



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

MINUTES OF THE COMMISSION'S SECOND MEETING:
MARCH 5, 2019

1. CALL TO ORDER

Chair Kevin Sakamoto called the meeting to order on Tuesday, March 5, 2019 at 1:30 p.m. in the Council's Committee Meeting Room.

2. ATTENDANCE

Commissioners present at the meeting: Kevin Sakamoto, Merle Kelai, Diane Peters-Nguyen, Guy Tajiri, Gerald Takeuchi, Brian Tamamoto, and Claire ("Kimi") Yuen

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: Carolee Kubo, Director of Human Resources (DHR); Denise Miyahara (DHR)

3. APPROVAL OF MINUTES OF JANUARY 29, 2019

There was a motion by Commissioner Kelai to approve and file the minutes of the January 29, 2019 meeting. Commissioner Yuen seconded the motion. There were no corrections. Hearing no objections from the seven Commissioners present, the minutes were approved as circulated.

4. PUBLIC TESTIMONY

Chair Sakamoto asked if there was anyone from the City Administration or from the audience who wished to speak, but no public testimony was offered.

5. ANNUAL REVIEW OF SALARIES AND SALARY SCHEDULES PURSUANT TO SECTION 3-122 OF THE REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU

Presentation from the Permitted Interaction Group ("PIG") on its findings and recommendations relating to modifications to the salaries and salary schedules of

SALARY COMMISSION MINUTES
March 5, 2019

the elected and appointed officials listed in Section 3-122 of Revised Charter of the City and County of Honolulu, including:

- **Mayor;**
- **Council Chair;**
- **Councilmembers;**
- **Prosecuting Attorney;**
- **First Deputy Prosecuting Attorney;**
- **Managing Director;**
- **Deputy Managing Director;**
- **Department Heads;**
- **Deputy Department Heads;**
- **Police Chief;**
- **Deputy Police Chiefs;**
- **Fire Chief;**
- **Deputy Fire Chief;**
- **Medical Examiner;**
- **Deputy Medical Examiner;**
- **Band Director;**
- **Corporation Counsel;**
- **First Deputy Corporation Counsel;**
- **Schedule of salaries of deputies of the corporation counsel; and**
- **Schedule of salaries of deputies of the prosecuting attorney.**

Chair Sakamoto reviewed the Commission's responsibilities under Section 3-122 of the Revised Charter of the City and County of Honolulu (2017 Edition) ("Charter"), listing the positions for which the Commission must make recommendations. He then invited the PIG formed at the previous meeting to report on the findings and recommendations it arrived at relating to the setting of salaries and salary schedules for these positions. He reminded the other Commissioners that, following the report, they would be able to ask clarifying questions of members of the PIG, but that deliberation and decision-making, if any, could not occur until the next meeting.

Vice-Chair Tamamoto gave the report on behalf of the PIG, which also consisted of Commissioners Peters-Nguyen and Takeuchi. Vice-Chair Tamamoto reported the PIG's recommendation of a 3.5% increase effective July 1, 2019 for the elected and appointed positions under Section 3-122 of the Charter. He summarized the materials the PIG reviewed, noting that the 2019 Consumer Price Index ("CPI") for Honolulu was not available at the time of its deliberations.

In reference to the testimony submitted by the Mayor's Chief of Staff at the Commission's previous meeting, filed with the City Clerk as Mayor's Message No. 7 (2019), he stated that the PIG had taken no action on the requested 2.25% increase for Department Heads and Deputy Department Heads to keep parity with excluded managers, given that the 4% recommended by the Salary Commission effective July 1, 2018 was fair, especially in light of the CPI for that year. Vice-Chair Tamamoto stated that the Commission had no part in the additional progression increase awarded to

SALARY COMMISSION MINUTES
March 5, 2019

excluded managers and that, therefore, the step progression should not serve as a benchmark for the Commission's decision.

Vice-Chair Tamamoto reported the PIG's recommendation to increase the Deputy Medical Examiner's salary by 10%, rather than the 5% increase requested by the City Administrator. The PIG based its recommendation on the following information:

First, the City recently hired a Forensic Pathologist at a starting salary of \$240,000, which is more than the 2018 salary of the Deputy Medical Examiner (\$239,808), a higher-level position. The City had experienced difficulty recruiting Forensic Pathologists due in part to the high demand nationwide for forensic pathologists in response to the opioid crisis, creating the need to offer the \$240,000 salary. To avoid the current salary inversion, the PIG recommended that the Deputy Medical Examiner's salary be substantially increased to reflect the additional administrative responsibilities of the Deputy Medical Examiner above those of the subordinate Forensic Pathologist.

