

OPEN SESSION MEETING MINUTES

Board/Commission		Kaua'i Salary Commission	Meeting Date	January 23, 2025
Location	Office of Boards and Commissions Conference Room Moikeha Meeting Room 2A/2B Lihue, Hawaii 96766		Start of Meeting: 9:07 a.m.	End of Meeting: 12:45 p.m.
Present	Chair Joshua Uyehara, Vice Chair Wayne Katayama; and Commissioners Bernadette Akiona-Arruda, Nancy Kanna, 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: Director of Human Resources Annette Anderson and HR Manager Janine Rapozo. Director of Finance Chelsie Sakai. Chief of Police Todd Raybuck. Fire Chief Michael Gibson.			
Excused	Commissioners Stacie Chiba-Miguel and Paul Toner			
Absent				

SUBJECT	DISCUSSION	ACTION
MEETING CALLED TO ORDER/ROLL CALL TO ASCERTAIN QUORUM	Chair Joshua Uyehara called the Salary Commission Meeting to order at 9:07 a.m. Commission Support Clerk Mercedes Omo verified attendance by roll call: Commissioner Bernadette Akiona-Arruda replied present. Commissioner Nancy Kanna replied present. Commissioner Stacie Chiba-Miguel was excused. Commissioner Patrick Ono replied present. Commissioner Paul Toner was excused. Vice Chair Wayne Katayama replied present. Chair Joshua Uyehara replied present. Chair Uyehara welcomed Ms. Kanna to the Salary Commission.	Quorum was established with five Commissioners present.
APPROVAL OF AGENDA	There was no one present from the public wishing to testify on this agenda item.	Mr. Ono moved to approve the agenda as circulated. Vice Chair Katayama seconded the

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		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	January 16, 2025, meeting. Administrator Ching reminded Commissioners to put their microphone near them so that the sound is captured.	Ms. Kanna moved to approve the minutes of the January 16, 2025, meeting, as circulated. Vice Chair Katayama seconded the motion. Motion carried 5:0.
BUSINESS SC 2025-1	<p>Discussion and decision-making on submitting a Salary Resolution to establish maximum salary caps for certain County officers and employees included in</p> <p style="padding-left: 40px;">Section 3-2.1 of the Kaua'i County Code for Fiscal Years 2025/2026, 2026/2027 and 2027/2028.</p> <p style="padding-left: 40px;">A. Presentation by Managing Director Reiko Matsuyama on issues and recommendations related to a Salary Resolution.</p> <p style="padding-left: 40px;">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 	

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	<ul style="list-style-type: none"> 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 <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, 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 	

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	<ul style="list-style-type: none"> 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 focus of the day will be as follows:</p> <ul style="list-style-type: none"> • The Department of Human Resources (HR) will present responses to the questions that the Commission posed from previous meetings. The Commission received the responses in advance of the meeting. • The Department of Finance will then do a presentation on the consumer price index (CPI) and an overall financial overview. The Director of Finance distributed a handout that was placed at the desk of each Commissioner. • The Commission will then go into department reports. Based on the discussion at the last meeting, the Commission requested that the larger departments get grouped together. Administrator Ching stated that she ordered the departments based on their operating budget figures. The order was as follows: <ul style="list-style-type: none"> ○ Department of Public Works ○ Police Department ○ Department of Water (moved to the June 30, 2025 meeting as they have a Board of Water Supply meeting this morning) ○ Fire Department 	

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	<ul style="list-style-type: none"> ○ Department of Parks and Recreation ○ Housing Agency (moved to the June 30, 2025 meeting as they have another meeting to attend) ○ Department of Finance ○ Office of the Prosecuting Attorney ○ Department of Human Resources ○ Office of the County Attorney ○ Office of Economic Development ○ Planning Department ○ Office of the Mayor ○ Department of Liquor Control ○ Office of Boards and Commissions <ul style="list-style-type: none"> ● All departments submitted reports to the Commission. Each department within their reports were requested to note their name, position, whether they were appointed, elected, board-appointed, or commission-appointed, how many positions within their office, and their annual budget. <p>The Commission heard from Annette Anderson, Director of Human Resources and Janine Rapozo, HR Manager III. Ms. Anderson noted that she will defer many of the detailed responses to Ms. Rapozo as she has been working on these items for quite some time. Ms. Anderson briefly went over the responses from HR as follows:</p> <ul style="list-style-type: none"> ● Question: Please explain the County's policy with respect to the free health insurance and whether someone receives a subsidy or payment if they do not take the insurance coverage. <ul style="list-style-type: none"> ○ Response: Ms. Rapozo serves on the Administration's Budget Team with the Mayor and others. Ms. Anderson praised Ms. Rapozo for proposing this benefit. During the 	

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	<p>Fiscal Year Budget of 2025, the Administration proposed for the employer to pay the full premium and administrative cost of either the Kaiser Standard HMO or HMSA 75/25 PPO health plans for single, two-party, or family coverage and the full premium and administrative cost of the Verdegard Supplemental Medical and Prescription Drug plan. The County Council approved of this and included a \$200.00 subsidy for the following:</p> <ul style="list-style-type: none">▪ Employees who do not enroll in any of the County’s medical coverage plans. This includes employees who waived enrollment in any of the County’s medical plans under themselves but are enrolled as a dependent on a spouse or other individual’s EUTF or non-EUTF medical coverage.▪ Employees who enroll in the County’s dental and/or vision plan but not in a medical plan.▪ Employees who enroll in the County’s Verdegard Supplemental Medical and Prescription Drug plan but not in a medical plan. <p>Ms. Anderson stated that there are a few appointed employees subject to the Salary Commission, who have spouses also employed with the County as appointees and therefore could combine medical coverage under a two-party or family plan, but these individuals are not entitled to the medical benefit subsidy because they are at the maximum salary and the \$200.00 subsidy would cause them to exceed the maximum salary.</p> <ul style="list-style-type: none">• Question: Is the health insurance subsidy or benefit reflected in the W-2?	

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	<ul style="list-style-type: none">○ Response: The medical benefit subsidy is reflected in Form W-2.● Question: How effective was the option of free health insurance in recruitment and/or retention? Do you have any statistics on that?<ul style="list-style-type: none">○ Response: There is limited data on retention and HR is hoping to get more in the future. With respect to recruitment data, in November of 2024, 33 out of 95 applicants (35%) stated “yes” that they considered free health insurance in applying for a position. In December 2024, 38 out of 138 (27.5%) stated “yes” that they considered free health insurance in applying for a position. The January 2025 statistics showed a jump up to 40% of those who stated that they considered free health insurance in applying for a position. <p>Vice Chair Katayama asked what the other reasons were that were given if the free medical premiums were not the primary reason for joining the County. Ms. Rapozo responded that no other specific questions relating to why they applied for County employment were asked. HR asked specifically about the free medical premiums to try to gather data about the free medical premium program benefit that was just started to see if it was going to do what the Administration hoped it would do. Ms. Rapozo further noted that HR does not know why people are applying to the County in general.</p> <p>Vice Chair Katayama asked what the threshold would be for the Administration to consider the free medical premiums a successful program. Ms. Rapozo responded that if the County’s vacancy rate decreases, that would be a measure of success. Also, if retention rates</p>	

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	<p>improve and not a lot of employees leave because of the program, that would be another measure of success. Ms. Rapozo stated that she has anecdotal information from people out in the community who are talking about the County's free medical program and expressing interest in applying. For a lot of applicants out there, there are many factors that make a difference as to whether they will apply or accept a job with different employers. She is hoping that the County's reputation is that the County is one of the best employers. Vice Chair Katayama responded that when he looks at a comprehensive package, the model that is in-place was structured 20-30 years ago. What appealed to the workforce back in those days may no longer resonate with the Generation Z workers of today. He noted that he does not think the Commission can solve the issue but should be aware of it so that intellectual discussion can occur, and decisions made. He further noted that future Salary Commissions might be able to rely on the discussions that occur during this iteration. Ms. Anderson stated that the County of Kaua'i is the only public sector employer with free medical premiums. Vice Chair Katayama applauded HR for their work.</p> <p>Ms. Anderson continued with HR's responses as follows:</p> <ul style="list-style-type: none"> • Question: How much of an enticement is vesting in retention? <ul style="list-style-type: none"> ○ Response: If the question pertains to vesting in the State/County Employees Retirement System (ERS), for those employees hired on or after July 1, 2012, vesting occurs after 10 years of employment. There is no data regarding vesting in relation to retention. As noted in the previous meeting, the County does not have data on employees' credible ERS years of service as there are multiple ERS retirement plans, and service credit can be gained from other jurisdictions. Ms. Anderson reminded the Commission that she could be 	

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	<p>used as an example having been with the County for 5 years, but generally the County does not know that she is also 15 years vested as she worked 10 years with the State Department of Education. The County does not have data about employees' service with other jurisdictions.</p> <p>Chair Uyehara asked, because the ERS is a State program, how are the costs allocated between the different jurisdictions and employee contributions based on tenure. Ms. Anderson responded that there is a percentage contribution from the employee and the employer. The percentage contribution for police and fire employees is tremendously higher than a non-public safety-type position. She noted that the pension reform happened in July of 2012 and so people who were employed before that data, their contribution to the ERS is less. For those employed after July of 2012, there is an 8% contribution by the employee. The employer contribution for those kinds of employees is 24%. For police and fire employees it is 41% employer contribution.</p> <p>Chair Uyehara asked, if there was an employee who was at one point employed with the State or in a different County and ends their career with the County of Kaua'i, how is the allocation for retirement allocated. Ms. Rapozo responded that all the service time will be counted and the jurisdiction that they were employed at that time will be paying their cost that goes into ERS when it occurs. If they employee ends their career with the County of Kaua'i, there will be no further costs unless they "spike" their retirement. The jurisdictions should be paying their contributions as it occurs. The retirement plans have changed so many times depending on when someone was hired. Now it is an 8% contribution. When Ms. Rapozo started, there was no employee contribution, and she fell under the non-</p>	

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	<p>contributory plan. Ms. Rapozo explained that her retirement benefit may change from someone who was hired now when she decides to retire. This makes it very difficult for HR to analyze situations, especially if there is no break in service, as that employee will bring with them the retirement plan, they started under.</p> <p>Chair Uyehara stated that he read in the discussion from the last meeting that Kaua'i is the only County that has fully-funded its pension obligation. Ms. Rapozo responded that Chair Uyehara was correct in his understanding and gave appreciation to the Budget Team and Budget Director who made it a point to ensure that the County of Kaua'i paid for their retirement obligations. Ms. Rapozo compared the retirement payments to a mortgage which Kaua'i has fully paid for while the other jurisdictions have let their obligation lapse. Ms. Rapozo also noted that the County also has to pay for Other Post Employment Benefits (OPEB) which is paying for retirees' medical and other obligations. In the past, retirees only had to work 10 years, and they received free medical. Now, after 10 years you get 50% coverage of the premium and it works its way up to 25 years when you get 100% coverage. Ms. Rapozo stated that Generation Z employees are not looking at retirement benefits or medical coverage when they get older, but those are valuable benefits that being a County employee would bring to you if you made the County your career employer.</p> <p>Mr. Ono stated that he did look up additional information on the County's website about the ERS system and the other County benefits and thanked HR for providing that kind of information for the public.</p> <p>Chair Uyehara asked if it is known how the shortfall in underfunded liabilities by the other jurisdictions are dealt with. Ms. Rapozo responded</p>	

