

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

MINUTES OF THE COMMISSION'S:

February 28, 2019 MEETING

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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 Commissions Administrator and Mercedes Omo Support Clerk.

Commission Attorney Present: Deputy County Attorney Peter Morimoto.

Testifiers: Thomas Canute Chair of the Board of Water Supply and Michael Dahilig Managing Director

**CALL TO ORDER**

Chair Rainforth: Good morning, its 9:10 a.m. and I would like to call this meeting to order of the Kaua'i County Salary Commission.

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

Chair Rainforth: I believe that we have a potential meeting scheduled for next week Thursday, March 7, 2019 at the same time and location. I would like to let everyone know that I might be late to the meeting because I have a doctor's appointment at 8:00 a.m. and as you all know it may take longer than it should so, I'll have Vice Chair Crowell run the meeting until I get here.

Ms. Omo: Chair, if you want to, I could move the meeting time up to 9:30 a.m. instead of 9:00 a.m. if it's okay with the Commission.

Chair Rainforth: That's a possibility.

Vice Chair Crowell: Sounds good.

Ms. Shimamoto: 9:30 a.m. is okay with me.

Chair Rainforth: Okay, the next item on the agenda is the approval of the meeting minutes.

**3. BUSINESS**

SC 2019-05 Approval of the February 21, 2019 Open Session Meeting Minutes

Chair Rainforth: I need to a motion to approve or ament the meeting minutes of February 21, 2019.

Ms. Kauai: I have one correction on Page 13, the word should be “third-party” instead of thirty-party. Thank you.

Chair Rainforth: If there are no more corrections, I will need a motion to approve the meeting minutes of February 21, 2019 as amended.

Ms. Kauai: I moved to approve the meeting minutes as amended.

Vice Chair Crowell: Second.

Chair Rainforth: Hearing no objections, 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 21, 2019 was approved as amended by a 4:0 vote.**

SC 2019-03 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: I believe we have people in the audience who wish to give testimony.

Mr. Canute: Good morning, for the record, Thomas Canute Chairperson for the Kaua‘i Board of Water Supply.

I’m here this morning to testify on the current need for the Salary Commission to evaluate the possibility of raising the maximum salary caps for the appointed department head positions in the County, and to consider the salary inversions within the departments and the differences between what is available in the private sector for similar County positions because it has become increasingly difficult for the County to fill these vacant positions.

Raising the maximums to a customary 2% for inflation probably would not be an option at this point because certain qualifying candidates within the Departments are in some cases making more money than the maximum salaries of these appointed positions; sometimes due to overtime and possibly not due to overtime but because of years of service and the various union raises that

are available to them. Those considering the positions from the private sector is often discouraged by the disparity from the private sector and Kauai's high cost of living. Obviously paying for these increases is always a challenge but I think doing nothing probably would not be the right option at this point.

I know that we had a very difficult time getting people to apply for the head engineering position at the Board of Water Supply, but fortunately we had someone who was willing to except the position within the Department even though he had admitted that there were more people within the Department that was making more than him right now, like the engineers in that Department.

It was my understanding that it's been some time since the maximum salaries have been increased for the Department Head appointed positions. Obviously, the budgeting issue is always going to be an issue, but it's probably more of a necessity at this point than just a desire to do so from the County. I'll take any questions if you have any.

Chair Rainforth: Do you have any suggestions as to what the salaries should be for the Chief Water Engineer?

Mr. Canute: After our discussion, we decided not to or they asked me not to pick a number, but we feel it needs to be higher and from what we understand the Salary Commission was considering a 2% increase to the maximum. We didn't set a number or a percentage because at this point, we just feel that it should be evaluated and it should be higher.

Chair Rainforth: In your discussions did you talk about what the private section is paying for their comparable positions and is there some kind of salary range?

Mr. Canute: From my own personal experience working with people in the private sector a comparable pay would probably be within the \$175,000 to \$200,000 range for similar work. There is a disparity between the benefits the County provides in that they have much better paid vacations and personal leave time which is important to note, but obviously these things don't pay the bills directly. They do provide some awfully good benefits to the individuals, but a lot of these don't kick in for a number of years in terms of how you really best those benefits long term; the salary is what pays the bills. Also, the high cost of living is very discouraging for the people from the outside who are considering these positions and it's certainly not encouraging those within the Departments who are already making more money especially if their overtime is built into their normal schedule plus their getting the same benefits that this position would provide. So, accepting more responsibility for less money is usually very not encouraging for them to apply.

Chair Rainforth: Commissioners, do you have any more questions for Mr. Canute? Hearing none. Thank you Mr. Canute for your testimony.

Ms. Kaui: Thank you Tom.

Mr. Dahilig: Good morning Commissioners, I'm the Managing Director for Mayor Kawakami. I would like to thank you for service on the Commission especially for the timeline you're facing as mandated by the Charter. So, I appreciate all of your work and being diligent and meeting on a regular bases.

I'm here to speak on the issue that Mr. Canute as the Chair of the Board of Water Supply brought up as well and it's specific to the position of the County Engineer. In going through the process of trying to recruit a County Engineer we are required under the Charter to meet certain job requirements. So, this is not a negotiable item in terms of the pool candidates that we can look at that would be eligible or be capable of providing the job. In my opinion it's something that the Charter Commission does need to look at because some of these requirements are a bit antiquated when you look the comparable positions at the state level that also require one of these (I guess) qualifications, but nevertheless, the law is the law.