Second, the PIG noted that the pay differential in 2018 between the Deputy Medical Examiner and the Medical Examiner of \$59,094, or nearly 25%, was much greater than the typical pay differential of 5% for other City department heads and their deputy head(s). The recommended 10% increase would narrow the pay differential between the Deputy Medical Examiner and the Medical Examiner. The PIG further recommended that the Deputy Medical Examiner receive an additional 3.5% increase in line with the recommended increase for other elected and appointed officials.

With regard to the language proposed by the Mayor's Chief of Staff to be added to the Commission's table of recommendations, Vice-Chair Tamamoto reported that the PIG took no action. He noted that the proposal would create salary differentials among Department Heads and Deputy Department Heads and that civil service employees who go on leave to accept exempt appointed positions have return rights to their former positions. Upon returning to their former position, they would receive salary adjustments equivalent to what they would have received had they stayed in that position. Commissioners Peters-Nguyen and Takeuchi had no additional comments.

Chair Sakamoto thanked the PIG for its work and asked if the other Commissioners had any clarifying questions. In response to questions from Commissioner Tajiri, Vice-Chair Tamamoto stated that the PIG had met twice, with Denise Miyahara of the Department of Human Resources ("DHR") attending the first meeting. The Commission's legal support from the Department of the Corporation Counsel ("COR"), COR Deputy Sarah Casken, was not present, but she was consulted by email on two occasions for clarifications.

Commissioner Tajiri asked for clarification regarding the intent behind the City Administration's request for the addition of language relating to civil service employees on leave without pay to work as Department Heads or Deputy Department Heads. Would the City Administration expect this language to be a part of the Salary Commission's report to the Council every year going forward? Vice-Chair Tamamoto suggested that the City Administration would be in a better position to answer the

SALARY COMMISSION MINUTES
March 5, 2019

question and invited DHR Director Kubo to come forward. Director Kubo explained the reluctance of civil service employees to take on an appointed position when doing so would involve a pay cut and would impact their retirement benefits. Commissioner Tajiri stated that he understood the intent behind the language, but that there was some confusion as to whether the language could simply be added to the Salary Commission's table of proposed salaries or whether a change would need to be made to the City Charter. Director Kubo stated that the intent was to amend the Charter to allow for exceptions as detailed in the proposed language. Commissioner Tajiri then asked what the PIG's understanding of the proposal was, and Vice-Chair Tamamoto reported that he had consulted with COR Deputy Casken, who had opined that adding the language to the Table of Recommendations was under the purview of the Commission and would not require a change to the Charter. Vice-Chair Tamamoto stated that it was incumbent on the City Administration to quantify the impact on pension benefits and expressed concern about the implications of the proposal for individuals who leave higher-paying jobs in the private sector to serve in appointed positions.

Commissioner Tajiri asked, with the Chair's concurrence, that COR Deputy Casken be called to testify. In response to a question from Commissioner Tajiri, COR Deputy Casken stated it was her understanding that the Mayor's Chief of Staff was not proposing an amendment to the Charter but rather an additional row in the Commission's table of recommended salary modifications. In light of the apparent conflict between this understanding, which was communicated to the PIG, and the statement about amending the Charter made by the DHR Director, a motion was made by Vice-Chair 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. The motion was seconded by Commissioner Peters-Nguyen. The Commissioners unanimously voted to enter into Executive Session and the Salary Commission recessed at 1:50 p.m.

RECONVENE

Chair Sakamoto called the meeting back to order at 1:56 p.m. Commissioner Kelai asked if the Commission would be voting on the PIG's recommendations. Chair Sakamoto reminded Commissioner Kelai that deliberation and decision-making on the PIG's recommendations could not take place until the next meeting.

6. SCHEDULING OF NEXT MEETING

Chair Sakamoto stated that the Commission's next meeting would be the Public Hearing scheduled for Tuesday, April 2, 2019 at 1:30 p.m. in the Council Committee Meeting Room.

7. **ADJOURNMENT**

There being no further business, Commissioner Kelai moved to adjourn the meeting, and Commissioner Tajiri seconded the motion. Hearing no objections from the seven Commissioners present, the meeting was adjourned at 1:57 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Todd Swisher". The signature is written in a cursive style with a large initial "T" and a long horizontal flourish at the end.

Todd Swisher
Legislative Analyst