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	<p>that the question should be asked of the Director of Finance or Budget Director. Ms. Rapozo noted that she would assume that the County of Kaua'i would not have to pay for the shortfall if they ended their service with the County of Kaua'i, but she was unsure if that is a right or wrong assumption.</p> <p>Ms. Anderson continued with HR's responses as follows:</p> <ul style="list-style-type: none">• Question: Which department sees the most turnover and vacancies?<ul style="list-style-type: none">○ Response: Assuming the question pertains to all positions, it would be the Kaua'i Police Department when looking at the number of vacancies. If you are looking at percentages of vacancies for employees within a department, the response may be different.• Question: Do you have any comparative statistics (5 years) on retirement, vacancies, and turnovers?<ul style="list-style-type: none">○ Response: Assuming this question pertains to appointed positions, there will always be turnover with new Administrations as they are not civil service positions. It is rare for an executive appointee to "retire" during a mayoral term.• Question: Do you have comparative statistics (5 years) on recruitment and retention for civil service employees vs. appointed positions?<ul style="list-style-type: none">○ Response: No. HR has never been asked for that data.• Question: What is the cost pertaining to the implementation of the 2022 Salary Resolution?<ul style="list-style-type: none">○ Response: This is a question for the Department of Finance.	

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	<ul style="list-style-type: none">• Question: Would FLSA need to be addressed in the Salary Resolution?<ul style="list-style-type: none">○ Response: No, unless there is a desire to make exempt employees covered by Fair Labor Standards Act (FLSA) which is not recommended by HR. HR's advice to departments for those employees who are exempt from FLSA is to assure that they do not treat them as non-exempt because the exemption would be lost. Any concerns about the legality of making exempt employees non-exempt employees should be addressed to the County Attorney. The Resolution 2020-2 pertaining to the Deputy Chief of Police contains language that allows for overtime without expressly declaring that the position is FLSA non-exempt and which provides: "If an employee who is currently a sworn officer with the Kaua'i Police Department is appointed to the position of Deputy Chief of Police, a position subject to the Salary Commission, the Chief of Police may choose, in lieu of the salary in Article 1, to compensate the employee as though the employee had remained continuously in the last civil service position in which the employee last held permanently before said appointment." HR verified that the Salary Resolution applies to the current Deputy Chief of Police. He would get the salary that was provided to him as the Assistant Chief of Police, and he has the opportunity to receive overtime. <p>Chair Uyehara asked if the effect of being eligible for overtime is a waiver of the exemption. Ms. Anderson stated that she would defer a formal response to the County Attorney, but that is why she thinks it is important</p>	

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	<p>that HR does not classify them as exempt because there is a full body of law and under normal circumstances, HR would advise the department to not treat them as an hourly worker because they would be eligible for overtime. The collective bargaining agreements that the exempt employees follow in effect allow entitlement to overtime. It does not say in the collective bargaining agreement or executive orders that these employees are exempt. Ms. Anderson cautioned the Commission from making a hasty decision on exempting or not exempting employees through the Salary Resolution until a full analysis is made that the decision is the right thing for the County to do. HR did review various salary inversions occurring in the Department of Public Works, Department of Water, Police Department, and Fire Department, but the offer would then be extended to all employees. There are department heads and deputies, but there are also positions like Deputy County Attorney or Deputy Prosecuting Attorney where those employees work long hours over the weekend to get ready for trial. The exemption would also apply to them and if they get overtime would be a touchy subject. Ms. Rapozo added that the reason that currently civil service members get overtime is not because of FLSA but because of the collective bargaining agreement. That benefit is something that was bargained for. The County is not applying FLSA to the reason of them getting overtime. As an example, overtime is usually given after 40 hours per week. Per the collective bargaining agreement, overtime is given after 8 hours each day. The overtime benefit is bargained for and is then extended to the exempt employees if they are civil service. Ms. Anderson noted that the extension to apply the exemption is due to a provision in State Law that says that the exempt shall get no less than their included counterparts. You can pay these employees more, but not less. When looking at civil engineers and someone comments that the private sector pays so much better, Ms. Anderson stated that she responds to them</p>	

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	<p>that their salary threshold exempts them from FLSA, so they are not entitled to overtime. A civil engineer in the public sector will get overtime.</p> <p>Vice Chair Katayama stated that the condition Ms. Anderson was explaining was ambiguous and awkward at best. He asked if that was something that needs to be further clarified and who would be the one responsible for clarifying that. Ms. Anderson asked Vice Chair Katayama to clarify his question. Vice Chair Katayama responded that he was referring to the overtime provisions and the definition between exempt and non-exempt being blurred. He noted that overtime eligibility requires an accounting for the hours worked. Ms. Anderson responded that Vice Chair Katayama is correct in that the accounting of hours is necessary. Vice Chair Katayama further explained that it was not clear in his mind of how the overtime rule is applied to department heads, senior management, or professionals. He shared that in the private sector, it is clear and well understood that at a certain level in the organization, your hours are not accounted for. Your actions and performance are accounted for. Ms. Anderson deferred a response to Ms. Rapozo as to the different types of employees in the County. Ms. Anderson noted that the department heads and deputies are not considered excluded counterparts of any bargaining unit. There are other exempt employees who do follow the terms of the collective bargaining agreement. Ms. Rapozo responded that if the Commission focuses its attention on the department heads that the Salary Resolution is focused on, those employees are not entitled to overtime because they are considered exempt. Moving on to the rest of the employees in the County, there are included members which are your union members who are covered by the collective bargaining agreement. Aside from following the collective bargaining agreement, the law is followed. FLSA is actually built into the payroll system whereby there are certain collective bargaining</p>	

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	<p>agreement rules that apply, but if there is something else triggering the FLSA compensation, that compensation is given to the employee based on that law. At the County, you have the best of both worlds. You are covered by the collective bargaining agreement for overtime and if something triggers the FLSA for overtime via the law, the employee will also receive compensation through that mechanism as well. This holds true for all employees outside of the appointees. Appointees do not get overtime compensation.</p> <p>Vice Chair Katayama asked if crossing that bridge from a union employee to a department head is causing the inversion issues. Ms. Rapozo responded that in part it is. She further responded that overtime can be controlled to a certain extent. Vice Chair Katayama stated that overtime absolutely can be controlled 100% of the time. Ms. Rapozo continued with her response, stating that there are times with the Police Department where there are large-scale operations and you need high-level officers present. To a certain extent, with the high-level employees, you can control that overtime. The department heads will be making that call.</p> <p>Vice Chair Katayama stated that as it relates to the Salary Resolution, if there is a desire to have internal members move up to leadership positions the Commission needs to understand how the dynamics work to be able to address it or understand it. Otherwise, perpetually there will be inversion, whether it is engineers or officers. Ms. Anderson responded that additional information related to inversion and additional compensation will be discussed in subsequent responses to follow-up questions. She stated that in her viewpoint, there is a lot that can be controlled as it relates to overtime. Of course, there are situations where overtime is warranted. There are other situations where overtime does not seem warranted but is</p>	

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	<p>allowed. There are other types of compensation which is driven by the collective bargaining agreement and that elevates from the base salary. Those costs are out of anyone's hands. Overtime is the most controllable cost. Approximately 5 years ago there were concerns about retirement spiking and overtime abuse. The Kaua'i County Council called out both Police and Fire for the lack of overtime oversight and things dramatically improved. Ms. Rapozo added that the Department of Public Works had experienced spiking as well. Ms. Rapozo also noted that it is important to remember that overtime is discretionary and some of it is based on the collective bargaining agreement. For Police, they run a 24/7 operation. If an officer works on a holiday, that officer receives time-and-a-half pay as it is a holiday. That is not discretionary because the officer must work. With Fire, when they are at the station, they already receive scheduled overtime because they work 10 days at 24 hours, they are already going over the 40 hours per week threshold. They automatically get 10 hours per month of overtime. There is nothing the department head can do about that. Vice Chair Katayama clarified that he understands those situations and those situations cannot be controlled or managed.</p> <p>Vice Chair Katayama asked if there is a differential between the hours and pay between deputies and department heads and what must be put in to get the job done. There are a lot of people like physicians who are always on-call. If there is an issue where they need to show up, they need to show up. They do not get paid for overtime. Vice Chair Katayama asked how the County compensates that position for that kind of responsibility. He also noted that he feels the pay should be commensurate with their performance and how they are performing in the position. Vice Chair Katayama explained that the salary set by the Salary Commission will be the maximum salary for that position. He also noted that perhaps other</p>	

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	<p>compensation could be performance-based. Vice Chair Katayama also noted that he feels his job on the Commission is to provide a base salary that provides a differential and compensation for the job that the employee is undertaking. Ms. Anderson responded that the Salary Resolution is focused on performance as there is a range available to the appointing authority. Perhaps everyone could be at the maximum because everyone performed exceedingly well. However, there are situations where not every appointee received the maximum salary amount. There are many commissions who do consider performance when setting the salary amount of their appointee. Vice Chair Katayama stated that he would like to gravitate towards a decision based off of performance.</p> <p>Chair Uyehara asked if there was any data on the “overtime” that exempt department heads and deputies work in relation to possibly granting the same option as what the Deputy Chief of Police receives regarding being able to be compensated for overtime. Ms. Anderson responded that that information is not available or tracked. When one is in the professional category, there are times when you work late into the evening and come in a little later the next morning. That is the flexibility of the professional category. She was unaware of any department head or deputy tracking that level of hours worked. Attorneys in the Office of the County Attorney have systems in place to record their hours worked on a specific case. This can be useful to determine how long a similar case may take or to track how long someone takes to file a specific motion. If the County prevails in certain cases, the County may be entitled to attorney’s fees, so the tracking system comes in handy.</p> <p>Chair Uyehara asked if there was a County Attorney opinion as to whether the Salary Resolution that applies to the Deputy Chief of Police constitutes</p>	

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	<p>a de facto waiver of the exemption or if it is a meaningful distinction. Deputy County Attorney Michaels responded that Chair Uyehara's inquiry is not something he has researched yet but could opine on if he is asked to do so by the Commission. Chair Uyehara stated that receiving an opinion might help the Commission understand the full ramification behind decisions that they make. Taking Vice Chair Katayama's questions into account, the Commission may be looking at a scenario where the Commission broadens the applicability of the terms of the Resolution that applies to the Deputy Chief of Police (i.e., give other deputies and department heads access to overtime compensation) or making a base salary adjustments which essentially compensates for the loss of overtime pay. In the case of the former, the Commission would want to understand if there are other ramifications that may be unintended if they give someone overtime. In the private sector the more things that you do and the further you get into the gray area, the more you put the company at risk that if there is a dispute it would be ruled that if you made a de factor waiver of the exemption, because you treated the employee in a certain way, that employee may be subject to FLSA. Chair Uyehara stated that it would be helpful for the Commission to know where the line is as it relates to County employees. Deputy County Attorney responded that he understood the request.</p> <p>Ms. Anderson continued with HR's responses as follows:</p> <ul style="list-style-type: none">• Question: Any information on cost of living to calculate salary?<ul style="list-style-type: none">○ Response: No. The Department of Finance or another department may be responding to questions regarding cost of living.• Question: Update report on salary inversion chart.	

