

Approved as Amended

OPEN SESSION MEETING MINUTES

Board/Commission		Kaua'i Salary Commission	Meeting Date	January 9, 2025
Location	Office of Boards and Commissions Conference Room Piikoi Building, Suite 300 Lihue, Hawaii 96766		Start of Meeting: 9:00 a.m.	End of Meeting: 11:41 a.m.
Present	Chair-Elect Joshua Uyehara, Vice Chair-Elect Wayne Katayama; Commissioners Bernadette Akiona-Arruda, Stacie Chiba-Miguel, and Patrick Ono. Also present: Boards and Commissions Administrator Ellen Ching, Support Clerk Mercedes Ono, and Deputy County Attorney Andrew Michaels (via Microsoft Teams). Invited Guests: Mayor Derek S.K. Kawakami and Managing Director Reiko Matsuyama; County Clerk Jade K. Fountain-Tanigawa and Deputy County Clerk Lyndon M. Yoshioka.			
Excused				
Absent				

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SUBJECT	DISCUSSION	ACTION
Meeting Called to Order/Roll Call to ascertain quorum	<p>Patrick. Ono, Chair Pro Tem, called the Salary Commission Meeting to order at 9:00 a.m.</p> <p>Commission Support Clerk Mercedes Omo verified attendance by roll call: Commissioner Bernadette Akiona-Arruda replied here. Commissioner Stacie Chiba-Miguel replied here. Commissioner Patrick Ono replied here. Commissioner Wayne Katayama replied present. Commissioner Joshua Uyehara replied present.</p> <p>Ms. One <u>Omo</u> notified the Commissioners that Deputy County Attorney Andrew Michaels was present via Microsoft Teams should they have any legal questions.</p>	<p>Quorum was established with five Commissioners present.</p>
Election of Chair and Vice Chair	Mr. Ono asked if there were any volunteers to serve as Chair of the Salary Commission.	

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for Calendar Year 2025	<p>Mr. Uyehara stated that he would volunteer to serve in the Chair's role. No other Commissioners volunteered for the position and the nomination process was closed.</p> <p>Mr. Ono asked if there were any volunteers to serve as Vice Chair of the Salary Commission.</p> <p>Mr. Katayama stated that he would volunteer to serve as the Commission's Vice Chair. No other Commissioners volunteered for the position and the nomination was closed.</p> <p><i>Mr. Ono relinquished the Chairmanship to Chair Uyehara.</i></p> <p>Chair Uyehara took a moment of personal privilege to thank Mr. Ono for his past work on the Salary Commission.</p>	<p>Without objection, Joshua Uyehara was elected Chair of the Salary Commission by a 5:0 vote.</p> <p>Without objection, Wayne Katayama was elected Vice Chair of the Salary Commission by a 5:0 vote.</p>
Approval of Agenda		Vice Chair Katayama moved to approve the agenda as circulated. Ms. Chiba-Miguel seconded the motion. Motion carried 5:0.
Public Testimony	There was no one present from the public wishing to testify on any of the agenda items. No written testimony was received.	
Approval of Minutes	November 30, 2022, meeting.	Mr. Ono moved to approve the minutes of the November 30, 2022, meeting. Ms. Chiba-Miguel seconded the motion. Motion carried 5:0.
BUSINESS SC 2025-1	Discussion and decision-making on submitting a Salary Resolution to establish maximum salary caps for certain County officers and employees included in	

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	<p>Section 3-2.1 of the Kaua'i County Code for Fiscal Years 2025/2026, 2026/2027 and 2027/2028.</p> <p>A. Presentation by Managing Director Reiko Matsuyama on issues and recommendations related to a Salary Resolution.</p> <p>B. Presentations by the Directors, Department heads, or their representatives as necessary; discussion and possible action on reports received by the following Offices, Departments, and Agencies:</p> <ul style="list-style-type: none"> i. Office of the Mayor ii. Department of Finance iii. Department of Human Resources iv. Department of Liquor Control v. Department of Parks and Recreation vi. Department of Water vii. Fire Department viii. Housing Agency ix. Office of the County Clerk x. Office of Economic Development xi. Office of the County Attorney xii. Office of the Prosecuting Attorney xiii. Planning Department xiv. Police Department xv. Department of Public Works 	

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	<p>C. Presentation by Director of Human Resources Annette Anderson or her representative in the following reports:</p> <ul style="list-style-type: none"> i. Collective bargaining: across the board percentage increases ii. Collective bargaining: step movements, lump sum award, <i>etc.</i> iii. Collective bargaining: differentials, other pay iv. Collective bargaining: summary of costs v. Comparison of county department data and resident population vi. Salary inversion vii. Salary comparison report viii. State Executive Salary recommendations ix. Market analysis on average salaries in the private sector for engineers and attorneys x. Recommendations on addressing engineers and attorney vacancies xi. Issues and Recommendations related to a Salary Resolution <p>D. Presentation by Director of Finance Chelsie Sakai or her representative on the following reports:</p> <ul style="list-style-type: none"> i. Consumer price index ii. County of Kaua'i financial overview <p>Administrator Ching stated that the intention of the January 9, 2025, meeting is for the Commission to go through items SC 2025-1 A and B.</p>	

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	<p>Your Commission heard from Derek S.K. Kawakami, Mayor and Reiko Matsuyama, Managing Director.</p> <p>Mayor Kawakami wished the Commission a Happy New Year and expressed his appreciation to them for volunteering for the Salary Commission. Mayor Kawakami also thanked Administrator Ching and the Office of Boards and Commissions for the work that they do to recruit volunteers for the many boards and commissions.</p> <p>Mayor Kawakami stated the following:</p> <ul style="list-style-type: none">• The work of the Salary Commission is very important and is so important that the electorate of Kaua'i voted that the work of the Salary Commission should go into effect and not require Kaua'i County Council approval.• The work of the Salary Commission will get vetted and scrutinized, but the electorate decided to take the politics out of salary decisions to let a volunteer group representing the people of Kaua'i and Ni'ihau to make salary decisions for those on the Salary Resolution.• Administrator Ching did an excellent job in recruiting volunteers with varying backgrounds and who are subject-matter experts from the private sector, to look at how the County of Kaua'i can remain competitive with salaries, recruit qualified associates, and retain good associates.• He has worked with various salary resolutions since 2006 and that over that relatively short amount of time, it feels like the level of expectation from the public for the County of Kaua'i to deliver services has grown exponentially.	

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	<ul style="list-style-type: none">• The amount of deferred maintenance that his Administration has tried to address, the number of engineers needed to work on County projects, and the amount of staffing that is required to keep the gears of the County going has also grown.• The job market has become even more competitive over the years.• The County loses good people to the private sector because the County has difficulty remaining competitive.• He has the full faith and confidence in the Commission to have good discussion, to vet the issue, and to come out with a proposal that will really position the next Mayor, whoever that may be, and the next Administration, to be competitive and be able to recruit and retain the very best as that is what the people of the County of Kaua'i deserve.• In order to get a Salary Resolution passed by the Salary Commission and budgeted appropriately by July 1, 2025, the Commission will need to pass a Resolution by March 15.• He apologized to the Commission if they feel rushed to get things moving.• There will be compromises that will need to be made and there will never be a perfect salary package.• The Administration is hoping that the Commission can address salaries for the next three years 2026, 2027, and 2028.• The Administration hopes to position the next Administration to be in a better position to recruit and retain the very best employees.• The second priority of the Salary Commission should be salary inversions.• Salary inversions continue to be a problem, especially when you ask people to take leadership positions, but finding out that they may	