What we've been running into is an issue concerning the professional engineer requirement and the five years of work experience being a mandatory condition upon which we can look at somebody that is eligible for the position. So it really shrinks the candidate pool very, very tightly. The same is not to be said for the Deputy County Engineer; I'm just talking strategically for the County Engineer position and in Mr. Canute's case, you have the Water Manager who is subject to the state's same requirements due to a fiat in the state law. The Deputy Water Manager is also required to have a certain set of credentials so those three positions require that licenser.

In as much as we look at externally to the County as comps; internally that has been becoming problematic. When you look at the division chiefs within the Department of Public Works a number of them get paid more than the County Engineer and from a standpoint of having to manage people who get paid more than you, that in and of itself poses a management issue. But nevertheless you cannot quantify it but ultimately when you go in and someone is getting paid \$20,000 to \$30,000 more than you and top of that they're eligible for overtime (and the County Engineer is not eligible for overtime) that disparity and inversion compounds in ways that does affect the chain of command.

Mayor Kawakami has been very persistent in sharing that management is a top priority and training our leaders and having good qualified individuals in head leadership positions are the people that are taking the County into the future. So that's why that particular position is why I'm here to raise concerns with. We do not have a County Engineer right now, in fact over the past couple of decade's a third of the time that position has been vacant.

So, it's telling that beyond the cost of living inflationary increases and thankfully the Commission is entertaining as part of its resolution deliberations; these positions require a little bit more of a discussion concerning whether or not they are in the appropriate tier. Given the dynamics of collective bargaining the comparable positions that require similar licensees' requirements like the chief of the engineering division those positions are ultimately getting paid overtime more than the County Engineer so as Post-Chair to Mr. Canute on the specific salary

what we think would make the most sense is rather than try to reinvent the wheel is to look at the County Engineer being in a Tier I evaluation versus the tiers that they are currently being evaluated with when you look at the Planning Director for example. The Fire Chief we know is in Tier I and the Police Chief is in Tier I as with the Mayor and the Managing Director. We believe that the County Engineer, the Water Manager and the Deputy Water Manager because of their licenser requirements should be in that pool of Tier I evaluation. I'm ready for any questions Chair.

Vice Chair Crowell: I have a question. I hear what you're saying about these positions and the law. Have you, I'm not sure if you folks have because this Administration is brand new. But has anyone looked at changing the law? I'll give you an example, there was a time to be an airport manager you had to have a pilot's license and someone in their wisdom said you don't fly an airport, you manage an airport so why don't we take that out.

So, my question again is, have you folks really looked at the need to have a licensed engineer to be the head of the Department of Public Works or even a manager instead. I'm not and believe when I say that they do deserve a lot more money. Mike, you know that we've gone...I'm a believer in the Department Heads needing more money. What I'm saying is for these type of positions that have these requirements – I remember one time that in the State Department of Transportation you needed to be an engineer to be the department head. We've had managers running the department so, I'm asking now, have you folks looked into that or do you intend to look into that or are we going to keep the license engineers as the Department Heads.

Mr. Dahilig: You're correct in pointing out the State Department of Transportation. Previously, the conventional wisdom was you had to have a license engineer to work, but some of the DOT heads that have come through during the past couple of decades – a good handful of them was not licensed engineers. More and more as the County has gone from being a small entity to something that's now a quarter of a million dollars in operational costs it's incumbent on that person to have more of a management skill set rather than having a wet stamp.

So, I agree, Commissioner that we need to start looking at whether or not that makes given the dynamic change coming to the house of public works responsibility. They no longer deal with just roads they deal with solid waste, waste water and a whole of other mired things that we were never part of the conventional thought that this was under the wheel house of a licensed engineer. Environmental engineering is a new area but is very necessary.

I was in the last Administration's part of the people that had gone before the Charter Commission to suggest that they eliminate that from the Charter because the skill set is more and more required to have someone who understands complex organizational management versus someone that has a wet stamp. So, the Charter Commission did evaluate whether or not to float up to the electorate at the last go around to eliminate that portion of the requirement, change or provide another alternative qualification to just management for five years in a related field.

They bought in Larry Dill who was the former County Engineer but he left for a higher paying salary at the State Department of Transportation, and he actually said we should leave the requirement as is so, we were in a dilemma – hey, pal you left for a higher paying job in the State’s system and you’re saying leave it as is? So, it’s something that we need to continuously be consistent at. But the ability for us to get through the Charter Commission and convince the electorate is the actual process for us to undergo that change but it’s something we can’t just turn on a dime on it. Our next opportunity to even do that if the Charter Commission says okay is not until November of 2020. It’s a long routed answer, but that’s where we’re at, at this point.

Chair Rainforth: Thank you. Are there any more questions Commissioners? If not, thank you for your testimony.

Mr. Dahilig: Thank you.

At 9:17 a.m. Mr. Canute left the meeting.

At 9:27 a.m. Mr. Dahilig left the meeting.

Chair Rainforth: Okay, it’s time for us to discuss where we’re going. At our last meeting, we had instructions for Mr. Morimoto to help us put together a resolution and we were going to review it.

Mr. Morimoto: Commissioners, part of the problem is the information is on my laptop and I don’t have a projector or anything so I don’t know if you all want to gather around my screen to look at it or how do you want to do this. What I have is a draft of the memo transmitting the resolution to Council...