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	<ul style="list-style-type: none">○ Response: Ms. Rapozo stated that the inquiry came from Ms. Chiba-Miguel asking for an updated chart reflecting the engineers' salaries. Ms. Rapozo responded that she made a statement that the engineer base salaries looked incorrect, however, she realized later that the inversion report was based on 2023 numbers from January through December. When you look at the department head's salary, it is half of one year and half of another because raises occurred in July. HR provided the base salaries for engineers, in which increases were given in October of 2024. The change that occurred was on top of collective bargaining increases, and other compensation changes. For the Commission to receive an apples-to-apples comparison, the chart would need to be revised to be based off 2024 figures. Even with an update, the engineer salaries did not change until October of 2024, so their total compensation is not going to reflect the new figures until the last three months of the year. On the chart, the salary amounts for the engineers were modified to reflect the higher amounts. The Commission was cautioned that the increases were for licensed engineers and the Charter no longer requires department heads to have licenses. Ms. Anderson stated that the compensation of base salaries from 2023 is a lot more now due to salary increases from July of 2024 for all employees. Administrator Ching guided the Commissioners to the proper chart in their meeting materials. Ms. Rapozo clarified that the report that the Commissioners received is for 2023 and the clarification is simply to reflect the salary increases that licensed engineers received in October of	

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	<p>2024. There may have been changes to overtime or other pay items, so the comparison is not completely an apples-to-apples comparison. Ms. Rapozo wanted the Commission to note that all other collective bargaining units received between a 3-5% raise as well as possible step movements, etc.</p> <p>Mr. Ono clarified that even though the numbers may be off based off the timing of increases within the report, the analysis of what the report is displaying regarding the salary inversion holds true for those positions. Ms. Rapozo responded that Mr. Ono was correct and there were just two people in the inversion report whose base salary would have increased. Even if 2024 figures were reflected, the amount for those two positions would still not be accurate because the salary amount listed would be for the entire year. Mr. Ono responded that he understood what was being explained to him.</p> <p>Ms. Anderson continued with HR's responses as follows:</p> <ul style="list-style-type: none">○ Additional Response: Some overtime is discretionary, and some overtime cannot be helped. On page 2 and 3 of the salary inversion report there are columns of additional compensation and other compensation. HR's response provides examples of additional compensation and other compensation that are included for the Fire positions. Similarly, HR's response provides examples of additional compensation and other compensation that are included for Police positions. <p>Vice Chair Katayama asked for clarification on acronyms such as TA</p>	

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	<p>(temporary assignment), TDI (temporary disability insurance), etc. Ms. Anderson provided the description of each acronym. Vice Chair Katayama asked what temporary assignment meant. Ms. Anderson responded that the person temporarily was doing another job.</p> <p>Vice Chair Katayama asked what standby pay was. Ms. Anderson responded that the person is on standby waiting at home to see if they need to report or address some kind of work issue. Vice Chair Katayama asked if this was like being on-call. Ms. Anderson concurred.</p> <p>Vice Chair Katayama asked what station movement was. Ms. Anderson responded that with Fire employees, there can be a change in compensation if an employee moves from one station to another. Vice Chair Katayama asked if this movement is for temporary situations. Ms. Rapozo responded that it could be temporary or even for a day. She further explained that if you are assigned to the Līhu'e Fire Station but the department needs you in Hanapēpē, the contract says that the employee receives a differential for that and that is all negotiated in the contract.</p> <p>Vice Chair Katayama asked if all these types of differentials go into other pay or additional pay. Ms. Anderson concurred.</p> <p>Chair Uyehara asked if there was an easy way to determine whether the various pay differentials would apply to a department head or deputy. Ms. Rapozo responded that there are some that the Salary Commission has already addressed, such as for Fire and Police there are already gun and uniform allowances given to the department head and deputy. The Chief of Police and Deputy Chief of Police were also given standard of conduct differentials since all officers are subject to that standard of conduct. Police</p>	

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	<p>are also given subsidized vehicle allowances. Those departments are already getting some of the other and additional pay differentials based on what the previous Salary Commissions have done.</p> <p>Chair Uyehara asked if there were any other differentials that potentially could apply. Ms. Rapozo responded that she could not think of any others. She further explained that the standard of conduct differential that Police is required to have may be something for consideration for department heads and deputies as one would think that your department heads and deputies should always maintain a standard of conduct. One might think that of course those employees should maintain that type of standard of conduct, but that is what Police get in additional pay and amounts to approximately \$8,000 per year. Vice Chair Katayama stated that he is trying to understand what is received by employees covered by collective bargaining agreements and what may potentially be lost by those considering a move to a department head or deputy position. Vice Chair Katayama is looking for an amount that could be easily embedded into the base salary where someone would feel comfortable taking on a department head or deputy position without feeling that they are losing too much in other compensation options. This may also help attract internal candidates to apply as well.</p> <p>Vice Chair Katayama expressed that for all positions all the other compensation options disappear once someone takes a department head or deputy position. Ms. Rapozo clarified that Vice Chair Katayama is correct, apart from the Deputy Chief of Police position.</p> <p>Vice Chair Katayama asked if the issues addressed in the last Salary Resolution appear on the salary inversion chart. Ms. Rapozo responded</p>	

SUBJECT	DISCUSSION	ACTION
	<p>that the inversion chart does reflect those positions. The Chief of Police and Deputy Chief of Police received additional or other pay items. Vice Chair Katayama stated that the Deputy Chief of Police did not even make it onto the chart. Ms. Rapozo stated that the information is from 2023, and the Deputy Chief of Police position was vacant at that time. Vice Chair Katayama stated that the total for the Deputy Chief of Police puts him on the very last line of the chart. Ms. Rapozo responded that the Salary Resolution specific to the Deputy Chief of Police addressed the inversion. If the Salary Resolution did not address the Deputy Chief of Police position, the amount listed on the chart would have been the Deputy's pay. Right now, he does not have to take that pay and he could continue with the Assistant Chief of Police pay.</p> <p>Vice Chair Katayama asked what the pay would be of the Deputy Chief of Police if the Salary Resolution was enforced. Ms. Rapozo responded that it would be \$149,096 if the 2022 Resolution was not in effect. Vice Chair Katayama asked what the pay would be if the 2022 Resolution was in effect. Ms. Rapozo responded that he would have the option of taking the \$149,096 or keeping the pay that he received as an Assistant Chief of Police, including overtime if he works the overtime.</p> <p>Vice Chair Katayama asked what the Chief of Police's pay would be after the 2022 Resolution went into effect. Ms. Rapozo responded that the 2022 Resolution did not address the Chief of Police, so his only option is the \$163,844 salary amount.</p> <p>Vice Chair Katayama asked if the same held true for the Fire positions. Ms. Rapozo reiterated again that the 2022 Resolution only pertained to the Deputy Chief of Police position.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Chair Uyehara asked in the case of the Deputy Chief of Police, does the 2022 Resolution give him all the other pay amounts or just the identified categories. Ms. Rapozo responded that it would cover a full replacement. Given that he came from an Assistant Chief of Police position, whatever he was entitled to as an Assistant Chief, which is anything in the collective bargaining agreement, he would be entitled to as the Deputy Chief of Police with the Resolution in place.</p> <p>Chair Uyehara asked if the current Commission tried to replicate the 2022 Resolution more broadly, would they have to include compensation for items such as hazard pay, station movement, etc. Ms. Rapozo responded that the language in the 2022 Resolution includes pay as if the person never left the position so that it encompasses any of the other or additional pay categories. Chair Uyehara stated that by taking that approach, if the coverage were to be broadened to other positions, the Commission would have to account for other compensation categories that do not logically apply to the department head or deputy, but for matters of compensation, that would be effectively what occurs. Ms. Rapozo stated that for a lot of the other or additional pay categories, it would only be applicable if it applies to you. Not every Fire personnel would get the fire station movement differential. If they never move, they will never receive that. If you are in a bureau such as for prevention or training, you are not going to get the scheduled overtime because you are not working the 24-hour shifts for 10 days a month. It is very specific and that is why when looking at the salary inversion chart, everyone's salary is all over the place because it depends on what position they are in and whether that incident or pay differential category happened to them during that 2023 period. They may have had an incident where they may have had a lot of fire calls at night,</p>	

SUBJECT	DISCUSSION	ACTION
	<p>they would get that night alarm premium. Another person in another fire station may not have had those experiences so they would not get those premiums. If you apply the concept to the Fire Chief to say, “as if they never left,” they would never get it because they are not waking up at night to answer the call. Ms. Anderson stated that if there was a change in the deputies of a department, there would be a change in salary, unlike the way it is structured now where there is a range. The salary range would be different because one Assistant Chief could have made \$20,000 more and he becomes Deputy, decides he is going to retire and leaves. Another Assistant Chief steps into the role and he made \$20,000 less, so their salaries would be different. Chair Uyehara stated that the Commission is trying to understand the distinction Ms. Anderson was just portraying. He noted that he was trying to understand whether it is the actual pay as realized in their last position including all of the other compensation items, frozen at that dollar amount carried into the deputy position versus the employee carrying the pay structure into the new position, whereby if they do not actually end up working those jobs that require differential pay items, their effective pay is lower. In the latter situation, perhaps the deputy position does not expose them to the differentials as their old position. Ms. Rapozo responded that Chair Uyehara was correct in his analysis and that it is the structure that is carried forward.</p> <p>Vice Chair Katayama asked in the post-2022 Resolution, if the Commission were to grant an adjustment in the salary, would that adjustment be applicable to the total or base salary only. Ms. Rapozo responded that it would be to the base salary, however, that is up to the Commission as to how they want to handle the amounts moving forward. Ms. Rapozo clarified that traditionally it was the base salary and that is how it was structured. Ms. Rapozo further clarified that the Commission could decide</p>	

