

**SALARY COMMISSION
MINUTES
September 10, 2021
Meeting Site: Online via Blue Jeans**

1. Call to Order/Roll Call

The meeting was called to order by Chair Abbott at 8:31 a.m.

Present:

Clark Abbott, Chair
Dawnalyn Fujiwara, Vice-Chair
Tambara Garrick
Grant Nakama
Scott Parker
Edwin Misaki
Peter Martin
Andrew Ho
Stanford Lantias

Staff:

Gary Murai, Deputy Corporation Counsel
David Underwood, Director of Personnel Services
Stacy Takahashi, Administrative Officer
Rochelle Ines, Secretary
LeeAnn Nomura Matsui, Secretary

2. Public Testimony

There was no public testimony presented.

3. Approval of the Minutes

Commissioner Nakama made the motion seconded by Commissioner Garrick to approve the minutes of the August 13, 2021 meeting. The motion was unanimously passed.

4. FY 2022 salary reviews for the Mayor, County Council Members, Department Directors, Department Deputy Directors, and the County Auditor.

- a. Presentation by Director Eric Nakagawa, Department of Environmental Management (DEM).

Director Nakagawa submitted a slideshow presentation which was emailed to the Commissioners in advance.

Director Nakagawa stated that he went to school for civil engineering. He started in private sector for 7 years as a civil engineer design construction for Unemori Engineering which specialized in residential & commercial development. He then moved to the County in 2001 as project engineer design construction for

Wastewater Division. Ten years later he worked up to division chief for 8 years. He is now the Director of Environmental Management for 2-1/2 years. His roles, duties and qualifications are in the Charter, Chapter 15.

Department of Environmental Engineering

- Total FY2021 Budget - \$150,917,200 + \$5M
 - Operational Budget - \$92,315,490
 - CIP Budget - \$57,781,710
- Total FY2021 Personnel – 244 + 4
- Exempt, UPW & HGEA Members
- Regulated by State & Federal Agencies
- 3 Divisions + Administration
 - Wastewater Reclamation Division - 122 positions
 - Administration Program
 - Accounting, Design & Construction, Planning & Permitting
 - Operations Program
 - Collection System, Treatment Facilities, Central Maintenance, Central Laboratory & Trucking Section
 - 5 treatment facilities, 42 pump stations, 245 miles of underground pipes, Recycled Water Distribution System
 - Solid Waste Division – 107 positions
 - Administration
 - Administration, Engineering, Fiscal/Accounting, Safety, Collection & Landfill
 - Operations Program
 - 4 landfills, 5 closed landfills 1 transfer station
 - serve 26,850 refuse clients & haul over 2,600 refuse routes/year, 2,500,000 refuse pickups/year
 - Landfill approx. 237,100 tons/year of MSW and 25,000 tons/year of construction & demolition material
 - Environmental Protection and Sustainability Program – 10 positions
 - Administration
 - Recycling
 - 3 can plan, moor oil, drop box centers, EKO composting, plastic bottles, cardboard, paper, batteries, household goods, microwave ovens, e-cycling, computers, monitors & printers
 - Abandoned Vehicles & Metals
- Common Departmental Challenges
 - Vacant positions

- Effects of COVID-19 pandemic
- Budget Issues
 - *How to prioritize the use of a limited budget for things we want vs things we need*
- Stricter regulatory requirements
- Climate change & sea level rise
- Salary Compensation
 - Comparison
 - C&C of Honolulu - \$166,650/year (approx. 1,100 EP, \$1.0B FY2020 budget)
 - Hawaii County - \$132,744/year (approx. 200 EP, \$57M FY2020 budget)
 - Kauai County - \$137,022/year (approx. 75 EP, \$34M FY2020 budget)
 - Division Chiefs – Range \$92,112 - \$136,656
 - Civil Service
 - Qualified people for the position
 - Time
 - Personal life

Chair Abbott thanked Director Nakagawa for his very thorough and complete presentation.

Q&A

Commissioner Martin asked Director Nakagawa that he mentioned that he liked the ability to have more time compared to private sector but said it's 24/7. Is it more than 8-5? Are you there in the evenings? Is it more than 40 hours?

- Director Nakagawa replied yes

Commissioner Martin asked do you like the work?

- Director Nakagawa answered yes. Collaborating with other people, trying to better the system essentially and trying to get things more streamlined, for you Peter, building permit system. He loves that part of it and meeting people. The part the he misses about time is that his job demands more time than he thought. He can't leave work at work. People ask him questions outside of work. During pandemic he is a representative so he enforces stricter rules with his kids because he's the director.

