

**COUNTY OF HAWAII  
SALARY COMMISSION  
April 23, 2008**

**MINUTES**

**Chair Grace called the meeting to order at 9:00 a.m. in the Conference Room of the Department of Liquor Control, 101 Aupuni Street, Suite 230, Hilo, Hawaii.**

**Present:**

**Mr. Searle W. Grace, Chair  
Mr. Newton Inouye, Vice Chair  
Mr. Gerald Perkins, Member  
Ms. Patricia Provalenko, Member  
Ms. Margaret Tokunaga, Member**

**Others present:**

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

**Chair Grace called the meeting to order at 9:00 a.m. and called for a moment of silence in remembrance of former Commissioner Paul Mann who passed away in November 2007.**

**MINUTES OF NOVEMBER 7, 2007**

**MOTION: Mr. Perkins moved that the minutes of November 7, 2007 be approved as circulated. The motion was seconded by Ms. Tokunaga and unanimously carried.**

**COMMUNICATIONS**

**A) Communication No. 08-01, dated January 28, 2008, from Lincoln S. T. Ashida, Corporation Counsel, regarding Ethics Guide for County Employees - Distribution List.**

**B) Communication No. 08-02, Training Notice from Lincoln S. T. Ashida, Corporation Counsel, on "Sunshine Law."**

**MOTION: Mr. Perkins moved to accept and file both communications. The motion was seconded by Ms. Provalenko and unanimously carried.**

**NEW BUSINESS**

**A) Review of Council Salaries**

**Mr. Ben noted that the Commission had been in agreement at the last meeting to place this item on the agenda, as the executives had received three increases since the new salary schedule went into effect in 2004 while the Council remained static. He noted that the Commission has before them the existing salary schedule for the Council positions and a comparison of salaries for county jurisdictions.**

**Ms. Nitahara distributed information on updates that she just received. She noted that on January 1, 2009, the Kauai Council Chair will move up to \$59,699; and the Council members will move up to \$53,066. Another increase is scheduled for January 1, 2010 where the Council Chair will move up to \$63,879 and the members to \$56,781. She noted that the City & County of Honolulu will be reviewing their council's pay rates this summer.**

**Mr. Ben said the Commission should also keep in mind that the City & County's commission just awarded their executives pay increases of 8- 13%, so he thinks it would be a safe assumption that they may be doing something similar this summer for the Council salaries.**

**The primary moving force for the Maui rates of \$71,500 and \$66,500 was the regular full- time work that their commission equated their Council with.**

**In response to questions regarding procedures on the other islands, Mr. Ben noted that every island is different. They all have salary commissions, but the Hawai`i County Salary Commission is the only one with absolute power. For the City & County, their Council has to vote down the pay increase by a two- thirds vote, otherwise it will pass.**

**The Commission questioned whether the Hawai`i County Council members had full- time jobs and whether their Council jobs extended beyond part- time.**

**Mr. Ben responded that he did not know, although he would venture to guess that they do have other jobs. He did note that there are no provisions for them, unlike for department heads and attorneys, stating that they can't have any other substantial employment.**

**Ms. Tokunaga stated that she considers the Council's job to be similar to teachers who put in extra hours outside of the classroom that they do not account for.**

**Mr. Matsuda stated that picking up from what Mr. Ben said about the Council not having a bar like other County employees, the main thing for them is that if an issue comes up that may have a financial impact on them, then it's up to them to recuse themselves and for the Council Chair to recognize that recusal. They can have full-time jobs; whether they do or not, he doesn't know.**

**Mr. Matsuda pointed the Commission to Exhibit 10 of the updated pay data book, which gives the breakdown for fiscal year 2007-2008, including the populations of the different counties. He thought that might help the Commission in its decision.**

**Ms. Provalenko noted that Hawai'i County ranks second with a population base of 171,000, and has 4,000 square miles. Maui has a population of 141,000 with 1,100 square miles. The Commission needs to take the other jurisdictions into consideration too.**

