

SALARY COMMISSION
COUNTY OF KAUAI
4444 RICE STREET, MOIKEHA BUILDING
MEETING ROOM 2A/2B
LIHUE, HAWAII 96766

MINUTES OF THE COMMISSION'S:

February 21, 2019 MEETING

1. **ATTENDANCE**

Commissioners present at the meeting: Kenneth Rainforth Chair; Robert Crowell Vice Chair; Trinette Kauai and Jo Ann Shimamoto.

Commission Support Staff: Ellen Ching Boards and Commissions Administrator and Mercedes Omo Support Clerk.

Commission Attorney Present: Deputy County Attorney Peter Morimoto.

Others present: Human Resource Manager III Jill Niitani and Acting Human Resource Director Janine Rapozo; Special guest: Mayor Derek Kawakami.
(arrived at 9:25 a.m. and left at 9:36 a.m.)

2. **CALL TO ORDER**

Chair Rainforth: Good morning, its 9:00 a.m. and I would like to call the Salary Commission meeting to order.

3. **CHAIR'S ANNOUNCEMENTS INCLUDING BUT NOT LIMITED TO:**

Chair Rainforth: The next scheduled meeting will be on Thursday February 28, 2019 at 9:00 a.m. in this same meeting room, Mo'ikeha, Building Meeting Rooms 2A and B. I assume that we are all scheduled to come to the meeting to review the draft of our new Salary Resolution.

Ms. Omo: If the Commission needs to hold another meeting, I went ahead and reserved the meeting room for Thursday, March 7, 2019 at 9:00 a.m.

4. **BUSINESS**

SC 2019-04 Approval of the February 14, 2019 Open Session Meeting Minutes

On a motion made by Ms. Kauai and seconded by Vice Chair Crowell, the Commissioners approved the meeting minutes of January 30, 2019.

Chair Rainforth: I have a minor correction on Page 13. I believe it was me and not Vice Chair Crowell that said, “Sitting down for a half and an hour face-to-face with Councilmembers really makes a big difference because they really respect the time you spend with them.”

Ms. Omo: Thank you Chair, your correction is noted.

Ms. Kauai: My correction is on the bottom of Page 3. The word “aren’t” is supposed to be the word “are” required to have degrees or an engineer license.

Ms. Omo: Thank you, Commissioner Kauai.

Chair Rainforth: If there are no more corrections, I will need a motion to approve the meeting minutes of February 14, 2019 as amended.

Ms. Kauai: Moved to approve as amended.

Vice Chair Crowell: Seconded the motion.

Chair Rainforth: Hearing no Opposition, the meeting minutes is approved as amended. Okay, the next order of business is item SC 2019-03.

On a motion made by Ms. Kauai and seconded by Vice Chair Crowell, the meeting minutes of February 14, 2019 was approved by a 4:0 vote.

Discussion and decision-making on submitting a salary resolution to establish the maximum cap for salaries for certain County officers and employees, included in Section 3-2.1 of the Kaua‘i County Code for Fiscal year 2019/2020.

Chair Rainforth: We have some new handouts and we’re now waiting for (inaudible). I was looking at the handout on the County Engineer and half way down on the page is a Comparison of Allowances. I remember us talking about apples and oranges and I see this kind of answers it.

What I would like to point out is where it says “mayor’s car/phone allowance and council car/phone allowance. I think that it’s most likely that those services are provided by the County for those individuals. Because I can’t imagine, the mayor or the councilmembers having to pay for their own cars and cellphones when they’re using it for work. I don’t know if that’s really true, but that’s what I think. Comments?

Ms. Kauai: On the bottom of the page where it says the mayor that council has an annual allotment of \$20,000 for expenses.

Vice Chair Crowell: Wasn’t the Commission more concerned that any of these allowances were already added into the salaries amounts that we saw? That was on the comparison. On the

comparison sheet the question is are these allowances cranked into the other allowances salaries? Was there an answer to that?

Ms. Shimamoto: I think that was the purpose because we would be looking at the salaries and the amount of the salaries would be different. Like what the one you have here for Kaua'i. Say for example, the police standard of conduct – yes, they do get an allowance but what is the amount of that allowance and is it included in the salary as stated here. Isn't that what we were looking for?

Vice Chair Crowell: I thought so.

Ms. Kaii: Yes. I guess what we wanted to confirm is if the other salaries from the other counties were based on salary only.

Vice Chair Crowell: Did we get that answer?

Ms. Shimamoto: I don't think so.