Commissioner Parker said we were provided some data from Director Underwood and it looks like there's a couple of employees who have base pay that is higher than your deputy director and the gap is about \$5,000. A couple employees have gross pay who is higher than you as director and the gap is about \$8,000. Four employees whose gross pay is higher than your deputy and the gap there is like

\$24,000. Do you feel that there should be any adjustments to your or the deputy director salary to account for these gaps? And if there are adjustments do you feel that your budget based on the percent allocated to salaries or other spend would allow you to cover these adjustments.

- Director Nakagawa said the Division Chiefs with overtime they make more than him. He was offered Deputy jobs in the past, twice, but because he was Chief, he didn't take only because it was less money and thinking he would have to do more work. Some would argue that the Division Chief shouldn't make more than the deputy. When they go to meetings, they would send him because he understood everything. On a corporate level structure, the Director & Deputy Director should make 5% more. But in reality just because he was a Chief, maybe not because they needed him to go to represent. As far as covering it, HGEA & UPW, 1-2% just to keep up with inflation. How their salary is covered is through 2/3 from wastewater sewer rates and 1/3 from solid waste rate.

Commissioner Garrick thanked Director Nakagawa for candor and answers to the last questions, it was very helpful and also for his presentation.

Commissioner Ho thanked him for his presentation and dedication to his job 24/7 and realized some people below him will make more money than him due to overtime and due to their bargaining unit contracts. He has the same situation, so he understands. A lot of salary comparisons are from Big Island, Kauai, Oahu asking for insight on what's similar to Maui. Work conditions - what should we compare you to something on the mainland.

- Director Nakagawa said City and County of Honolulu 2 years ago was \$166,000 but they have 1,100 staff, and \$1 billion budget to manage. Oahu is 10x bigger. Big Island and Kauai is smaller, same issues and less controversy so they made less \$132,000-\$137,000. His salary is around \$146,000 and he thinks its comparable because we fit in between Oahu, Big Island and Kauai. As far as the mainland they have a lot more people. As far as rates and fees, he can't compare to them and he doesn't know the peers from the mainland and how much they make, their roles and responsibilities and how many people they manage.

Commissioner Nakama thanked Director Nakagawa for candidly discussing the structure of the department especially it relates to pay. He asked Director Nakagawa, you said you passed up the deputy spot because you said it didn't pay as well as what you're getting paid as division chief, is that correct?

- Director Nakagawa said yes that's correct.

Commissioner Nakama said nothing demonstrates imbalance, like someone passing up a promotion due to a demotion and pay. That just don't make sense. Thanks for pointing out imbalance. Chiefs job vs appointed director and deputy jobs, you said that the time benefit was there, but just to clarify the time benefit was only applicable to the division chief? Not in your current division, no time benefit vs private sector.

- Director Nakagawa replied time was important. His kids were younger before (when offered Deputy) and knows he had more available time now and accepted the (Director) job. Didn't realize it would be this much. Make sure your phase of life matches the job.
- Director Nakagawa added in private sector you have multiple deadlines and meet quotas, you got paid but you don't have much time for your family. That's why 20 years ago he made that change to public.

Commissioner Nakama said 20 years ago when you made the decision to choose public sector vs private sector because of the time benefit as a Division Chief or as an employee, not as a Director. So now that you are a director that time gap vs the private sector is no longer as great as it was a division chief. As a Director, you don't have that time benefit relative to public anymore because you're a Director.

- Director Nakagawa agreed

Commissioner Nakama asked what would a private engineer make as a comparison?

- Director Nakagawa said he doesn't know exactly but knows someone who left the county and he was at a high level and he makes about \$200,000. He also knows some from college in a very popular construction management, high level and he's making mid \$200,000. Whether it's these high level vendors that comes and talk to us or head of consulting firms, they make a lot more.

Commissioner Nakama said there's a gap there close to if not more than \$100,000 salary.

b. Presentation by Director Rowena Dagdag-Andaya, Department of Public Works

Director Dagdag-Andaya submitted a handout which was previously emailed to the Commissioners.

Director Dagdag-Andaya said the Department of Public Works (DPW) is assigned in the Charter of County of Maui to be responsible for 4 areas.

1. Building housing and subdivision ordinances and rules

2. Approve proposed subdivision plans which are in conformity with the subdivision ordinance laid out on the county code
3. Plans, designs, builds and maintain the County's highways and drainage and flood control systems.
4. Also perform such other duties and functions as assigned by the Mayor.

As many of you know this past year and a half has been very challenging with the COVID-19 pandemic so a lot of their operations at the DPW had undergone many changes and adjustments in order to provide a safe working environment and for their staff and to continue our operations.