**MOTION: Mr. Perkins moved that Council salaries be adjusted to an equivalent of what the executives had received. The motion was seconded by Ms. Provalenko.**

**Discussion:**

**Ms. Tokunaga reiterated her position, that this has been prolonged too long.**

**Mr. Ben noted that a year after April 1, 2004, there was an 8.64% increase to the salary schedule for executives. On January 1, 2007 there was an 8.1% increase to the salary schedule, and on 12/1/2007 there was a 4% increase to the salary schedule, amounting to approximately 20% without compounding. There were step movements in addition. 20% would bring the Council Chair up to \$52,188.**

**Vice Chair Inouye asked how it would affect the step movement plan for the Council.**

**Mr. Ben explained that the way they practice it for civil service employees is by effectuating the pay increase to the schedule first, so in this case the 20% would apply first, then move the person to the next step at whatever rate it changed to on December 1.**

**MOTION: Mr. Perkins moved to add that the pay adjustment be effective immediately. The motion was seconded by Ms. Tokunaga.**

**Discussion:**

Upon being asked to comment, Mr. Ben noted that “immediately” as used in the motion means right at the vote, which is going to involve all kinds of calculations.

Ms. Tokunaga asked when would be the best time. Usually all pay raises come at July 1.

Mr. Ben responded that generally, depending on how pressing the issue is, as in this case they haven’t had an increase in a long time, the Commission might award it, but it’s always prospective. Notice should be given to those people who have to find the money. July 1 is when the new fiscal year begins.

**MOTION:** Mr. Perkins moved to amend the amended motion to make the pay adjustment effective July 1, 2008. The motion was seconded by Vice Chair Inouye.

**Discussion:**

Mr. Matsui suggested that the Commission give Finance time to find money in the budget for the pay raises.

Vice Chair Inouye stated that the justification for the 20- 21% raises is that that is what the executives were given from 2004 to present. The Commission is basically matching what was given to them.

Mr. Ben calculated the compounding of the increases and stated that if the Commission were to give an increase comparable to what they had given the executives up to this point, they will need to award a 22.14% increase.

**MOTION:** Mr. Perkins moved to clarify the above motions to mean that a 22.14% increase be given to the Council effective July 1, 2008. The motion was seconded by Ms. Tokunaga and carried unanimously.

Mr. Ben further clarified that the action then is that the salary schedule for the Council will increase by 22.14%, and with the pay plan that is still intact, if a Council person gets re- elected, the Council person moves to the next step. The increases are effective July 1, 2008.

The beginning pay for a Council member goes up to \$47,928, and the beginning pay for the Chair would be \$53,220.

**B) Elect Chair, Vice Chair, and Secretary for Calendar Year 2008**

**MOTION:** Vice Chair Inouye nominated Mr. Perkins for Chair. The motion was seconded by Ms. Tokunaga and carried unanimously.

**Mr. Perkins was elected Chair for calendar year 2008.**

**MOTION: Vice Chair Inouye nominated Ms. Provalenko for Vice Chair. The motion was seconded by Ms. Tokunaga and unanimously carried.**

**Ms. Provalenko was elected Vice Chair for calendar year 2008.**

**MOTION: Chair Grace nominated Ms. Tokunaga as Secretary. The motion was seconded by Vice Chair Inouye and unanimously carried.**

**Mr. Ben noted that the position of Secretary for the Salary Commission has traditionally been to keep the Commission on point and focused, as well as to keep the discussion going.**

#### **NEXT MEETING DATE**

**The Commission tentatively reserved November 14 and November 25 as possible dates to hold its next meeting, in anticipation of possible requests for action by the new mayor coming into office in December.**

#### **ADJOURNMENT**

**The meeting adjourned at 10:00 a.m.**

**Respectfully submitted,**

**Searle W. Grace, Chair**