. Public Testimony

A. Roy Katsuda

Mr. Katsuda urged the Commission to consider a meaningful increase and tie it into an index so there is some kind of guideline for the future. He also suggested reviewing the salaries on a periodic basis as well so as to not have long periods of time in between adjustments.

B. Charmaine Tavares, Maui County Council Member

A testimony letter from Council Member Tavares together with schedules for all State County Councils was distributed to all members.

Council Member Tavares went over the testimony she submitted in detail.

She urged the Commissioners to determine the salaries by looking at the decisions that the Council Members make; and the time it takes to prepare for each meeting, not at the part-time status. She also suggested looking at the Council as a whole instead of at specific Council Member(s).

Council Member Tavares also noted that the Council Members ran for office knowing what they were going to get paid, and that they are elected for only two years, but they do it for the benefit of the community.

Vice-Chair Nielsen asked Council Member Tavares how she felt the part-time status affected her position, and if they were to change to full-time status would it constitute having a certain amount for an increase. Council Member Tavares noted that the only Council Member that has another job is Council Member Wayne Nishiki, and it is difficult to have another job because of the amount of hours they put in. She said what matters is what they are doing, what they are responsible for, and how their decisions impact the community. She made the comparison of the Council Members being equal to a Board of Directors of a private company. Ms. Villarosa reminded the Commission that it is not their jurisdiction to determine the Council Members' job status, and irregardless what their status is, they can set the salaries to what they determine it to be.

Commissioner Baisa asked Council Member Tavares if she found her job to be a 24 hours a day, 7 days a week position. Council Member Tavares affirmed that she does feel her job is 24 hours a day, 7 days a week and shared her experiences of how she encounters the public in most places she shops or eats at.

Commissioner Baisa also asked what Council Member Tavares thought about the fact that Maui County is a multi-island County whereas Honolulu is just one island. Council Member Tavares pointed out differences with the City and County of Honolulu's and the County of Maui's Council meeting schedules as an example to show the amount of time that is needed to meet the issues that come from the citizens of the County. Council Member Tavares also mentioned that the City and County of Honolulu Council Members have Neighborhood Boards to assist with the same types of issues that the County of Maui Council Members takes up under their separate committees.

Commissioner Williams asked Council Member Tavares of the population differences from Honolulu, to make a comparison as to the amount of people that they need to deal with. She gave a rough estimate at approximately 100,000 people per district.

Commissioner Baisa referred to testimony that was presented by Roy Katsuda to use an index to set raises. Council Member Tavares said that she did her own estimate and came up with the Council Members making approximately \$50,000.

Chair Matsuura stated that the Commission would not make any decisions at this time with regard to the Council Members' salaries, but requested that she come back for further information while the Commission deliberates and makes comparisons. Council Member Tavares agreed to return to future meetings to offer more information as the Commission deliberates the issue.

C. Sean McLaughlin, AKAKU

Mr. McLaughlin addressed three items listed on the agenda.

The first item was the Election of New Officers. Mr. McLaughlin noted that this is the first time that the Commission has had carry-over members with staggered terms. He discussed the various groups of the County government and reminded the Commissioners that they are volunteers that determine the salaries for elected officials and deputies/directors and thanked them for serving on the Commission.

The second item was the compensation for elected and appointed officials. He requested that the Commission determine a process that is appropriate for a responsible and ethical employer. He also suggested that if the Commission gets constrained and it becomes difficult; to propose an ordinance to get the authority to get the job done.

Mr. McLaughlin also noted that it is important to think about the whole package, not just the salary, but other benefits. Under the Commission's rules, it states that they constitute the rate of compensation, not just the salary. The Commission can make that decision but in order to make the best decision all factors need to be considered.

The third item was County Council Members Compensation. Mr. McLaughlin urged the Commission not to compare Maui to Honolulu and know the facts before making the decision. He also noted that it would be difficult for a Council Member to have another job without it being a conflict of interest.