Ms. Ching: Chair, Ms. Omo is calling Human Resources to have them come to clarify. I also got an email from Ms. Rapozo and she said in response to your questions that the allowances were added into the compensation for Executive Appointees to give you an apples to apples comparison in regard to their subordinates and dealing with the inversions. In the inversions, all of it was added in to whatever allowances they had and then she attached. It appears that at least for police which has the biggest additional allowances; all the counties are relatively the same and you should have the handout relating to a comparison of the City and County of Honolulu, Maui County and Hawai'i Island County of allowances relating to police, fire, mayor and council as to whether they have allowances or not.

Chair Rainforth: What this handout also shows is that if it's not an allowance the counties are providing in most cases, county own cellphones and cars so that's part of the equation as well. You get an allowance for the car or you have the county provide a car, which to me is the same thing.

Vice Chair Crowell: Yes.

Ms. Kaii: I have a question on the four stars. It looks like Council has an allotment of \$20,000 for expenses per Councilmember

Chair Rainforth: It must be, because Honolulu has nine Councilmembers, right?

Ms. Omo: Acting HR Director Janine Rapozo should be on her way here.

Chair Rainforth: Do you really they get \$2000 a piece? I don't think so.

Ms. Ching: Jill is on her way.

Chair Rainforth: While we're waiting for Janine, the handouts that I had prepared last week. The second one that you got, I tried to clean it up a bit by – if you look at the top right corner you'll see one's KR 4 and one KR 5 (sic), the second one that's listed by resolution order. I tried to guess to do apples to apples so, I took out the allotment that we had for our Mayor and for the Councilmembers, Police and Fire to try to make it easier to apples to apples. Later on, in the week I kind of refined it a little bit and I was still looking at the spreadsheet and after reading the minutes the details that HR provided in all of those asterisks and plus signs and other stuff made it really difficult to read on it – for me. So, in the last spreadsheet that I prepared, I tried to clean it up so we could see it better. What's pretty much the same for the spreadsheets is we took Resolution 2017-2 numbers for all of the positions and added 2% and I rounded it to the nearest \$5.00. so that's consistent in these spreadsheets. I did find an error on one of the spreadsheets, on the one that's listed under Resolution order the one for the Fire Chief is \$100 short, it should read \$133,105 that's the only error I found so far.

Ms. Kauai: Some of the positions have 4.5% and some have 4.6%...

Chair Rainforth: The last handout that I just gave you I was thinking that we wanted to add more information so I did a percent increase that we're looking at the current salary to this potential proposed salary and they all came out to be 4.5% and 4.6%. I also took the liberty to look at what we needed to discuss today which is should we be changing anyone of those salaries up or down so, I just plugged in numbers that I thought would be good for discussion purposes and that's under the column that says Alternative?

Ms. Kauai: Okay.

Chair Rainforth: What I was primarily looking at for these potential alternatives is the inversion issue so, if you look at Police and Fire there are many individuals in those Departments that get substantively more pay than the Chief and Deputy. If you increase those amounts you kind of have to increase the Mayor's salary as well because as we have discussed before the Mayor should be the highest paid in the jurisdiction.

Ms. Shimamoto: Chair, I have a question. There's an increase in the Resolution is that's the green figures?

Chair Rainforth: Yes, the figures in the green column are the 2017 Resolution amounts which is about 2.5% over the previous. So it's that amount plus 2%.

Ms. Shimamoto: Okay, and the percentage changed to 4.5% to 4.6%?

Chair Rainforth: It's a spreadsheet and it does what it wants.

(Laughter)

Ms. Kauai: Chair, the percentage change is that a calculated amount – the 4.5% was that calculated after you plugged in the numbers? Is it a formatted column, the percent change?

Chair Rainforth: Yes.

Ms. Kauai: Thank you.

Chair Rainforth: We has some questions for Human Resources but I can't remember what specific questions that we had.

Ms. Ching: Chair, I think the questions were if the allowances when you have the spreadsheet with the comparisons of the different jurisdictions if the allowances were included in those salaries from the other jurisdictions. That's the question, right?

Vice Chair Crowell: Yes, I think that was the question.

At 9:25 a.m. HR Manager III Jill Niitani entered the meeting.

Ms. Ching: So, when we are looking at the salaries for the other jurisdictions if those include the allowances as well. And Janine had sent this to the question where she's saying yes, they have allowances but what they're asking is if they have allowances is that selected in the figure.

At 9:27 a.m. Acting HR Director and Mayor Derek Kawakami entered the meeting room.

