

RESOLUTION

INITIATING AMENDMENTS TO THE REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU 1973 (AMENDED 2017 EDITION), AS AMENDED, RELATING TO SALARIES.

WHEREAS, Section 3-122, Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended ("Charter"), creates an independent Salary Commission of the City and County of Honolulu ("City") to annually establish:

- (1) The salaries of all elected officials, including the Mayor, Councilmembers, and Prosecuting Attorney, and the following appointed officials: the Managing Director, Deputy Managing Director, department heads, deputy department heads, and Royal Hawaiian Band Director; and
- (2) The schedules for salaries of the deputies of the Department of the Corporation Counsel and the Department of the Prosecuting Attorney; and

WHEREAS, the Salary Commission was first proposed by the 1981-1982 Charter Commission to create a permanent, equitable means for setting of salaries for the policymakers of the City; and

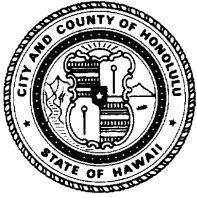
WHEREAS, prior to 1985, the salaries of department heads and the Mayor were determined by a formula established by ordinance, which factored into negotiated collective bargaining agreement salaries, and the salaries of Councilmembers were set by the City Council ("Council") itself; and

WHEREAS, in the 1984 general election, the voters approved an amendment to the Charter to create a Salary Commission for the setting of salaries of the Mayor, Councilmembers, and the Prosecuting Attorney; and

WHEREAS, the 1991-1992 Charter Commission, believing the Salary Commission would be more objective in the setting of salaries, proposed that the Salary Commission also be given the power to set the salaries and salary schedules of various appointed City officials; and

WHEREAS, in the 1992 general election, the voters approved the expansion of the Salary Commission's authority; and

WHEREAS, Charter Section 3-122.3 requires the Salary Commission to set salaries in accordance with the principles of adequate compensation for work



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performed, and preservation of a sensible relationship with the salaries of other City employees; and

WHEREAS, Charter Section 3-122.2 provides the Council with the authority to alter or reject its own salary increases as recommended by the Salary Commission; and

WHEREAS, Charter Section 3-122.2 arguably places the Council in a position that could be construed as a conflict of interest, as the Council is charged with the discretion to explicitly reject or implicitly accept the Salary Commission's resolution, which may alter the Councilmembers' compensation, giving the Council the final decision on whether to increase its members' own salaries; and

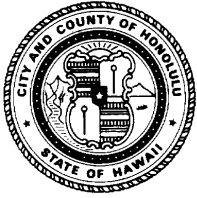
WHEREAS, the current process has resulted in the Council receiving no raises in 19 out of the last 34 years, often because the Council rejected its own raises via resolution or requested the Salary Commission to recommend no salary adjustments; and

WHEREAS, an independent market study was commissioned to evaluate executive and legislative branch salaries compared to similar jurisdictions, which found that the 2022 City and County of Honolulu salaries were far below average, including: Mayor 27% below average, Councilmembers 46% below average, and Department Heads as much as 49% below market, and were also paid less than counterparts in Maui County, Hawai'i County, and the State Legislature, despite Councilmembers having a year round schedule and districts that are two to nine times larger than State Representatives' districts; and

WHEREAS, this resulted in a situation in which Councilmember salaries no longer had a sensible relationship with the salaries of other City employees, which was a significant contributing factor in the Salary Commission's recommendation of a one-time, catch-up raise in 2023; and

WHEREAS, the controversy caused by this one-time, catch-up raise highlighted the inherent flaws in the City's existing process for establishing the salaries of its elected officials and certain appointed officials; and

WHEREAS, the Council believes amending the City's process of setting salaries and salary schedules for elected officials and certain appointed officials is necessary to restore public trust; and



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WHEREAS, pursuant to Charter Section 15-101, the Council may initiate, by resolution, amendments to the Charter; and

WHEREAS, pursuant to Charter Section 15-102.1, the Mayor's approval is required for any Charter amendment proposed by the Council at a general election held in a year ending in a "4" or an "8"; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu:

1. That the following question be placed on the 2024 general election ballot:

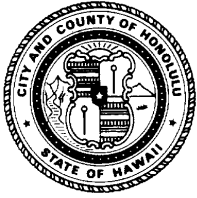
"Shall the Revised City Charter provisions relating to the salaries for Councilmembers be amended to cap any annual increase at no more than five percent, require that any changes be tied to the average annual salary changes of city employees in the City's collective bargaining units, and remove the Council's authority to vote on its own raises?"

2. That Section 3-122 of the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended, be amended to read as follows:

"Section 3-122. Salary Commission –

1. There shall be an independent salary commission to establish the salaries of ~~[all]~~ the following elected officials~~[-including]~~: the mayor, councilmembers, and prosecuting attorney, and the following appointed officials: managing director, deputy managing director, department heads, deputy department heads, and band director. The commission shall also establish schedules for salaries of deputies of the corporation counsel and prosecuting attorney. The commission shall consist of seven members, who shall serve for staggered terms of five years and until their successors have been appointed and qualified. The initial appointments shall commence no later than January 15, 1993, and shall be as follows:

- | | | |
|-----|---|-------------|
| (1) | Two members, one appointed by the mayor
and one appointed by the council | Two years |
| (2) | Two members, one appointed by the
mayor and one appointed by the council | Three years |



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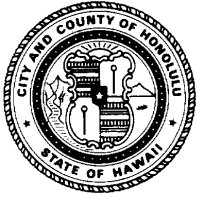
- (3) Two members, one appointed by the mayor and one appointed by the council Four years
- (4) One member appointed by the mayor and confirmed by the council Five years

Each succeeding appointment shall be for a term ending five years from the date of the expiration of the term for which the predecessor had been appointed. The commission shall elect a chair from among its members and the commission shall act by a majority vote of its membership. Any vacancy shall be filled in the same manner and by the same appointing authority as for an original appointment.