Finally, he thanked the Commissioners for volunteering. With a final note to not short change the value of time, service, and commitment that the elected and appointed officials make.

Chair Matsuura noted that the current and previous Salary Commissions have taken all of the aspects of salary and benefits into consideration for their decisions of salary adjustments.

D. Brian Moto, Corporation Counsel

Mr. Moto went over his 13-page memorandum for the Commission. The purpose of his memorandum was to review and take action on salaries of both the Corporation Counsel and the First Deputy Corporation Counsel.

There were three major points made: the current salary is inadequate and should be adjusted; the salary structure index previously used does not result in fair and just and reasonable compensation for County Attorneys and should not be used to determine salary; and the proposed method that is reasonable and fair is by using the benchmark of the salary of the State District Court Judge established by the objective and fair body, the Judicial Salary Commission, as the State District Court Judge is the lowest ranking judge in the Court system. Mr. Moto suggested July 2004 to be the effective date of adjustment, and it was also suggested that another adjustment be made in July 2005 as it would coincide with the timing of

the Judicial Salary Commission adjustment. The kinds of statistics brought forward in the memo as reported by the Judicial Salary Commission and based off of national and local sources of information show that the difference of the Corporation Counsel's salary is tens of thousands lower than the national average. Thus, the statistics justify an increase in pay for the Corporation Counsel. Mr. Moto made comparisons to a junior partner, and stated that the Corporation Counsel and the First Deputy Corporation Counsel's salary would be comparable to the pay of an inexperienced attorney.

Vice-Chair Nielsen thanked Mr. Moto for coming and for his correspondence.

Chair Matsuura mentioned that the Salary Commission will be making every effort to review the salaries on a timely basis and asked Mr. Moto if he would be willing to come back in front of the Commission while they deliberate the salary adjustments for all appointed and elected officials. Mr. Moto said he will make every effort to be available for the Commission while they deliberate.

E. Michael Foley, Planning Director

Mr. Foley highlighted points of his letter dated April 2, 2004. The first point being that a subordinate employee makes \$8,000 more than he does; and second that there were two positions for County Planning Directors for \$152,000 and \$144,000, which shows that his current salary as Planning Director is inadequate.

The second letter dated June 21, 2004 was to reassure the Commission members had the points made during the meeting of May 21 in writing. Those points are that he is the only Planning Director in the state that is a planner; he has three college degrees in planning; and 38 years as a planner, with 22 years of experience as a Planning Director; and his years of experience shows he is the most experienced planner in the State of Hawaii.

Mr. Foley asked how long the process will take to review the entire compensation plan, and suggested an alternative of making a partial adjustment now, and making another adjustment after further analysis of all elements.

Chair Matsuura noted that the Commission decided that they will be going through the process of reviewing all the salaries for all elected and appointed officials. However, there has been no decision on when any kind of adjustments will be made, and there should be no assumption that increases will be made for anyone. He ensured that the review process will happen and any adjustments to be made will be done, unless there are any other extenuating circumstances with the department heads and the Mayor. Mr. Foley noted that the extenuating circumstances have already been presented to the Commission, and all that he is asking is that the Commission consider the process and set a date.

Vice-Chair Nielsen suggested that the idea of the partial adjustment be considered by the Commission and Chair Matsuura noted that the details of the salaries should be taken up as they come up on the current agenda.

Chair Matsuura closed the Public Testimony section and the meeting went into recess.

III. Executive Session

Ms. Villarosa explained what the procedures and terms are to have an executive session.

Commissioner Franks suggested going into Executive Session to discuss conflict of interest. Ms. Villarosa said that would not be a reason to go into an executive session since it closes the public off from the meeting. She mentioned that it is an ethics issue and it would be best to ask the Board of Ethics for an opinion and guidance on what to do on the matter. Ms. Villarosa clarified that in order for the Commission to go into Executive Session there would have to be a legal liability to the County and the Commission can then ask the Corporation Counsel for suggestions on how to handle the situation.