To accomplish these tasks, the Director and Deputy Director of Public Works must be proactive in obtaining necessary funding to run the department while minimizing operational costs, work with other agencies to accomplish department goals, work with the public in various organizations to seek input on initiatives and partner when opportunities arise, propose and champion amendments to ordinances through the County Council, amend rules, interpret ordinances and rules with the advice of County attorneys, review and comment on proposed projects, seeking entitlements, issue and collect on violations when appropriate, conduct internal investigations and make personnel decisions regarding disciplinary actions, staff the Emergency Operations Center (EOC) during emergencies and serve as the Infrastructure Branch Director when the EOC is at full activation, Job is 24/7 in an emergency situation and hires the best staff possible.

Since 2014, DPW is responsible for implementing the Municipal Separate Storm Sewer System (MS4) permit, a requirement of the Federal government that is administered by the State Department of Health Clean Water Branch. The goal is to improve the water quality of storm water discharges from our roads and County facilities (including non-DPW facilities).

DPW is also a member of the Policy Board of the Maui Metropolitan Planning Organization (MPO) that will make final decisions on the use of Federal Highway Funds for projects on Maui including State highways projects.

The department has approximately 305 employees, an operating budget of \$50M, and a CIP budget of approximately \$51M.

The three (3) divisions are:

- o Engineering
- o Highways
- o Development Services Administration

Annual salaries for DPW Division Chiefs range between \$127,140 - \$142,860, excluding overtime pay.

Commissioner Lantias left meeting at 9:33am

Commissioner Garrick - no questions at this time

Commission Misaki thanked Director Dagdag-Andaya for the presentation and have no questions.

Commissioner Parker said as Director Underwood shared with us and you might be aware you do have a deputy director who has one employee that has base pay higher than the deputy director at about \$4,000 and you yourself have three employees to have gross pay more than you and the gap just is about \$30,000. Your deputy has four employees who has gross pay more than the deputy and the gap is about \$40,000. Do you feel there should be any adjustments to both yours and the Deputy's salary to account for these gaps and do you have capacity within your budget to account for any adjustments should they be made.

- Director Dagdag-Andaya said she has been with the DPW since 2011 and each time the Salary Commission has met she knows that questions has been raised and her previous Director and herself have had a lot of discussions about it. They do love their job and are there as public servants and at the end of the day they know that the inversion is there and they feel that there should be a more systematic approach in ensuring that the salaries do meet and have some kind of equal rate. She doesn't know what the formula would be to determine the equation, which has been a big challenge, but the way she looks at it as the Director and the Deputy Director is almost like a political position (this is just me personally speaking) you got to love the job and at the same time you have a sense of accountability to all of the people in Maui County and that is where she's coming from. It's hard to say that position needs more money. She's looking towards the future and the predecessor's and how do they compensate their predecessor's and thinks this is a discussion that should continue and work on developing some kind of formula. The Division Chiefs do a lot of work for the departments and wish she could pay everyone in the department more especially or existing engineers. It's been a challenge to get the best engineers to come to the County of Maui given the salaries that we offer. We have great benefit packages when it comes to vacations, sick leave, holidays and health, but when you're looking at cost of living and quality of life issues, your job is very challenging when taking all these factors into consideration.

Commissioner Martin said he's been dealing with engineers since 1977 as in development with all the different firms. When he thinks of all the engineers, many of them have left private practice and went to the county. His questions are - what is your opinion on why so many people from private practice have gone to the county if it's not for pay?

- Director Dagdag-Andaya said in recent months they have involved in interviews for civil engineer position. Just recently they conducted interviews for their development administration administrator head of DSA. Those who are applying, there was only one from the private sector and that person is coming from the mainland. She doesn't see a lot of

engineers from Hawaii applying for engineering positions in the department. For those applicants coming from the mainland a lot of them have expressed interest in coming here because they felt drawn to the islands. But what is missing is the cultural and the process here at the County. The ideal candidate for engineer is someone who is familiar with the way the process works in terms of permitting and knowing what the codes are. It's really challenging to find civil engineering graduates today is what she's hearing from UH Maui College and other place as well. They are starting up interns again.

Commissioner Nakama, no questions.

Commissioner Fujiwara, her question was answered that she had.

Chair Abbott thanked Director Dagdag-Andaya for her presentation.

Short Recess – 9:45am - 9:50am

c. Presentation by Director Jeffrey Pearson, Department of Water Supply

Director Pearson submitted a handout which was previously emailed to the Commissioners.