SUBJECT	DISCUSSION	ACTION
	<p>to change the structure of base salary to however the Commission deems it appropriate. Vice Chair Katayama stated that there should be a conscious effort in how the Commission describes the 2022 Resolution and how any changes to compensation are reflected. Ms. Rapozo asked if Vice Chair Katayama was talking about the 2022 Resolution for the Deputy Chief of Police. Vice Chair Katayama responded in the affirmative. Ms. Rapozo responded that the nexus for that Resolution was that the Commission did not want any employee internally to be discouraged from applying for higher level positions because of losing money in their salary. The Commission wanted to encourage everyone to remain on a level playing field. She noted that Vice Chair Katayama is correct and that moving to that position may in effect make them “lose” money because now they may not be entitled or be available to have as much overtime or station movement, etc. That is their conscious decision to make at that point and they are not losing their base salary. Currently, the Deputy Chief of Police would have had a \$10,000-\$20,000 pay cut just in his base salary alone absent of the 2022 Resolution, which probably would have meant that he would not have taken the promotion.</p> <p>Vice Chair Katayama asked the question that was previously answered in response to Chair Uyehara in that if the Commission were to grant an increase, would it be applicable to the total column or the base salary column. Ms. Rapozo again responded that it would be applicable to the base salary. Vice Chair Katayama responded that he thought he heard that if one were to move up internally, that everything stays the same and each category would remain the same but does not move into his base salary. Ms. Rapozo responded that the structure remains the same and repeated her response that was previously provided to Chair Uyehara. The Deputy could choose to keep his pay as if he was the Assistant Chief of Police, but</p>	

SUBJECT	DISCUSSION	ACTION
	<p>if he does not work overtime in his Deputy position, that column will be \$0. He will not be making what he was making in the Assistant Chief role. He is not taking the entire amount of pay with him. He is just taking the structure of the pay with him and is entitled to the pay if that work occurs that warrants those additional or other pay items.</p> <p>Chair Uyehara stated that based on his understanding, the 2022 Resolution was not that specific as to the applicability of the 5% compounded increases. The interpretation is that it affects the base salary only, however, if the Commission wanted to be clear, the language of the Resolution would need to be more specific to be intended only to affect the base salary, if that is what is decided by the Commission.</p> <p>Ms. Anderson continued with HR's responses as follows:</p> <ul style="list-style-type: none">• Question: List of recruitment strategies/incentives (free medical, training, etc.).<ul style="list-style-type: none">○ Response: In addition to free medical and training, there are various supplemental agreements providing differentials and incentives, assuring the availability of career paths for employees, and leadership trainings. <p>Chair Uyehara thanked Ms. Anderson and Ms. Rapozo for their presence and for entertaining the questions from the Commission. Ms. Anderson thanked the Commissioners for their service.</p> <p>Administrator Ching stated that the next item will be the Director of Finance presenting the County of Kaua'i Financial Overview and the Consumer Price Index.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>The Commission heard from Chelsie Sakai, Director of Finance who stated that she has been the Director of Finance for 4 months and will try to answer questions as best as she can. If she is unable to answer any questions, she will get responses back to the Commission after looking into the questions further. Ms. Sakai provided the following information:</p> <ul style="list-style-type: none">• The blue packet of materials contains the Consumer Price Index (CPI) for Honolulu as of November 2024. As expected, the cost of living in Hawai'i is higher than that of the mainland United States.• The increase over the last year was 2.9%.• The consumer price index is up 3.5% from a year ago.• The data shows a trend of slowing inflation.• 2022 saw a 4.5% increase. 2023 saw a 3.7% increase. The trend is downwards.• Some of the key aspects of keeping things higher include housing, food, and healthcare.• Trends show the cost of energy and fuel decreasing. <p>Chair Uyehara asked how well the CPI data correlates to the conditions on Kaua'i. Ms. Sakai responded that she is not 100% but that the CPI for Honolulu is looking statewide and not Kaua'i-specific. She believes Kaua'i's numbers would naturally be higher.</p> <p>Mr. Ono stated that he reviewed the CPI for the United States and the information provided by Ms. Sakai. He asked where the totals were for Hawai'i. Ms. Sakai responded that in the bold sentence on page 1 of the materials reflect "Area prices were up 0.1 percent over the past two months, up 3.5 percent from a year ago."</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Chair Uyehara asked if it would be possible for the Department of Finance to compile the cumulative CPI related to inflation for 5 years, 10 years, etc. He felt that it would be useful to compare that data to the cumulative salary impact over that same period. Ms. Sakai responded that she could provide that information to the Commission.</p> <p>Chair Uyehara asked Ms. Sakai if she could provide any data or information related to how the cost of living impacts the salaries of County employees during the negotiation process. Ms. Sakai responded that she personally has not sat in on negotiations so she is unable to answer the question but that she would try to seek an answer to Chair Uyehara's question.</p> <p>Ms. Sakai continued her presentation with the County of Kaua'i Financial Overview. She presented the following:</p> <ul style="list-style-type: none">• Right now, the County is in an awkward period where the Fiscal Year 2024 numbers are not final. The Department is still wrapping up the audit for Fiscal Year 2024 and that is expected to be completed by mid-February.• Those final figures will determine how the County will budget for Fiscal Year 2026. The numbers being provided are the basis for how the County budget in Fiscal Year 2025.• Page 1 of the presentation shows the General Fund balance of the County. The County's policy requires that 30% of revenues are held in the General Fund Balance to be used for disaster response, self-insurance, and revenue volatility. 2024 shows an estimated number as the numbers are not yet finalized.• The General Fund Balance is approximately \$128,000,000. There is \$85,000,000 excluding encumbrance leaving a fund balance of	

SUBJECT	DISCUSSION	ACTION
	<p>36.5%, which is well within the policy set for what should be kept in the County's reserve.</p> <ul style="list-style-type: none">• The balance noted is as of June 30, 2024, and does not include additional cost items such as hazard pay which is currently going through the Supplemental Money Bill process. The balance does not reflect the approximately \$5,000,000 in the United Public Works (UPW) settlement, roughly \$6,000,000 for the Hawai'i Government Employees Association (HGEA) settlement, etc.• The fund balance provided is on the high-end as it does not reflect cost items from Fiscal Year 2025 that will further reduce the fund balance since Fiscal Year 2024 has not been closed yet. <p>Vice Chair Katayama asked who the Department of Finance was requesting the funds from. Ms. Sakai responded that the funds are requested from the Council. Vice Chair Katayama asked if his understanding that the money is there and that the Department is asking for approval to spend it was accurate. Ms. Sakai responded that Vice Char Katayama was correct and that the funds must be appropriated by the Council.</p> <p>Ms. Sakai continued with her presentation as follows:</p> <ul style="list-style-type: none">• Page 2 shows the County's revenues by fund. The figures provided were updated for the Fiscal Year 2025 budget. The General Fund had an increase of \$22.6M or a 9.1% increase over the previous year. This increase was largely due to increases in real property taxes and transient accommodations taxes. Real property taxes went up \$15.8M which amounted to a 7.2% increase. Transient accommodations taxes went up \$6.2M which amounted to a 2.7% increase.	

SUBJECT	DISCUSSION	ACTION
	<ul style="list-style-type: none">• There was also an increase in the G.E. Tax as well as some revenues from fees.• The Sewer Fund revenue projection was decreased as the revenues estimated by the Wastewater Division were higher than actual. The projection was overestimated in prior years.• The slides moving forward are the slides presented to the Kaua'i County Council prior to the Fiscal Year 2025 budget being approved. Some numbers changed just a little since the presentation to the Council was made.• Page 4 reflects the different sources of real property tax revenue. During the period reflected changes to tax classifications were also made. The County no longer uses the term "Residential" and is now called "Non-Owner Occupied." The tax classification "Homestead" is now "Owner Occupied." The Residential Investor tax class was eliminated, and those properties are now folded into "Non-Owner Occupied."• The revenue from real property taxes mostly comes from vacation rentals, hotels, and non-owner occupied/residential investors. These taxes come from people who do not live on-island or who have multiple properties on the island.• The tax base itself is made up of 40% owner-occupied properties, but only accounts for a small portion or less than 10% of the real property tax revenue.• The next slide shows the assessed values of properties within the different tax classes and the parcel counts for each class.• Page 6 shows the Overall Operating Budget. The final numbers for Fiscal Year 2025 changed slightly once the Council approved it.• Ms. Sakai offered to send updated information if the Commission was interested in seeing the final approved figures.	

SUBJECT	DISCUSSION	ACTION
	<ul style="list-style-type: none">• The highest budget element is salary and related fringe benefits, followed by operations.• In Fiscal Year 2024 there was a large change related to the Dwelling Unit Revolving Fund (DURF) Loan that was provided to the Housing Agency to pay off their loan for the Lima Ola project. By paying off the DURF Loan balance, the County ended up saving approximately \$7M in interest payments. <p>Chair Uyehara asked what the projected differential is between projected revenue and projected expenses. Ms. Sakai responded that she was not sure of the actual figure. Chair Uyehara responded that it appears as if the County is in good shape financially. Ms. Sakai agreed.</p> <p>Ms. Sakai continued with her presentation as follows:</p> <ul style="list-style-type: none">• The subsequent pages of the presentation go over notes that explain some of the changes made to the Operating Budget picture. <p>Vice Chair Katayama asked Ms. Sakai to focus in on the salaries section as that is where the focus of the Commission's discussion centers.</p> <p>Ms. Sakai continued with her presentation as follows:</p> <ul style="list-style-type: none">• The salary increases projected were based off collective bargaining agreements and what was required within each agreement.• One of the larger increases came from the Office of the County Clerk, Council Services Division. They are not under the collective bargaining agreement and have added approximately \$1M to their salary accounts. That large increase skewed the numbers slightly as that percentage increase did not correlate to what was seen across the County.	