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	<p>make more money if they remain status quo in their current positions.</p> <ul style="list-style-type: none">• The inversion issue becomes a prohibitive factor in taking leadership positions. They would take on more responsibility, endure more stress, and have more expectations of them, only to make more by staying in-place.• He will not get very involved with the work of the Salary Commission and will not intervene in their work. <p>Directed to the Mayor, Vice Chair Katayama stated that the revenue for the County has historically been real property taxes along with Federal and State monies that have been available throughout the last few years. With a new Presidential Administration taking office on January 20, Vice Chair Katayama asked the Mayor where he sees things headed and how the County would go about recruitment and retention, balancing the public's perception that the Commission is being wise, and doing what is financially responsible with taxpayer's monies. Mayor Kawakami responded that his Administration has taken steps to build a robust revenue stream for the County of Kaua'i. However, the availability of Federal funding is a looming question, and the County is currently in a time of uncertainty as to what future Federal funding will look like. With every trip he has taken to Washington D.C., the Mayor explained that Congressional- and Presidential priorities seem to change. The County has employed some of the very best consultants in Washington D.C. that have an ear on the ground to identify top priorities. Senator Schatz, Senator Hirono, and Representative Tokuda have all commended the County of Kaua'i for proposing a Federal package that is well-organized and have suggested to other mayors from across the country to look at the County's legislative package proposal. Overall, the County of Kaua'i has pulled in more than its fair share of Federal funding.</p>	

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	<p>Mayor Kawakami explained that on the State-side of things, the State offered the counties the General Excise Tax Surcharge, which has been the large reason that the Administration has been able to address and fix so many of the roads and bridges, including enhancing the public transportation system. The State did end up taking away the counties' share of the Transient Accommodations Tax (TAT), but increased the amount that the counties can levy in their General Excise Tax Surcharge to 3%, though they also withdrew the assistance of the State Department of Taxation to assist with that collection. Ms. Matsuyama worked with former State Tax Office Director Isaac Choy on a system for those tax collections. Mayor Kawakami explained that all the sources of funding that the State has allowed the counties to participate in can be taken away during the Legislative Session. The State Legislature has always stated that they would like to take those specific revenue streams currently going to the counties back for State-use. Mayor Kawakami further explained that the Administration and the Council put their necks on the line to enact legislation to increase the cost of living in the County of Kaua'i and the State Legislature is always looking to scoop those revenues for their own use. Mayor Kawakami committed to putting up opposition should that action be proposed at the State Legislature by showing them detailed data on where the monies have been going and what services have been provided for the people. Regarding real property tax rates, the County has initiated a tiering system in different tax classifications to allow for the County to adjust to revenue needs and to bring tax equity for homeowners. Real property tax rates for homeowners have decreased, while tax rates for non-residential owners have increased. These include people who have second homes or who do not necessarily live on the island as full-time residents, as well as timeshare, hotel and resort, and transient vacation rental properties. Approximately 60% of General Fund revenues come from non-</p>	

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	<p>residents. Mayor Kawakami explained that there is uncertainty about funding from the Federal Government. He also believes it will not be easy for the State Legislature to take away the County's ability to charge a G.E. Tax Surcharge as taking that power away from the counties would mean the City and County of Honolulu would also not have the surcharge ability dooming the rail mass transit project. Every public transportation system in the nation is subsidized by the State Government.</p> <p>Vice Chair Katayama thanked Mayor Kawakami for his response and asked for his cooperation in sharing with the Commission his comfort level in terms of funding the various proposals that the Commission comes up with throughout the course of this Commission's work. Mayor Kawakami explained that his Administration has created a parachute for the County by creating a robust budget reserve system that creates a safety net should the County run into unforeseen circumstances, there is a budgetary reserve fund to tap into for those emergency situations. Mayor Kawakami also noted that the County's loan for the Lima Ola Housing Project from the State's Dwelling Unit Revolving Fund has been paid back in its entirety ahead of schedule.</p> <p>Ms. Matsuyama stated that in anticipation of President Trump taking office, the Administration shored up its Federal encumbrances to ensure that all Federal funding would not lapse. These projects include the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) project in Po'ipū and the Lima Ola Housing Project in 'Ele'ele. Funding for renewable energy projects or electric vehicles may subside.</p> <p>Vice Chair Katayama asked if Federal funds were used for salaries. Ms. Matsuyama responded that Federal funds are not used for salaries nor are</p>	

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	<p>any of the funding sources that Mayor Kawakami mentioned used for department head salaries either. Department Head salaries all come from General Funds. General Excise Tax funds do fund labor salaries, but not for any department head.</p> <p>Administrator Ching notified the Commission that at the end of the agenda, there will be a presentation from the County's Director of Finance on the County's financial overview and projection. Administrator Ching stated that she is taking note of the questions being asked and will provide that to Ms. Sakai to address in her presentation to the Commission. She asked Commissioners to send any unanswered questions to her as well so that she can ensure those are answered.</p> <p>Chair Uyehara explained that given that the decisions the Salary Commission will make will set the cap for subject positions, he asked how the Administration would treat the salary cap in terms of being a de facto wage that the department head would make or would they make salary decisions on a case-by-case basis. Mayor Kawakami responded that salary decisions are made on a case-by-case basis, factoring in the individual's expertise and where that individual is within that range. Starting anyone at the cap is not the most fiscally prudent thing to do unless what dealing with what he would deem an "exceptional individual" who he is trying to recruit and retain. The flexibility that is allowed is used as a tool and treated as one that is not often used unless necessary.</p> <p>Chair Uyehara stated that with the enactment of the Charter Amendment which deems the decisions of the Salary Commission to be binding, there will no longer be the public process by which the Council would deliberate on the Salary Commission Resolution and be contacted by constituents to</p>	

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	<p>vote one way or the other. The presentation by the Salary Commission before the Kaua'i County Council is now to present the final Salary Resolution that cannot be affected by Council decision-making. Chair Uyehara asked Mayor Kawakami if he had any recommendation on how the Salary Commission could engage with the public through its decision-making process so that they could understand the deliberations made by the Commission and ultimately be okay with the Salary Resolution decided upon. Mayor Kawakami responded that he would go back to his Communications Team and the Planning Department to see what they could recommend in terms of community engagement and ways the Salary Commission could reach out to the public regarding its task and process.</p> <p>Ms. Chiba-Miguel stated that this year the County enacted 100% benefit coverage for County employees. She asked whether this has affected the recruitment of County employees. Mayor Kawakami responded that he would check with the Department of Human Resources. Ms. Matsuyama responded that overall, the recruitment lists are a lot longer than during previous recruitment periods. Lists for a position like Senior Clerk used to receive 3 or 4 qualified applicants and now the list is comprised of 15 to 20 qualified applicants. Ms. Matsuyama stated that she feels the benefit coverage allows the County to be more selective in its hiring process. The County is still lacking qualified applicants in its critical positions such as Emergency Dispatchers and Engineers. The County recently signed a Supplemental Agreement for Engineers, and she hopes that it helps with the recruitment of Engineers. Mayor Kawakami responded that they may need a little more time to see what the data will show as to the effect of offering full benefit coverage for employees but does know that the benefit coverage does help the County retain the good workers it does have. He is aware of an employee previously working for Child Protective Services with</p>	

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	<p>the State of Hawai'i who transferred to the Office of the Prosecuting Attorney due to the County's healthcare coverage. Offering full benefit coverage is just one of the few things that the County can control when it comes to employee benefits. Ms. Chiba-Miguel asked if the Administration had forecasted continuing that benefit coverage moving forward. Mayor Kawakami responded that he absolutely sees that coverage continuing moving forward.</p> <p>Administrator Ching noted that the Civil Service Commission receives a monthly report from the Director of Human Resources, and she recently reported that approximately 30% of those polled stated that the County's health benefit coverage was a factor in them applying for a County position. The medical coverage for County employees covers single individuals as well as entire families.</p> <p>Mayor Kawakami explained that when the State of Hawai'i created the Prepaid Healthcare Act of 1974, they covered private sector employers, non-profit employers, etc., but exempted government workers. Over time, an entry level Clerk at the Planning Department for instance paid 30% of their salary for health insurance premiums. Over the course of history, the unions may have helped to supplant some of those costs. However, as insurance premiums increased, more and more of an employee's salary went towards paying for their medical premiums. The Administration felt that covering medical benefit premiums was a good place to start addressing the inequity it observed.</p> <p>Chair Uyehara asked Mayor Kawakami if he would be willing to entertain questions from the public. Mayor Kawakami responded that his office receives questions all day, every day and would be open to answering any</p>	

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	<p>questions that may arise. He welcomed the Commission to send any questions his way as it would bring joy to his heart.</p> <p>Chair Uyehara noted that there were members in the public present and asked them if they had any questions of the Mayor. Those members of the public present declined to ask any questions.</p> <p><i>Mayor Kawakami and Ms. Matsuyama left the meeting at 9:34 a.m.</i></p> <p>Chair Uyehara asked Deputy County Attorney Michaels whether the scope of the Salary Commission's work in crafting the Salary Resolution includes looking at items like fringe benefits and other benefits or whether that was outside of the scope of the Commission's work. Deputy County Attorney Michaels responded that this matter was discussed earlier between he and Administrator Ching. Administrator Ching responded that in discussion with Deputy County Attorney Michaels and the Department of Human Resources (HR), there was a Salary Resolution that covered allowances such as for public safety uniform allowance, gun allowance, gas, cell phones, vehicles, etc. A previous Salary Resolution covered all those allowances. The County's practice previously was that all those allowances following Internal Revenue Service (IRS) rules were considered part of those employees' salaries. Since both the Charter and ordinances state that certain positions are covered under the Salary Resolution, those allowances would have to be acknowledged as a part of their salary. In discussion with the HR and Deputy County Attorney Michaels, the issue of health insurance did arise. HR felt that it would be advisable to include the coverage of health insurance as a part of the Salary Resolution because the policy of the County is that if you decide not to take health insurance coverage, then you are entitled to a subsidy, which amounts to approximately \$200 per month</p>	

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	<p>or something in that range. Administrator Ching recommended that the Commission include either the coverage of health insurance premiums or the option of the subsidy as a part of the Salary Resolution for those covered employees.</p> <p>Vice Chair Katayama asked whether the subsidy is on an employee's W-2. Administrator Ching responded that she was unsure, but that she thinks it would be. Ms. Chiba-Miguel responded that according to IRS standards it would be considered income. Chair Uyehara stated that it would be helpful to get a memorandum from the Deputy County Attorney regarding the types of benefits that are covered by the Salary Resolution. Chair Uyehara felt that it appears the County follows the practices of how the IRS treats various forms of income and associated benefits.</p> <p>Vice Chair Katayama asked how the enrichment of healthcare coverage is handled currently. Administrator Ching responded that healthcare coverage was handled at the administrative level through an announcement to County employees that the County would now be offering healthcare premium coverage or a subsidy. HR worked with the various healthcare providers to have a new open enrollment period. The new enrollment period just occurred in June or July.</p> <p>Vice Chair Katayama asked whether the Administration had the leeway to enhance those benefits because it was not a W-2 affected benefit. Administrator Ching responded that those questions should be asked of HR and Payroll. Based on her knowledge of the issue, Administrator Ching responded that she would be surprised if those benefits were not included in an employee's W-2 if you were getting a subsidy. Chair Uyehara stated that he is assuming that most of the positions involved with a subsidy are</p>	

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	<p>most likely positions that are not covered by the Salary Resolution. Mr. Ono stated that it would be a good idea for the Commission to get clarity on whether the subsidy would affect one's W-2 and if it is considered differently than someone who is receiving the full medical premium coverage benefit. Chair Uyehara stated that he is assuming that there is more than likely some ambiguity as to what is subject to the Salary Resolution or not and that if feasible, it would be prudent for the Commission to get clarity from the Deputy County Attorney. Administrator Ching stated that she requested a copy from HR of the Salary Resolution that covered the allowances to be added to the Commission's binders upon receipt.</p> <p>There being no objections, the Commission proceeded with part B of the agenda item.</p> <p>Administrator Ching stated that in gearing up this Salary Commission process to formulate a Salary Resolution and in getting the meetings organized, she was planning on being able to submit something in time for the County's budget process. However, in a couple of weeks' time, departments will need to submit their upcoming budget proposals to the Mayor. Originally Administrator Ching gave them a deadline of a couple of weeks, however realized that they would need to expedite submission in order to have it available for the Commission's consideration. She was thankful that even with the expedited timeline, most departments were able to turn in their reports. The only departments unable to submit in time are the Department of Parks and Recreation and the Department of Water. Administrator Ching took responsibility for those missing reports. The Commission was provided with a binder which contains all of the narratives, a listing of all of the positions impacted by the Salary Resolution,</p>	

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	<p>a list of departments impacted by positions in the Salary Resolution, and a list of reports related to the Salary Resolution. Administrator Ching reviewed the logistics of the Commission's binders to help them identify what they are looking for and how it was organized to manage the large amount of paperwork. Administrator Ching offered the Commission to take a recess to review the various reports, then to reconvene to start going through department by department. Administrator Ching notified the Commission that she plans to take down questions from the Commission for the department heads as each is reviewed. Those department heads receiving questions could appear at the Commission's next meeting to respond. The County Clerk will not be able to be present next Thursday as she will be engaged in a Kaua'i County Council meeting, as they had to shift their meeting date. Administrator Ching asked the County Clerk to be present at this meeting to answer questions from the Commission. She asked the Commission out of all the reports to please review the report provided by the County Clerk and if there were questions, she could text the County Clerk to run over to provide a response.</p> <p>Chair Uyehara asked if it would be possible to request additional information after reviewing departmental reports. Administrator Ching responded that the Commission could absolutely request additional information. The Commission during its meeting can request information and Administrator Ching will do her best to notify that specific department head to appear at the next meeting to provide a response. Chair Uyehara expressed his interest in seeing more data about the cost of living on Kaua'i, including the cost of rent for a single person or a family needing a 2- to 3-bedroom home to purchase or rent, if available. Administrator Ching suggested posing rent and home price costs to the Housing Agency for a response as they are equipped with various studies relating to housing.</p>	

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	<p>Vice Chair Katayama stated that he felt the Mayor's overview was very helpful, but that he needs HR's perspective of the County's position in terms of comparable salaries and whether that includes strictly wages or all employment costs of that individual position. He felt it would be helpful to have someone from HR present to explain how the various figures are categorized and what costs they are associated with. Vice Chair Katayama, in addressing the Mayor's comment about salary inversion, expressed his interest in finding out what flexibilities the Administration has to provide different kinds of incentives or compensation packages that are outside of the collective bargaining agreements. Vice Chair Katayama stated that he would like to better understand the different classifications of employees such as the differences between compensation packages for public safety employees, professional and technical employees, and administrative positions. Administrator Ching responded that she had planned at the next meeting for the Commission to cover follow-up questions for department heads that cannot be addressed and delving into the HR reports. Administrator Ching asked the Commission to send her questions so that she can prepare for the next meeting with proper representatives accordingly. She noted that when HR presents, they can provide the Commission with a lot of information, including institutional knowledge and history from HR Manager Janine Rapozo who has been with the County through many administrations and Salary Resolutions in her time. The County's positions and bargaining units vary greatly across-the-board, and HR can help the Commission better understand those differences and how compensation is treated throughout the County ranks.</p> <p>Vice Chair Katayama stated that he assumed that all the positions affected by the Salary Resolution were outside of the collective bargaining</p>	

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	<p>agreements. Administrator Ching responded that Vice Chair Katayama was correct in his assessment. Vice Chair Katayama expressed his interest in discussing how the current compensation packages are working in relation to recruitment and retention. Mr. Ono stated that Vice Chair Katayama brings up a good point and further stated the importance of the Commission reviewing the various allowances and having HR provide a breakdown of those types of allowances. Vice Chair Katayama stated his interest in reviewing whether total compensation packages for leadership positions might help with employees wanting to take leadership roles within the County. Vice Chair Katayama stated that he hopes that the information on total compensation that the Commission receives provides enough comfort for employees to want to take on leadership roles. Chair Uyehara stated that the Commission will need to get further clarification on whether the Salary Resolution needs to contain or should contain the fringe benefits for each of those positions in question.</p> <p>Mr. Ono stated that he is interested in hearing from each of the departments to see how the compensation package has worked for them and to hear about each of their experiences serving in those positions.</p> <p>Ms. Chiba-Miguel asked for clarification on the salary inversion chart provided as to what constitutes additional pay, overtime pay, and other pay. Administrator Ching responded that she could seek that clarity. Ms. Chiba-Miguel further asked who would make the directive regarding the decision to hire additional employees or allow overtime to be incurred. Ms. Chiba-Miguel asked whether that would be a question for the department or for HR. Administrator Ching responded that overtime is typically decided upon within the department as governed by the union contract. Particularly, Police and Fire would more than likely be affected by the</p>	

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	<p>different pay categories as their roles are 24/7 and their pay structures are very complicated.</p> <p>Vice Chair Katayama asked if the pay structure for public safety departments was a structural issue that leads to the high 3. He clarified that perhaps employees want to work overtime to boost their high 3 salary years prior to retirement and perhaps it is an institutional issue that governments deal with. Administrator Ching responded that years back the County received an enormous bill for retirement and post-retirement benefits costs that were not projected, which brought to light the issue with the unintended burden caused by overtime benefits beyond just the level of wage compensation. Overtime costs are also included in employee wages and are used for retirement and post-retirement benefit calculation as well. Administrator Ching clarified that the State Legislature passed a law thereafter which does not take into account the overtime when calculating retirement and retirement benefits which resolved that concern.</p> <p>Administrator Ching noted that the Police and Fire Departments have really stepped up in how they manage their overtime costs, which translates to better controls on their retirement and post-retirement benefits costs as well.</p> <p>Chair Uyehara stated that the implicit question that needs to be asked is why these departments are using so much overtime as opposed to hiring additional employees at regular wages. Perhaps it makes more logistical sense for a firefighter to remain on shift as opposed to bringing in a new shift while fighting a fire. Administrator Ching responded that for these public safety departments, part of the issue with these problems is</p>	

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	<p>recruitment of new employees. She further explained that for Police, one of the Chief's major initiatives was to move Patrol officers to a 12-hour shift to help reduce vacancies and overtime.</p> <p>Vice Chair Katayama stated that his intention is not to focus on the specific details, but instead to target in on the department heads and to figure out why there is a great wage inversion and possible ways to equalize that. Administrator Ching stated that she is not sure that the inversion issue is a solvable problem with what the Salary Commission can accomplish. Unlike the private sector, for government employees, most receive overtime pay. Typically, in the private sector, if you manage employees, you do not qualify for overtime. Salary inversion exists because even the top level managers right under the department head level receive overtime pay when warranted. For example, an Assistant Chief within the Police Department qualifies for overtime pay even if they manage an entire Bureau.</p> <p>Chair Uyehara wondered if a part of the Salary Commission's scope was to see whether certain positions should be treated as Fair Labor Standards Act (FLSA) exempt or non-exempt. Administrator Ching responded that she was unsure and would need to ask the Deputy County Attorney. Deputy County Attorney Michaels responded that he would have to do research on the issue and get back to the Commission.</p> <p>Vice Chair Katayama stated that for the boards and commissions that have the ability to hire and fire their director, he was interested in finding out how robust the performance evaluation process was. Administrator Ching stated that her Office provides support to most of those boards and commissions, with the exception of the Department of Water and Board of Water Supply. Administrator Ching stated that all of the other performance</p>	

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	<p>evaluation processes that she has provided support for were very robust. Approximately half of the year is taken to come up with goals and objectives for each year, including completing the evaluation process for these department heads for the previous year. Vice Chair Katayama was pleased to hear that and that the Salary Commission could possibly look at setting salary ranges based on the performance of the individual. Administrator Ching also noted that under the current Administration, each employee receives an annual Job Performance Review (JPR), which is a factor in salary determination.</p> <p>Ms. Akiona-Arruda asked whether every employee's salary was determined by the JPR conducted. Administrator Ching stated that in her experience, her direct report was the Managing Director who conducts her JPR and based off of that he makes a salary determination. Ms. Chiba-Miguel asked whether that process held true for all County employees. Administrator Ching clarified that the process she explained was for department heads that are appointed by the Mayor.</p> <p>Administrator Ching asked the Commission to first review the Office of the County Clerk as there are scheduling conflicts for the County Clerk to appear at next week's meeting.</p> <p>Vice Chair Katayama suggested the Commission group various departments by the type of work that they do and whether certain departments experience salary inversion.</p> <p>Chair Uyehara suggested the Commission review the Office of the County Clerk at approximately 10:30 a.m. to give the County Clerk notice to appear, followed by additional discussion to frame the work of the Commission and</p>	

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	<p>how to proceed moving forward. Vice Chair Katayama also expressed possibly postponing any detailed discussion until the additional two members of the Salary Commission were present.</p> <p>Administrator Ching suggested bundling the Department of Water, Office of the County Attorney, Office of the Prosecuting Attorney, and Department of Public Works into one group. The remaining departments can be bundled into a second group. Administrator Ching also reminded the Commission that at the next meeting, she will be having HR walk the Commission through all of the HR-related reports.</p> <p>The Commission decided to focus only on the Office of the County Clerk and save the remaining departments for review at next week's meeting.</p> <p>There being no objections the meeting was recessed at 10:08 a.m.</p> <p>There being no objections, the meeting was called back to order at 10:30 a.m. and proceeded as follows:</p> <p>Administrator Ching noted that County Clerk Jade K. Fountain-Tanigawa was present to answer any questions from the Commission.</p> <p>Ms. Fountain-Tanigawa provided an overview of her Office as follows:</p> <ul style="list-style-type: none">• The Office of the County Clerk is comprised of two divisions, the Council Services Division and the Elections Division.• The Council Services Division has three sections, Records Management, Clerical/Secretarial Support, and the Research Sections.	<p>Ms. Chiba-Miguel moved to recess the meeting to 10:30 a.m. Vice Chair Katayama seconded the motion. Motion carried 5:0.</p>

SUBJECT	DISCUSSION	ACTION
	<ul style="list-style-type: none">• The Elections Division handles voter services, mail voting, printing services, elections support, and administration.• The Office of the County Clerk has 27 full-time employees. All employees except two are appointed within the Council Services Division.• The Council Services Division used to primarily be comprised of Civil Service employees. In 1991, when Ms. Fountain-Tanigawa started her employment with the Office, the Office started to phase out Civil Service employees.• The Elections Division are all Civil Service employees.• The budget for Council Services is approximately \$5.3 million and the Division is there to serve all 7 Councilmembers as well as the public, administrative staff, and Federal and State agencies. <p>Vice Chair Katayama asked if she has experienced a lot of turnover on staff for Council Services. Ms. Fountain-Tanigawa responded that she has been very fortunate to experience low turnover, having lost 1 employee who moved to another position and 2 employees to retirement in the last two years.</p> <p>Vice Chair Katayama asked whether the County Clerk had any issues with the current compensation package. Ms. Fountain-Tanigawa responded that post-Covid, many employees discussed leaving County employment, leading the Office to make adjustments in compensation to keep employees. Out of the Council Services Staff, all but three employees hold undergraduate degrees. Salary ranges within the Office range from \$50,000 to approximately \$102,000 for staff attorneys. At every level, from the Research Section to the Clerical Support Section, employees are often</p>	

SUBJECT	DISCUSSION	ACTION
	<p>approached by different employers to take other jobs.</p> <p>Vice Chair Katayama asked if any of the employment transfers were related to transfers outside of the government. Ms. Fountain-Tanigawa responded that two secretaries left to take positions with the hotel industry. One was for pay and the other was for scheduling reasons. Ms. Fountain-Tanigawa noted that she spoke to one of the employees who left, and she actually inquired if the Office had any openings after hearing about the County's health plan coverage.</p> <p>Vice Chair Katayama asked for confirmation that all Elections Division employees were Civil Service. Ms. Fountain-Tanigawa confirmed that Vice Chair Katayama was correct. Vice Chair Katayama then asked if there were any employment issues within that Division. Ms. Fountain-Tanigawa responded that the Division recently brought on board an 89-Day Hire who became a full-time employee. Lyndon Yoshioka, Deputy County Clerk, responded that some of his current Election employees came from the service industry or between jobs. Vice Chair Katayama asked if the Civil Service grades were an issue within the Division. Mr. Yoshioka responded that the grade levels are an issue, but are very difficult to change as it would require reallocation and adjustments with HR.</p> <p>Vice Chair Katayama asked if the salary ranges between the two Divisions were on par. Ms. Fountain-Tanigawa responded that the appointed staff members in the Council Services Division receive higher salaries.</p> <p>Vice Chair Katayama asked whether the appointed staff serve at the pleasure of the Mayor or the Council. Ms. Fountain-Tanigawa responded that the Council Services staff are appointed by her and she in turn is</p>	

SUBJECT	DISCUSSION	ACTION
	<p>appointed by the Council.</p> <p>Administrator Ching reminded the Commission that Council elections occur every two years. Mayoral elections occur every four years. Appointed staff in the Legislative Branch are appointed for a two-year term. Vice Chair Katayama stated that he would hope the Council would appreciate having the continuity and expertise of a seasoned staff.</p> <p>Vice Chair Katayama asked for the percentage that salaries make up of the Office's entire budget. Ms. Fountain-Tanigawa responded that approximately 80% of the budget is for salaries.</p> <p>Ms. Chiba-Miguel asked Ms. Fountain-Tanigawa to confirm that all employees in Council Services were appointed. Ms. Fountain-Tanigawa responded that all but one employee is appointed. That employee works in the Records Section. Vice Chair Katayama noted that out of 19 staff, 18 are appointed.</p> <p>Mr. Ono asked for clarification on the number of Civil Service employees in total. Ms. Fountain-Tanigawa responded that out of all employees, there is one in Council Services who is a Civil Servant, and all Elections Division employees are Civil Servants.</p> <p>Ms. Chiba-Miguel asked whether the Constituent Services Representatives were hired by the Councilmembers but paid through the Council Services budget. Ms. Fountain-Tanigawa confirmed that Ms. Chiba-Miguel was correct, and that those positions started just last year.</p> <p>Vice Chair Katayama asked if the Council has any attorneys on staff. Ms.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Fountain-Tanigawa responded that she has two attorneys on staff and falls under the Research Section.</p> <p>Vice Chair Katayama asked what Legislative Assistants were. Ms. Fountain-Tanigawa responded that those employees hold various degrees from Political Science to Human Resources Management. Ms. Fountain-Tanigawa sees difficulty in offering competitive pay for Legislative Assistants. She has been lucky to have two Legal Analysts who have been employed from approximately 2010 and noted that those two attorneys can gain employment at many different companies with their skillset.</p> <p>Ms. Chiba-Miguel asked which role experienced the most turnover. Ms. Fountain-Tanigawa responded that she has experienced the most turnover with Legislative Assistants and in the entry-level Clerical Support Section. Now that many of the Clerical Support employees have qualifying degrees, they can possibly move to the Research Section if they are interested, and a position is open. Ms. Fountain-Tanigawa further noted that some employees in the Clerical Support Section get bored with their positions.</p> <p>Ms. Chiba-Miguel asked whether those clerical employees are required to have a degree. Ms. Fountain-Tanigawa responded that they were not required to have a degree. The only positions that require degrees were in the Research Section and Records Management Section.</p> <p>Ms. Fountain-Tanigawa stated that Council Services for Kaua'i is very unique as the staff services all Councilmembers. In the other counties there is an Office of Council Services, but there is also personal staff for each Councilmember.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Ms. Chiba-Miguel asked if every Councilmember has personal staff. Ms. Fountain-Tanigawa responded that not every Councilmember has personal staff and that it was up to the Councilmember to choose their personal staff. Ms. Chiba-Miguel asked if Ms. Fountain-Tanigawa had any say in the hiring process. Ms. Fountain-Tanigawa responded that she does not have much say in the hiring process of personal staff, though some have inquired with her if she may know them or have heard of them.</p> <p>Ms. Chiba-Miguel asked whether the salary of personal staff fell under Civil Service guidelines. Administrator Ching responded that those salaries fall under the County Clerk. Vice Chair Katayama restated that Council Services only has one Civil Servant. Ms. Chiba-Miguel noted that the three personal staff of Councilmembers also do not fall directly under the County Clerk. Administrator Ching reminded the Commission that the only positions under the purview of the Salary Commission are the County Clerk and the Deputy County Clerk.</p> <p>Administrator Ching reminded the Commission that on Kaua'i, the Office of the County Clerk supports all Councilmembers whereby Councilmembers in other counties have their own office staff. The other counties have looked toward the County of Kaua'i as the County Clerk here has a larger management span of responsibilities. The staff under the County Clerk has to service all of the Councilmembers and the County Clerk has to manage the workload of her staff to ensure that all Councilmembers receive the support that they need. On Kaua'i, the County Clerk has more managerial responsibilities, but also experiences more efficiency and effectiveness of her staff. In the other counties, each Councilmember has their own staff and depending on their interest could be working on different items as it depends on what the Councilmember's interests are.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Vice Chair Katayama asked how the compensation packages are generated for the appointed positions. Ms. Fountain-Tanigawa responded that she establishes their salaries based on similar positions in the Civil Service system. For example, a Legislative Assistant in Research may be comparable to an SR-22 or SR-24, and depending on that person's experience, their salary could be set a little higher.</p> <p>Vice Chair Katayama asked how the County Clerk sets the salaries for the staff attorneys. Ms. Fountain-Tanigawa responded that she would look at the salaries in the Office of the County Attorney for a comparable salary range.</p> <p>Chair Uyehara asked if Ms. Fountain-Tanigawa was aware of anyone turning down the opportunity to be the County Clerk due to compensation. Ms. Fountain-Tanigawa responded that since she was with the Office, she was unaware of anyone turning down the position due to compensation. Ms. Fountain-Tanigawa did mention that people have left the position due to higher salaries elsewhere.</p> <p>Vice Chair Katayama asked if decisions to take employment elsewhere were made post- or pre-vesting. Ms. Fountain-Tanigawa responded that vesting is important, especially for older employees. Right now, she has a very young staff in the 30- to 40-year-old range. There are some in their twenties. For some of the younger staff, they tend to look around more freely. As they get older, they tend to get serious about their future and the benefits that County employment offers. Vice Chair Katayama expressed his interest in seeing any data from HR on people existing County employment pre- or post-vesting.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Ms. Chiba-Miguel asked if HR does exit interviews for County employees and whether the question regarding vesting is often asked. Administrator Ching acknowledged that exit interviews are conducted, but that she was unsure of the specific questions asked during the exit interviews. Vice Chair Katayama stated that employees would need to know the value of vesting during their employment as bringing it up during the exit interview would be too late to bring that up. He also noticed the importance of each generation of the workforce as to what is important in their career paths.</p> <p>With no other questions, the Commission thanked Ms. Fountain-Tanigawa and Mr. Yoshioka for their time and service.</p> <p>Chair Uyehara stated that the various boards and commissions responsible for appointing employees whose salaries appear on the Salary Resolution should be asked whether they foresee any issues or concerns recruiting people to fill those roles given the current salary and/or benefits packages. Administrator Ching responded that both the Police Commission and Liquor Control Commission are starting their executive searches soon. With the Police Commission searching for the Chief of Police, the average tenure for a Chief is only three years. The position is highly stressful and a difficult position to fulfill. The Office of Boards and Commissions was founded in 2006, and Administrator Ching noted that she is the fourth or fifth Administrator and she has hired the most department heads. The previous Administration was in office for ten years and department heads remained stable. Most of the other boards or commissions who are responsible for hiring department heads have been stable outside of the Police and Liquor Control Commissions. Administrator Ching stated that with the end of Mayor Kawakami's final term nearing, she has heard from</p>	

SUBJECT	DISCUSSION	ACTION
	<p>some department heads that there is a high possibility that some will step down from their current roles. The reason for stepping down is not necessarily tied to the salary, but who would be the incoming Mayor. Administrator Ching offered to have the various chairs of boards and commissions responsible for hiring department heads to come before the Commission. Vice Chair Katayama and Chair Uyehara stated that those appearances would be helpful.</p> <p>Ms. Chiba-Miguel asked which departments see the most turnover. Administrator Ching responded that the question would be best answered by HR.</p> <p>Out of respect to everyone's time, the missing Commissioners, and in trying to keep the day's meeting light, the Commission moved on to discuss meeting scheduling.</p> <p>Administrator Ching noted that the Office of Boards and Commissions Conference Room will be undergoing construction, so Commission meetings will be held in the Planning Commission room for the next two weeks.</p> <p>Chair Uyehara asked if any Commissioners had any availability concerns. He noted that he may have difficulty with attending next week's meeting and any meeting scheduled for February 6. Ms. Chiba-Miguel stated that there is no meeting scheduled for February 6. Administrator Ching acknowledged that February 6 was a bye week.</p> <p>Vice Chair Katayama asked if meetings would last until 12:00 Noon. Administrator Ching responded that meeting length would be up to the</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Commission to decide. Chair Uyehara responded that everyone should calendar the meeting to end at Noon, however, meetings would not drag on until that time if not necessary.</p> <p>Mr. Ono asked if it is possible to miss portions of meetings. Administrator Ching responded that if there is quorum, Commissioners may miss portions of meetings if necessary. If quorum is lost, the meeting will need to be recessed or adjourned. Mr. Ono stated that there may be times he needs to be absent for periods of time.</p> <p>Ms. Chiba-Miguel stated that in some weeks, she has a standing 10:00 a.m. meeting every other Thursday.</p> <p>Mr. Ono asked whether Commissioners may join meetings after leaving. Administrator Ching responded that rejoining is okay. Chair Uyehara summarized that Commissioners may leave, however, if quorum is not met, then the meeting would be recessed until quorum is reached. If quorum is met, then the meeting would continue without Commissioners, and they are welcomed to return. Administrator Ching stated that if the Commission does lose quorum, she would recommend just regrouping at the next scheduled meeting instead of taking a recess.</p> <p>Chair Uyehara asked whether they may be some items where the Commission may not want to act without the full Commission being present. Administrator Ching responded that there will be some items like that.</p> <p>Mr. Ono stated that it is important for the Commission to remember that there are a number of departments where department heads have</p>	

SUBJECT	DISCUSSION	ACTION
	<p>deputies as well. It is important to note department heads who have deputies and to try to understand what their responsibilities are within that department. It is also important to understand who the appointing authority of each position is. Mr. Ono also pointed out that Council appointees are subject to two-year appointments whereas Mayoral appointments are subject to four-year appointments.</p> <p>Mr. Ono asked how Council appointees are decided and whether a majority of the Council would be needed for the appointee to continue. Administrator Ching responded that the only Council appointment currently is the County Clerk. All other appointees are either Mayoral appointments or board appointments.</p> <p>Administrator Ching reminded the Commission that the Council appoints the County Clerk, who then appointments the Deputy County Clerk and her staff. Similarly, the County Attorney is appointed by the Mayor and the Deputy County Attorneys are appointed by the County Attorney. Some Mayors want to have input in the Deputy County Attorney appointments. For other departments, sometimes the Mayor has input on the department head and the deputy, but in other departments, the Mayor appoints the department head and leads the deputy appointment to the department head.</p> <p>Ms. Chiba-Miguel asked whether all the appointed positions would come under the Salary Resolution. Administrator Ching stated that for office appointments, only the Deputy County Attorney and Deputy Prosecuting Attorney salaries fall under the Salary Resolution.</p> <p>Administrator Ching explained that the Transportation Agency is unique in</p>	

SUBJECT	DISCUSSION	ACTION
	<p>that the department head is not appointed, but all staff below the department head are appointed. For the Office of Economic Development, the department head is a Mayoral appointee, and the entire office is appointed as well.</p> <p>Ms. Miguel-Chiba stated that it would be nice to see a list of all the positions that fall under the Salary Resolution. Mr. Ono stated that it is important to look at all the positions and their responsibilities to act in the best interest of the people of the County of Kauaʻi.</p> <p>Vice Chair Katayama stated that it appears that the Commission is setting the bar as it would be awkward to see a department head appointing someone at a salary higher than those listed on the Salary Resolution.</p> <p>Administrator Ching reminded the Commission that the County Clerk noted that she considers the Civil Service salary ranges and other comparable positions in the County, as she would not want to hire someone only to lose them to another department. The County Clerk did mention hiring her people a little more, having the latitude to pay her appointees a little more than similar positions within the County.</p> <p>Vice Chair Katayama asked if there is a differential between an appointed position and a Civil Service position. Administrator Ching responded that there is a difference. Speaking from experience, appointed positions typically have a higher salary.</p> <p>Ms. Chiba-Miguel asked who makes the determination whether a certain position is appointed versus Civil Service. Administrator Ching responded that the Charter makes that determination.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Vice Chair Katayama asked what the differential between Civil Service salaries and appointed salaries and how that differential is portrayed. Administrator Ching responded that the question should be directed to HR. Administrator Ching further stated that a good example would be the department's Private Secretary position. That position is paid a lot more than a comparable Civil Service position. Administrator Ching has experienced a lot of people starting off in the Office of Boards and Commissions. These employees work with five different departments, and they get to know the various department heads. Many of her employees get poached into the Private Secretary position because the pay is a lot higher. Vice Chair Katayama asked if it was just the pay that was higher or were benefit packages different as well. Administrator Ching responded that the pay was higher.</p> <p>Vice Chair Katayama asked if the downfall of appointed positions was that they did not have the assurance of longevity. Administrator Ching responded that Private Secretaries also do not have longevity as they and their department heads are appointed by the Mayor.</p> <p>Ms. Chiba-Miguel asked whether those secretaries were appointed to two-year or four-year terms. Administrator Ching responded that Private Secretaries are appointed for the term by the department head. Hypothetically, as long as the department head is there, they should have their position. When a new department head comes in, they could say that they want someone else to serve in that role.</p> <p>Vice Chair Katayama asked if they have return-rights and the same vesting rights as Civil Service employees. Administrator Ching responded that most</p>	

SUBJECT	DISCUSSION	ACTION
	<p>do not have return-rights unless they made provisions for that. For example, the Planning Director was a Civil Servant before, so he has return-rights as provisions were made as a condition of him accepting the Director position. When he steps down after this Administration, he will go back to his Civil Service position. That position has been kept vacant for that reason.</p> <p>Vice Chair Katayama asked for clarification as to whether the Planning Director was hired at the pleasure of the Planning Commission or appointed by the Mayor. Administrator Ching responded that all appointees negotiate under what conditions they will accept a position. Administrator Ching herself had a lengthy discussion with the Mayor before accepting her position, including having total autonomy to fill the positions within the Office of Boards and Commissions. Another condition Administrator Ching placed upon accepting her role is that the Office of the Mayor cannot raid her budgetary appropriation.</p> <p>Vice Chair Katayama asked whether Administrator Ching's conditions were more organizational versus compensation conditions. Administrator Ching responded that Vice Chair Katayama was correct.</p> <p>Vice Chair Katayama stated that HR will need to notify the Commission as to what falls under salary compensation as wages and what falls into any other category. Administrator Ching noted that for the Planning Director, it was important that he had return rights to his Civil Service position in order for him to accept the leadership role.</p> <p>Chair Uyehara asked whether the Planning Director's conditions were informal and non-binding or whether they were written in a contract.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Administrator Ching responded that there is no contract, though it is known that those were his conditions. It was a part of the negotiation process.</p> <p>Vice Chair Katayama asked if there was any legal obligation for a new Mayor to honor that commitment. Administrator Ching responded that there is no legal obligation. Chair Uyehara mentioned that it is more a trust condition.</p> <p>Administrator Ching stated that she retired from her previous position so if the Mayor did not keep his end of the deal, she would probably quit and go back into retirement. Her commitment to the Mayor and the deal they made for her to accept the position was about integrity and until this day, the Mayor has kept his word as well.</p> <p>Vice Chair Katayama again asked that HR be prepared to discuss the differentials between Civil Service compensation versus an appointed compensation. What makes one position more attractive than the other. Administrator Ching responded that all of the positions within the Office of Boards and Commissions are appointed, however, even if they are appointed, the positions track with the Hawai'i Government Employees Association (HGEA) Unit 3 Bargaining Unit (Clerical positions). Whatever negotiations are made with Unit 3, all the positions in the Office follow suit. For example, if the increase for Unit 3 is a 2% increase for the next three years, that is what her positions will get as well.</p> <p>Chair Uyehara stated that he feels that the Commission will be spending a significant amount of time having these kinds of discussions to frame the work that the Commission will be doing in preparation of the Salary Resolution.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Administrator Ching stated that at the Commission’s next meeting, she will ask HR to go through the various HR-related reports and to go over any questions from the meeting that were noted.</p> <p>Chair Uyehara requested that the Housing Agency be present or possibly the Office of Economic Development so that the Commission could have data related to the cost of living on Kaua’i. Chair Uyehara stated that he would not be present, but that those departments could transmit that kind of data to the Commission.</p> <p>Administrator Ching stated that she might put in a request to The Economic Research Organization of the University of Hawai’i (UHERO) as they are the agency that handles that kind of information. The Housing Agency could provide Kaua’i-specific information on the cost of housing for rentals and homes, but UHERO would probably be the best source of economic data.</p> <p>Chair Uyehara stated that when he looked at fieldworker salaries, he used a Massachusetts Institute of Technology (MIT) study for economic data as well. Chair Uyehara noted that much of the comparison information was done across the counties, but there are certain areas on other islands where the cost of living is much lower and where one can get a home for approximately \$200,000, such as in parts of the Big Island.</p> <p>Vice Chair Katayama asked if UHERO would be the experts in speaking about migration and population pools that are being recruited from. Administrator Ching responded that they are a good source of information as they have branched out on the types of studies they are doing and the type of information they are collecting. For example, on Maui, UHERO</p>	

SUBJECT	DISCUSSION	ACTION
	<p>collected information and had a role in their economic development, mental health, and visioning for the rebuilding of the areas impacted by the wildfires.</p> <p>Vice Chair Katayama requested that HR look at the current employment figures for the County and what attrition might look like in the next three years. He asked to see the number of employees eligible for retirement or what a normal retirement rate per year is. That would impact the type of vacancies and positions that will need to be filled. Vice Chair Katayama also asked for data on the County's turnover rate.</p> <p>Mr. Ono stated that it might be effective for the Commission to focus on HR for the next meeting and possibly have the other departments respond via memorandum for other requests such as those to the Office of Economic Development and the Housing Agency.</p> <p>Ms. Chiba-Miguel asked if there were inversion charts available for departments other than for Police and Fire. Administrator Ching responded that HR will be able to provide that information and that she is aware of inversions occurring in HR, the Department of Public Works, and the Department of Water. Ms. Chiba-Miguel stated that if the Commission is setting the salary maximums for those departments, it would be great to know what the salaries in those departments are currently at. It might also be helpful to have a spreadsheet that shows the historical salary trends for the past five years.</p> <p>Administrator Ching stated that the last Salary Resolution was a stop-gap measure to track what the union contracts were negotiated at and that is how the 5% increase per year came about.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Vice Chair Katayama asked what the total cost of the 5% annual increase was. Administrator Ching responded that she would get back to Vice Chair Katayama with that information. Vice Chair Katayama asked if those increases were compounded. Administrator Ching responded that the effective data was retroactive to January 1, 2023, then increases were received on July 1, 2023 and July 1, 2024. Vice Chair Katayama acknowledged that the increases seem to be from the start of the year back to a more fiscal year increase schedule.</p> <p>Vice Chair Katayama asked if there were any other non-wage increases tied to the last Salary Resolution. Administrator Ching responded that the last Salary Resolution impacted only wages. Any other allowances are heavily determined by what the unions have negotiated for their Collective Bargaining Agreements. Examples of this would be uniform allowances provided to the Chief of Police or Fire Chief based off of what the State of Hawai'i Organization of Police Officers (SHOPO) or Hawai'i Fire Fighters Association (HFFA) may have negotiated.</p> <p>Chair Uyehara noted that those kinds of allowances are included in the Salary Resolution so it would be important for the Commission to know that kind of information. A previous Salary Resolution included allowances in the compensation package for certain employees and that Salary Resolution would cover allowances for the foreseeable future.</p> <p>Vice Chair Katayama asked whether allowances for department heads and deputies could be different than the union contracted amount. Administrator Ching responded that theoretically it could. Ms. Chiba-Miguel asked if the Commission would determine that amount. Chair</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Uyehara stated that the Commission would determine the cap of those allowances. Administrator Ching responded that in her viewpoint, modifying the amount of the allowances outside of the bargaining agreements would muddy the water.</p> <p>Vice Chair Katayama stated that the County's challenge is to take a closer look at the incentives to entice employees to stay and take on leadership roles. If everything remains the same, no one will want to step up.</p> <p>Ms. Chiba-Miguel stated that from her vantage point, why would anyone want to step up to take on leadership roles when they can make a lot more money working overtime.</p> <p>Chair Uyehara mentioned that there was a second Salary Resolution that addressed inversion for the Police Department only. Administrator Ching stated that HR is going to propose doing what the Police Department did, for all other departments. Doing so would solve the inversion issues in some of the departments. The recommendation would be that if you are a Civil Servant and have a higher salary when stepping into the department head or deputy role, you would be able to take your higher salary to that leadership position. Administrator Ching noted that in her discussions with the Administration, they are not opposed to that recommendation and are open to further discussions by the Commission regarding that recommendation.</p> <p>Chair Uyehara stated there was no end date on that rule change related to the Police Department. Administrator Ching noted that should the Commission decide to adopt a similar rule for other departments, it is important to understand how that could affect various departments. In her</p>	

SUBJECT	DISCUSSION	ACTION
	<p>discussions with the Managing Director, they discussed the difficulty in knowing whether someone may want to fill the position with someone within County government or from the outside. The Commission will need to decide whether they want that kind of rule or policy to last forever or until another Salary Resolution removes it. At that point, the Commission would be giving someone internally the advantage of stepping into leadership positions.</p> <p>Chair Uyehara stated that the concept considered by the Commission may not need to be the same as what went into effect in the last Salary Resolution and the Commission will need to have further discussion on the matter. Administrator Ching stated that the Commission may feel comfortable doing that for a deputy position but may want to explore whether they want that done for a department head position.</p> <p>Vice Chair Katayama stated that he feels those types of decisions are incumbent on the board or commission appointing those positions. The Salary Commission may possibly give them the ability to put the right person in the right seat. Administrator Ching noted that the Salary Commission's role is to provide the necessary tools to set these other appointing authorities up for success.</p> <p>Vice Chair Katayama asked who puts the pencil to paper in crafting out all of the recommendations of the Salary Commission. Administrator Ching responded that a Deputy County Attorney would create the Resolution. Vice Chair Katayama asked who would put together the budget for any salary made through the Salary Resolution. Administrator Ching responded that each department head puts together their budget. The way that the budget is formulated, salaries, wages, and benefits make up approximately</p>	

SUBJECT	DISCUSSION	ACTION
	<p>80% of the department’s budget. Those areas are pre-filled in budgets by the Department of Finance. Department heads would then look at the operating portion of their budgets to make any adjustments year-to-year. Administrator Ching stated that the County takes a conservative approach to budgeting and will put the maximum salary caps for all positions covered under the Salary Resolution.</p> <p>Ms. Chiba-Miguel expressed her interest in speaking with the Police Commission and Liquor Control Commission to get their thoughts on the salary levels as they are starting their executive searches. Vice Chair Katayama stated that he would like to go through that exercise with all boards and commissions responsible for hiring and firing department heads. Administrator Ching responded that she would request the chairs from the various boards and commissions responsible for department heads to appear before the Commission. Administrator Ching also suggested having the Chief of Police, who recently announced his retirement, and the Acting Director of Liquor Control, who came out of retirement to fill the role left vacant, to ask them questions regarding salary and compensation levels.</p> <p>Mr. Ono asked whether trying to fix the problem of retirees’ “double-dipping” or attracting retirees to fill positions would be outside of the scope of the Salary Commission. Administrator Ching responded that it would be outside of the purview of the Salary Commission and is not clear how the Salary Commission could impact attracting retirees. Administrator Ching further noted that the State Law would need to be changed to have any impact. Vice Chair Katayama asked for clarification on the issue that is being discussed. Administrator Ching provided the example that police officers who have retired throughout the State will not apply for the Chief</p>	

SUBJECT	DISCUSSION	ACTION
	<p>of Police position because they cannot maintain their retirement status and collect the Chief of Police salary. That is considered “double-dipping” per State Law.</p> <p>Vice Chair Katayama asked for clarification on the Acting Director of Liquor Control and whether he is on an 89-Day contract making the amount he would be making if he filled the position. Administrator Ching responded that Vice Chair Katayama was correct, but that he is making close to the amount he would have otherwise been making.</p> <p>Ms. Chiba-Miguel asked if the contract could be extended. Administrator Ching responded that the contract could be extended.</p> <p>Administrator Ching stated that she has not seen many department heads who are on 89-Day contracts. Contract hires get no sick leave, vacation, health benefits, etc. Vice Chair Katayama asked if they could maintain their present retirement structure. Administrator Ching responded that Vice Chair Katayama is correct.</p> <p>Mr. Ono stated that he only mentioned the retirement issue as the goal of the County is to fill leadership positions with the best people for the job. Administrator Ching noted that when the Office of Boards and Commissions has participated in the hiring process, she often sees the public getting very upset about the County not hiring someone local, but the State Law hampers the County’s ability to hire retirees as those retirees want to maintain their retirement benefits.</p> <p>Chair Uyehara stated that based on the discussion, the Commission could have a traditional Salary Resolution that impacts salaries numerically, but</p>	

SUBJECT	DISCUSSION	ACTION
	there could also be a second Resolution that addresses rules like what was done for Police in previous years to address Civil Service wages being brought up to department head or deputy positions. The Commission could also submit recommendations to other bodies addressing issues outside of the purview of the Commission but were observed during the Commission's work. Administrator Ching suggested that the Commission bring these issues up in discussions with other boards or commissions and take the opportunity to notify department heads if they are before the Commission.	No action was taken regarding this agenda item.
SC 2025-2	Discussion and decision-making on drafting a memorandum to accompany the Salary Resolution for transmittal to Chair Mel Rapozo and Members of the Kaua'i County Council	There was no discussion on this agenda item. No action was taken regarding this agenda item.
SC 2025-3	Presentation of a Memorandum of Transmittal relating to the Salary Commission Resolution No. 2025-1 (Relating to establishing maximum salary caps for certain County of Kaua'i officers and employees included in Section 3-2.1 of the Kaua'i County Code for Fiscal Years 2025/2026, 2026/2027, and 2027/2028, from the Salary Commission to Mayor Derek Kawakami and Council Chair Mel Rapozo and Members of the Kaua'i County Council)	There was no discussion on this agenda item. No action was taken regarding this agenda item.
SC 2025-4	Discussion and decision-making on designating two or three members and alternates from the Salary Commission to appear before the County Council to address any questions related to the Salary Resolution to establish maximum salary caps for certain County officers and employees included in Section 3-2.1 of the Kaua'i County Code for Fiscal Years 2025/2026, 2026/2027, and 2027/2028.	There was no discussion on this agenda item. No action was taken regarding this agenda item.

SUBJECT	DISCUSSION	ACTION
Announcement	No formal announcements were made at the meeting.	
Executive Session Closed to the Public	Under HRS § 92-7(a), the Commission may, when deemed necessary, hold an executive session on any agenda item without a written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to HRS § 92-4 and shall be limited to those items described in HRS § 92-5(a).	There was no Executive Session held.
Adjournment	Chair Uyehara called for a motion to adjourn the meeting.	Ms. Chiba-Miguel moved to adjourn the meeting. Vice Chair Katayama seconded the motion. Motion carried 5:0. Hearing no objections, the meeting was adjourned at 11:41 a.m.

Submitted by: _____
Mercedes Omo, Staff Support Clerk

Reviewed and Approved by: _____
Wayne Katayama, Vice-Chair

() Approved as circulated on

(X) Approved as amended on January 16, 2025. See minutes of January 16, 2025, meeting.