



## **SALARY COMMISSION**

**VACANT, CHAIR**  
**VACANT, VICE CHAIR**

**BERNADETTE AKIONA-ARRUDA, MEMBER**  
**STACIE CHIBA-MIGUEL, MEMBER**  
**PATRICK ONO, MEMBER**  
**WAYNE KATAYAMA, MEMBER**  
**JOSHUA UYEHARA, MEMBER**

25 JAN -2 A11 :29

### **Meetings of the Salary Commission will be conducted as follows:**

- Meetings will be publicly noticed under Chapter 92, Hawai'i Revised Statutes (HRS).
- Minutes of meetings will be completed under Chapter 92, HRS and posted to the Salary Commission's website.

### **Public Comments and Testimony:**

- **Written testimony will be accepted for any agenda item herein.**
  - Written testimony indicating your 1) name, and if applicable, your position/title and organization you are representing, 2) the agenda item that you are providing comment on, and 3) contact information (telephone number and email address), may be submitted to [mromo@kauai.gov](mailto:mromo@kauai.gov) or mailed to the Salary Commission, c/o Office of Boards and Commission, 4444 Rice Street, Suite 300, Lihue, Hawaii 96766.
  - Written testimony received by the Salary Commission at least two business days before the meeting will be distributed and available as part of the Commission's packet and written testimony submitted thereafter will be distributed at the meeting.
  - Any written testimony received after this time and up to the start of the meeting will be summarized by the Clerk of the Commission during the meeting and will be provided to the members and added to the record thereafter.
  - Any written testimony received during the meeting and before the decision-making on the corresponding agenda item will be distributed to the members before such decision-making.
- **Oral testimony will be accepted for any agenda item herein.**
  - It is recommended that anyone interested in providing oral testimony register at least 24 hours before the meeting by emailing [mromo@kauai.gov](mailto:mromo@kauai.gov) or calling (808) 241-4920. Any request to register may include your 1) name, and if applicable, your position/title and organization you are representing, 2) the agenda item you are providing comment on, and 3) contact information (telephone number and email address).
  - Per the Salary Commission's Oral Testimony Policy there is a three-minute time limit per testifier for each agenda item.
  - Individuals who have not registered to provide testimony will be allowed to speak on an agenda item following the registered speakers.

### **SPECIAL ASSISTANCE**

If you need an auxiliary aid/service or other accommodation due to a disability, or an interpreter for non-English speaking persons, contact Anela Davis at (808) 241-4917 or [adavis@kauai.gov](mailto:adavis@kauai.gov) as soon as possible. Requests made as early as possible will allow adequate time to fulfill your request. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

REMOVED

25 JAN -2 11:29

**SALARY COMMISSION MEETING NOTICE AND AGENDA**

Thursday, January 9, 2025  
9:00 a.m. or shortly after  
Piikoi Building Boards and Commissions Conference Room, Suite 300  
Līhu'e, Hawai'i 96766

**CALL THE MEETING TO ORDER**

**ROLL CALL TO ASCERTAIN QUORUM**

**ELECTION OF CHAIR AND VICE CHAIR FOR CALENDAR YEAR 2025**

**APPROVAL OF AGENDA**

**PUBLIC TESTIMONY ON ANY AGENDA ITEMS**

Individuals may testify on any agenda item or wait for the item to come up.

**APPROVAL OF OPEN SESSION MINUTES**

November 30, 2022 meeting.

**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 Section 3-2.1 of the Kaua'i County Code for Fiscal Years 2025/2026, 2026/2027 and 2027/2028.

- A. Presentation by Managing Director Reiko Matsuyama on issues and recommendations related to a Salary Resolution.
- 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:
  - 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 Economic Development
- xi. Office of the County Attorney
- xii. Office of the Prosecuting Attorney
- xiii. Planning Department
- xiv. Police Department
- xv. Public Works Department

**C. Presentation by Director of Human Resources Annette Anderson or her representative on the following reports:**

- i. Collective bargaining: across the board percentage increases
- ii. Collective bargaining: step movements, lump sum award, etc.
- 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

**D. Presentation by Director of Finance Chelsie Sakai or her representative on the following reports:**

- i. Consumer price index
- ii. County of Kaua'i financial overview

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

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 Arryl Kaneshiro and Members of the Kaua'i County Council)

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.

**ANNOUNCEMENT:**

The Salary Commission meeting—and any subsequent, continued meetings pertaining to SC 2025-1, SC 2025-2, SC 2025-3, and/or SC 2025-4—will held at the Boards and Commissions Conference Room, Suite 300. The anticipated continued 2025 meetings will be held at 9:00 a.m. on January 16, 23, and 30; February 13, 20, and 27; and March 13 and 20.