Ms. Rapozo: Good morning.

Commissioners: Good morning Janine.

Ms. Rapozo: So, the question was whether the salaries included the allowances for the other counties. The answer is no, that's they're base salary.

Ms. Kauai: Thank you.

Vice Chair Crowell: Do we have that information?

Ms. Rapozo: Yes. If you look on the sheet the one that Ms. Ching just gave you it starts with the County Engineer's average salary at the top?

Ms. Kauai: Yes.

Ms. Rapozo: On the bottom of the page there is a chart and it shows all of the allowances on whether or not the other counties get it or not. So, for Police all of the other counties get the same thing that our Chief would get. For the Fire Chief nobody else has the uniform allowance and that's only \$420 but we give that to our Chief because the subordinates gets that.

The car and phone allowances no other county gets that – the council or the mayor. But if you look at the City and County of Honolulu there is a bunch of asterisks on what they actually get.

Ms. Shimamoto: Ms. Rapozo, I think the Commission was interested in figures. Do you have figures for the Commissioners?

Ms. Rapozo: For the Police it would be the exact same because we're just following the collective bargaining contract. So, the gun and uniform allowances would add up to \$16,820 would be for all of the counties and that would be consistent across the board.

Ms. Shimamoto: That's just the gun allowance?

Ms. Rapozo: The gun allowance would be \$1000 a year and I think the standard of conduct is a little over \$8000 a year and the subsidized vehicle is I think \$6000 (something) a year and the uniform is about \$420 a year which is the same as the Fire. But in total it's the \$16,820. I think the only difference with the other counties with police is some of their police deputies get an assigned City and County vehicle so rather than getting a subsidize allowance they get the vehicle itself.

Ms. Kauai: Ms. Rapozo, I have another question on the County Engineer average salary. As far as the four stars it shows that Council has an annual allotment of \$20,000 for expenses. Is that per councilmember?

Ms. Rapozo: Yes, they would use the money for their cellphone, mileage and they can even pay for cellphones for their staff. So that is for their different general expenses that they would come across.

Ms. Kauai: Thank you.

Chair Rainforth: And the Big Island doesn't have any compensation for the Mayor or the Councilmembers car and phone?

Ms. Rapozo: Yes, so what happens with them is if they want to they can submit their invoices for reimbursement or they may have a county issued cellphone.

Vice Chair Crowell: She answered all of my questions.

Chair Rainforth: Yes. Do you want to talk to the Mayor about something?

Vice Chair Crowell: (Laughter) Is the Mayor here for a reason?

The Honorable Mayor Kawakami: I'm just here to basically to tell you thank you for your willingness to serve. This is all a voluntarily position and the work that you do is very valuable

to us and I just wanted to have the opportunity to say thank you and that your job is not easy, but it's greatly appreciated. That's all that I came here for.

Chair Rainforth: I think we want to ask you about how you feel about increasing the salaries? I know in the communications that we have we were distributing some data and Commissioner Crowell was asking if we submit a resolution with increases above the resolution that was declined the last time would we have the support of the Administration?

Mayor Kawakami: Yes, sir, and I'll tell you why. I come from the private sector and we're coming into this Administration with the mindset that we want to run certain aspects like a business. Right now, we're having difficulties in retaining and recruiting for some very key positions – all the way from the top to the bottom folks. It's hard to compete with the private sector to get good qualified people with the right leadership skills so, we're asking for increases and we plan on getting that message out to the Council and to the public that hey, this is a realistic situation that we are dealing with.

I have my private sector lens on where we're looking at inefficiencies where we can save money, but we're being very realistic as to the challenges of recruiting good talent for an organization of this size and the magnitude of services and products that we offer our customers that we believe its warranted that certain positions merit this type of increase.

Chair Rainforth: During the discussion that we had last week, we focused on a strategy that instead of submitting a resolution where we think the salaries should be we thought that was maybe destined to be a failure at the Council so, we compromised and what we're proposing to do is submit a resolution with increasing in the salaries that were denied the last time, but not up to the level that the Commission believe it should be at. And the reasoning for that strategy was that you have a new Administration and most of the Councilmembers are new as well and we thought it would be prudent to be cautious in our recommendations for salary increases. But also, inform the Council that the Commission is being cautious and that for the next fiscal year, the Commission is planning on submitting salaries up to the level that we believe it should be.

Do you support that strategy or not?