2. The commission shall convene annually no later than the first day of February, and shall, after holding at least one public hearing, establish salaries and salary schedules in accordance with this section no later than the first day of May subsequent ~~[thereto, said]~~ thereto. The salaries and salary schedules [to be] set by the salary commission will become effective prospectively [from] on the first day of the fiscal year subsequent to their adoption by the [commission.] commission, subject to subsection 3. The commission may meet at other times during the year pursuant to its own rules, but may alter salaries and salary schedules no more than once annually.

3. Any action of the commission altering the salaries shall be by ~~[resolution]~~ resolutions accompanied by findings of ~~[fact. Said resolution]~~ fact, which shall be filed with the office of the city clerk and forwarded to the mayor and the [council but] council. A resolution altering the salaries of councilmembers shall be separate from the resolution altering the salaries and salary schedules of the other positions. The resolution altering the salaries and salary schedules of positions other than councilmembers shall take effect without [their] the concurrence of the council sixty calendar days after its adoption unless [rejected] rejected, in whole or in part, by a three-quarters vote of the council's entire membership. [The council may reject either the entire resolution or any portion of it.]

~~[3.]~~4. The commission shall set salaries in accordance with this section, the principles of adequate compensation for work performed, and preservation of a sensible relationship with the salaries of other city employees.



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For the purposes of setting the salaries of councilmembers, preservation of a sensible relationship between those salaries and the salaries of other city employees requires that any salary changes for councilmembers be substantially equivalent to the average of the most recent annual salary changes of employees in the city's various collective bargaining units. In determining the average of the most recent annual salary changes of the city's collective bargaining positions, the commission shall consider the overall percentage of the salary changes for the collective bargaining unit as well as the salary changes that result from the employees' time in service, lump-sum payments, and any other relevant factors; provided that the commission may not increase the salary for councilmembers by more than 5 percent from one fiscal year to the next.

[4.]5. The commission shall establish its rules of procedure and adopt rules and regulations pursuant to law.

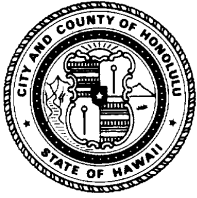
[5.]6. The commission shall employ consultants and staff as is necessary to assist it in the performance of its duties.

[6.]7. The members of the salary commission shall serve without compensation but shall be reimbursed for expenses, including travel [~~expense~~] expenses necessary for the performance of their duties."

3. That in Section 2 of this resolution, Charter material to be repealed is bracketed and stricken, and new Charter material is underscored. When revising, compiling, or printing these Charter provisions for inclusion in the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended, the Revisor of the Charter need not include the brackets, the material that has been bracketed and stricken, or the underscoring.
4. That the Revisor of the Charter, in revising, compiling, or printing the Charter, may change capitalization or the form of numbers and monetary sums for the sake of uniformity.

If the Charter provisions amended pursuant to this resolution are amended by any other Charter amendment(s) approved by the electors at the 2024 general election, the Revisor of the Charter, in revising, compiling, or printing the Charter:

- a. May designate or redesignate articles, chapters, sections, or parts of sections, and rearrange references thereto; and



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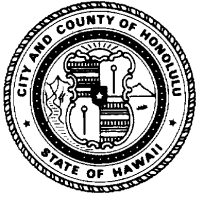
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- b. Shall, except as otherwise expressly provided in this resolution or in the other resolution(s) amending these Charter provisions, give effect, to the extent possible, to all of the amendments approved.

- 5. That upon approval of this resolution by the Council, and its approval by the Mayor, the City Clerk is hereby directed to:
 - a. Prepare the necessary ballots with the question contained in this resolution and with spaces for "yes" and "no" votes on the question for presentation to the electors at the 2024 general election. The City Clerk may make technical and nonsubstantive changes to the form of the question presented in order to conform it to the form of other Charter amendment questions presented to the electors at the same election; and

 - b. Publish the above-proposed Charter amendments at length in a daily newspaper of general circulation in the City and County of Honolulu at least 45 days prior to their submission to the electors at the 2024 general election.



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6. That upon approval of the Charter amendment question posed in Section 1 of this resolution by a majority of the electors voting thereon, as duly certified, the Charter amendments proposed in this resolution shall take effect on January 1, 2025.

INTRODUCED BY:

Tommy Waters

DATE OF INTRODUCTION:

April 11, 2024
Honolulu, Hawai'i

Councilmembers

APPROVED this _____ day of _____, 20 _____ .

 RICK BLANGIARDI, Mayor
 City and County of Honolulu