SUBJECT	DISCUSSION	ACTION
	<p>Vice Chair Katayama stated that what he would find helpful would be to know what increases were due to adding new positions versus what the assumption of general salary increases was. Ms. Sakai responded that she could provide that information. Vice Chair Katayama stated that he would like a breakdown of what constituted the 6.6% increase. He noted that the increases noted in Ms. Sakai's presentation appear to be relatively high.</p> <p>Ms. Sakai continued with her presentation as follows:</p> <ul style="list-style-type: none">• Utilities remained relatively flat.• Operations saw an increase with a large increase due to insurance premium increases. In Fiscal Year 2024, insurance premiums were underfunded and the County paid approximately \$4M in insurance premiums. This will always be a large increase every year.• A lot of the departmental operational increases were due to contractual increases.• The County moved away from lease purchases into outright buying equipment and vehicles. Due to supply chain issues, it takes long to get vehicles and equipment to the island and lease payments stretched through lengthy periods. <p>Chair Uyehara asked of the insurance premium increase amount, how much was attributed to the increase in insured value versus an adjustment to the premium due to risk. Ms. Sakai responded that the premium before the \$4M increase went up significantly because there was no accurate statement of value at that time. The premium came up for renewal in November 2023 which was right after the Lahaina Fires. What they found in the fires were that buildings were grossly undervalued. The County's broker suggested that the County give higher values to its properties. That drove up the premiums in Fiscal Year 2024. Between that renewal and the</p>	

SUBJECT	DISCUSSION	ACTION
	<p>current renewal, working with the Office of the County Attorney on insurance and risk management, they had done appraisals on some of the buildings. The County will be making it an annual exercise to do appraisals on a few buildings each time. The County does anticipate premiums increasing, but they feel more comfortable with the current statement of values that are used in insuring the County's assets. There were some values that decreased value and some that increased. As the County appraises its assets, there will hopefully be a downward trend to bring premiums down. The broker's guidance to the County based on the Lahaina incident was to not undervalue assets. Chair Uyehara asked if his understanding that the increases were mostly due to changes in the insured-value and not risk was accurate. Ms. Sakai agreed. Chair Uyehara stated that he is asking the question because he can generally understand that the County's revenues should track real estate values since real property taxes are based on those values. By looking at those values, one can infer the financial health of the County. It is one thing if the insurance premiums are increasing because the value of what is being insured goes up. That should broadly correlate with tax receipts because of the increase in value being taxed as well. However, if there is volatility in the risk that is causing a significant change that presents more uncertainty in the fiscal forecast for the County that would lead him to being more conservative in decisions made.</p> <p>Vice Chair Katayama stated that he disagreed with the correlation mentioned. He noted that real estate values are driven by market-basis and not replacement-basis. The assessed values are typically based on what other similar properties are sold for. Ms. Sakai agreed with Vice Chair Katayama's analysis. Vice Chair Katayama further stated that the tax rates are set by the Council. The valuations are set by Real Property Assessment</p>	

SUBJECT	DISCUSSION	ACTION
	<p>based on real estate transactions in various neighborhoods to determine the fair market value of the property. If the Commission feels there is no threat to real estate values or property values, he believes that real property tax revenue should be stable.</p> <p>Vice Chair Katayama asked Ms. Sakai if she feels comfortable that the County will still retain a surplus given the projected revenue and expenditures. Ms. Sakai responded that the projections presented were where the County was financially before Fiscal Year 2025. Vice Chair Katayama clarified that if the financial picture of the County were viewed differently the Commission would look at setting salaries differently under the lens of a deficit versus a surplus. Ms. Sakai responded that she believes the County will have a surplus though was unsure of the exact amount. Ms. Sakai further mentioned that in Tax Year 2025, which bills were just sent out and are due by February 20, this is the first year that tiers were incorporated into the tax structure. The tiers are based on value with the intent to tax higher-valued properties accordingly. The tiered categories are the Vacation Rental and Non-Owner Occupied, which was formerly the Residential tax class. The tiering system will also affect the revenue picture moving forward.</p> <p>Mr. Ono stated that one aspect that was prominent in formulating the Salary Resolution from 2022 was the projected revenues with the outlook of property taxes looking positively. Mr. Ono asked for a more accurate number of projected Fiscal Year 2025 real property tax collections. Ms. Sakai responded that she could provide that information.</p> <p>Ms. Sakai continued with her presentation as follows:</p>	

SUBJECT	DISCUSSION	ACTION
	<ul style="list-style-type: none">• Page 8 shows the various variances across each of the departments and budget elements.• Ms. Sakai stated that if details are needed for any of the descriptions, she would need to check that as she did not know the information off the top of her head.• Page 10 provides a pie chart that shows the breakdown between the Fiscal Year 2024 General Fund budget and Fiscal Year 2025 General Fund budget. The chart reflects the salaries and benefits of the largest departments. All other smaller departments are grouped together.• For Fiscal Year 2025, the Police Department has the largest salary and related benefits total followed by the Fire Department. Following them would be the Department of Parks and Recreation, Department of Finance, and Department of Public Works. <p>Vice Chair Katayama asked if the pie chart represented the \$175M in Fiscal Year 2024 and \$187M in Fiscal Year 2025 amounts listed on an earlier slide. Ms. Sakai responded that Vice Chair Katayama was correct. Vice Chair Katayama stated that the pie chart was very helpful.</p> <p>Ms. Sakai stated that regarding the OPEB liability, she was unsure of the answer as to who pays the shortfall should someone come from a jurisdiction. She stated that she would investigate that for the Commission. She stated that the County has one of the highest repayment rates at 83.9%. The underfunded liability remains at approximately \$45M to get current. Vice Chair Katayama asked what the 83.9% represent. Ms. Sakai responded that she was not well-versed in this topic. She noted that as Ms. Anderson mentioned, the County must pay for retirement, OPEB, etc. She was also unsure of what the liability amount started at. In the last year, the</p>	

SUBJECT	DISCUSSION	ACTION
	<p>County went from \$75M to \$45M in paying for its unfunded liability. The County is making good progress towards paying that amount off. Chair Uyehara asked if the planned contribution towards paying down the unfunded liability was in the Fiscal Year 2025 budget. Ms. Sakai responded that Chair Uyehara was correct. Vice Chair Katayama asked where that was in the breakdown. Ms. Sakai responded that it would fall under fringe benefits, so it was not broken out on its own.</p> <p>Vice Chair Katayama asked what the unfunded liability payment was in Fiscal Year 2024. Ms. Sakai responded that it was approximately \$30M. Vice Chair Katayama asked what the projected amount was in Fiscal Year 2025. Ms. Sakai responded that she did not know the answer.</p> <p>Chair Uyehara stated that based on the information regarding the unfunded liability, the County could be in a totally different position financially if it paid off the entire amount of the unfunded liability. Unless the unfunded liability grows unexpectedly, if the County is paying it down in the range of \$20-30M per year and the remaining balance is \$45M, then 3 years from now, the County is going to have a significant surplus. Ms. Sakai responded that the County will also have unexpected cost items such as temporary hazard pay (THP) that will need to be paid out and she would prefer to pay down the County's unfunded liabilities with any extra monies. Vice Chair Katayama stated that a lot of the unfunded liability also falls on the ERS and how they invest their monies in the stock market, etc.</p> <p>Chair Uyehara stated for that record that if the Commission does look at structural changes in the Salary Resolution for things like applicability of other benefits to department heads and deputies, those changes will have a very long tail in the potential impact moving into the future. The amount</p>	

SUBJECT	DISCUSSION	ACTION
	<p>of positions are relatively small, but to the extent that the Commission makes a fixed numerical adjustment to the salary caps that is contained within the length of the Salary Resolution, but to the extent that the Commission takes actions that are more structural, the Commission needs to be careful that they are not setting up the County to be paying unnecessarily 5 years from now because of the benefit of giving department heads and deputies cost allocations of overtime and similar cost items. Vice Chair Katayama added that those cost items would also impact their retirement packages as well.</p> <p>Chair Uyehara stated that it appears that the County is in a solid financial position to possibly make structural changes looking at the projected financial picture and thanked Ms. Sakai for providing a revised Fiscal Year 2025 outlook which looks promising.</p> <p>Mr. Ono stated that if structural changes are made in the Salary Resolution, there will be an impact financially to the County immediately as well as long-term.</p> <p>Vice Chair Katayama stated that the Commission may need to discuss things further with HR as his understanding is that if you are a pre-2012 employee it does not matter as you have the benefits regardless as it relates to retirement. However, if you are a post-2012 employee, the structural changes being proposed may matter. Chair Uyehara stated that he believes Vice Chair Katayama's analysis was backwards. Pre-2012 hires their high-3 would include overtime. If the compensation structure for the Chief of Police were changed, for instance, to include overtime and other fringe benefits, and the Chief has a lot of overtime, if he is a pre-2012 hire then that would affect their retirement benefit. Mr. Ono responded that</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Chair Uyehara’s explanation is how he understood the matter. Vice Chair Katayama stated that because he is under the old plan, whatever his salary is, it is. Chair Uyehara agreed. Vice Chair Katayama stated that if the employee was post-2012, they would not get overtime added to their retirement calculation. Chair Uyehara agreed. Vice Chair Katayama further stated that if the Commission were to say that the retirement calculation would include overtime structurally because the Commission would make it a total of their total compensation bucket, that it could then be included. Vice Chair Katayama expressed that it was his fear that that situation would happen. Chair Uyehara responded that the Commission needs to be crystal clear on the specific details.</p> <p>Mr. Ono noted that Vice Chair Katayama was accurate in that because the additional pay amounts would be included in total compensation, he was accurate in hinting that it would be applied to their retirement calculation. Vice Chair Katayama responded that it may be too early to talk about details as the Commission seems to be far off from deciding exact details of the Salary Resolution without understanding all the information before them.</p> <p>The Commission proceeded with the departmental review for the Department of Finance.</p> <p>Mr. Ono asked if it was typical for the Department of Finance to oversee 6 divisions in comparison to other counties. Ms. Sakai responded that Kaua’i is the only county who oversees Information Technology. In the other counties IT reports to the Managing Director. For the County of Maui, the budget duties do not fall under the Director of Finance and that department reports directly to the Managing Director for that county. Mr.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Ono stated that the IT Division has 18 total employees, which represents 17% of the total employee count for the Department. Mr. Ono reflected on the fact that the Director of Finance has a lot of responsibilities and oversight.</p> <p>Vice Chair Katayama asked where the IT Department typically resides. Ms. Sakai responded that in other counties the IT Department is its own department that falls directly under the Mayor.</p> <p>Administrator Ching stated that to orient the Commission, the response from HR was covered, followed by the financial overview from the Department of Finance. Administrator Ching noted that it appears the Commission is now moving forward with the departmental review for the Department of Finance. The order of the reviews was made based on which departments had the largest budgets. The Department of Finance would be number 7 on that priority list. However, the Commission could review the Department of Finance so that Ms. Sakai does not need to return. She made the announcement to make it clear to everyone in the audience.</p> <p>Chair Uyehara stated that Ms. Sakai's response was helpful as it would provide insight into the Commission interpreting the Nash Study as the comparison in positions is not one-to-one.</p> <p>Chair Uyehara asked if there were any additional questions for the Department of Finance. No questions were heard.</p> <p>Administrator Ching asked Ms. Sakai to clarify for the record who appoints her. Ms. Sakai responded that she is a Mayoral appointee and has a budget</p>	