Chair Matsuura elaborated on the reasoning for the Executive Session, being that at previous meetings Commissioners have asked to be excused from the Commission's discussion. He suggested the Executive Session to clarify on what can be done so there is no determination at a later time that there was a conflict of interest. Thus, Ms. Villarosa suggested that the Commissioners who feel that they may be in conflict go to the Board of Ethics to testify what they are doing and see that there is no error involved.

Vice-Chair Nielsen noted that there is a process already in place to be appointed to the Commission. Commissioner Baisa noted that there was discussion as to the conflicts that their membership may pose when the Council approved their nominations.

Chair Matsuura wanted to clarify on what any Commission member can do if they were concerned with any kind of conflict of interest. Commissioner Williams wanted more clarification on the Executive Session terms, if it is just for Council and not personal. Ms. Villarosa said that it depends on the issue posed (i.e. contemplating taking action and the members want to know what the liabilities are on a personal basis), however she reassured the members that the issue posed is concerning ethics and the Corporation Counsel office is not the final say, and it is the Board of Ethics.

IV. Election of New Officers

Commissioner Tomita left the meeting.

Ms. Villarosa stated that the rules of the Commission show that they need to elect new officers every year. Commissioner Baisa asked for clarification on what offices were being voted on and Chair Matsuura clarified that the posts of Chair and Vice-Chair are the open posts.

Nominations were opened for the position of Chair. Commissioner Baisa nominated Vice-Chair Nielsen with the second from Commissioner Franks. Commissioner Williams nominated Chair Matsuura with the second from Commissioner Franks. Vice-Chair Nielsen nominated Commissioner Baisa for Vice-Chair, but it was requested that nominations for Vice-Chair be done after the vote for Chair was complete. Votes were

taken for the position of Chair. The first vote for Vice-Chair Nielsen, with Commissioner Baisa in favor; and the second for Chair Matsuura, with Commissioners Williams, Westfall, and Franks in favor. Vice-Chair Nielsen asked if she could vote for herself, with the affirmation from Ms. Villarosa. However, Ms. Villarosa stated that there would have to be at least five votes for one nominee.

Motion to defer the election was made by Commissioner Baisa and seconded by Commissioner Williams. Chair Matsuura confirmed the deferral to the next meeting.

V. Approval of Minutes

Minutes of the May 21, 2004 and June 4, 2004 meetings were reviewed. Commissioner Franks made the motion to approve with the second by Commissioner Westfall with no changes or amendments and was unanimously approved.

Commissioner Baisa asked of the topic of having verbatim minutes. Chair Matsuura requested that the item be put back on the agenda. Ms. Wakamatsu reminded the Commissioners that the Commission does not have a budget. Chair Matsuura suggested talking about the item at the next meeting when it is put on the agenda. Commissioner Baisa asked if it was possible to request funds and David DeLeon noted that the Administration does not have funds to support the Commission, but the Commission can request for money from the County Council. Chair Matsuura reaffirmed that the discussion will continue at the next meeting.

VI. Unfinished Business

A. Proposed Salary Commission Rule Amendment

Ms. Villarosa noted that the rule amendments were given out at previous meetings with regard to attendance and the definition of compensation. Ms. Villarosa asked for confirmation of the date for the Public Hearing and Ms. Wakamatsu responded that it is scheduled for the September meeting. Chair Matsuura asked if the information was sufficient for everyone, and if there was no opposition the posting and printing will be done.

B. Executive Compensation Plan

Commissioner Westfall noted that currently, salaries are not reviewed on a periodic basis, instead employees come individually. He suggested having an event to trigger the Commission to review salaries. Chair Matsuura noted that he wanted to have a decision made on the process and timing of the compensation issues.

There was discussion on the process to come up with a date to submit compensation adjustment proposals. The budget process was discussed and Keith Regan, Director of Finance confirmed that October 1, at the latest would be the time to submit proposals.

