



SALARY COMMISSION
CITY AND COUNTY OF HONOLULU
530 South King Street, Room 202
Honolulu, Hawaii 96813

MINUTES OF THE COMMISSION'S FIRST MEETING:
JANUARY 29, 2019

1. CALL TO ORDER

Acting Chair Kevin Sakamoto called the meeting to order on Tuesday, January 29, 2019 at 3:03 p.m. in the Council's Committee Meeting Room.

2. ATTENDANCE

Commissioners present at the meeting: Kevin Sakamoto, Guy Tajiri, Gerald Takeuchi, Brian Tamamoto, Claire Yuen, and Diane Peters-Nguyen (arrived after start of meeting)

Commissioners absent: Merle Kelai

Commission support staff present at the meeting: Todd Swisher, Legislative Analyst; Randall Young, Legislative Analyst

Commission attorney present at the meeting: Sarah Casken, Deputy Corporation Counsel

Others present: Gary Kurokawa, Mayor's Chief of Staff; Carolee Kubo, Director of Human Resources (DHR); Cori Shinkawa (DHR); Lila Tom (DHR); Melissa Ho (DHR)

3. ANNOUNCEMENT OF COMMISSIONERS

Acting Chair Sakamoto introduced the five Commissioners present at the beginning of the meeting. Commissioner Merle Kelai was absent and Commissioner Diane Peters-Nguyen joined the meeting in progress.

4. EXECUTIVE SESSION: PURSUANT TO HAWAII REVISED STATUTES SECTIONS 92-4 AND 92-5(a)(4) FOR THE PURPOSE OF CONSULTING WITH THE COMMISSION'S LEGAL COUNSEL ON QUESTIONS AND ISSUES CONCERNING ITS POWERS, DUTIES, PRIVILEGES, IMMUNITIES AND LIABILITIES IN SETTING SALARIES AS SET FORTH IN THE CHARTER

A motion was made by Commissioner Tamamoto, pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a)(4), to convene into Executive Session to consult with the Commission's legal counsel on questions and issues concerning the Commission's powers, duties, privileges, immunities and liabilities in setting salaries as set forth in the

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City Charter. The motion was seconded by Commissioner Takeuchi. The Commissioners unanimously voted to enter into Executive Session and the Salary Commission recessed at 3:06 p.m.

RECONVENE

Acting Chair Sakamoto called the meeting back to order at 3:27 p.m.

5. ELECTION OF OFFICERS

Acting Chair Sakamoto explained that the City Charter requires that the Commission select a Chair and stated that he would be willing to continue in that capacity. Commissioner Tamamoto thanked Acting Chair Sakamoto for his willingness to serve. Acting Chair Sakamoto then opened the floor to nominations. Commissioner Peters-Nguyen nominated Acting Chair Sakamoto. The motion was seconded by Commissioner Tamamoto. With no further nominations, the nominations were closed. By acclamation, Acting Chair Sakamoto was elected as Chair.

Chair Sakamoto explained that, pursuant to the Commission's rules, the Commission also elects a Vice-Chair who acts as the Presiding Officer in the absence of the Chair. He noted that Commissioner Brian Tamamoto served as Vice-Chair in 2018 and, with the support of his fellow Commissioners, he would be willing to continue to serve in that capacity. Chair Sakamoto opened the floor for nominations. Commissioner Tajiri nominated Commissioner Tamamoto. The motion was seconded by Commissioner Peters-Nguyen. With no further nominations, the nominations were closed. By acclamation, Commissioner Tamamoto was elected as Vice-Chair.

6. APPROVAL OF MINUTES OF APRIL 24, 2018

There was a motion by Vice-Chair Tamamoto to approve and file the minutes of the April 24, 2018 meeting. Commissioner Tajiri seconded the motion. There were no corrections. Hearing no objections from the six Commissioners present, the minutes were approved as circulated.

7. APPROVAL OF MINUTES OF THE EXECUTIVE SESSION I ON APRIL 24, 2018

There was a motion Vice-Chair Tamamoto to approve and file the minutes of the first Executive Session meeting held on April 24, 2018. Commissioner Takeuchi seconded the motion. There were no corrections. Hearing no objections from the six Commissioners present, the minutes were approved as circulated.