Mayor Kawakami: I will support the decision of the Commission. Each and every one of you were recruited specifically because of your professionalism and that you have a good grasp as to what the lay of the land is. I come from a standpoint where I would like to give the Council a good honest opinion on where you think those salaries should be; whether it's staggered over the course of two years, you should be clear with the Council on that.

If you want to go in with a lump sum and say here is what we think the salaries should be. I understand that the Council is a political beast; each and every one of them is dependent on getting votes to be hired and so, they're tasked tremendously with making these very right and tough decisions. It's a tough decision to raise salaries because for our constituents at-large many of them view the salary increases as a form of government waste, but I don't subscribe to that

belief. We have some really good people and in order for us to be able to retain them or in this case, even recruit; we're trying to give them (I think) honest glances as to what we think would warrant the ability for this county organization to recruit that type of talent. And that's a tough thing, we all come to this table with different skills sets that Council is diverse. I wish that I could read the ti-leaves on how they are going to be able to grasp this proposal, but I can tell you it also comes with leadership and my ability to tell them this is what we're proposing – this is an honest realistic proposal.

I know it's a tough decision; it's like selling a tax increase but we did it. We were able to say this is the reality of our budget; we have to raise the GET surcharge in an election year. We need to raise property taxes on residential investment and TVR's in an election year while they are recovering from a disaster as well. But when it's done for the right reasons and with the right purpose and with integrity/honesty then I think we have a good chance to get this past the Council. It all comes down to whether or not I'm willing to go out there and put my neck on the line as well. Right? Because this proposal is coming from this side of the street – I'll say folks, this is not a popular decision but in this case it is the right thing to do.

Ms. Kauai: Chair, if I may. Thank you Mayor. We appreciate your support. I think some of the numbers we're coming to is because we are against time. We have to get a resolution in. So, when we spoke about it the increases there are almost (basically) like a cost of living increase.

I think one of our goals as a Commission is for the following year we will get more prepared as far as increases and also, maybe look at key performance indicators and I know that each appointing authority have their own way of evaluating their respective department heads distinguish performances. And maybe come up with some kind of another method of increases too so, hopefully we will be able to work on that and get more substantial for the next round.

Mayor Kawakami: I would like to thank all of you for your hard work and it's definitely a proposal I can stand behind either way.

Commissioners: Thank you Mayor Kawakami.

At 9:36 a.m. Mayor Kawakami, Janine Rapozo and Jill Niitani left the meeting room.

Ms. Ching: Chair, one of the things I would like to make the Commission aware of is some of the comments that I received from the Councilmembers yesterday when we went before the Council for the consideration of a new member to the Salary Commission. What they really strongly communicated (I felt) to me so I could bring it back to you that when a resolution comes up in Council's mind although the salary may not be commensurate with the private sector that there's consideration of a considerable benefits with County employment in terms of vacation, sick leave, retirement and holidays. Several of the Councilmembers stated that with the vacation, sick and the holidays its amounts to approximately more than 50 days of paid leave. So, I just wanted to put that thought in your mind because several of them mentioned that yesterday.

I know that one of the things that we would need to address in bringing forth a resolution is the recommendations of salary increases.

Ms. Kauai: Thank you Ellen. I think by the same token if you look at the Fire and Police Chiefs they don't get overtime so they can eat up those 50 days and then some. It's relative and we will keep that in mind. Good point.

Chair Rainforth: We haven't to my knowledge even compared any positions to the private sector so I really don't know. Are there any comments on how we can address this issue with the Council when we submit our resolution?

Vice Chair Crowell: I have to think about that one too.

Ms. Ching: You know, particular because the Administration has put forward testimony regarding the County Engineer and the difficulty in filling that position. Really taking some broad data about the private sector and what their benefits are – what their costs are. If I calculate the private sector has about a 50% increase on what is offered in the County as far as the base salary and I think the difference came out to about 25% difference even if you calculate in the additional benefit of all of those vacation days, there's still a 25% variance on the private sector versus the public sector. I have to say that coming from the private sector and never having worked in government, I think what is not widely known is the cost of health insurance in the public sector is huge in comparison to the private sector. So, I think there are plus's and minus's on both sides, but even with the additional benefits you cannot make-up especially for those positions that are technical and require advance degrees; you cannot make up the differences in the salaries.

Vice Chair Crowell: I like what Ms. Kauai said. I think O'ahu may throw us that curve. I think at the same time they have to realize that all of the Department Heads not just Police and Fire...

Ms. Kauai: Water.