SUBJECT	DISCUSSION	ACTION
	<p>of \$19.557M. The largest chunk of the budget goes to Administration, but most of that amount is paid for the County's insurance premium. The next highest budget is \$5M for IT.</p> <p>Vice Chair Katayama asked about the nature of overtime for the IT Manager. Ms. Sakai responded that the IT Manager responds to on-call issues as needed, but he also receives standby pay. Vice Chair Katayama asked if the IT Manager was a part of a collective bargaining unit. Ms. Sakai responded that he is not and falls under the excluded category, which mirrors what the collective bargaining unit employees receive in compensation and benefits.</p> <p>Administrator Ching stated that the next department on the schedule is the Police Department.</p> <p>The Commission heard from Todd Raybuck, Chief of Police who presented the following:</p> <ul style="list-style-type: none">• Finds it ironic that everyone in the room is being paid except for the Commission. Chief Raybuck thanked the Commission for volunteering to serve in their capacity.• The Kaua'i Police Department is responsible for providing the primary law enforcement services for the entire County. They are the only full-service law enforcement organization in the County.• KPD has an allotment of 236 employees and an annual budget of just over \$50M.• The Chief of Police is a commission-appointed position. <p>Mr. Ono asked with respect to his commission-appointment what would be the terms of the appointment in terms of the number of years. Chief</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Raybuck responded that it is an open-ended appointment. Once the Chief of Police is appointed by the Police Commission, there is no contract or term. Therefore, essentially the Chief of Police serves in the role for as long as the Chief of Police chooses or until such time that the Police Commission has just cause to terminate employment.</p> <p>Chair Uyehara asked based on his experience as Chief, were there any particular categories of other compensation that should apply for the position as what is asked of him. Chief Raybuck responded that the Commission spoke a lot about the 2022 Resolution related to the Deputy Chief of Police and thanked Mr. Ono and the previous Salary Commission for allowing KPD to implement that Resolution. It gave him the opportunity to appoint a Deputy Chief of Police from inside KPD whereby that individual did not lose their current salary range. Chief Raybuck responded that the Salary Commission could choose to follow the 2022 Resolution and have it applicable to the Chief of Police position as well. If that does become applicable to the Chief of Police, Chief Raybuck noted that benefits such as overtime and other potential pay differentials should also be afforded to the Chief. Except for some overtime, it would be very difficult for the Chief of Police to qualify for most of the other differentials outside of what the Chief of Police already receives (i.e. uniform allowance, gun allowance, standard of conduct, etc.). Chief Raybuck stated that the challenges in fixing the salary inversion as a means of attracting internal candidates to apply and to find someone who would want to take additional responsibilities while giving up the ability to increase their salary are apparent. Chief Raybuck noted that in taking on the Chief's position, one must also take into consideration family and the position taking a lot of time which is then not spent with family or on other commitments. Speaking for the Police Department only, the Chief of Police position is a</p>	

SUBJECT	DISCUSSION	ACTION
	<p>unique position in the County. It is a high-profile position under constant scrutiny. If you look at headlines across the country, the actions of one employee in the Police Department typically have very significant negative attacks towards the leader of the organization when that leader may have been at home not even at the scene at that time. The responsibilities of the Chief of Police are incredibly great. In today's day and age, police unions higher very high-priced political consultants that strategize and take on public attack/shaming opportunities towards the Chief to meet their agenda. Not diminishing the other department heads, the Chief of Police is very different than any other position within the County. Very few people with the Police Department want to be exposed to the position. They have seen years of what Chiefs have faced, and they do not see the risk worth the reward. When you add in salary inversion and the reduction of benefits and opportunities to take on that risk, the position becomes even more unattractive.</p> <p>Chair Uyehara thanked Chair Raybuck for his response and asked him what options he was asking the Commission to consider. Chief Raybuck responded that option 1 of following the 2022 Salary Resolution and making it applicable to the Chief of Police position would allow a member of KPD to consider taking on the role. Chief Raybuck noted that having the ability to receive what they are currently making as a salary should also be extended to any Interim Chiefs as well. Chief Raybuck stated that if he retired today, someone interested in the position would need to meet the qualifications outlined in the Charter, be willing to take the job, and as it currently stands, if an Assistant Chief were to take the position, they would have to take a \$20,000-\$35,000 pay cut to take on that role internally. That is another consequence of the salary inversion saga. Chief Raybuck explained that the second option for consideration would be to provide the</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Chief of Police with a salary which is commensurate to the position in other locations. In the memorandum to the Commission, he proposed a salary of \$180,000 for the Chief of Police. That would still be the lowest-paid Chief of Police position in the state, but it would be higher than the current total salaries of the Assistant Chiefs. When he came before the Salary Commission in 2022, his focus was to try to fix the salary inversion for the people who worked for him and not for himself. He has been fortunate to have already completed a career and receives retirement benefits. Today, he sits before the Commission, knowing whatever decision is made will not impact his salary as he intends to retire soon. He is asking the Commission to make considerations for the next Chief of Police. Chief Raybuck stated that he is suggesting a salary of \$180,000 because the Commission may want to pay that person as if they were still in their former position, but an external candidate coming in would still receive the current salary rate which is \$163,000, which places that person in 17th position on the salary inversion chart.</p> <p>Chief Raybuck stated that within KPD, those qualified to fill the Chief of Police position are either not interested in taking the position or most likely based upon experience and exposure may not be the best-suited candidate for the position. It is very likely that the next Chief of Police will come from outside of the Department. Fixing it simply by an across-the-board increase would not fix the issue. Chief Raybuck further stated that he recognizes that the Commission has a difficult balancing act. If they were to grant the Chief of Police with a salary of \$180,000, then the Fire Chief, Prosecuting Attorney, Mayor, etc. would all state that they deserve increases as well. He realizes that it may not be fiscally prudent that everyone receives a salary of \$180,000 across-the-board and that giving someone a lower salary amount may cause strife amongst department heads. Chief Raybuck</p>	

SUBJECT	DISCUSSION	ACTION
	<p>clarified that though that may be the case, the Chief of Police position is unique in the exposure, risk, and everything else that is outlined in his memorandum justifies that salary amount.</p> <p>Chair Uyehara asked given that the Salary Commission sets the maximum salary for the position, if it was the Chief's recommendation that the \$180,000 be the maximum or the starting base. Chief Raybuck responded that his recommendation would be that the \$180,000 amount be the starting base. If the \$180,000 amount was made the maximum, the Salary Commission would find themselves in the same position regarding inversion that the County is experiencing today. The Commission could also consider annual increases of 5% that would hopefully offset any future salary inversion issues. A higher range could also be placed above the \$180,000 amount.</p> <p>Vice Chair Katayama asked if the Deputy Chief of Police serves at the pleasure of the Chief of Police or the Police Commission. Chief Raybuck responded that the Deputy Chief of Police serves at the pleasure of the Chief of Police.</p> <p>Vice Chair Katayama asked if the increases for the Deputy Chief of Police are merit-based or fixed on the collective bargaining increases. Chief Raybuck responded that the increases are based on time, service, and grades that occur naturally in accordance with the collective bargaining agreements. Vice Chair Katayama asked for clarification if this was for the Deputy Chief of Police as well. Chief Raybuck responded that if the Deputy Chief of Police was compensated as if they were in their former position, he would receive the increases as if he was still a civil service employee. He referred the Commission to page 2 of his memorandum which detailed the</p>	

SUBJECT	DISCUSSION	ACTION
	<p>salary ranges for a Captain and Assistant Chief. The range for an Assistant Chief is \$105,288 to \$193,668 as a base. The current base for his Assistant Chief is \$150,000 and \$157,000.</p> <p>Vice Chair Katayama stated that there are 3 buckets of additional compensation outside of the base salary amount. Those buckets are additional, overtime, and other. Vice Chair Katayama asked within those buckets what is managed versus what is structured by contract. Chief Raybuck responded that additional pay would be structured by the contract. Items like the standard of conduct pay would fall under additional pay. The purpose of the standard of conduct pay is that unlike other government position, sworn police officers are held accountable to their standards on and off duty. Your work standards of what is expected of you at work carry over to your personal standards as well 24/7. Violations of work standards off-duty have consequences on-duty. Additionally, the standard of conduct allows sworn officers to act in their official capacity should they be required to or should it be necessary. To put police officers who are off duty in that position where they may be required to take law enforcement is also part of the definition of the standard of conduct pay. Vice Chair Katayama asked if that was a fixed cost that was given out regardless of anything. Chief Raybuck responded that Vice Chair Katayama was correct. Chief Raybuck further stated that the subsidized vehicle pay is also an additional pay amount. Subsidized vehicles in the Police Department are allowed for sergeants and above in rank. The County does not provide a County-owned vehicle. The Chief of Police must have a vehicle and respond 24/7. The County gives a monthly subsidy, but the employee owns the vehicle and is responsible for all the maintenance and other expenses related to the vehicle. That amount is included in the additional pay category. Vice Chair Katayama asked if that amount was</p>	

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	<p>fixed. Chief Raybuck responded that the amount is fixed by contract. If the amount is increased or changed in the contract, then the amount provided to those eligible will change as well. Based on his knowledge, the amount has not changed for the last 20 years.</p> <p>Vice Chair Katayama stated that when looking at the various amounts, there is a large variation from \$9,000 up to \$26,000 in additional pay. Other pay ranges from \$300 to \$29,000. Vice Chair Katayama asked what caused the variable differences as he noted the variable amounts seem to be the issue causing a lot of the inversion problems being experienced. Chief Raybuck stated that additional pay, other pay, and overtime are predominantly what causes the salary inversion. In the other pay category, an amount in the range of \$15,000 would be standard of conduct pay. Other pay may also include auto, firearm, and uniform allowances. The positions that have \$9,000 as other pay is because those employees do not have subsidized vehicles. The amount for subsidized vehicle allowance also varies based on assignment. Chief Raybuck explained that his vehicle allowance amount is \$562 whereas someone assigned to a patrol function receives \$600. Chief Raybuck further responded that some of the variance for the detective positions is probably due to standby pay. Additional pay in the \$8,000-\$16,000 range most likely is due to the subsidized vehicle program or not. The high increase in additional pay of \$26,000 is more than likely due to standby pay and that employee was on standby more than their peers. Chief Raybuck apologized for not knowing exactly what went into each bucket but noted that he could find out the answer and get back to the Commission. Vice Chair Katayama stated that knowing exactly is not the point but that he is trying to normalize the playing field to incentivize the best to want to take the Deputy or Chief position understanding if you are in a position that requires certain kinds of conditions like being on-call</p>	