Ms. Ching: Chair, if you call for a recess we can ask the Deputy County Attorney to send the information to our office and we’ll print it and make copies and bring it back.

Mr. Morimoto: Okay, I’ll email it.

At 9:29 a.m. Chair Rainforth called for a 10 minute recess.

At 9:39 a.m. the meeting reconvened.

Chair Rainforth: Okay, the meeting is now back in session. We have copies of the resolution that Mr. Morimoto has provided and I’ll give everyone a couple of minutes to read it. Okay, does anyone have any questions or discussion on the draft resolution? I have a question, last week we talked about changing the titles from Section I to Part I. Did you reconsider?

Mr. Morimoto: No, I was waiting to hear back from the Commission on directions and I thought at this meeting, we could work on the language and once the Commission decides on what it wants to use as far as format and language I can go ahead and draft up the resolution. What I did was I took the 2017-2 Resolution and clipped it of the numbers and changed some of the dates and some of the language regarding severability but other than that in essence it’s the same

resolution. With regard to the memo what I did was put the discussion the Commission had at the last meeting and at its prior meetings try to summarize it along with some of the exhibits the Commission considered. If the Commission wants to embellish the memo or add new testimony or charts based upon today's discussion they can do that as well. I didn't attach copies of the testimony to save paper...

Ms. Kaui: Will it be included as an exhibit to the resolution?

Mr. Morimoto: Yes, I have clean copies of the salary inversion charts. Another thing that we need to talk about is Chair Rainforth submitted a chart with the suggested increases but I wasn't sure what to do with that chart and whether or not the Commission wanted to include those increases, which of would depend on what the Commission sets the raises to be.

Chair Rainforth: It was just for discussion purposes, but the Commissioners did vote to adopt the numbers in the green column.

Ms. Kaui: Right, and we would just eliminate the last column.

Mr. Morimoto: So, what I'll do is plug in the numbers in and then we can figure out how to separate the categories of employees, appointees and the elected officials. I believe, I heard some discussion about tiers.

Chair Rainforth: I hadn't heard anything about that before. As far as breaking up the positions into categories we have not discussed that at all yet.

Ms. Kaui: Right, we have not discussed it.

Vice Chair Crowell: Right.

Chair Rainforth: So, any thoughts about that?

Ms. Shimamoto: Chair, my understanding is instead of leaving it as Section I, Mr. Morimoto suggested to change to say Part I and so forth. Peter why did you suggest that?

Mr. Morimoto: I wanted to align it with the language of the Charter where the Council can reject in whole or in part. I also, thought I by breaking it up in parts it would address Councilmember Chock's letter. I'm not sure if the County Clerk is here to shed light on Councilmember Chock's concerns or –

Ms. Ching: Chair, a couple of things. We talked about (I've talked about it with the Deputy County Attorney too) on trying to meet the concerns expressed by Councilmember Chock. So, in this draft resolution he's (Peter) done that in as much as putting the councilmembers separate and apart from the other positions.

The second thing is to break it up in parts or sections which I think would meet some of the concerns raised by Councilmember Chock is to insert (and the County Attorney and I debated about this) the language from the Charter into the resolution to make it clear so if this resolution is adopted by the Councilmembers when that raise goes into effect we could add that in the section of the Councilmembers. But only if the Commissioners will agree to that.

I have a couple of other little twists as well. I did get a request from HR to make sure that the annual pay is divisible by 24 because it would help HR process wise. Also, I would like to recognize Mercy for her hard work because as of now so far she has done nine Commission meetings this month and not just the Salary Commission. I would also like to thank Peter for working with her to draft a letter on the bases of how the Commission came to the resolution which would include some historical facts and Commissioner Shimamoto for providing her with her old files.

Because the recommendation so far is based on the 2016 Resolution we need to have more information about the 2016 Resolution and the little research that she did it was based on a pretty thoroughly survey done by Mr. Nash and Company in 2017 which also took in the Consumer Price Index (“CPI”) as well as comparative salaries, which basically was a three phase recommendation. The first two phases in 2008 and 2009 were implemented but phase three was frozen in 2010 and in 2016 a Resolution was adopted.

I’ve since figured out that there were two or three Resolutions in 2016 and 2017 and basically there were 21 positions in the 2016 Resolution whose salaries were increased. For the 2017 Resolution there was an increase, but she doesn’t know when it became effective so she does not want to put anything on record at this point. The 2016 Resolution was based on the Nash Company survey which is when the tiers came about and the tiers were looking at is what are your areas of responsibility and your qualifications and the top tier was with the Mayor, Fire Chief, Police Chief and it went down.

So, Nash and Company actually recommended five tiers and this Commission narrowed it down to four tiers so when Managing Director Mike Dahilig talked about the tiers that is what he was referring to in regard to the 2016 Resolution. So, I would like to thank Peter for his assistance in drafting the Resolution and the under pinning on what would go into the Resolution and what the Commission considered in coming up with a new Resolution.

Mr. Morimoto: Can you talk about what HR was talking about regarding the...

Ms. Ching: The 24 pay periods.

Chair Rainforth: I was about whatever the annual salary is make it divisible by 24.

Mr. Morimoto: I see.

Chair Rainforth: Peter, I can provide that information to you easily.

