

**COUNTY OF HAWAII  
SALARY COMMISSION  
July 17, 2006**

**MINUTES**

**Chair Mann called the meeting to order at 10:34 a.m. in the Conference Room of the Department of Liquor Control, 101 Aupuni Street, Suite 230, 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. Michael J. Udovic, Deputy Corporation Counsel  
Mr. Michael R. Ben, Director of Personnel  
Ms. Joney Nitahara, Personnel Program Specialist  
Ms. Velma Y. Menezes, Secretary-Reporter**

**MINUTES OF MAY 11, 2006**

**MOTION: Mr. Mukai moved that the minutes of May 11, 2006 be approved as circulated. The motion was seconded by Mr. Inouye and unanimously carried.**

**COMMUNICATIONS**

**A) Communication No. 06-03, dated June 28, 2006, from Lincoln S. T. Ashida, Corporation Counsel, regarding Office of Information Practices Opinion No. 06-04 concerning the authority of agencies to redact certain information of third parties contained in public written testimony submitted to board or commissions.**

**The Commission noted the receipt of the above communication and that no action needed to be taken.**

## UNFINISHED BUSINESS

**A) Report from Tier Review Committee on initial meeting regarding the study of pay schedule for commission-appointed department heads (Fire, Police, Liquor, Civil Service).**

**Mr. Inouye reported that the Tier Review Committee, consisting of himself, Mr. Grace, and Mr. Ishii, met on June 16, 2006. Chair Mann also attended.**

**The Committee's task was to review the pay schedules for those department heads that are appointed by a commission versus those department heads appointed by the executive branch, which is the Mayor. These four positions, the Fire Chief, Police Chief, Director of Liquor Control, and Director of Personnel, tend to be career-oriented type of department heads so that even with the Mayor changing, they're still in their positions serving at the grace of their respective commissions.**

**After much discussion, the Committee came up with a recommendation of a step movement plan for these four department heads on top of their salaries. The Committee recommends that the schedule be extended with five additional steps and a 1% increase between each step. The department head would need to stay on a step for a minimum of at least two years, and at the end of the two years they would be eligible for the step movement in pay.**

**The commission that oversees the department head would need to come in front of the Salary Commission and ask for a raise if they want to compensate the department head for longevity in that position.**

**Mr. Mukai asked whether this plan would be retroactive.**

**Chair Mann responded that they should first decide what they're going to do, then address that issue and work back to where they want to go. Basically they're adding five more steps and capping it only for those career people, and the schedule itself will be reviewed every two years. In the meantime, everyone can give some thought to the retroactive issue.**

**Mr. Inouye noted that the salary schedule is effective April 1, 2005.**

**Mr. Ben stated that staff can draft the proposal for the Commission.**

**Chair Mann asked for Mr. Ben's opinion on whether the proposal seems fair.**

**Mr. Ben noted that 1% (between steps) doesn't keep up with cost of living. Employees (subordinates) average at least 3% per year, sometimes even higher. The Salary Commission gives the County Council 2% every time they get re-elected.**

While he understands that the baseline could increase 3% and the commission-appointed department heads would get another 1% on top of that, in reality they don't always have strong Commissioners who will take the necessary steps to give increases. There are often lapses of ten to fifteen years before anything is done. He's sat through years of testimony of "now is not the time," while employees were getting 3-5% increases in the meantime.

Mr. Ben noted that in the proposed ten-step schedule, there's no requirement for the first five years for the commission to come before the Salary Commission for the 1% step movement increase. However, for the second five years, is the Salary Commission saying they want the commission to request the step movement? (Mr. Ben also noted that there is a provision right now that allows an appointing authority to request appointment to a higher step for compelling reasons.)

Chair Mann responded in the affirmative. For instance, if a commission wants to retain a department head who might be thinking of leaving for higher pay somewhere else, he doesn't see any reason why they can't come in and ask for a step movement(s).

Mr. Ben suggested that language be developed so that commissions know that they can do that.

Mr. Mukai suggested taking the verbiage "new" out of the schedule where it says "all new appointees."

Mr. Ben noted that the existing language reads "all new appointees are to be compensated at Step A . . . ." An appointing authority (the person who makes the appointment, or the commission) may request the Salary Commission to allow for the appointment to be at a higher step. The Salary Commission can change it to allow them to address the existing incumbents.

Mr. Ben stated that he will develop the language and salary schedules for the next meeting.

Chair Mann requested that it be faxed or emailed to everyone.

Mr. Mukai noted that if the verbiage can address all appointees versus new appointees then the Commission wouldn't have to discuss the retroactive issue because the additional verbiage would address that issue with the commission coming in to request increases.

B) Decide whether to proceed with a session on cost of living.

Mr. Grace stated that if there's a cost of living adjustment to be made, the requesting commission would come in to state their case with supporting figures.

Chair Mann noted that everybody has the same cost of living. If they address the whole grid, that should take care of it.

**NEW BUSINESS**

**A) Review of pay schedule for Elected Officials, Department Heads, and Deputies**

**Mr. Ben noted that this item was on the agenda, as the current pay schedule is up for the Commission's two-year review (the current schedule that exists was developed in 2004).**

**Chair Mann stated that they just reviewed the pay schedule for the department heads and deputies. They will need to look at this in a couple of months for adjustments and need a four to six month head start on it.**

**NEXT MEETING DATE**

**The Commission scheduled its next meeting for Monday, August 21, 2006, at 10:30 a.m., at the Liquor Commission's conference room in Kona.**

**ADJOURNMENT**

**The meeting adjourned at 11:03 a.m.**

**Respectfully submitted,**

**Paul Mann, Chair**

**vym**