Vice Chair Crowell: That all of the Department Heads do not receive any overtime. So, when they go to night meetings and they go to hearings or have to attend conferences or whatever they have to do. That's all on their own time so what they are being compared to as far as vacation, sick, etc. They don't have any overtime when they have to attend these other meetings. I think that's one way to try to skin. I also, liked what Ms. Ching is saying to that being in government I that health insurance payments are tremendous and till this day I can't figure out why. We're the biggest employer but have a really high of health benefits and I can't figure that one out. I feel sorry because a laborer in our Department who has to carry his family on his medical plan pays close to \$900 a month for medical. That's half of his paycheck.

Ms. Ching: I also believe that depending on what industry you work in the private sector. For me, I've worked with no-profit organizations my entire career and we did have 20 vacation days and we did have 13 holidays. I can't remember is we had 20 sick leave days from the very start

but certainly with years of service I definitely had 20 sick leave days. I think that it's widely known and to be competitive with the private sector; with the public sector that many private organizations have similar benefits equivalent to the public sector. Of course retail is different and hospitality maybe different but I think in many ways the public sector has lead "quote – unquote" in the labor in the area of the labor movement and labor standards. So, private sector in many ways have mimic that.

Ms. Kaui: I agree with you Ellen, coming from the private sector we do have comparable and profit sharing so we do reap more than what the County has.

Chair Rainforth: Okay, let's think about those issues and provide some strategy for our transmittal letter and talk about that at our next meeting. Let's continue on in looking at the numbers to try to establish what we want to submit to the County Council so, our County Attorney can draft a resolution.

Okay, so where do we begin? We can look at the latest spreadsheet that I handed out. When you look at the green column which is the numbers for salaries without any allocations or anything. Do you see any problems with those numbers?

Vice Chair Crowell: No, as a matter of fact, I thought those numbers were good to go.

Ms. Kaui: Yes. Chair, can I or we make a recommendation to have the County Attorney draft the numbers so at least we have something or would that be jumping the gun?

Chair Rainforth: Do you mean taking the numbers that are in green and plugging them in?

Ms. Kaui: Correct. Because next week is already the 28th. When do we have to submit a resolution?

Ms. Ching: March 15th.

Chair Rainforth: If you feel comfortable with the numbers that came from the math of the discussion last week. Also, the discussion last week was once we have those numbers we are going to look at it and say we are going to address the issue of the inversion for Police and Fire and if we do it would it effect anybody else. We have letters from – suggesting higher pay for the County Engineer and I think the Water Department was saying that should be higher. I didn't see any number thrown out but apparently the Water Manager would like increases so, we address those or not?

Ms. Shimamoto: Chair, the 2% increase I think we are all comfortable with that. But you're alternative on the last column on the new spreadsheet that you had just passed out to us; what is that – the County Attorney.

Chair Rainforth: That was a problem, there is something wrong with the math. I don't know if it was supposed to be \$176. I think it's just something wrong with the math because it was – what I did for these half dozen positions was instead of doing a 2% increase I did a 5% increase so that's where the alternative (question mark) numbers came from.

Ms. Shimamoto: Okay. Was there a reason why you choose 5%?

Chair Rainforth: No. I just wanted to see that it would look like. This is just all theoretically to spur discussion.

Ms. Shimamoto: Okay.

Vice Chair Crowell: Two things for me. I like the green numbers because I think we can justify it over at Council and at the same time I think because of the timing I'm not sure if we can really address the inversions in terms of taking a hard look at the Police especially.

So my recommendation would be is to go over with the green numbers and during testimony we can tell Council that this is not our final decision, we want to study it more and over the year the Commission intends to study more.

If we we're to speak today, it's would be that we're coming in for something higher – we are going to recommend something higher to address some of these issues in terms of the inversions, educational degrees for the attorneys and engineer etc. Give us a year to group the positions into tiers which we've done in the past.

Chair Rainforth: In support of your proposal, is I think that it's too late for the Commission to consider the inversion for Police and Fire, because hopefully by the time these numbers would ever become part of the budget they've already hired a new Police Chief and Fire Chief. So, we are looking in the future to address the Department Head inversion issues.

Vice Chair Crowell: Right.

Ms. Kauai: Chair, even with the proposed numbers we're still way below the different counties. We're lagging.

Chair Rainforth: Right.

Ms. Kauai: With the exception of the Deputy County Clerk.

Chair Rainforth: I would have to look at the other spreadsheet but our Deputy County Clerk is really our Elections Officer. Right? So the other jurisdictions may have an excluded management position for that, I don't know.

Mr. Morimoto: Exactly, the Elections Officer is Lyndon Yoshioka is not the Deputy County Clerk.

