

**SALARY COMMISSION
MINUTES
OFFICE OF THE MAYOR
KALANA O MAUI, 9TH FLOOR, MAYOR'S CONFERENCE ROOM
Friday, February 14, 2020**

Present:

Kelly Swanson, Chair
Clark Abbott, Vice-Chair
Vernon Oato
Paul Kailiponi
Dawnalyn Fujiwara
Peter Martin
Wallace Tom

Excused:

Stanford Lantias
Scott Parker

Staff:

Gladys Baisa, Community Liaison
David Underwood, Director, Personnel Services
Gary Murai, Deputy Corporation Counsel
Sherilyn Otsubo, Administrative Assistant

1. Call to Order/Roll Call

The meeting was called to order by Chair Swanson at 8:34 a.m. and roll call confirmed a quorum of seven members in attendance (Chair Swanson, Vice-Chair Abbott, and Commissioners Oato, Kailiponi, Fujiwara, Martin and Tom). Commissioners Lantias and Parker were excused.

2. Public Testimony

Kyle Ginoza said that as a former director the salary was a consideration for him, but there were other factors, such as the direction of the mayor, the qualifications, the zest for public service as well as the confirmation process. He said that the salary wouldn't necessarily bring better candidates, but it's all the factors together. The confirmation process was a brutal process and really scared people away from applying. He hopes that the commission would concentrate on the councilmember's salaries because they have an election coming up, whereas the directors and deputies signed up for a 4-year job at their current salaries. A cost of living adjustment is more in line at this time.

Commissioner Martin asked Mr. Ginoza if he was asked to be a Director.

Mr. Ginoza said yes and that the salary wasn't an important factor but public service was. He also didn't want to put himself and his family through the confirmation process.

Commissioner Martin submitted written correspondence which he received from Mark Hyde.

3. Approval of the Minutes of the January 10, 2020 Meeting

Commissioner Fujiwara moved to approve the minutes and Commissioner Tom seconded the motion. The motion passed unanimously.

4. Correspondence

No discussion on the email received from Nane Aluli, Chair, Liquor Commission.

5. Discuss County Budget and Budget Projections

There was no discussion on the response from the Budget Director.

Vice-Chair Abbott requested a follow-up from the Budget Director regarding the amount the county receives from GET. A response was received.

Director Underwood also said that the state collects GE taxes, we don't receive anything from the GE tax. We receive a portion of the transient accommodation tax.

6. Discuss Commission on Salaries-Report and Recommendations to the 2019 Legislature Report.

Deputy Corporation Counsel Murai stated that the report is based on what the State Salary Commission does. They meet once every 6 years and decide what the salary recommendations would be for the next 6 years and then they disband. Their recommendations also need to be approved by the legislature, they are not the final say.

7. Deliberation and Possible Action on Salaries for Department Directors and Deputies, Council Chair and Council Members, the County Auditor, and the Mayor.

Director Underwood stated that the state based cost of living increase is 1.5% - 3%, which is the published figure for the Honolulu Metro Area.

Commissioner Oato mentioned that the Bureau of Labor Statistics shows 1.7% for Honolulu.

Chair Swanson stated that she thought more along the lines of a 2.5% increase. She has not found a good way to address the salary inversions in the fire and police departments. As far as the vetting process, she doesn't think salary increases could help.

Commissioner Kailiponi suggested a letter be written to the County Council about the vetting process stating that the commission has received testimony on how it has an effect on the hiring process. The stronger step is to increase salaries because the vetting process is a difficult process for the applicants.

Commissioner Martin stated that although Chair Lee came to talk about the process, she wasn't the chair at the time, so he feels optimistic.

Commissioner Martin made a motion to have a single increase of 1.7% for the Directors and Deputies, effective January 1, 2020. Commissioner Kailiponi seconded the motion.

Chair Swanson feels the number is a little low because of the cost of housing and it's more expensive to live on Maui.

Chair Swanson made a motion to amend the main motion to 2.5%. Commissioner Tom seconded the amended motion.

Commissioner Oato wants to know where the 2.5% is coming from. He feels it needs to be justified.

Chair Swanson responded that the cost of living increases has consistently been between 1.5 and 3% and the cost of living on Maui is higher than Honolulu's 1.7% and it shouldn't be 3%, so she came up with 2.5%.

Chair Swanson called for the vote on the amendment and the vote was 1 aye and 5 nos.

Chair Swanson stated that she would like to have a long term plan because getting testimony from all the departments takes about a year. So have a rolling increase but meet every month. Also every time there are new members you have to start the process all over again and sometimes they are expected to vote without any knowledge of what's been previously discussed.

Commissioner Kailiponi suggested that there are other ways to get the new commissioners caught up to what's been going on prior to coming on board.

Commissioner Kailiponi made an amendment to the motion that instead of 1.7%, that the percentage be pegged to the Department of Labor's cost of living adjustment, which clarifies where the number came from. Commissioner Fujiwara seconded the motion.

Chair Swanson called for the vote on the amendment and the vote was 5 ayes and 1 no.

Chair Swanson stated that the main motion is an across the board increase to Directors and Deputy Directors starting January 1 and the increase is pegged to the cost of living adjustment according to the Department of Labor.

Chair Swanson still feels that the increase should be higher due to the cost of living on Maui.

Commissioner Abbott made a motion to amend to 2%. Commissioner Fujiwara seconded.

Commissioner Martin said that 1.7% keeps everything even and it's agreed that Maui is more expensive, so 2% is not a big difference.

Chair Swanson called for the vote on the amendment and the vote was unanimous with 6 ayes.

Chair Swanson made a motion to amend the main motion to increase the salaries of Directors, Deputies and the County Auditor to 2% and make it an ongoing yearly increase. Chair Swanson clarified with Commissioner Martin's main motion that it includes the County Auditor. Commissioner Fujiwara seconded the motion.

Commissioner Martin likes the process of reviewing the departments every year.

Commissioner Kailiponi said that this would be a meaningful change, even if the commission reviews it every year, because it sets an expectation that there will be an increase. Is the expectation that these non-elected officials should have an annual increasing cost of living adjustment as an expectation for their work?

Deputy Corporation Counsel Murai said that increases are not automatic for public sector employee unions. Their contracts are negotiated as they expire. Other county employees have their salaries set by ordinance and cannot be changed unless the Council passes a new law.

Chair Swanson called for the vote on the amendment of making it an ongoing 2% increase and the motion failed with 3 ayes and 4 opposed.

Chair Swanson went back to the main motion which is a 2% increase for one year retroactive to January 1, 2020 for Directors, Deputy Directors and the County Auditor. A vote was called and the motion passed with 5 ayes and 1 abstention from Commissioner Oato.

Chair Swanson said that action still needs to be taken on elected positions.

8. Agenda Setting for Next Meeting

- a. Salary inversions
- b. Deliberate and possible action on salaries for elected officials
- c. Election of Salary Commission officers
- d. Aloha to Commissioner Tom

9. Schedule Next Meeting

The next meeting is scheduled for March 13, 2020 at 8:30 a.m. in the Mayor's Conference Room.

Chair Swanson mentioned that Friday, April 10 is a holiday so the commission agreed to have the meeting rescheduled to April 17.

10. Adjournment

The meeting adjourned at 10:19 a.m.