March 6, 2006

Honorable Louis Abrams, Chair
Charter Commission, County of Kauai
4444 Rice Street, Suite 235
Lihue, HI 96766

PAHIO RESORTS

Re: Proposed Charter Amendment for Salary Commission & County Council

Dear Chair Abrams and Members of the Charter Commission:

My testimony is in SUPPORT of a proposed amendment whereby the recommendations of the Kauai County Salary Commission would be effective unless vetoed by three-quarters of the Kauai County Council. My name is Lynn McCrory and I am the President of PAHIO Resorts, Inc. We are a locally owned and operated time share company that has five resorts on the island of Kauai. I am also a member of the Board of Water Supply.

Hiring qualified people in the private sector has become increasingly difficult with the current 2.8% unemployment rate. This rate means that there are more jobs than there are people to fill them. This rate is projected to go to 1.6% this year. We can expect to see multiple wage increases in order to retain employees and to obtain new employees. The County of Kauai is currently legislated to not have this occur for their key department and deputy positions.

In Kauai's private sector we have very few companies that manage the numbers of employees that are managed by County Department heads. You can be assured that paying in the private sector the current compensation levels that are paid by the County, would leave the jobs unfilled. We have seen this in the Public Works Department head position, and we are now in the process of looking for a head for the Water Department.

We cannot expect to compete with the private sector for staffing County positions if we do not pay similar compensation. Public service is an honorable profession, but they need to be able to support their families and their families' future. The Department Directors and Deputy Directors should earn more than any of their employees. This current inverse order only moves current County qualified people away from the top positions.

I humbly ask for your consideration to SUPPORT the Charter Amendment proposed.
Mahalo!

Me ke aloha pumehana
With warm aloha,

PAHIO RESORTS, INC.

Lynn P. McCrory

Lynn P. McCrory, RRP
President

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