Chair Matsuura wanted to know how the Commission wanted to take care of the compensation issue. He proposed a previous idea and details of sub-committees. The rules of having sub-committees were reviewed and discussed by Ms. Villarosa stating that two or more members but no more than a quorum could meet in order to be a sub-committee, the sub-committees would have to be put on the agenda to discuss their findings at the next meeting. Commissioner Westfall asked for specific topics that the sub-committees previously covered and Chair Matsuura said that previous Commissions had to start from scratch so all issues pertaining to salaries were discussed. Thus, Commissioner Baisa suggested that a deadline be set, break up into committees, and set guidelines to meet the October 1 deadline.

Vice-Chair Nielsen suggested taking into consideration the 10% increase proposed by Mr. Taira's letter and integrating it with Mr. Foley's suggestion of compromise for an interim solution. Chair Matsuura said that it would need to be discussed as it may not be the best idea.

Chair Matsuura recommended breaking up into sub-committees and discussing the issues with reports at future meetings. Commissioner Baisa requested a verification of Mr. Taira's letter and he briefly reviewed it.

Commissioner Westfall stated that there are four elements that the Commission needs to look at: timing – October 1st; pay ranges that predicate what someone makes; inversion issues; and the process for the Commission to periodically review the salaries. Ms. Villarosa said the Commission might want to consider changing the rules for some of those areas. Chair Matsuura suggested the sub-committees bring up the issues and have Corporation Counsel advise the members.

Chair Matsuura asked Ms. Villarosa for the clarification on what to do to create sub-committees, Ms. Villarosa went over the procedure. Commissioner Williams suggested the Commission break up into two sub-committees. Commissioner Baisa agreed and suggested one sub-committee for the executive compensation and the other for the Council Member compensation. Ms. Villarosa suggested all elements of the sub-committees be included in the motion. Chair Matsuura questioned if it would be okay to have a member who was not nominated to a sub-committee attend the meeting, Ms. Villarosa stated that they can attend the meetings but if they wanted to become an official member of the sub-committee they would have to be officially nominated in at the next Commission meeting.

Ms. Villarosa asked if the rules would be separate from the compensation issues. Chair Matsuura said that each sub-committee can tackle the issues on its own. Vice-Chair Nielsen suggested that the focus be on the increases first and the rules second. Chair Matsuura said that the discussion should focus on compensation, since rule-making is different.

Final details for the creation of the sub-committees ensued and motions were done to officially create each sub-committee as follows: with a motion to create a sub-

committee on Executive Compensation with the purpose to review and recommend adjustments to the executive compensation plan, with members Michael Westfall, Jason Williams, and Scott Matsuura was moved by Commissioner Baisa with the second by Commissioner Williams and a unanimous vote in favor; and a second motion to create a sub-committee on County Council Members Compensation with the purpose to review and recommend adjustments to the County Council Member Compensation plan, with members Gladys Baisa, Helen Nielsen, and Scott Matsuura was moved by Commissioner Baisa with the second by Vice-Chair Nielsen and a unanimous vote in favor.

C. County Council Members Compensation/Hours

Chair Matsuura asked for assistance from the staff for the sub-committees. Ms. Villarosa suggested the sub-committees take notes and use them for the presentation to the rest of the Commission at the meeting.

VII. Set Agenda for Next Meeting

Chair Matsuura and Ms. Villarosa noted the following needed to be on the agenda for the next meeting:

1. Election of New Officers
2. Executive Compensation Plan
3. County Council Members Compensation/Hours

Commissioner Baisa asked if certain items under the compensation issue would stay on the agenda. Ms. Villarosa said that as long as the sub-committees state what items they would like on the agenda it should not be a problem.

VIII. Announcements

There were no announcements made.

IX. Adjournment

Vice-Chair Nielsen moved to adjourn the meeting, and Commissioner Williams seconded it with a unanimous vote. Chair Matsuura adjourned the meeting at 10:50 a.m.

Submitted by:

Corynn Sakamura
Boards and Commissions Secretary

Approved on: _____