Ms. Ching: It's a request.

Chair Rainforth: It's a valid request because otherwise you'll have 22 cents one month and 23 cents the next month.

Ms. Ching: It just becomes a nightmare because you're talking about looking at time-off, leave and all of that stuff, it's just becomes a nightmare.

Chair Rainforth: Okay, so, Ms. Ching had recommendations for the new Resolution and I would like those comments - Do you have that information Peter?

Mr. Morimoto: Yes.

Chair Rainforth: Okay.

Ms. Kauai: Chair, if I may. I liked Ms. Ching's point about the Council Chair and the Councilmembers when their salaries would become effective. It's stated in the Resolution, but maybe we should reiterate it in our cover letter. I was thinking for number one we can take Thomas Canute's testimony from the top and maybe drop it down to paragraph number two just to make it consistent with the other testimonies. Also, we may have to expound on the 2016 as far as what studies were done.

Ms. Ching: Yes, and I think we need to add more – this survey that was done by Nash and Company it was really –

Ms. Kauai: I think I was on the Commission at that time when the study was done. It was an extensive study. Bob, we were on the Commission, do you remember that?

Vice Chair Crowell: Yes, I do recall and that was one of the reasons why we made the recommendation. The other reason why we gave increases over the years was because we were so far behind and that is one of my points that I want to get across to the Council. That's why I like the idea of providing them with all of the counties salaries and they will see even with the increase the Commission propose that we're still a ways behind. I don't know if it's through our testimony to the Council or through this transmittal letter that we should at least let them know that we want to work this next year and don't think that this is all that's coming and that you folks are going to see a little bit more in-depth and a higher little as far as salary increases. I'll leave it up to you folks to decide if we do it at testimony or put it in the transmittal letter. I don't care one way or other, I just want them to know that is isn't the end.

Ms. Kauai: Maybe we can outline our goals going forward to say this increases reflects only the cost of living and the Commission's goal is to order another Nash Study or something that can give us an idea of what the going salaries are and maybe create different tiers.

Chair Rainforth: Ms. Kauai when you suggested two weeks ago, that we use the numbers from the 2017-1 Resolution and add a 2% cost of living – where did that 2% come from because I was thinking...

Ms. Kauai: The 2% came from the 2018 Consumer Price Index Report. It was actually 1.9% and we rounded it off to 2%.

Chair Rainforth: Wouldn't we be looking at a two-year period in time?

Ms. Kauai: I think the 2017 Resolution went only up to 2016. I'm not sure.

Ms. Ching: It was 2016-2 Resolution that passed and...

Ms. Kauai: The 2017-1 Resolution was denied.

Ms. Ching: As I was saying, in 2016 the 21 out of the 30 positions the Resolution passed to increase the salaries for the 21 positions. In 2017 the balance of the positions were passed so the majority of the people the last increase they got was in the 2016 Resolution and the balance of the nine positions received increases in 2017.

Chair Rainforth: And those numbers was from the 2016 Resolution because the 2017 Resolution failed.

Ms. Ching: Correct. If you look at Chair Rainforth's spreadsheet the one reflecting the green numbers and if you look from Parks and Recreation on down there are the ones that did not get increases in the 2016 Resolution, but got the 2016 increases in 2017.

Chair Rainforth: I know that we talked about what our strategy was and the numbers that we are suggesting and that when we talk to the County Council we would let them know that in the future we want to increase the salaries after we had time to study the positions and...

I was thinking about – Ms. Ching called me on Tuesday saying that Mr. Dahilig wanted to talk to me and one of the concerns was the economy itself which is something that we haven't considered at all. I know that I pay attention to all of the reports on the robust economy that we had – a Bull Market for nine years now and majority of the economists are saying how it's just a matter of time we're going to have a recession and many people are calling for it to happen fairly soon most likely this year 2019.

The concern that Mr. Dahilig was having is you may only have one shot with the Council before the whole County government pulls back because of the recession. So, with that thinking I'm wondering whether or not we are proposing enough of an increase – we've heard some important testimony that the County is not competitive at all when it comes to some very important positions like Tier I.

I don't know if the Commission wants to consider changing our conclusion that we had last week or not.

Ms. Ching: Let me just summarize for the Commission where I think you are. Based on the spreadsheet from Chair Rainforth the Commission is looking at a 4.5% and 4.6% increases based on the fact that the last Resolution that was passed was in 2017 was based on the increases proposed that did not pass in 2016. That's why you have a CPI of basically 2% per year. The Commission is trying to make-up and keep-up with salaries increases proposed by the collective bargaining units. So, that's where the Commission is at right now.

Then there are the minor changes of having it come in line with the 24 pay periods and then the Commission have all of the testimonies received by the Police and Fire Commission, the Board of Water and the Administration. What the Administration is saying is that it's very a difficult situation that we're all in; however, the County Engineer position has been vacant for many years and given that fact as well as the need for it the Administration wants the County Engineer's position at the Tier 1 level or equivalent to Police and Fire. So, that's one proposal. You have way you're at now, proposing 4.5% and 4.6% increases and the question is do you want to bring up in this new Resolution the Water Manager and Chief Engineer and the County Engineer. Do you want to put those positions into or at least the County Engineer and the Water Engineer into Tier I? Commensurate with the Fire and Police Chiefs.

Then you have the Fire and Police Commissions suggesting that they also had issues with recruitment, retention and the inversion wanting to see increases in those positions. So, basically you have three recommendations before you.

Chair Rainforth: Last night when I was reading the minutes, I was looking at the spreadsheet as well and the alternatives we have from last week relative to the potentials – it was a 7.6% increase instead of the 4.5% increase for just a few of the positions. What would it look like if everybody got that same amount? So, I looked at that and produced a result that was approximately adding \$10,000 to annual salaries that are currently being paid. I don't know whether we should cherry pick certain positions as suggested in the Tier I positions like the Fire and the Police Chiefs and their respective Deputies, the County Engineer and Deputy and the Water Manager and Deputy or not.

I think we can defend that proposal with the Council saying that these are positions that are essential and are very difficult to fill with qualified applicants if we were to go that route instead of just increasing everybody. I don't know. Are there any comments?

Ms. Kauai: Chair, I think would love to do that and I do agree that the ones what have to have specialized degrees should be bumped up to Tier I. However, without a back-up study or something else to back it up – It's our own opinion right?

Chair Rainforth: No, it's based on the testimony that we received.

Ms. Kaui: But that Parks and Recreation might feel that they important too.

Chair Rainforth: I know what you mean it is hard to be selective.

Ms. Kaui: It is hard, but I do agree about trying to fill those vacancies. I'm also thinking about time.

Chair Rainforth: Yes, because today is the day to set the numbers.

Ms. Kaui: Right. I really feel that we should go in with the numbers that we already have and I know that's the easy way out. We should let Council know that the Salary Commission is going to take a deeper dive and will probably come up with another resolution recognizing the different tiers or whatever you want to call it.

Chair Rainforth: Thank you. Commissioner Jo Ann.

Ms. Shimamoto: What's sticking in my mind as far as the Resolution is the CPI. Was it mentioned the last time? Maybe the transmittal letter could say that the increases are only CPI related and does not address the difficulty of the positions and trying to fill it. The CPI is only from 2018 and does not include the 2019 CPI.

Ms. Kaui: The 2019 CPI wouldn't be calculated until the end of the year.

Ms. Shimamoto: Right, so that's why we're proposing 8%. Ms. Ching if you look at my notes. The years that the CPI were calculated for 2017-1 Resolution only included the 2010 – 2016 CPI's, correct? So, the 2017 CPI was not included. Now, we have the CPI 2% for 2018 maybe we could take that into consideration to bring the numbers up.

Ms. Kaui: Yes, to bring it up.

Ms. Ching: Actually, even though the Resolution passed in 2017 those numbers were based on 2016. So, from my understanding on the history of this thing the increases were based on the 2016 numbers.

Chair Rainforth: Ms. Shimamoto are you suggesting that the Commission didn't increase the numbers enough relative to the numbers in the green column?

Ms. Shimamoto: Yes, because we are missing 2017.

Chair Rainforth: That's what I was thinking too last night. Vice Chair Crowell, do you want to make a comment?

Vice Chair Crowell: Yes, at the start of the meeting I definitely had a different way of thinking and I agree with Ms. Shimamoto's suggestion that we do need to take into account that year

we're missing and maybe bump the numbers up a little. But I also, feel that maybe this is just a start in terms of recognizing the advanced degrees this year. So, my recommendation would be to bump up the salary cap for the County Engineer as well as the other engineers that need the requirements and include the County Attorney because even if he didn't come in to testify I believe that they do need an advance degree as well. So, at any rate, I think we could justify our recommendations across the street and at least bring them up to Tier I along with Fire and Police. I'm not saying that we should move Fire and Police, I'm just saying let's bump them up to what we would consider (I don't know what the percentage would be) adding those positions to Tier I like the County Engineer and the County Attorney and maybe the auditor because he also does need some type of advance degree. So, let's put them into Tier I and go across the street to see what Council will say.

Ms. Kauai: The auditor would need to have CPA license.

Chair Rainforth: Can I clarify what you are suggesting. If you're looking at the spreadsheet where it says the proposed salary for the Police Chief is \$133,105 are you suggesting that we use that same salary amount for the County Engineer, the County Attorney and the Water Manager and Chief Engineer? And make the Deputy Chief of Police proposed salary amount of \$119,795 the same for the Deputy County Engineer and the Deputy Water Manager/ Engineer too?

Vice Chair Crowell: I'm recommending we do that.

Chair Rainforth: And exclude the Prosecuting Attorney? I have no idea.

Vice Chair Crowell: No, we should include the Prosecuting Attorney as well because that position requires an advance degree as well.

Ms. Shimamoto: So we're adding the County Engineer, the County Attorney, the Water Manager and Chief Engineer and the Prosecutor to Tier I. What about the Deputies? Are you including them as well?

Ms. Kauai: It looks like all of the Deputies on the list their proposed salaries is at the \$119,795 mark.

Ms. Shimamoto: Okay, again in Tier I it will be the County Engineer; the County Attorney; the Prosecuting Attorney; Police and Fire Chiefs; the Water Manager/Chief Engineer and the Deputy.

Ms. Kauai: It should also include the County Auditor.

Ms. Ching: I stand corrected on the Auditor. The CPA is a preferred requirement and not a requirement.

Chair Rainforth: At the last week's meeting we had a motion to adopt the numbers in the green column and I believe that the Commissioners were considering making adjustments to selected positions to match the Police Chief, Fire Chief and the Deputy positions. Is that correct? If it is correct someone should make a motion so we can discuss it.

Ms. Kauai: Chair, before we make the motion, the CPI for 2017 was 2.5%.

Ms. Shimamoto: Okay.

Ms. Kauai: Okay, going back to the County Auditor, if they are going to do financial audits they should have a CPA, but it's not required.

Chair Rainforth: So, you think the salary should be increased or not?

Ms. Kauai: Just leave it with the other ones.

Chair Rainforth: Okay. Is there someone who feels comfortable to make the motion?

Ms. Kauai: I move that the County Auditor shall remain at the \$124,790 mark as proposed

Chair Rainforth: Okay, but I don't think that we would need a vote on that because it's already in there.

Ms. Kauai: Okay.

Chair Rainforth: Are we going to increase anyone's salary as a recommendation.

Ms. Shimamoto: Okay, the motion would be to move certain positions to Tier I, and those positions are going to be the County Engineer; the County Attorney; Prosecuting Attorney; The Water Manager/Chief Engineer; and the Deputy Water Manager/Engineer.

Chair Rainforth: It would be all of those Deputies right?

Ms. Kauai: The Deputies salaries are already at the level of Fire and Police. So, it should only include the Department Heads.

Vice Chair Crowell: Well, we're looking at for certain ones like the Deputy Engineer of Water is required to have a degree and all of the Deputy County Attorneys are also required to have a law degree so I'm thinking they have to be or they don't have to be. But because of our justification for that required higher licensee...

Ms. Kauai: Actually, the Deputy County Engineer does not require any qualifications per the –

Vice Chair Crowell: Yes, the Deputy County Engineer so I would leave that one alone, but what we heard today, the Deputy Water is required to have a professional engineering license.

Ms. Kaui: Based on the matrix that was provided by the Department of Human Resources it says N/A for all of the Deputies positions except for the County Attorney and the Prosecuting Attorney it says to be appointed by the County/Prosecuting Attorney.

Ms. Shimamoto: Maybe we should try to get certain Department Heads into Tier I and look at the Deputies that does not have a specified qualification at the next round. Because if we are going to say that they require a license or certain degree –

Ms. Kaui: Right, because we're kind of going off on the minimum requirements...you know what I mean?

Ms. Shimamoto: Right. Okay, I'll recap my motion again. It's going to be the County Engineer; the County Attorney; Prosecuting Attorney; the Water Manager/Chief Engineer and the Deputy. Correct?

Ms. Kaui: No, even the Deputy is silent for Water.

Vice Chair Crowell: Right.

Ms. Shimamoto: Okay, it's just for the Department Heads.

Ms. Kaui: Right.

Vice Chair Crowell: And the recommendation would be to bring those Department Heads that Ms. Shimamoto had just named up to the level of Police and Fire Chiefs. Correct?

Ms. Shimamoto: Yes, they would be moved up to Tier I.

Ms. Kaui: Right.

Chair Rainforth: I'm not sure what Tier I is.

Vice Chair Crowell: Right, because there are no tiers anymore.

Chair Rainforth: Let me try to clarify the motion. I believe that Ms. Shimamoto's motion was recommend that the annual maximum salary caps for the County Engineer; the County Attorney; the Prosecuting Attorney and the Water Manager be at \$133,105. Is there a second to her motion?

Vice Chair Crowell: I think we need to go back and –

Ms. Kaui: Amend the motion.

Ms. Omo: There was no second to Ms. Shimamoto's motion so someone needs to second her motion to continue the discussion.

Ms. Kaui: Okay, I'll second her motion.

Ms. Shimamoto: Excuse me, but before we raise the salaries we have to address the Resolution that we passed at the last meeting which was to go with the figures in the green column. We need to amend the Resolution to include the 2017 CPI which was 2.5% and after that we amend the Resolution and make the figures are divisible by 24.

Mr. Morimoto: Excuse me, for clarification what was approved at the last meeting was just the numbers, but the Resolution itself was not approved.

Ms. Shimamoto: You're right. I'm Sorry.

Ms. Kaui: Okay, so we can just change the figures.

Ms. Shimamoto: Yes, we can amend those figures right?

Mr. Morimoto: Yes, and that would clarify the motion to include the County Engineer; the Water Manager/Chief Engineer; the County Attorney; and the Prosecuting Attorney. That way their maximum salary caps would be equivalent to the Fire and Police Chiefs salary caps. And when the Commission determines what the figures are I can plug those figures into the new Resolution.

Chair Rainforth: So, Vice Chair Crowell moved that. Is there a second?

Ms. Kaui: I second his motion.

Chair Rainforth: Okay, the motion is to the County Engineer; the Water Manager/Chief Engineer; the County Attorney; and the Prosecuting Attorney maximum salary caps be proposed at \$133,105. Correct?

Ms. Kaui: Correct.

Chair Rainforth: Any discussion. Sensing no discussion are you guys ready to vote on the motion? All those in favor of the motion, please signify by saying aye. Opposed. Hearing none. The motion carries 4:0.

**On a motion made by Vice Chair Crowell and seconded by Commissioner Kauai. The motion to recommend that maximum salary caps for the County Engineer; the Water Manager/Chief Engineer; the County Attorney; and the Prosecuting Attorney maximum be proposed at \$133,105 equivalent to the Fire and Police Chiefs.**

Chair Rainforth: Okay. I will volunteer to make those adjustments on the spreadsheet. I'll just take the spreadsheet that we were looking at make those adjustments and I will also round those figures according to the wishes of HR that the figures are divisible by a factor of 24. So, I will provide those figures to Mr. Morimoto to out into our new Resolution.

Ms. Shimamoto: What about including 2017 Consumer Price Index ("CPI") 2.5% for all of the positions listed in the green column and recommended changes to the salaries for the County Engineer; the Water Manager/Chief Engineer; the County Attorney; and the Prosecuting Attorney.

Chair Rainforth: Okay.

Ms. Kauai: That in essence would be like another 6% increase.

Chair Rainforth: If you would like to change the figures that we had just approved you would need to make a motion.

Ms. Shimamoto: Okay, I move that the proposed figures be modified to reflect the 2.5% CPI from the 2017.

Chair Rainforth: Is there a second?

Ms. Kauai: Second.

Chair Rainforth: Okay, it's been moved and seconded to modify the numbers we have approved by a factor of 2.5%.

Ms. Kauai: Chair, I guess the green column the new heading would reflect the "Proposed Resolution 2017-2 plus 2.5% plus 2% or just 4.5%. Right?

Chair Rainforth: Is there a consensus to do that because we need to clean up our numbers.

Vice Chair Crowell: Yes.

Chair Rainforth: So would the best way be to withdraw the figures that we approved or just go and change it ahead.

Mr. Morimoto: No. I think that now the current figures would be what's listed in your chart as amended by the previous motion to increase the Water Manager, County Engineer, the County

Attorney and the Prosecuting Attorney. I think you can go ahead and just vote on amending the amended figures.

Chair Rainforth: Okay, the motion would be to increase the figures we had approved in the green column with the amendments that we had made to the five positions and increase those by 2.5%. Discussion.

Ms. Kaii: Chair, I know that you have all of the formulas. Would you be able to if we plugged in those new figures to show what the increases would be from their current salaries? That would be easy to formulate.

Mr. Morimoto: I have your spreadsheet on my computer but I don't know how to work excel.

Chair Rainforth: Last night I was looking at it and I actually made a chart instead of the 2% increase that we voted on to do. The 5% just like I had suggested to cherry pick the positions and its close. I mean its 5% and we were thinking 4.5% maybe the percentage would be a little different because – well, I don't know. But if you want to look at the figures I have copies of you want to look at it. It wouldn't be the figures but it would be really close.

Ms. Kaii: Do you have difference on the increase of the current total salaries if you went with the 5%? Did you calculate that?

Chair Rainforth: Yes.

Ms. Kaii: Just as a discussion. We can get a ballpark figure on what increases Council would be looking at that would impact the budget.

Chair Rainforth: The handout that you got the green column which is the same as before and now, the blue column reflects the 5% increase instead of the 2% increase. So what you're suggesting is a 4.5% increase instead of a 5% increase. So it will be closed to those numbers.

Ms. Kaii: Right, and if you take the total of all of the salaries and come up with the proposed increases that would impact the budget.

Chair Rainforth: I'm going to call for a 5 or 10 minute recess.

At 9:29 a.m. the Commission recessed.

At 9:40 a.m. the meeting reconvened.

Chair Rainforth: I'll call the meeting back to order. Okay, we're missing Mr. Morimoto.

Ms. Kaii: By knowing the dollar impact it shouldn't be – and you know the County did not fill the County Auditor's position anyway so. Wow, that're pretty close it's only a half of percent

difference. Good job, Chair. You read our minds. We can now justify how we came to that 4.5%.

Ms. Shimamoto: Right.

Ms. Ching: This morning I was at the Līhu‘e Business Association meeting and I think I told you guys earlier that from the beginning Mayor Kawakami and his Administration has been very adamant about doing audits. The Mayor did announce this morning that he would be looking at conducting audits on the County Engineer; Building Division and Parks and Recreation and there was one more but I can't remember. So, the Mayor as part of his budget request is intent is to move ahead and conduct audits of the Departments.

Ms. Shimamoto: Who is doing the audits?

Chair Rainforth: Mr. Morimoto is back so, I would like to call the meeting back to order. Okay, we all had a chance to look at what the salaries could look like if we were to increase it by 4.5% instead of 2%. I believe that we still have a motion on the table to take the 2017 proposed salaries and increase it to 4.5% and change the increase salaries for the County Engineer; County Attorney; Water Manager/Chief Engineer; and the Prosecuting Attorney up to the same salary level as the Police and Fire Chiefs. More discussion.

Vice Chair Crowell: I like the idea of just pushing it up to the 5% using the blue numbers.

Chair Rainforth: How would we justify those numbers?

Vice Chair Crowell: Well, let me put it this way. To make it more confusing and I really don't want to but to go in and justify strictly by using the CPI – is it compounded – is our numbers compounded – are they just taken off of the top. So, by just going in with a 5% we can say that we feel that it's close enough to the CPI numbers.

Chair Rainforth: Do you want to make an amendment to the motion?

Vice Chair Crowell: Yes.

Chair Rainforth: Is there a second?

Ms. Kauai: Second.

Chair Rainforth: Okay, it's been moved and seconded to use the 5% increase rather than a 4.5% increase. Discussion.

Vice Chair Crowell: I just want to make a note and I'm not sure if this will be up for a real discussion. But adding the Department Heads with advanced degrees up to Police and Fire

numbers just to make it known there will now be above the Managing Director. I'm not sure if that was our intent.

Ms. Kauai: Well, Police and Fire is already making more than the Managing Director.

Vice Chair Crowell: Police and Fire was always up there because of public safety.

Ms. Kauai: Right.

Vice Chair Crowell: Now we're talking about advanced degrees.

Chair Rainforth: Right. If you think that disparity is important you could amend the motion to include the Managing Director at the same level as the four other positions.

Vice Chair Crowell: I would like to make that motion because I believe on a daily bases the Managing Director supervises all of the Department Heads.

Chair Rainforth: No.

Ms. Ching: No, the Fire, Police, Water Board and Civil Service hires, fire and disciplines their own individual respective Department Heads. However, your comments are noted because in an emergency the number one person at the top of the triangle is the Managing Director.

Vice Chair Crowell: That's what I was trying to convey. I was going to talk about operations. I understand that certain Commissions oversees their respective Department Heads, but when it comes to the day-to-day operations I believe the Managing Director. But then again – I would like to amend the motion to move the Managing Director to the level of the ones we –

Chair Rainforth: Is there a second?

Ms. Kauai: Second his motion.

Chair Rainforth: Okay, the motion has been moved and seconded.

Ms. Ching: Whenever the Mayor is off-island the Managing Director takes over.

Chair Rainforth: Okay, the motion has been moved and seconded to change the motion to adopt salaries from the 2017 Resolution plus 5% with the amendments that the County Engineer; County Attorney; Water Manager/Chief Engineer; the Prosecuting Attorney; and the Managing Director receive the same salary of \$137,021 as the Police and Fire Chiefs. Discussion.

Ms. Kauai: To be rounded. We need to make it clear that these are only maximum salary caps.

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

**On a motion made by Vice Chair Crowell and seconded by Commissioner Kauai to amend the motion and adopt salaries from the 2017 Resolution plus 5% with the amendments that the County Engineer; County Attorney; Water Manager/Chief Engineer; the Prosecuting Attorney; and the Managing Director receive the same salary of \$137,021 as the Police and Fire Chiefs. The motion carried unanimously by a voice of 4:0.**

Chair Rainforth: I will provide Mr. Morimoto with the numbers divisible by 24. Do we need to have more discussion on the wording for Resolution 2019-1 on whether or not the Commission wants to list the positions by certain categories? Or is the Commission going with the same draft Resolution that was provided by Mr. Morimoto?

Mr. Morimoto: Since there is going to be one more meeting to approve the final version of the new Salary Resolution if the Commission wants he can take a stab at breaking it up into two versions. One Resolution would be similar to what you have here which is the draft 2019-1 Resolution and the second Resolution he could try to break it up into categories in accordance to what the Commission discussed in terms of why the Commission wanted to increase the positions you discussed.

Vice Chair Crowell: I like that.

Ms. Kauai: Maybe one category could reflect health and safety and the advance degrees could be another category.

Mr. Morimoto: Okay. With regard to the memo, do you want to include a discussion about the 2016 study done by Mr. Charlie King and a bit of a summary about the Nash Study?

Ms. Kauai: Yes.

Mr. Morimoto: I'll do that as well.

Ms. Kauai: Because that is basically what our baseline is that we are working off of right?

Mr. Morimoto: I'll include that in paragraph or section three of the memo where it starts in 2016 this Commission found – I'll try to embellish what's in there and the discussion about Charlie King and the Nash Study. Is there any else the Commission wants to include in the transmittal memo to the Council?

Ms. Kauai: I think we also wanted to include the dates for the when the Councilmembers salaries are going to effective, so if you can just reiterate that in the memo.

Ms. Ching: Can that be made part of the Salary Resolution as well?

Mr. Morimoto: It's already in the Salary Resolution. Again, I'll have the Commission review the draft resolution and if they want to add or delete anything that can be done at the next meeting.

Chair Rainforth: Okay, because we would like to see it before the meeting.

Ms. Kauai: Yes.

Mr. Morimoto: When is the next meeting scheduled for?

Chair Rainforth: Our next meeting will be at 9:30 a.m. and not 9:00 a.m. on Thursday, on March 7, 2019 in this same meeting room.

Mr. Morimoto: Okay, my goal then would be to get the draft to the Commissioners by email on Monday.

Ms. Kauai: Okay, that will be perfect.

Mr. Morimoto: Okay, and the email would include an attachment as well so the Commissioners can look at the entire packet to determine whether or not that's what you want going over to the County Council.

Chair Rainforth: Yes, and hopefully I can get you those numbers today.

Mr. Morimoto: Just as long as you can get the numbers to me by Monday.

## **ADJOURNMENT**

Chair Rainforth: Okay, is there a motion to adjourn the meeting?

Vice Chair Crowell: Move to adjourn.

Ms. Shimamoto: Second.

Chair Rainforth: It was moved and seconded. All those in favor, please signify by saying aye. Opposed. Hearing none. The motion carries and 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 10:50 a.m. the meeting adjourned.

Submitted by:

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Mercedes Omo Support Clerk

Approved by:

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Kenneth Rainforth Chair

- Approved as circulated on:
- Approved as amended on: March 7, 2019