**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).

**RETURN TO OPEN SESSION TO RATIFY THE ACTIONS TAKEN IN EXECUTIVE SESSION**

- Executive Session Report pursuant to HRS § 92-4(b).

CC: Deputy County Attorney Andrew Michaels

COUNTY OF KAUAI SALARY COMMISSION  
4444 RICE STREET, PIKOI BUILDING  
BOARDS AND COMMISSIONS CONFERENCE ROOM SUITE 300  
LIHUE, HAWAII 96766

**DRAFT** MINUTES OF THE COMMISSION'S EIGHTH OPEN SESSION MEETING:  
NOVEMBER 30, 2022

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**CALL TO ORDER**

Chair Patrick Ono called November 30, 2022, Salary Commission meeting to order at 9:02 a.m.

**ROLL CALL TO ASCERTAIN QUORUM**

At request of Chair Ono, a roll ensued with Commissioners Trinette Kauai, Howard Leslie, John Venardos, and Chair Patrick Ono present to conduct business. Also present were Boards and Commissions Administrator Ellen Ching, Support Clerk Mercedes Omo, and by virtual Microsoft Teams Deputy County Attorney Andrew Michaels.

**APPROVAL OF MEETING AGENDA NOVEMBER 30, 2022**

Chair Ono called for a motion to amend or approve the agenda.

Commissioner Venardos moved to approve the agenda for November 30, 2022, meeting.  
Commissioner Kauai seconded the motion. Hearing no objections, the agenda was approved.

**PUBLIC TESTIMONY ON ALL AGENDA ITEMS**

Chair Ono asked if there were any registered testifiers wishing to provide testimony to which Ms. Omo replied that there were no registered testifiers, and no written testimonies received.

There was no one in the audience to testify and no written testimony, Administrator Ellen Ching stated for the record that she would not be calling for public testimony on any of the agenda items.

**APPROVAL OF MINUTES**

a) Open Session Minutes of October 26, 2022, Meeting.

Chair Ono called for a motion to approve or amend the minutes of the October 26, 2022, meeting.

Commissioner Venardos moved to approve the minutes of October 26, 2022, meeting.  
Commissioner Kauai seconded the motion. Hearing no objections, the minutes were approved.

## **BUSINESS**

### **SC 2022-11     Discussion and decision-making on setting the Salary Commission meetings for the Calendar Year 2023.**

Commissioner Howard pointed out that picking the dates for the 2023 meetings would depend on whether the Commission decides that it wants to conduct a Compensation Study or not.

Administrator Ching suggested that the Commission table the discussion and decision-making until after the Commission addresses item SC 2022-12 which is to conduct a Compensation Study or not.

Chair Ono agreed noting that he had written down some notes regarding a Compensation Study he would like to share with the Commission.

Administrator Ching questioned whether a motion was needed to take the agenda of order and address item SC 2022-12 first. Commissioner Venardos stated that according to Roberts Rules a motion to take the agenda out of order was not necessary. Deputy County Attorney Michaels concurred.

With no further discussion, Chair Ono moved on to the next agenda item.

### **SC 2022-12     Discussion and decision-making on conducting a Compensation Study.**

Chair Ono called on Administrator Ching to provide input on conducting a Compensation Study.

Administrator Ching stated that considering the passing of the ballot question to give the Salary Commission the authority to set the salaries for certain County officers and employees included in Section 3-2.1 of the Kauai County code opens a new territory for the Salary Commission to embark on.

Unlike the previous years, according to the Charter, the Salary Commission would have to submit a salary resolution before the March 15 deadline but in doing so, the Commission had to consider the county's fiscal year budget and whether submitting a salary resolution during an election year was the best thing to do. But with the passing of the ballot question by Kauai voters, the Salary Commission now has the authority to set the maximum salary caps which prompts the question as to whether the Commission would like to conduct a Compensation Study.

Commissioner Kauai stated that to her knowledge the previous Salary Commission procured an outside consultant to conduct a compensation study known as the Nash Study. Commissioner Venardos asked if the Nash Study was based just on Kauai stats, or did it include the other counties to which Commissioner Kauai replied that she recalls the study contained salary comparisons from the different counties.

Administrator Ching recalls, at one point, Commissioner Venardos did inquire about including the different counties in the State of Hawai'i to collectively do a Compensation Study. But in her mind, it would be difficult because a new governor and a new Maui mayor were just elected to office. She noted that if the Salary Commission wants to conduct a Compensation Study of Kauai it would have to be contractual and without engaging the other counties and the study would include salary comparisons of other counties within the state.

In response to Commissioner Leslie's questioning about what the Compensation Study would encompass and whether it would be strictly cash benefits, Administrator Ching explained that the Compensation Study would be based on the type of data the Salary Commission would like to see reflected in the study. Once that is determined she would move ahead and do a writeup on the scope of service and the specific bid, then her office would put the services out for bid.

As an example, the Compensation Study could be based solely on Kauai or in contrast with the state and the other counties or the Compensation Study could be a contrast on what the national compensation levels are at. It all boils down to what direction the Salary Commission would like to go, which would of course influence the scope and the bid specifications.

Relative to the Nash Study, the consultant made a recommendation on different tiers which prompted the previous Salary Commission to look at all the county positions and appointed positions that required a graduate degree, then drew a line based on that recommendation in the Nash Study that was done many years ago.

Commissioner Kauai shared that after the previous Salary Commission reviewed all data reflected in the Nash Study, the Commission submitted a salary resolution that contained a five-year pass across the board increases. Relative to Commissioner Leslie's question about it being strictly cash benefits, in her mind the Commission should look at an overall package and not just cash benefits.

In response to Commissioner Leslie's questioning as to whether the Salary Commission can make recommendations to the county council or whomever receives the proposal on adding some type of compensation to the benefit package other than cash and not just what the union negotiated for its membership.

Administrator Ching stated that she would have to check with the county attorney, but if she was to guess the Salary Commission can make recommendations to the county council being that in the past a proposal was made to council by the county attorney's office to add \$600 a month to cover school loans. Because during that period, the county attorney's office was struggling with a lot of vacancies and retention issues and because of that the Salary Commission supported the proposal, but council did not.

Administrator Ching pointed out again that with the passing of the charter amendment the Salary Commission now has the authority to set the salaries and what decision the Commission makes is final.

Commissioner Leslie stated that he understands the salary part but what about other compensation (days off, additional benefits) does that need to be approved by council or another agency. Commissioner Venardos stated that the answer to his questions will have to come from the attorneys. Commissioner Leslie agreed and noted he would wait for the county attorney to opine before he shares his ideas.

Deputy County Attorney Michaels stated that he most definitely would need to do some research, but his gut instinct tells him that if his office was able to propose a non-salary recommendation in the past, he doesn't see a problem with it. He noted that in the past, non-salary compensation recommendations were made to council for police officers, and because the Salary Commission now has more authority unlike in the past it would seem odd to him that the Commission couldn't make non-salary compensation/benefits recommendations to council.

But it is not clear to him whether the Salary Commission has the authority to make non-salary type recommendations to the council. Relative to the new ordinance that just passed it gives the Commission the authority to increase salaries, but it does not necessarily encompass non-salary additions. For all intents and purposes, it seems to him that the Commission is still able to make non-salary compensation recommendations to the council, but again that is a matter he would need to do research on.

Administrator Ching noted that the Salary Commission has the authority to give cellphone and vehicle allowances to all seven (7) council members. In relation to the union contracts the Salary Commission has the authority to give the police chief gun and uniform allowances, and uniform allowance for the fire chief. The question is does the Salary Commission have the authorization to include as part of the employee's salary package (as an example) five-days of vacation pay.

To Administrator Ching's comment about giving the department head five-days of paid vacation as part of their salary package, Commissioner Leslie stated that any decisions the Salary Commission makes will ultimately affect the county's overall budget so he would like to know if the Commission has the authority to do that.

Administrator Ching reiterated that with passing of the charter amendment that recently the Commission does have the authority to set the maximum salary cap for all the positions and it is up to the appointing authority to give the department head the maximum salary cap or an amount lower than the cap. The same goes for allowances – it doesn't mean the department head will get the full amount it would be up to the appointing authority (mayor, police commission, fire commission, and civil service commission) to determine.

In response to Commissioner Venardos questioning how often the union contracts are negotiated, Administrator Ching stated that normally the unions do multi-year contracts, and they reserve the right to arbitrate between years.



Chair Ono pointed out that based on the discussion it seems clear to him that the Commission needs to have clarity before it can move forward with conducting a Compensation Study. What is clear though for him is that the Salary Commission can set the maximum salary caps for certain county positions and appointed positions which are supported by the information the Commission receives and by doing background research to support those maximum salary caps. Being that the Commission worked so hard to produce a successful salary resolution that was approved by the council it is also important for the Commission to skinny things up because there are a lot of unknowns. One thing for sure is the need to address those hard to fill positions and to retain the county's best and brightest to support the county's ability to function, not just for today but for the future. Therefore, going into 2023, what he would like to see is for the Commission to focus on identifying how to fill those hard to fill positions and then it can come grips on the scope and specs on what the Commission would like to accomplish before it decides on what the overall package would entail relative to the Compensation Study.

Commissioner Kauai stated that she is more concerned about what the county's budget is going to look like first before the Commission starts to talk about numbers.

Administrator Ching stated that basically, the Commission would need a Compensation Study with recommendations comparing all the other counties in the state and like positions in the private sector in the State of Hawai'i so she could have an idea on what the number is going to look like budgetarily.

Commissioner Leslie stated that after reading the Nash Study it seemed that the consultant had some difficulties including the private sector because the consultant couldn't find like for like. It seemed more of an estimation than solid information.

Administrator Ching stated that the Hawai'i Employee Council does wage and hour studies within the state and to her it seemed a little odd that the Nash Study was challenged by that.

Commissioner Venardos stated that whoever become the potential consultant to conduct the Compensation Study they might want to reach out to the National Association of County Officials (NACO) which may or may not have nationwide or regional data comparisons.

Administrator Ching stated that it is important for the Commission to have a good consultant to conduct a Compensation Study because that study is going to be the corner piece of what the Salary Commission is going to base its decisions on for maybe the next five years, so whoever the consultant ends up being better be good and collect all of the solid data so that the Salary Commission can make an educated decision.

In response to Commissioner Venardos question if the positions the Commission is going to determine the maximum caps for have approved job descriptions and if the consultant will be looking at those different job descriptions and compare with the other state and county positions to see if adjustments need to be made to which Administrator Ching replied yes

noting the county's wastewater department is much smaller compared to Maui's wastewater department which falls under environmental management that directs and oversees three operating divisions. Their engineers must oversee roads, trash, wastewater etc., which is typical in Kauai County because it is the smallest county.

Chair Ono reiterated how important it was for the county to have the right people in those engineering positions because the requirement for them to expand their coverage was even greater. Administrator Ching stated that she went back 50 years to find out how many years the county chief engineer position had been vacant – the position has been vacant majority of the time because most people who applied for the position did not have an engineer degree but in the private sector those positions were being filled because of the compensation was more.

Chair Ono stated relatively speaking the time may be right to start thinking about making budgetary decisions versus taking a skinny approach and only being centered at only certain positions because overall, the Commission needs good study.

Administrator Ching stated that her budget is going to be out of sorts but if you don't ask you don't get it but ultimately it will be up to the council to job to determine whether her budget is approved.

Commissioner Kauai pointed out that salary increases were recently approved council might not approve the budget to conduct a study. Administrator Ching stated that she already has three (3) requests to conduct studies from other commissions and one alone looks like it is going to cost around \$156,000, or so her request to increase her budget may reach the million-dollar mark.

Commissioner Venardos asked if the state employee retirement fund is self sufficient or is the state and county under funding their pensions. Administrator Ching stated that because of the budget resolution the county is required to pass a balance budget. Kauai county is the only county that is adequately funded for retirement.

At this point, Chair Ono called for a motion to retain a consultant to conduct a Compensation Study, and that study would include comparisons of all the county and the state as well as job descriptions, salary compensation and benefits.

#### Discussion

Commissioner Leslie asked relative to benefits if the motion could also include having the consultant to discern between benefits that were accepted as part of the union negotiations for membership and benefits that are added on.

Commissioner Venardos asked whether the county has ever offered an enticement to bring people on board housing allowance to which Administrator Ching replied that no, the county does not offer relocation benefits; however, the Department of Human Resources has gone

through an lengthy process especially for the hard to fill positions to be able to offer a relocation benefit plus additional bump in salary.

Chair Ono stated that the motion on the floor is to hire a consultant to conduct a Compensation Study that provides information on a comparison of all counties and the state; job descriptions and or duties; salary compensation and benefits; and direct the consultant to discern between benefits that are accepted as part of the union negotiations for membership as well as any add-on benefits.

Commissioner Venardos moved. Commissioner Kauai seconded the motion. Hearing no objections, the motion carried unanimously.

After the motion was passed, Chair Ono directed the Commissioners back to item SC 2022-11 for continued discussion and decision-making.

**SC 2022-11     Discussion and decision-making on setting the Salary Commission meetings for the Calendar Year 2023.**

Commissioner Venardos asked how long it took the previous Salary Commission when the proposal to do the Nash Study was agreed to when the Commission received the study. Administrator Ching replied that she doesn't know exactly, but what she does know is that the county's procurement process can take any way from two to three months to complete, but in some cases depending on the ask it can take a month.

Commissioner Venardos asked when the Salary Commission know whether council will approve the inclusion in her budget to which Administrator Ching replied that council will formalize the budget in May.

Commissioner Venardos asked Chair Ono if there's anything the Salary Commission should be doing between now and May to which Chair Ono replied that is a matter the Commission is looking at right now. He noted that the Commission usually meets on the 3<sup>rd</sup> Wednesday of each month with the first meeting being on January 18, 2023, but if there is no decision relative to the budget it wouldn't seem appropriate to meet earlier in the year.

Commissioner Leslie asked relatives to the county attorney's opinion on the non-salary compensation. Maybe the Commission could meet sometime before May to get an understanding of what the Salary Commission can or cannot do.

Administrator Ching stated that Deputy County Attorney Michaels will still have to do research on whether the Salary Commission can make non-salary recommendations. In the meantime, she will work with the newly elected Chair and Vice Chair elect to solidify the scope of the Compensation Study because the study is the cornerstone of what will drive the Commission forward.

Another issue is the budget, the Administration will have to review all the budget requests and decide before sending the budget package over to the council in March. As for the 2022-1 Salary Resolution because it goes into effect in January 2023, and then July 1, 2023, and July 1, 2024, she was thinking that she would put her request to conduct a Compensation Study in the next fiscal year budget and if it doesn't get approved, she would again put it in the following fiscal year budget. Given the passing of the charter amendment she is hoping that the council will understand how important the Compensation Study is for the Salary Commission.

Based on what needs to occur rather than setting the first meeting in March 2023, as a suggestion the Commission should leave the next meeting up in the air and have the newly elected Chair call the next meeting.

Commissioner Venardos asked staff to give the Commissioners a couple weeks' notice as to when the meeting will be scheduled.

Chair Ono noted as a based holder if the Commission does in March would the date be March 15 to which Administrator Ching replied that the Commissioners should set the March 15 date as tentative and determine later whether it needs to meet on that date.

Ms. Omo pointed out that she believes Wednesday March 15 is when the council usually meets to which Administrator Ching replied, "let's set the meeting for some time in March date to be determined. The Commissioners agreed.

Chair Ono stated for the record that the next Salary Commission meeting will be tentatively scheduled for some time in March 2023 date to be determined.

With no further discussion, Chair Ono moved on to item SC 2022-13.

#### **SC 2022-13 Election of Officers.**

Chair Ono opened the floor for nominations for Chair.

Commissioner Kauai moved to elect Commissioner Howard Leslie to the Chairmanship for 2023. Commissioner Venardos seconded. Commissioner Leslie accepted the nomination. Hearing no objections, the motion carried unanimously.

Chair Ono opened the floor for nomination for Vice Chair.

Commissioner Kauai moved to elect Commissioner Venardos as the Vice Chair for 2023. Commissioner Leslie seconded the motion. Commissioner Venardos accepted the nomination. Hearing no objections, the motion carried unanimously.

Regarding the opinion, Deputy County Attorney Michaels requested a list of questions specifying the exact types of non-salary benefits the Commission may have in mind. He noted

that in the early discussion it was mentioned about giving additional vacation days off and allowances so the Commission could email him a list of questions specifying the exact types of non-salary benefits the Commission may have in mind that it would be very helpful for him to do the research. Administrator Ching stated that non-salary compensation is taxable compensation.

Prior to Chair Ono adjourning the meeting, Commissioner Kauai extended her heartfelt appreciation for his great chairmanship and for all his hard work he has done for the Salary Commission. Commissioner Leslie concurred.

Chair Ono thanked his fellow Commissioners for their support and for working cohesively as a team. He also thanked the Boards and Commissions staff for allowing the Salary Commission to present a well put together salary resolution package and for working with council staff on setting up individual meetings so that each Commissioner could meet one-on with individual council members.

Administrator Ching acknowledges Deputy County Attorney Andrew Michaels for all his hard work and research related to the memo that accompanied Salary Resolution 2022-1. The council members were impressed with how the memo was written because it provided them with bases as to why the Salary Commission put forth the Salary Resolution.

#### **EXECUTIVE SESSION**

**None.**

#### **ADJOURNMENT**

Being that there was no further business to conduct, at 9:52 a.m., Chair Ono declared the meeting adjourned.

Submitted by:

Mercedes Omo, Boards and Commissions Support Clerk

Approved as circulated:

Approved as amended \_\_\_\_\_ see minutes of \_\_\_\_\_ meeting.

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Chair-elect Kauai Salary Commission