Chair Rainforth: Okay. Sorry.

Vice Chair Crowell: From hearing the Mayor he is in support, but I guess the question would also be and maybe this is a question for the County Attorney. Once the resolution is drafted does it go to the Administration then over to the County Council?

Mr. Morimoto: Yes.

Vice Chair Crowell: My concern is that whoever the fiscal people are should be aware of the differences in the salary so they can crank it into their budget before the budget goes over to Council. Would finance also be informed of the increase?

Mr. Morimoto: I would imagine that the Mayor's office would inform them. I think that the theory behind the timing is to see if Council can act on the resolution prior to the submittal of the budget.

Vice Chair Crowell: So they are not going to go back to the Administration and ask can they afford this.

Mr. Morimoto: I think, based on the Mayor's testimony today, the answer from the Administration would be yes...

Vice Chair Crowell: That they will find the money.

Mr. Morimoto: Yes.

Vice Chair Crowell: Okay.

Ms. Ching: Commissioners, don't forget that this is a maximum salary cap and this Administration has not as a blanket policy provided a maximum cap to all of the appointed employees.

Ms. Kauai: That's a good point.

Ms. Shimamoto: The alternative column just for discussion. Would you consider giving the County Engineer's position a 5% increase because the County is having difficulty in filling that position.

Chair Rainforth: We can do whatever we like but the discussion immediately before this was to go with the proposed numbers in green and ignore any other adjustments. I think there is room for a lot of adjustments but as Vice Chair Crowell said let's take half a year or a year to on it and

behind every number. One thing I noticed when I was doing this is the County Auditor is on par with all of the Department Heads and I was thinking that didn't seem right because it's a really small organization and it hasn't been filled – it has only been filled once for a short period of time and if Council chooses not to fill it. Do you know more about that offer?

Mr. Morimoto: I know that the Council has made efforts to fill the position. They actually conducted a fairly extensive search but couldn't find any qualified candidates.

Chair Rainforth: Was the condition that they have a CPA license?

Mr. Morimoto: The minimum qualifications set forth in the Charter include (I think) a CPA license – let me...

Ms. Ching: The information was included in the spreadsheet on the different qualifications for each Department Head that I did for the Commission last week.

Ms. Kauai: Right.

Chair Rainforth: Five years of experience must have been the issue with most of the candidates.

Vice Chair Crowell: Right, certified internal auditor etc.

Ms. Kauai: I was thinking maybe that position is something they could have like a third-party or a separate agency or just hire an auditing agency to do it. I'm not sure.

Ms. Ching: Chair, I know that this Administration because that position hasn't been filled this Administration has put as a priority on itself to conduct internal audits rather than wait for that position to be filled. So, that will be one of the initiatives I believe that will be reflected in the budget that is put forth by this Administration.

Chair Rainforth: Thank you. Has that process started yet?

Ms. Ching: The audit process?

Chair Rainforth: Yes.

Ms. Ching: I don't know, but to my understanding the last time I heard, they were looking at doing audits on three Departments. But I can't recall which Departments.

Chair Rainforth: The Housing Agency went through an internal audit in 1981 I think. It was really interesting. Herbert Doi did it and it was really good. Well, Ms. Shimamoto are you satisfied in submitting a resolution with the numbers that we have here in the green column?

Ms. Shimamoto: I can see the reasoning why we would want something to go through to get these people something. In looking at the numbers we are so far behind from the other counties. Even if we did the alternative for some of the positions we would still be behind; closer but not exceeding any. It's just my thoughts. Even if we go with the numbers in the green column and hearing Ms. Ching it may be difficult to get it through. I think what you brought up in terms of talking to Council before would be a really good as part of the strategy. A cover letter explaining that this is not a guarantee maximum salary cap, I think all of those things supporting the resolution might help to get it through.

Ms. Kaui: Maybe also, in the findings or that cover letter that Ms. Shimamoto is talking about maybe we can address that we acknowledged the 50 days of paid leave.

Chair Rainforth: I'm sorry, what?

Ms. Kaui: We can address Council's concerns regarding the 50 days of paid leave as part of their package. Maybe we can address it by saying they do not have overtime.

Chair Rainforth: Where are you regarding the proposed numbers in the green column?

Ms. Kaui: I think we should go with those numbers because it's defined and it's something that we can show we have a formula for and we went in with the 2017 Resolution using the CPI Index. At least we are not just pulling numbers from the sky and we have a formula that we used to derive on those numbers. I'm comfortable with those numbers.