SUBJECT	DISCUSSION	ACTION
	<p>all the time or whether those positions could decline it voluntarily would be good information for the Commission to understand. Chief Raybuck stated that as far as the Assistant Chiefs, Chief Raybuck must force them and the Deputy Chief of Police to go home. Routinely they do not submit for overtime unless it is for crisis issues or unexpected situations that they could not account for. The Police Department cannot control when a fugitive holds someone hostage and runs from one end of the island to the other. Vice Chair Katayama stated that overtime was not the issue. Additional and other pay categories are what he was more concerned about.</p> <p>Vice Chair Katayama asked how much of the additional and other pay cost items were position-generated versus what could be managed. Chief Raybuck responded that some of the costs are position-generated. The only cost that is managed would be overtime. Chief Raybuck noted that standby pay cannot be managed as that is a requirement of the collective bargaining agreement. In the additional pay category, subsidized auto allowance is included. Also included are certifications such as canine, explosive, and bomb technicians, which are unique positions. The person on the salary inversion list who receives the hazardous pay differential is on the Department's bomb squad. Gun allowance and standard of conduct comprise the additional pay. Those are not managed allowances and are fixed based upon the officer's entitlement or assignment. The other pay category includes hazardous pay and temporary assignment hazardous pay (special response team gets hazardous pay when they are activated to go on a search warrant or a barricade situation). On occasion, the Police Department has temporary hazard pay for circumstances like a fire, COVID-19, etc. Meal allowance is contractual and depending on the number of hours an employee works, they are entitled to compensation for meals.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Uniform allowance is also in the other pay category and that is a fixed cost. Police do not get a mileage allowance as the County pays for the fuel that goes into police vehicles while they are on duty. Night differentials are a contractual issue. Temporary assignments are prevalent in the Department due to vacancies. There are currently 38 vacancies. Approximately half of that number are higher level positions and there needs to be someone filling that role. Someone who would be filling a higher role would be doing higher level work and would ultimately be temporarily assigned to fill that role. Chief Raybuck stated that he does not know how to account for temporary disability insurance (TDI) or standby pay. Vacation payouts could be granted if an officer decides to get paid out for unused vacation and worker's compensation are also in the other pay categories. Chief Raybuck summarized that the additional pay and other pay category cost items are not manageable expenses and are provided for by contractual obligations.</p> <p>Vice Chair Katayama and Chair Uyehara thanked Chief Raybuck for reviewing all the information with the Commission. Chair Uyehara asked for the actual cost in each of the categories that were explained by Chief Raybuck to see the magnitude of cost items that are allowed for the Chief of Police position. Chief Raybuck responded that for additional pay, the Chief of Police or Deputy Chief of Police would be entitled to all those items, except for specific certifications. As far as other compensation, the Chief of Police already receives the uniform allowance. Night differential and mileage are not applicable to the positions. Chief Raybuck suggested that the Commission review what the Assistant Chiefs and/or Captains are entitled to receive. The first three positions below the Chief and Deputy Chief on the salary inversion table, there is a Police Captain, Assistant Chief, and Lieutenant in the hierarchy that are below the Deputy Chief. Each one</p>	

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	<p>of those positions made substantially more money than the Deputy and Chief of Police. Chief Raybuck pointed out to the Commission that if the Police Commission were to be interested in hiring a Chief of Police from within, those three positions would be taking a reduction in pay by a significant amount. Chief Raybuck expressed that his personal feeling is that it is not that the Chief of Police and Deputy Chief of Police are entitled to those additional pay categories at the lower level, the problem is that the people at the lower level are entitled to those additional pay categories, and they receive them. Since they already receive them, if they take the appointed position, they will take a significant cut in pay. Chair Uyehara stated that based on the three positions highlighted by Chief Raybuck, it would be helpful for the Commission to see which of the buckets is causing the Assistant Chief to get \$8,700 in other pay and the Police Lieutenant receiving \$26,900. Chair Uyehara noted that an example would be someone assigned to the bomb squad. It could be a tradeoff for someone assigned to the bomb squad to become the Chief of Police or Deputy Chief of Police, they no longer must deal with a live bomb situation. That differential tradeoff might be understood as a real tradeoff versus simply a salary-only tradeoff. However, if the Chief of Police or Deputy Chief of Police might not be doing the work that would warrant the pay in the other pay category, it might deter someone internally from wanting to take the position and the Commission should adequately address that fact in the compensation decision made by the Commission.</p> <p>Chair Uyehara stated that the Commission is trying to determine what justifies fair compensation to ensure that even those within the Department will want to apply for the promotional opportunity without too much of a loss in compensation. Chief Raybuck responded that the Commission sounds like it is taking a fair approach. Chief Raybuck further</p>	

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	<p>clarified that to qualify to be the Chief of Police one would have to have a minimum of being a Police Lieutenant or above in terms of rank. This would mean officers, detectives, and sergeants could be removed from the equation as they are not eligible for the position. Only the Police Lieutenant, Assistant Chief, and Police Captain from the Salary Inversion chart would be eligible for the Chief of Police or Deputy Chief of Police positions. Taking that into consideration, all Police Lieutenants and Police Captains make more than the current Deputy Chief of Police under the structure of the old Salary Resolution. The action by the Salary Commission in 2022 was critical for the vacancy for the Deputy Chief of Police to be filled as no one qualified and in a lower position wanted to take on the role for a significant pay cut.</p> <p>Chief Raybuck explained that based off current salaries, he as the Chief of Police ranks 17th on the Salary Inversion chart. This means that two Police Lieutenants, Police Captains, and both Assistant Chiefs all make more money than the Chief of Police. Looking only at those eligible positions might help the Commission parcel the task out. Chief Raybuck stated that he could provide additional details on why one Police Lieutenant made \$26,902 versus another Police Lieutenants who made \$7,860, however, he was not sure if the situations those ranks participated in would even apply to the Chief of Police or Deputy Chief of Police, since regardless, both positions made more than the top leadership positions. Chair Uyehara responded that the information Chief Raybuck alluded to would be helpful. Chair Uyehara noted that though the top positions may not be eligible for those positions, the Commission will still need to have its facts to be able to explain to the public how decisions were made. Fundamentally, the Commission will need to explain why officers within the Department make more than the top two leadership positions and what it would take to</p>	

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	<p>correct the inversion issues being experienced, including what the logical or rhetorical justifications are. Chief Raybuck responded that he would get that information to the Committee via Administrator Ching.</p> <p>Vice Chair Katayama stated that Chief Raybuck has 223 full-time positions, of which 3 are appointed (Chief of Police, Deputy Chief of Police, and Private Secretary). Vice Chair Katayama asked where in the hierarchy are Assistant Chiefs located and what is the difference between a Deputy Chief of Police and Assistant Chief of Police. Chief Raybuck stated that the Deputy Chief of Police is directly below the Chief of Police. The Assistant Chiefs fall on a level below the Deputy Chief of Police, and they act as Bureau Commanders who oversees the Police Operations Bureau (patrol, dispatch, etc.) and the other oversees the Police Support Services Bureau (fiscal, training, recruitment, etc.). Vice Chair Katayama asked if the Assistant Chief positions are appointed or civil service. Chief Raybuck responded that they are civil service positions who are promoted based upon a merit-based system. Below that there are 5 Captain positions, and the Captains fall underneath the Assistant Chiefs, and they are Division Heads. In the Patrol Bureau, there is a Captain who oversees field operations. There are also two Captains who oversee dispatch and cellblock operations. There are two additional Captains in the Support Services Bureau. These positions all trickle down into the hierarchy of the Department.</p> <p>Chief Raybuck stated that the Commission previously had questions regarding the Deputy Chief of Police related to overtime pay. Chief Raybuck noted that the Deputy Chief is entitled to overtime based on the Salary Resolution of 2022. He currently does not put in for overtime. Right now, the Workday HR software does not allow him to. That overtime is</p>	

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	<p>controlled by the Chief of Police. The Council Chair at the time the 2022 Salary Resolution passed asked the same question of Chief Raybuck and he responded that he is responsible for the management of that overtime and if it is not managed accordingly, he (the Chief of Police) should be held accountable for that. Chief Raybuck noted that he personally has not been eligible for overtime for the last 10-12 years as a salaried employee. If he did take overtime, that would be reportable, and the Chief of Police should be held accountable to the Police Commission. Every month, the Police Commission receives a budget report that shows where the expenditures were made for that period. The Chief of Police is required to provide the Police Commission with various reports, including possibly a report on overtime when requested. The Chief of Police would then need to justify why various overtime amounts were granted, worked, etc. The overtime expenditures would not be without oversight.</p> <p>Chief Raybuck also noted that there was discussion previously by the Commission regarding performance-based measurements. He stated that with most businesses performance-based measures are what is used to determine whether an employee is eligible for additional compensation. In the civil service and law enforcement realms, identifying what is proper performance levels is challenging, if not impossible at best. The Department does not make widgets, and they do not have sales quotas. Crime rates are ultimately outside of the control of the Department. The Chief also cannot control the public comments or sentiments or anything in the political realm, including allegations by unions. Chief Raybuck stated that he is not saying there could not be performance-based measurements implemented, but in his experience, police departments across the nation struggle with proper performance measures. Measuring things like how many people did the Department arrest in the month is probably a poor</p>	

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	<p>performance measure as that can be manipulated. He feels that creating performance-based measurements is challenging in the civil service-side of things. Chair Uyehara stated that he does understand the issue of manipulation of performance measures based on the number of arrests. Chair Uyehara asked Chief Raybuck if he had any recommendations on performance measures that may make sense and that the answer could possibly be that there are none. Chief Raybuck responded that he did not give the inquiry much thought but brought up the issue because he heard the discussion that was occurring. Chief Raybuck noted that the reason that many appointees are appointed by civilian commissions was to remove the political pressure on department heads. One of the greatest things that he experiences in his role as the Chief of Police is that he can almost exclusively avoid political pressure in his role without fear of the Mayor or the Council saying that he did not do as they wanted him to do, such as arresting someone or investigating someone who they may not like. Chief Raybuck noted that a lot of his colleagues in other jurisdictions face that on a day-to-day basis.</p> <p>Chief Raybuck stated that he truly appreciates all the members of the Police Commission and all those who have volunteered during his tenure to serve on the Police Commission. Out of all the commissioners he has dealt with, only 2 have had prior law enforcement experience. Only 1 of those commissioners had law enforcement experience at the Kaua'i Police Department. Neither of those commissioners had experience as the Chief of Police. They meet once a month and they hear what they hear. That is all they know. They are not engaged in day-to-day operations, nor should they be or want to be. The question then is how these individuals would fairly identify performance expectations when they meet once a month, have no prior law enforcement background, and only hear the noise from</p>	