Director Pearson said in the Charter it discusses the responsibilities on the director and deputy director of the Department of Water Supply (DWS). The department has 6 divisions in addition to the administration office of the director. Typically, the director and deputy share the management of these divisions. However, the director still has oversight on all of the divisions.

- Administration
- Fiscal
 - Responsibilities ensure revenue generation, controlled spending and debt management.
 - DWS can only spend, or borrow against the revenue they produce.
 - Annual revenue is approximately \$70M
- Engineering
 - Manages CIP to provide additional source for areas in need.
 - Primarily pumps, motors and electrical controls
- Water Resources and Planning (WRP)
 - With the Director, the division manager works with the State Commission on Water Resource Management to ensure they manage State waters properly.
- Field Operations
 - Responsible for the day-to-day management, ensuring water service through our distribution system to 36,000 customers on Maui and Molokai
- Plant Operations and Water Treatment Plant (WTP) Operations
 - Ensure water quality meets Federal and State quality standards.

- This includes: daily water quality sampling out in the system and at the 5 WTPs. They need to be aware of new water quality requirements (such as lead and copper testing).

DWS works with Mayor on his initiatives related to water, such as developing affordable housing and supporting other developers of affordable housing. They are frequently called to participate in County Council committee work related to water issues. They are currently supporting the Agriculture and Public Trust (APT) committee on their review of the Water Use and Development Plan.

DWS makes the decision on water shortage declarations and manage the requirements per county code while in times of water shortage.

Director Pearson is a member of the Fresh Water Initiative, under the umbrella of the Hawaii Community Foundation, to work towards better security statewide.

Chair Abbott thanked Director Pearson and appreciate his personal and professional opinion. He also had the pleasure of listening to him at the Pukalani Community Association zoom meeting the other night.

Commissioner Fujiwara – no questions at this time.

Commissioner Parker said you have two employees that have a gap of about \$10,000 in base pay with your deputy and there's at least one employee whose gross pay at about almost \$30,000 more than you, you have seven employees with gross pay at about \$43,000 more than your deputy. Do you feel there should be any adjustments to either director or deputy director salaries to account for these gaps and do you feel your budget based on the percent to allocate to salaries would be able to cover any adjustments should there be any adjustments made.

- Director Pearson said if there were any adjustments made he can't see where the increases in salary would be as much as \$30,000. He doesn't see that adjustment would be realistic. He's not here for the money, if it was for the money he will be somewhere else. When they do hire in the divisions, we do look at salaries and try to make them commensurate. The people that you're talking about do put in a lot of hours and has a lot of responsibilities and they do a lot of work, so some of these higher pays are justified. I don't think we can make our salaries commensurate above us with the luxury of union benefits and the opportunity for overtime which we don't have.

Commissioner Martin asked why did you leave private practice and go to public service? What was the motivation?

- Director Pearson said at that time he was with Brown and Caldwell and Mayor Arakawa was coming into Mayor into his first term and he felt it would be a challenge and could get good experience. He thought he had a chance, he knew the mayor on a personal level so he thought he could get the position.

Commissioner Ho asked do you have any thoughts on how Maui would compare with the other counties? Are they similar or different? Is it a fair comparison?

- Director Pearson said definitely different. He thinks he need to look at the services, amount of meters with each County, of course Oahu is humongous and a lot of responsibility there, Maui is diverse in a way I think we have 6 different water system that are not tied into each other so there's a different management there. We have surface water where Oahu he thinks does not have any surface water for treatment, Big Island doesn't have surface water, they have two water treatment as far as he knows, maybe a couple more, so I think your comparing apples with oranges but if you can look at the services and the type of systems that they operate, that might help you to make your adjustments within the different utilities.

Commissioner Nakama asked how overtime has become the norm in certain departments, an estimate. The division on section managers, how much would you estimate works overtime at least ten hours a week on average.

Of the division and section managers as a whole what percentage works at least ten hours over time a week. He guesses you can comment on overtime in general and how prevalent or normal it is for your managers to work over time.

- Director Pearson replied for the field operation there would be a lot more overtime because if a pipe breaks at 2 am they would be out there, engineering is because their short staffed, there's a lot of overtime for the division head there because she's doing the work of two or three employees right now, water resource planning there is not much over time, fiscal there's very little except maybe during budget, planning operations same thing, if there's failure there's overtime. He says there is not a lot of overtime, but right now engineering and fields operation is prevalent.

Commissioner Misaki thanked the DWS for being leaders. DWS does not just extract water, but they put their money where their mouth is and they actually fund people to protect the water shed. He really wants to thank the DWS for that.

- Director Pearson said he appreciate his comment and he said they provide guidance on eleven water shed partnerships right now that's through or water resource planning side and that's over \$2,000,000 a year. They have quite an extensive work to justify their grasp that they are requesting and

they do a pretty good job managing the work that they do to justify that they are spending the money properly. The grants they manage are in the water sheds they provide water to the aquifers where they pump. They protect the water for our use.

Chair Abbott thanked Director Pearson for his presentation and appreciate his hard work.

d. Presentation by Director Michele McLean, Department of Planning

Director McLean submitted a power point presentation which was previously emailed to the Commissioners.

Director McLean provided some language from the Maui County Charter which established the Planning Department and outlines their major duties.

- Serving as technical advisor to the Mayor, Council and planning commissions.
- Recommending revisions to the general plan and community plans.
- The cultural resources program.
- Land use enforcement
- Reviewing capital improvement projects.

The Charter also establishes the three planning commissions and the Board of Variances and Appeals.

Department Overview: Staffs nine standing boards/commissions, plus Community Plan Advisory Committees and some support to the Maui Redevelopment Agency.

Four divisions, plus Administration (76 personnel; 72 general fund, 4 grant revenue)

- Zoning Administration Enforcement Division (ZAED) – 27 staff
- Current Planning Commission – 26 staff (4 grant funded)
- Long Range Division (LRD) – 13 staff
- Plan Implementation Division – 4 staff

FY2022 Budget

- General Funds - \$6,961,663
- Salaries & Wages - \$5,133,366
 - Director - \$137,347
 - Deputy Director - \$123,613
 - Division Chiefs
 - \$136,656
 - \$129,683
 - \$124,008
 - \$113,468

- Operations - \$1,723,927
- Equipment - \$105,00
- Application fees & fines collected in FY2020 - \$939,620.50

Budget Performance Measures

- Improve customer service and streamline permit application procedures
- Increase public participation and access to information by conducting public meetings of boards, commissions and community plan advisory committees, and by making more documents available through the County's website
- Improve the administration of our land use ordinances and long-range plans by revising and updating ordinances and departmental rules and by implementing long-range plans.

Commissioner Parker asked you have two employees who has base pay of roughly \$13,000 higher than your deputy. There are two employees who have gross pay that are higher than you at about \$4,000 and five employees who have gross pay are higher than your deputy at about \$18,000. Do you feel that there should be any adjustments to either you or your deputy's salaries to account for these gaps and I know you said that salaries account for about 75% of your budget but if there were adjustments you think that your budget could accommodate any adjustments to salaries.

- Director McLean said she would love to pay all her people more. We put in overtime because we are committed to our jobs and we often have deadlines, evening meetings, may have vacancies that other people are willing to put in extra time to cover the gap. She does think it would be appropriate for the director and deputy to have salaries that are higher than their highest paid staff because they are not eligible for overtime and think that is appropriate but they put in an excess of 40 hours. They do work overtime when they have vacancies that's really what allows her to cover that additional expense. With their salary budget they would be able to cover it if there were changes.

Commissioner Ho said in-line with the other questions, would you have any other comments on how to rate yourself against the other counties in Hawaii?

- Director McLean replied there are a couple of differences, the City and County of Honolulu Planning Department is the Department of Planning and Permitting so they have a whole division which in Maui County is housed in DPW. They are a much larger department and have many different responsibilities. The number of boards and commissions that we staff is unique to Maui County and that really drives the work that we do. Coordinating the posting of agendas, mailing out packets, provide annual training, those are notable different and the public participation process

here is more intense on a consistent basis than in the other counties. Those would be notable differences. It's fair to consider the other counties as well. There's also the confirmation process which was excruciating for her.

Commissioner Nakama thanks Director McLean for her presentation and the point about the confirmation process. He asked what would be the comparison between the public and private sector pay?

- Director McLean replied for mid planners its comparable to the private sector for higher level it's much more in the private sector. She knows she has a tough job and she's not saying it's harder than any other directors but they are a lot more public partly because of all the boards and commission that they staff. The pay is better in the private sector for higher level.

Chair Abbott thanks the Directors for their presentations.

5. Agenda Setting for Next Meeting

Commissioner Parker moved and Commissioner Nakama seconded the motion for Department of Finance and Department of Management presentations at the next meeting. Motion carried unanimously.

- Presentations by the following:
 - Dr. Carl Bonham of UHERO
 - Department of Management
 - Department of Finance

6. Announcements

The next meeting is scheduled for Friday, October 8, 2021 at 8:30am, online, via BlueJeans.

7. Adjournment

Meeting adjourned at 10:36 a.m.