Chair Rainforth: Okay, does anybody want to make a motion? Any more discussion?

Vice Chair Crowell: I'll move that we take these numbers that Chair Rainforth has set out in green and draft the resolution accordingly.

Chair Rainforth: Is there a second?

Ms. Kaui: Second.

Chair Rainforth: Okay, the motion is to adopt the numbers in Resolution 2017-2 plus 2% which is presented on the spreadsheet in the green column as the numbers the Commission will include in new Salary Resolution 2019-1. Is there any discussion?

Mr. Morimoto: Chair, if I may. I would like to seek the Commission's permission to word shop the resolution to address Councilmember Chock's letter and the concerns raised in his letter.

Chair Rainforth: Last week, there was discussion on this too and it was presented to us that we can present just one resolution or more than two resolutions so it was left up to the Commission according to one of your colleagues the Commission can do it anyway it wants to do it so – What specifically do you want to do?

Mr. Morimoto: Councilmember Chock raised some concerns about not convoluting the resolution and I thought we could take a shot at breaking it up into parts to track the language in the Charter. Because it's says you can reject the resolution in whole or in parts instead of labeling them in section like we have in the past. We'll just re-word it as part one and list the positions you want in part one and part two could be another set of positions so on and so forth.

Chair Rainforth: Okay, Part two would be the Council Chair and the Councilmembers or would it include anybody else?

Mr. Morimoto: The formatting would be up to the Commission as far as what positions you want to include in each part. It would at least give the Council clarity insofar as what they would be voting on.

Chair Rainforth: I would be good to address Councilmember Chock's concerns in a revised resolution language.

Ms. Shimamoto: Peter, the way the previous resolution reads it's – Article I., Section II and Article II is the Councilmembers...

Mr. Morimoto: My suggestion would be to re-word that instead of saying Article I it would be Part I. – Part I (a), Part I (b) then they can vote in that manner like we reject Part I (b) and so forth. And that would give them control on how they resolve the issues.

Ms. Kauai: Okay, so move.

Vice Chair Crowell: Second.

Mr. Morimoto: I'll work with Mercedes on crafting the language and bring it to the Commission for consideration at the next meeting.

Chair Rainforth: Okay.

Ms. Ching: This is a question for the County Attorney. Do they need a motion to have a letter to go along with Resolution 2019-1? There was a lot of discussion about having a statement of facts and findings and giving a more detailed explanation as to how the Commission came up with the numbers in their recommendation. I think in view of the comments that I heard from the Council meeting yesterday that the Commission really needs to do that.

Chair Rainforth: Okay, there is a motion on the floor. I think that Mr. Morimoto had suggested an amendment, and are you supporting that amendment or another amendment?

Ms. Ching: I'm actually talking about something else, sorry.

Chair Rainforth: I think we have to back track. So, there is a motion on the floor that's been amended by the County Attorney to revise the language in Resolution 2017-2. So the motion is to adopt the numbers in green and have the County Attorney revise the language to address Councilmember Chock's concerns. Right?

Mr. Morimoto: Right.

Chair Rainforth: All those in favor of the motion, please signify by saying aye. Opposed. Hearing none. The motion carries 4:0.

Ms. Ching: Mercy, was there a second?

Ms. Omo: Yes, Ms. Kauai.

Chair Rainforth: Okay, back to the transmittal letter, I think we ought to think what we want to put in this letter because we have been throwing out a lot of ideas in all of the meetings we're had about what should go in and in the middle. And I think, Mercedes was talking about sending a packet of information over with the resolution with all of the handouts the Commission has received. Is that correct?

Ms. Kauai: Yes.

Ms. Omo: Including the written testimonies. You could also reference the information from HR in the transmittal letter to Council.

Ms. Ching: I think that the facts and findings needs to start from the very beginning. The green numbers figures are based on the 2017-1 Resolution. I wasn't here but what I'm hearing from the Commissioners was that there was a lot of work done by Charlie King in terms of the Consumer Price Index ("CPI") in taking into account to get to those numbers in the 2017-1 Resolution. So, I think if the Commission using that as a bases the statement of facts and findings will need to explain that process first, to say this is the process we went through and these are all the factors we considered to come to Resolution 2017-1. Therefore, the Commission will be using those same facts and figures as a bases and are adding on a 2% increase which is basically a cost of living. So, I think that the Commission needs to go back to Resolution 2017-1 and explain that because that's what the Commission is using as a bases.

Chair Rainforth: Was there a cover letter for Resolution 2017-1 which explained the process that was done by the previous Commission?