8. APPROVAL OF MINUTES OF THE EXECUTIVE SESSION II ON APRIL 24, 2018

There was a motion Vice-Chair Tamamoto to approve and file the minutes of the second Executive Session meeting held on April 24, 2018. Commissioner Takeuchi seconded the motion. There were no corrections. Hearing no objections from the six Commissioners present, the minutes were approved as circulated.

9. TESTIMONY FROM INVITED GUESTS AND THE PUBLIC

Mayor's Chief of Staff Gary Kurokawa thanked the Commission for its letter dated January 22, 2019 inviting the Mayor and his Cabinet to submit testimony. He referenced written testimony distributed to the Commissioners at the meeting (and later filed with the City Clerk as Mayor's Message No. 7 (2019)) and stated that he would highlight three points. First, he asserted that due to the vastness of their responsibilities, City Directors and their Deputies are deserving of increases at least equal to that awarded to excluded managers ("EMs"). Therefore, he requested that Directors and Deputies be awarded a 2.25% increase to keep parity with what EMs received on July 1, 2018 and another 2% to match what Bargaining Unit 12 EMs will receive beginning July 1, 2019.

Second, he drew the Commission's attention to the fact that the City recently hired a subordinate Forensic Pathologist to work under the Deputy Medical Examiner, and the subordinate's annual salary of \$240,000 exceeds that of the Deputy Medical Examiner (\$239,808). To address this inversion, he requested that the salary of the Deputy Medical Examiner be adjusted to \$252,000, an increase of roughly 5%.

Third, he stated that the City Administration had experienced difficulty in filling certain Director and Deputy Director positions because the individuals best suited for those positions occupy civil service positions with higher salaries and would therefore experience a pay cut in return for assuming greater responsibilities. He requested that the Commission consider adding a row to its table of recommendations stating the following: "Notwithstanding the foregoing, if a civil service employee is on leave without pay to work in an exempt department head or deputy department head position and the base pay that employee would have received had he/she remained in the civil service position is greater than the pay set by the Salary Commission, the employee shall receive the pay he/she would have received had he/she remained in the civil service position." He noted that instances of the above in the City's workforce are rare, but the change would make it easier for the City to hire qualified individuals in such cases.

Commissioner Takeuchi asked how the pay scale for the Forensic Pathologist position was determined. Dr. Christopher Happy, Medical Examiner, was unable to attend the meeting and Director of Human Resources ("DHR") Carolee Kubo spoke on his behalf. She stated that the City Administration came to the Council on multiple occasions to ask for salary increases for the position due to the difficulty of recruiting candidates from a finite pool when mainland jurisdictions pay more. She noted that the request for a 5% increase to the salary of the Deputy Medical Examiner would elevate his pay above that of his subordinates and compensate him for assuming administrative duties. Chief of Staff Kurokawa added that the pay scale was essentially market driven.

Addressing Chief of Staff Kurokawa's testimony, Vice-Chair Tamamoto commented that the 2018 Commission's recommendation of a 4% increase to the salaries of Directors and Deputy Directors included the 2.25% increase awarded to EMs effective July 1, 2018 and was not an oversight. He then asked if the \$240,000 given to the Forensic Pathologist hit the maximum for an EM at that position. Director Kubo said she would

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get back to the Commission with that information, but that \$240,000 was what it took to attract a candidate. While the City Administration may have attracted someone more quickly by offering an even higher salary, they were reluctant to invert the Deputy Medical Examiner. In response to a question from Vice-Chair Tamamoto, Director Kubo stated that the City had looked at what a wide variety of metropolitan areas pay Forensic Pathologists and that Hawaii's lower pay and cost of living made the City's offer less attractive. She further stated that while the Salary Commission's recommendations for Directors and Deputy Directors reflected the 2.25% awarded to Bargain Unit 13 EMs effective July 1, 2018, the Mayor's directive was amended to add a 4% progression retroactive to July 1, 2018 in response to concerns from Police and Fire EMs. That decision was not made until the fall of 2018. In response to a question from Chair Sakamoto, Director Kubo stated that inversion of the Deputy Medical Examiner would not be expected to happen in succeeding years following the requested 5% increase.

