



**SALARY COMMISSION  
CITY AND COUNTY OF HONOLULU  
530 South King Street, Room 202  
Honolulu, Hawaii 96813**

**MINUTES OF THE COMMISSION'S FOURTH MEETING:  
APRIL 16, 2019**

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**1. CALL TO ORDER**

Chair Kevin Sakamoto called the meeting to order on Tuesday, April 16, 2019 at 12:06 p.m. in the Council's Committee Meeting Room.

**2. ATTENDANCE**

Commissioners present at the meeting: Chair Kevin Sakamoto; Diane Peters-Nguyen, Guy Tajiri, Gerald Takeuchi, and Brian Tamamoto (arrived late)

Commissioners excused from the meeting: Merle Kelai and Claire ("Kimi") Yuen

Commission support staff present at the meeting: Todd Swisher, Legislative Analyst

Commission attorney present at the meeting: Sarah Casken, Deputy Corporation Counsel

Others present: Carolee Kubo, Director of the Department of Human Resources ("DHR"); Denise Miyahara (DHR); as well as other DHR personnel

**3. APPROVAL OF MINUTES**

There was a motion by Commissioner Tajiri to approve and file the minutes of the April 2, 2019 meeting. Commissioner Peters-Nguyen seconded the motion. Hearing no objections from the four Commissioners present (Vice-Chair Tamamoto not yet having arrived), the minutes were approved as circulated.

**4. PUBLIC TESTIMONY**

Chair Sakamoto noted that written testimony in opposition to the Permitted Interaction Group's ("PIG") recommended salary increases had been received from Ms. Sharlene Akita and Ms. Sharlene Chun-Lum. Ms. Chun-Lum, a senior taxpaying resident of Halawa, Council District VI, also provided oral testimony. She reiterated and updated the arguments she shared at the Public Hearing on April 2, 2019. Following this testimony, Commissioner Peters-Nguyen stated that the Ms. Chun-Lum's estimate that fringe benefits cost roughly 50% of the salary of each city worker sounded high to her. Chair Sakamoto asked Denise Miyahara of DHR what percentage of the budget the

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salaries of the positions under the Commission's charge represent. Ms. Miyahara stated that DHR could not provide such numbers but that a request could be made of the Department of Budget and Fiscal Services. DHR Director Carolee Kubo stated that the BFS estimate of fringe benefits comes out to a little more than 50% of salary per position, but that the calculation assumes all benefits will be exercised, which is not the case. Vice-Chair Tamamoto stated, and Director Kubo confirmed, that the City's workers' compensation program is self-insured instead of on a premium basis. He added that in the private sector fringe benefits are generally 18-30% of salary.

Following up on a question asked by Ms. Chun-Lum, Chair Sakamoto asked what happens if the Commission's recommendations are accepted and then revenue-raising proposals attached to the City budget fail to pass. Director Kubo noted that the City tries to compensate its excluded managers in line with what is negotiated during collective bargaining. She referenced Act 253, Session Laws of 2000, a civil service reform that provided for compensation of excluded managers to be merit based. Jurisdictions were then able to pay their excluded managers whatever they thought was fair, and the result was uneven treatment. Act 2, Session Laws of Hawaii 2005, subsequently granted to excluded managers not less than what Bargaining Unit 13 would receive. The packet prepared by DHR for the Commission each year (e.g. Departmental Communication 248 (2019)) features information on collective bargaining. Director Kubo noted that directors of City Departments lack civil service protections, can be terminated at any time, and are unlikely to qualify for a City pension if they come from the private sector due to terms of service that do not meet the vesting threshold. Directors are also on-call 24 hours a day and make decisions with wide-ranging consequences. For that reason, the City believes they should receive increases at least equivalent to what their subordinates receive.

Denise Miyahara of DHR commented that the Salary Commission merely makes recommendations and that it is the City Council's ultimate responsibility to evaluate the fiscal implications of the Commission's recommendations and to accept or reject them. Director Kubo confirmed Chair Sakamoto's assertion that it is the Salary Commission's responsibility to make recommendations irrespective of the budget presented by the Mayor. Commissioner Tajiri stated that it was his understanding that the members of the Mayor's cabinet have not always accepted increases, which Director Kubo confirmed. Denise Miyahara explained that, if approved, the Commission's recommendations take effect July 1, at which point the individuals in the positions can choose to not accept the increases in their salary schedule. Commissioner Tajiri added that over the years the Salary Commission had recommended no increase during lean times.

In response to a question from Commissioner Peters-Nguyen, Director Kubo confirmed that several individuals presently under legal review are serving in positions covered by the Salary Commission. Commissioner Peters-Nguyen asked if Ms. Sharlene Akita, who had submitted written testimony, was aware that the Salary Commission does not consider job performance in its recommendations for salary adjustments. Commission Aide Todd Swisher indicated that he had informed the testifier of that fact. In reference to the oral testimony by Ms. Chun-Lum, Commissioner Takeuchi stated that the Commission could not anticipate whether additional raises would be recommended next

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year, since the Commission would need to wait for DHR to deliver its updated analysis at that time.

Director Kubo then gave a brief summary of the state of current and upcoming collective bargaining negotiations. In response to a question from Commissioner Tajiri, Director Kubo also provided an update on current arbitration hearings, noting that the legislative deadline for the year would be missed, and that Bargaining Unit 9 (nurses) would be heard first. At the close of public testimony, Chair Sakamoto asked Ms. Chun-Lum if her questions had been answered. She thanked the Commission and again urged fiscal caution, especially in light of uncertainty around the City's Rail Project. Commissioner Tajiri commented that he shared her concerns as a taxpaying citizen, but that the Salary Commission has relatively narrow parameters for its work that are set by the City Charter.

## **5. EXECUTIVE SESSION**

A motion was made by Vice-Chair Tamamoto (who arrived at the meeting towards the end of the public testimony portion) to convene into Executive Session for the purpose of consulting with the Commission's legal counsel on questions and issues concerning its powers, duties, privileges, immunities, and liabilities in relation to the setting of the salaries as set forth in the Charter and for the review and approval of the minutes of the Executive Session meetings held on January 29, 2019 and March 5, 2019. The motion was seconded by Commissioner Tajiri. The Commissioners unanimously voted to enter into Executive Session and the Salary Commission recessed at 12:33 p.m.

## **RECONVENE**

Chair Sakamoto called the meeting back to order at 12:42 p.m.

## **6. ANNUAL REVIEW OF SALARIES AND SALARY SCHEDULES PURSUANT TO SECTION 3-122 OF THE REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU**

### **A. DELIBERATION AND DECISION-MAKING ON THE PIG'S PROPOSED SALARIES AND SALARY SCHEDULES, TO BE EFFECTIVE JULY 1, 2019**

Chair Sakamoto noted that at the Salary Commission's previous meeting, the Public Hearing, Commissioner Yuen announced that she had filed a Disclosure of Conflict of Interest Statement and would be recusing herself from voting on salary adjustments to the Council Chair, Councilmembers, Department Heads, and Deputy Department Heads. He stated that Commissioner Yuen would not, in fact, be voting on any positions as she was unable to attend the Commission's final meeting, but that the disclosure would once again be noted for the record.

Chair Sakamoto noted that at the March 5, 2019 meeting of the Commission, the PIG provided its report and recommended a 3.5% salary increase for all elected and appointed officials, with the exception of the Deputy Medical Examiner, for which the

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recommendation was a 10% increase compounded by a further 3.5% increase, for a total increase of 13.85%.

Chair Sakamoto stated that the Commission had received the PIG's recommendations at its last regular meeting (prior to the Public Hearing) and would now be able, under the Sunshine Law, to discuss and make a decision on those recommendations. He then stated that the Commission would first take up the PIG's recommendation of a 3.5% across-the-board salary increase for all elected and appointed positions, with the exception of the Deputy Medical Examiner, effective July 1, 2019. He then read off the list of positions included on the agenda for the meeting so that Commissioners would be clear as to the positions on which they would be voting.

Noting that the Commission may adopt the PIG's across-the-board recommendation for the positions as a group, or else depart from the PIG's recommendation for either the entire group or for individual positions, Chair Sakamoto asked for motions in relation to the recommendation. Commissioner Peters-Nguyen moved to adopt the PIG's recommendation of a 3.5% salary increase for all elected and appointed positions, with the exception of the Deputy Medical Examiner. Commissioner Takeuchi seconded the motion. Commissioners Peters-Nguyen, Sakamoto, Tajiri, Takeuchi, and Tamamoto voted in favor. There were no votes against. The motion was approved.

Chair Sakamoto then offered, for consideration, the PIG's recommendation of a 13.85% increase to the salary of the Deputy Medical Examiner effective July 1, 2019, and asked if there were any motions in relation to the recommendation. Vice-Chair Tamamoto moved to accept the PIG's recommendation of a 13.85% increase to the salary of the Deputy Medical Examiner. Commissioner Takeuchi seconded the motion. Commissioners Peters-Nguyen, Sakamoto, Tajiri, Takeuchi, and Tamamoto voted in favor. There were no votes against. The motion was approved.

### **B. ADOPTION OF RESOLUTION AND ACCOMPANYING FINDINGS OF FACT ESTABLISHING THE SALARIES AND SALARY SCHEDULES FOR FISCAL YEAR 2020**

Chair Sakamoto stated that pursuant to the City Charter, any action by the Commission altering salaries shall be by resolution accompanied by Findings of Fact. He called for a short recess in order for the draft Resolution and Findings of Fact to be passed out at 12:47 p.m.

### **RECONVENE**

Chair Sakamoto called the meeting back to order at 12:48 p.m.

Chair Sakamoto noted that the draft Resolution and Findings of Fact were substantially in the form to be submitted to the Council and the Mayor and asked if there were any questions or proposed changes to the language of the Resolution or Findings of Fact. Commissioner Tajiri moved to approve the Resolution and Findings of Fact, which were substantially in the form to be submitted to the Mayor and the City Council. The motion

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was seconded by Commissioner Peters-Nguyen. Commissioners Peters-Nguyen, Sakamoto, Tajiri, Takeuchi, and Tamamoto voted in favor. There were no votes against. The Resolution and Findings of Fact were approved.

Chair Sakamoto stated that the finalized Resolution and Findings of Fact had been approved and were ready for the Commissioners' signatures. He further stated that the Resolution and Findings of Fact would be submitted to the Mayor and Council prior to May 1, 2019 in accordance with Section 3-122.2 of the Revised Charter of the City and County of Honolulu.

## **7. ADJOURNMENT**

There being no further business, Commissioner Takeuchi moved to adjourn the meeting, and Commissioner Tajiri seconded the motion. Hearing no objections from the five Commissioners present, the meeting adjourned at 12:51 p.m. Chair Sakamoto went on to note that the 2019 Salary Commission had completed its function as set forth under the City Charter and excused the members until the convening of the 2020 Salary Commission. He thanked the Commissioners for their participation and service, and in particular thanked two members of the Commission, Commissioners Kelai and Tajiri, whose terms were set to expire on January 15, 2020, and who therefore may not be returning.

Respectfully submitted,

Todd Swisher  
Legislative Analyst