Vice Chair Crowell: It was in the Resolution.

Ms. Kauai: Chair, if I may, I think we need to address the inversion and the comparable of the other counties and where we stand. Again, the 50 day paid leave we need to address that and we

need to take that into consideration. Also, along with the inversion is the vacancies that have been vacant for years that the County was not able to fill because of the salaries.

Ms. Omo: And the hiring process of not being able to retain or hire qualified people for the key positions.

Ms. Ching: I think that all of that along with a statement of facts and findings would be about how the Commission came to where it's at. You can also include those items that Commissioner Kauai mentioned that are not being addressed in this, and that is the inversions which is the correlation between being able to fill that position and the difficulty that some of the testimony the Commission received about trying to recruit internally or within the state.

So, I think in a broad outline you will need to explain how we came to these figures in Resolution 2017-1, and why the 2% increase, then say what this figure represents is basically a cost of living with Consumer Price Index ("CPI"). It does not address some of the outstanding issues surrounding the salaries and being able to retain and attract high performing management and department heads. One of the things that I believe is to give people a better understanding especially what the Mayor talked about being sensitive to the position of the councilmembers that they are responsible to answer to their constituents; we all are. So, I think you need to give an explanation about why we are presenting what we are presenting and how we go there even though those figures do not address some of the issues at least it will provide you with some bases for the next time when you're talking about going before Council to try to address the inversions, as well as the other issues. So, I think a clearer explanation that you can put in a supporting document with the resolution, the better it will be quite honestly.

Chair Rainforth: Sounds good, but who will draft this transmittal letter? There are a lot of issues that needs to be included and needs to be reviewed by all of us. It's almost as important as the numbers going into the resolution.

Ms. Ching: I believe that I will be working with Ms. Omo and the Deputy County Attorney to draft this supporting document.

Ms. Omo: For the Commission's review at the next meeting.

Ms. Ching: Right.

Ms. Shimamoto: I have some information that I had from before about how we arrived at the 2017-1 Resolution.

Ms. Ching: Perfect.

Chair Rainforth: Are the Commissioners comfortable with that and does the Commissioners want to be a party to helping to draft these suggestions or not?

Ms. Kauai: I think we should have them do the draft, then we can chime in after, and if we think of something while we ponder we can send Ms. Ching an email or Ms. Omo to let them know if there's a burning desire on another item that we would like to include in the cover letter.

Vice Chair Crowell: Yes.

Mr. Morimoto: When you do email you can include me if you want to, but don't include the other Commissioners because of the Sunshine Law. In other words, just keep your comments internal as you would the staff.

Ms. Kauai: Okay.

Ms. Ching: Thanks Peter.

Chair Rainforth: Is there any other business, and if not are we finished for today?

Vice Chair Crowell: Do we need a motion to draft that letter?

Chair Rainforth: I don't know.

Ms. Omo: A motion would be good.

Chair Rainforth: Do you also want to set aside that meeting in March? We can cancel it if we don't need it. So, that was on March 7, 2019.

Ms. Shimamoto: I think, Ms. Omo said a draft would be good for the cover letter.

Mr. Morimoto: It's a transmittal letter to Council.

Chair Rainforth: Okay, does someone want to state the motion?

Ms. Shimamoto: I will. I move that Staff work with the Deputy County Attorney to draft a transmittal memo for the resolution.

Vice Chair Crowell: Second.

Chair Rainforth: It's been moved and seconded that Staff work with the Deputy County Attorney to draft a transmittal letter. Any discussion? All those in favor, please signify by saying aye. Opposed. Hearing none. The motion carries 4:0.

On a motion made by Ms. Shimamoto and seconded by Vice Chair Crowell to have Staff work with the Deputy County Attorney to draft language for a transmittal memo for the resolution. The motion carried 4:0.

ADJOURNMENT

Vice Chair Crowell: Move to adjourn.

Ms. Kauai: Second.

Chair Rainforth: All those in favor, please signify by saying aye. Opposed. Hearing none. The motion carries 4:0. The meeting is adjourned, thank you.

On a motion made by Vice Chair Crowell and seconded by Ms. Kauai, the meeting of the February 28, 2019 Kaua'i Salary Commission adjourned by a 4:0 vote.

At 10:21 a.m. the meeting adjourned.

Submitted by:

Mercedes Omo Support Clerk

Approved by:

Kenneth Rainforth Chair

(x) Approved as circulated on: February 28, 2019

() Approved as amended on: