

**COUNTY OF HAWAII
SALARY COMMISSION
January 10, 2007**

MINUTES

Chair Mann called the meeting to order at 10:07 a.m. in the Conference Room of the Department of Human Resources, 101 Pauahi Street, Suite 2, Hilo, Hawaii.

Present:

**Mr. Paul Mann, Chair
Mr. Searle W. Grace, Vice Chair
Mr. Dwayne Mukai, Secretary
Mr. Tsukasa Ishii, Member
Mr. Newton Inouye, Member**

Others present:

**Mr. Gerald Takase, Deputy Corporation Counsel
Mr. Michael R. Ben, Director of Personnel
Ms. Joney Nitahara, Personnel Program Specialist
Ms. Velma Y. Menezes, Secretary-Reporter**

STATEMENTS FROM THE PUBLIC

Ms. Pudding Lassiter testified on behalf of the Police Commission for a pay increase for the Police Chief and Deputy Police Chief.

She had read the Commission's last minutes and can't agree with an increase of 1%. As an example, the department head of the Water Department makes \$112,000 a year, putting the Police Chief way behind. She noted that the first person you call when you need help is the Police Department, not the Water Department.

Chiefs of Police in communities in Washington and Oregon receive starting salaries of \$156,000 with a staff of 300. Hawai'i County's Police Chief has a staff of 450 and is way under the \$100,000 mark.

Kauai County has had all kinds of situations because they don't have qualified help. Maui has excellent help, and they get paid for it. Hawai'i County can't be compared to the Island of Oahu because they have 4,000 police officers, but they all make excellent salaries.

When underclass people who work for you make more than the Chief and the Deputy Chief, there's something wrong in the system. They work 16-

18 hours a day and go home with the same pay that they walked in that door, and a police officer working two shifts goes home with more than the Chief and Deputy do in one day. There's something really bad with the system.

Ms. Lassiter asked the Commission to reconsider the 1% a year increases.

In summary, Police Chief Larry Mahuna testified by stating the following:

He came here to tell the Commission to look at things in a positive sense and not in a negative sense. They're looking at not only the Police Department but at the Fire Department and a whole host of other departments. He knows that the Commission has looked at these issues, but when it comes to public safety, they must have a different perspective.

He's not here speaking for himself but for the position, as he doesn't think he would stay long enough to have a big increase make any difference in his retirement. However, he did stay on for the simple fact that he doesn't think that the current salary would encourage any competent individual to become Police Chief of this island.

Kauai thought they did a fantastic job when they bumped the pay up to \$75,000. The person most qualified for the job would not take it, because he made \$95,000 as an Assistant Chief, and that's where Hawai'i County finds itself now. The Hawai'i County Police Department is the second largest police department in this State with the greatest land mass. They not only have law enforcement, but have counter drug programs, and other programs that they run with the community. Everything funnels through the Chief's office. He and the Deputy Chief work 12-15 hour days. The issue here is the future of the Police Department. If the Commission does not make some sort of adjustment, they will be hard pressed to find a competent individual to take over.

Chief Mahuna also brought up cost of living issues and comparisons with police chiefs' salaries and responsibilities of other municipalities on the mainland as well as with the other counties.

The half percent a year was an insult to them. Last year, the Police Chief made \$92,000. One Assistant Chief made \$100,621, another Assistant Chief made \$94,000. It's inequitable. The Police Department is paramilitary in its structure, and in the military a General would never make less than a Colonel. The EMs in the Police Department (Assistant Chiefs, Captains) get 3-1/2% per year while the Chief and Deputy receive a half percent.

At Mr. Takase's suggestion, Chief Mahuna explained the difference in responsibilities between the Assistant Chiefs and the Police Chief and Deputy.

Chair Mann asked how many EMs in the Police Department are actually making more than money than the Chief. Chief Mahuna responded that there are about eight.

Chief Mahuna added that the Police Chief should make at least 10-12% more than the highest paid individual in the department. The Deputy Chief should be 8-10% more over the Assistant Chiefs or any of the highest paid individuals in the department. They should also get the same pay package as the EMs, because if they don't, the Commission will have another Chief right back here in another two years.

Chair Mann explained that this situation has been a concern of this Commission, and they tried to address the problem of inversion three years ago. However, currently, the Commission has to address the base pay first, then start from there. They were experiencing problems with getting a quorum, as there just weren't enough people sitting on the Commission. However, because of the good group here at present, he's confident they will be able to move along quickly.

Mr. John Bertsch, ex-chair of the Police Commission and currently on the Fire Commission, also presented testimony.

As the past chair of the Police Commission, one of the very first things that he noticed was the inequity in the salaries. They tried to approach the Salary Commission to get that corrected going on 18 months now. He's not going to let that happen to their Fire Chief now that he's on the Fire Commission, and he knows the Commission isn't going to do it either.

He's embarrassed that the Police Chief had to come and present before the Commission. That's something all of them hate to have to do--to go to their employer and request funds; and he did it very graciously. He did it with dignity, and he did it with honor. He fought that money for the position and not for himself. He fought that money for the County, for everyone's future, and for the Deputy.

The County Charter, Section 13-28, subsection d, basically says the Commission shall review and compensate all County elected officials and appointed directors and deputy directors so that their total salaries and benefits have a reasonable relationship to compensation in the public and private sectors. The Salary Commission shall consult with those boards and commissions which have appointive authority for those department heads. That's the core of what the Commission is doing here today, and they're (Police and Fire commissioners) here because the topic has just gotten to be insurmountable and needs to be corrected because of the consequences. He's lived through it when they had Jimmy Correa leave the Police Department. They went through the same process with the Salary Commission then, and it wasn't until they got that salary correction that they were able to entice anyone.

One of the things that was brought up at a meeting in November was that they cannot remove the Salary Commission out of the equation. The

voters came referendum, and the Salary Commission has been here as part of the County Charter. The Salary Commission lawfully sets the salaries of all these individuals. What they can do, however, is set a trigger so that they don't get into trouble again. He's all for the Salary Commission setting salaries of the Chief, Fire Chief, Corporation Counsel, but there's no reason why they can't put a trigger in there that says at no time will the Chief ever make less than his highest paid employee. It puts more onus on the Chief and the Deputy to manage their people so that they don't have one Assistant Chief that suddenly spikes his overtime. That will be a red herring for the Police (or Fire) Commission and the Chief.

Mr. Louis Kawaii of the Police Commissioner testified that the Police Chief has a staff of over 600 from a civilian staff to sworn officers. Both the Police Department and Fire Department have grown tremendously, and these are the two people that you call when you need help. Therefore, the Salary Commission needs to take a back step and take a good look at the salary. To keep good people like Chief Mahuna and Chief Oliveira, they must take a good look at the salary. The cost of living has gone up tremendously, and he suggests that the Commission look at all the departments, because the County is doing pretty good economy wise. They have extra money.

Mr. Kawaii also brought up various comparisons with the other counties as well.

MINUTES OF NOVEMBER 29, 2006

Chair Mann noted an error on page 4, 2nd paragraph. Instead of 2%, it should be 1%.

MOTION: Mr. Mukai moved that the minutes of November 29, 2006 be approved as amended. The motion was seconded by Vice Chair Grace and unanimously carried.

COMMUNICATIONS

A) Communication No. 06-05, dated December 4, 2006, from Leslie H. Kondo, Director, Office of Information Practices, regarding Legislative Proposals to Amend the Sunshine Law.

B) Communication No. 07-01, dated January 2, 2007, from Karen Maedo, Chair, Hawai'i County Fire Commission, regarding the Fire Chief's salary.

MOTION: Mr. Mukai moved that Communication Nos. 06-05 and 07-01 be received and filed. The motion was seconded by Mr. Inouye and unanimously carried.

UNFINISHED BUSINESS

TWO-YEAR REVIEW OF PAY SCHEDULE FOR ELECTED OFFICIALS, DEPARTMENT HEADS, AND DEPUTIES

Mr. Mukai stated that in the business he's in now, as a financial advisor, one of the things he tells his clients is that in the worst case scenario, they have to beat inflation. No matter what they do, how conservative they are, how aggressive, they have to beat inflation. At the 1% proposed level, or even it's 3%, if it's a two-year schedule, 1% would mean a .5% pay increase, and at 3%, that would mean a 1.5% increase, which both still lose ground to inflation.

Chair Mann informed the Commission that he had asked Mr. Ben to prepare schedules at 2% and 3% so that the Commission would have a point to start from. It was noted that the CPI is 3.3%.

Mr. Mukai stated that testimony presented indicated that Police Officers get 5% raises per year, while EMs were getting 3.5%. After 3%, you're still losing to inflation. Therefore, a 5% schedule would be within reason.

Besides increasing the percentage every two years, another thought is to extend the grid out to include more alphabets, possibly out to Z. That way, five or six years from now, when there's another inequitable situation there will at least be a mechanism for a future commission to use, as they have not heard from other department heads besides Police and Fire. By addressing the percentage every two years and bringing it up, they'll already have a vehicle in place to address each individual position on its own merits.

Mr. Takase noted that most department heads don't have commissioners to come in and testify for them, but what the Commission will find across the board is that all department heads are facing similar situations although they have not come in to testify to such.

Mr. Takase suggested that the first few steps on the schedule could be dropped.

Ms. Nitahara noted that the exhibits in the data book show exactly what the employees are making. Those salaries are based on base pay. For example, Exhibit 9 shows where everyone is as far as base pay in comparison with the executives. Overtime is not included in these figures.

The Commission further discussed percentage increases and moving steps.

Mr. Ben prepared a salary schedule with new rates at 6% and 1% between each step.

Mr. Mukai noted that bringing the Fire and Police Chiefs up to a higher level would be justifiable.

Ms. Nitahara noted that Exhibits 10 and 11 show the comparison with the other jurisdictions, the size of the staff, their budget, and the salaries.

Mr. Ben calculated that at 6%, it will cost the County an additional \$159,000 a year.

The Commission discussed increasing the 1% between steps to 3% every two years.

The Commission recessed at 12:13 p.m. so that Mr. Ben could prepare a schedule with the base pay increasing by 6%, a 3% spread between steps, and dropping steps A and B so that C became the new step A. The meeting reconvened at 12:40 p.m.

Mr. Ben explained that the first sheet is the monthly salary, the second sheet is the annual salary, and the third sheet shows the cost. These figures are subject to review for accuracy. Mr. Ben submitted them as Exhibit A.

MOTION: Mr. Mukai moved that the Commission accept Exhibit A as presented. The motion was seconded by Mr. Inouye and unanimously carried.

MOTION: Mr. Mukai moved that the new salary schedule, Exhibit A, be effective retroactive to January 1, 2007. The motion was seconded by Mr. Inouye and unanimously carried.

Chair Mann raised the question of the career executives and whether they would be compensated differently, as it was never the Commission's intention to give them 15% at the end of the 10-year extension.

The Commission decided to defer this discussion to another meeting.

MOTION: Mr. Mukai moved that the Fire Chief and Police Chief be moved to A-18E with their deputies moving up one step from their current step effective January 1, 2007. The motion was seconded by Mr. Inouye and unanimously carried.

ADJOURNMENT

The meeting adjourned at 12:47 p.m.

Respectfully submitted,

Paul Mann, Chair