Director of Human Resources ("DHR") Carolee Kubo referred the Commissioners to a packet of information DHR prepares for the Salary Commission every year. (The packet, with a cover letter dated January 29, 2019, was later filed with the City Clerk as Departmental Communication No. 48 (2019).) She invited the Commissioners to review the packet and to ask questions of her staff at the next meeting. Commissioner Takeuchi asked Director Kubo to introduce the staff she had brought with her to the meeting, and she named Lila Tom, Melissa Ho, and Cori Shinkawa Kobashigawa. Denise Miyahara, whom the Commissioners were familiar with, would be available at the next meeting.

Commissioner Tajiri asked for an update on where the bargaining units were in their negotiations. Director Kubo noted that the increases granted to Bargaining Unit 12 (Police Officers) and UPW Bargaining Units 1 and 10 were reflected in Attachment H of the packet ("Bargaining Unit Wage Settlements and Excluded Managerial Employee Increases as of December 31, 2018"). Hearings with Fire Fighters were ongoing and no arbitration decision had yet been rendered. An arbitrator had been selected for HGEA's bargaining units with hearings to be scheduled for spring and summer. Pending contracts will be effective July 1, 2019 and, therefore, many of them will not make the cutoff for funding by the State Legislature. If information on the HGEA bargaining units becomes available by April, Director Kubo promised to provide it to the Commission.

There was no testimony from the public.

10. PERMITTED INTERACTION GROUP ("PIG")

Chair Sakamoto explained that a Permitted Interaction Group ("PIG") of the Salary Commission consists of three members or less, because it must be less than a quorum, and the process requires three meetings: 1) the first meeting is to establish the PIG; 2) the second meeting is for the PIG to present its recommendations to the Commission, and 3) the third meeting is for the Commission to deliberate and to make decisions. If the Commission believes a PIG is necessary to conduct an investigation regarding setting the salaries of those positions stated in the Charter, the Commission may vote to form a PIG and may vote on whom should serve on the PIG in the event that there are more

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than three volunteers. Chair Sakamoto also stated that the Commission need not decide at the current meeting if it wished to establish a PIG.

Chair Sakamoto then opened the matter up for discussion. Vice-Chair Tamamoto moved to establish a PIG to investigate salaries for those positions stated in the Charter. The motion was seconded by Commissioner Peters-Nguyen. Chair Sakamoto called for a vote. There being no objections from the six Commissioners present, the PIG was established.

Turning to discussion of who should serve on the PIG, Commissioner Takeuchi volunteered. Commissioner Peters-Nguyen and Vice-Chair Tamamoto also volunteered. There being no other nominees, Chair Sakamoto announced that the PIG to investigate salaries for those positions stated in the Charter would consist of Commissioner Takeuchi, Commissioner Peters-Nguyen, and Vice-Chair Tamamoto.

11. SCHEDULING OF NEXT MEETING

Chair Sakamoto referred to a proposed calendar showing tentative meeting dates. He explained that setting dates in advance gives staff preparation time for items requiring deadlines and enables the Commission to reserve the Council's Committee Meeting Room. Meeting dates are subject to change whenever the situation arises. Chair Sakamoto noted that, by Charter, the Commission must establish salaries and salary schedules by no later than the first day of May. Furthermore, since the Commission voted to establish a PIG, at least two more meetings would be required.

Chair Sakamoto asked the Commissioners to review their schedules and confirm that they would be available for a second meeting on Tuesday, March 5th at 1:30 p.m. Commissioner Peters-Nguyen noted that this date was a departure from the Tuesday, February 19th date proposed on the agenda. Chair Sakamoto confirmed the recommendation of March 5th and the clarification on the year. Chair Sakamoto also recommended that the date proposed for the third meeting, Tuesday, March 12th, be pushed back to Tuesday, April 2nd at 1:30 p.m. The Commission's fourth and final meeting would stand as proposed on the agenda for Tuesday, April 16th at 1:30 p.m. Hearing no objections from the six Commissioners present, the schedule of meetings was set, subject to change by the Chair.

12. ADJOURNMENT

There being no further business, Commissioner Tajiri moved to adjourn the meeting, and Commissioner Yuen seconded the motion. Hearing no objections from the six Commissioners present, the meeting adjourned at 3:53 p.m.

Respectfully submitted,



Todd Swisher
Legislative Analyst