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	<p>the public on what people feel the Chief of Police should or should not be doing. That is the struggle that he feels the Police Commission goes through. If the measurement is based on the number of reports that are provided to the Police Commission, then that may be possible. Chief Raybuck stated that he should be held accountable to the budget, controlling his overtime expenditures, properly replacing vehicles, taking care of the nuts and bolts of the organization, recruitment and retention, etc. Those are fair performance measures in his viewpoint. As far as recruitment and retention, Chief Raybuck noted that he should not necessarily be held accountable for how many vacancies there are, but what the Department is doing about the vacancies and trying to fill them. However, in the same breath, there is a lot outside of the Chief's scope or ability since everything is structured within the collective bargaining agreement. Setting performance measures is a real tricky task. Chair Uyehara thanked Chief Raybuck for his response.</p> <p>Chair Uyehara thanked Chief Raybuck for his presence before the Commission.</p> <p>Administrator Ching asked the Commission if she could dismiss those department heads who would not be needed during the meeting.</p> <p>There being no objections, the meeting was recessed at 11:41 a.m.</p> <p>There being no objections, the meeting was called back to order at 11:49 a.m. and proceeded as follows:</p> <p>Administrator Ching notified the Commission that the next department to be reviewed is the Fire Department.</p>	<p>Ms. Kanna moved to recess the meeting. Vice Chair Katayama seconded the motion. Motion carried 5:0.</p>

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	<p>The Commission heard from Michael Gibson, Fire Chief, who presented the following:</p> <ul style="list-style-type: none">• The Fire Department consists of 5 bureaus or divisions within the Department.• Fire Administration consists of the Fire Chief, Deputy Fire Chief, and an Administrative Battalion Chief, 3 On-Duty 24-Hour Battalion Chiefs, an Administrative Services Officer, and Private Secretary.• Under the Deputy Fire Chief there is an Administrative Battalion Chief, the Ocean Safety Bureau, and the 3 Operational Battalion Chiefs.• Under the Administrative Battalion Chief is the Training Bureau. The Training Bureau consists of a Fire Training Captain and 2 Fire Fighter IIIs. Fire Fighter III is a fire fighter who has gone through a promotional process and qualifies to be an operator or driver of the fire engines.• The Fire Prevention Bureau consists of a Fire Captain and 3 Fire Fighter IIIs.• All fire fighters get promoted through the ranks. Their goal is to become a Fire Fighter III Operator and ultimately a Fire Captain. All of them love serving at the fire stations and serving the community.• When they are new to the position, it is a seniority-based selection as to which fire station or bureau you are assigned to.• There is a need for personnel for fire prevention, plans reviews, public education, and training.• Fire fighters enjoy working in the stations on 24-hour shifts with specified days off. Working in the bureaus requires them to work 5 8-hour shifts. Instead of being in the community running calls, they are in the bureau. To be compensated for being in the office rather	

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	<p>than at the fire station, they are allotted \$350 a month. It is not a great incentive to them, but it is a part of the collective bargaining agreement.</p> <ul style="list-style-type: none">• Ocean Safety Bureau reports to the Deputy Fire Chief. The Ocean Safety Bureau consists of the Bureau Chief, currently Kalani Vierra, two personnel assigned to training (Captain and Lieutenant) and operations are broken down into 3 districts (North, East, and South (covers Southwest)). Each of those districts has 1 Captain and 1 Lieutenant. Within the district, there are lifeguard towers, and each tower has 5 ocean safety officers assigned to it. That helps to balance the schedule. There are two officers there per day working 4 10-hour days. Each district has 4 towers. Additionally, there are 3 roving jet ski patrols around the island (North, East, and South). Those are supervised by the district supervisors based on the district they are in.• There are 8 fire stations as a part of Fire Operations. The Department's staff is divided into 3 platoons (First Watch, Second watch, and Third watch). Each Watch works 24-hour shifts alternating days on and days off. It is a day on, day off shift for 4 days 3 times, and then they have 4 days off. Each of those 8 stations is supervised by the 1 Battalion Chief. The 1 Battalion Chief has the 8 Fire Captains at each of the station under them, plus the Fire Rescue Team which is stationed at the Līhu'e Fire Station. Each Battalion supervises 9 Captains. For them to give them proper supervision and train them, there are typically not enough days in a month.• Each company at a fire station is staffed with 1 Captain, 1 Fire Fighter III, and 3 Fire Fighter. That 5 fire fighter staffing covers for	

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	<p>sick and vacation so that there can be at least 4 personnel present every day.</p> <ul style="list-style-type: none">• If no one is off from work due to leave, there are 44 firefighters across the island. With sick leave or vacation leave there may be 33 or 34 depending on how many are on the Rescue Team for that day.• There is a lot of work to do with that amount of personnel.• The overall Department's budget is \$43M for Fiscal Year 2025. The proposed budget for Fiscal Year 2026 budget has a 4% inflationary adjustment, but for the operations-side of things, not including any equipment, the proposal remains stable at \$43M.• The outside equipment ask for Fiscal Year 2026 is fairly large as the Department is asking for a twin-engine helicopter. That is \$16M. The Department is also asking for \$5.1M in equipment.• Last year, the Department was provided with \$3M in equipment which is around what they asked for. <p>Administrator Ching asked Chief Gibson to state whether he is a commission-appointed position or Mayoral-appointed. Chief Gibson responded that the Fire Chief was appointed by the Fire Commission.</p> <p>Mr. Ono asked if the Fire Chief's term is open-ended like the Chief of Police. Chief Gibson responded that Mr. Ono was correct.</p> <p>Chair Uyehara asked if the capital expenditures mentioned were incorporated in the Fiscal Year 2025 budget that the Commission reviewed. Chief Gibson responded that he was unsure as he was not sure about the numbers the Commission reviewed. Vice Chair Katayama stated that the Capital Budget was \$340M. Administrator Ching asked if the Commission was referring to the information presented by the Director of Finance's</p>	

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	<p>presentation. Vice Chair Katayama stated that it does not appear that the capital expenditures were included as it was probably funded through Bond funds. Chair Uyehara noted that the Commission reviewed the Operating Budget and that perhaps if funded by Bond funds, the debt service may be included in the budget somewhere. Administrator Ching noted that the question would best be asked of the Department of Finance.</p> <p>Mr. Ono asked for the qualifications for Fire Chief and Deputy Fire Chief. Chief Gibson responded that for the Deputy Fire Chief the minimum qualification is employment with the Kaua'i Fire Department. The qualification for the Fire Chief does not have that specific requirement. Mr. Ono asked if there is any experience or specific rank that needs to be attained to be considered for Fire Chief. Chief Gibson responded that for the Deputy Fire Chief, one only needs to be a member of the Kaua'i Fire Department. In the most recent case, a Fire Captain within the Kaua'i Fire Department was selected to fill the role of Deputy Fire Chief. Fire Chief Gibson noted that for the Fire Chief position, there was no requirement to have worked for the Kaua'i Fire Department, just the requirements of the Charter, and there were no educational requirements.</p> <p>Vice Chair Katayama thanked Chief Gibson for itemizing the various bureaus. He asked Chief Gibson what his current vacancy rate was. Chief Gibson responded that he currently only has two full-time vacancies, and they are both in the Administrative Offices. One vacancy is for an Accountant which the Department is going through the recruitment process and an offer has been made. The second opening is for a Secretary which the Department will recruit for. The Department is currently in the process of reclassifying the position to an Administrative Clerk so that the position can be better utilized and be in a position to have upward mobility</p>	

SUBJECT	DISCUSSION	ACTION
	<p>or promotion with the Department and County.</p> <p>Vice Chair Katayama asked if there were any vacancies within the ranks. Chief Gibson responded that all the line positions in Fire and Ocean Safety are filled.</p> <p>Vice Chair Katayama asked how the helicopter operations embedded in the Department. Chief Gibson responded that in 2010, the Kaua'i Fire Department purchased its own helicopter. The Department owns the 1 single-engine MD530F helicopter. At the time, the cost for the helicopter was \$2.3M. Prior to that, KFD had to contract with tour companies like Jack Harter or Island Helicopters that would need to be contracted as needed. Since 2010, the Department only needs to contract for pilot and maintenance services. Currently, the Department contracts with Airborne Aviation, which provides pilots 7 days a week from sunup to sundown. That provides 1 qualified pilot. There are only 3 pilots that work for Airborne Aviation that qualify to fly for Fire due to the number of hours that they are required to meet prior to being certified to fly Air 1. The Department is currently in year 2 of a 3-year contract. The contract amount is approximately \$855,000 a year in total and \$170,000 of that is for maintenance and fuel costs. Vice Chair Katayama asked if that cost was included in the Department's Operating Budget or salary costs. Chief Gibson responded that it would be in the Operating Budget, and they are not employees of the County.</p> <p>Vice Chair Katayama asked the Chief if he had any other presentation items to go over. Vice Chair Katayama expressed that he wanted to understand the additional compensation items that are related to the Fire Department. Looking at the variances to the very low, there seems to be a large</p>	

SUBJECT	DISCUSSION	ACTION
	<p>differential. There are about 6 items listed. Vice Chair Katayama asked Chief Gibson to identify which items are fixed costs and which are variable amounts that management can control. Mr. Ono stated that unlike Police, the Fire Department's inversion occurs due to overtime costs. Vice Chair Katayama stated that he would think the methodology explained by the Police Department would be the same for the Fire Department. Chief Gibson stated that for the Fire Department, the other pay column includes a dollar amount that a firefighter receives if they are working at another fire station and not their home fire stations due to manpower shortages. Vice Chair Katayama asked whether that cost was variable. Chief Gibson responded that Vice Chair Katayama was correct. Another item that goes into other pay is the 8% hazard pay. Fire Captains, Fire Fighter IIIs, and Fire Fighter IIs that are assigned to either the Rescue 3 unit in the Līhu'e Fire Station or to the Hazmat vehicle at the Kaiākea Fire Station also receive an additional 8.126% for every hour of work for being on that assignment. When there is a helicopter operation there is additional pay that they receive for the time that they are lifted off the ground until they complete that call. Another dollar amount that goes into the other pay category is for night alarm premiums. As it relates to the night alarm premium, there is a proposed change to the timeframe for that premium. Chief Gibson explained that either at 6:00 p.m. or 8:00 p.m. any calls that occur after that time, the entire crew receives additional pay per hour for those calls. This pay starts at the time of the alarm until they return to the station and get the equipment restocked and back into service. Vice Chair Katayama asked what the genesis for that pay amount was. Chief Gibson responded that it is a collective bargaining agreement. Vice Chair Katayama stated that if someone is on-duty 24 hours, why is that not a part of your regular duty. Chief Gibson responded that he was not a part of the collective bargaining negotiations so is hesitant to answer why, but that he worked</p>	

SUBJECT	DISCUSSION	ACTION
	<p>in Southern Nevada and California, and they did not have those specific pay premiums there, but the base salary was higher. Both amount to relatively the same salary but take different paths in how they get there through contract negotiations.</p> <p>Vice Chair Katayama asked if everyone receives the additional pay items Chief Gibson noted. Chief Gibson responded that everyone receives the night alarm premium from Battalion Chiefs down the rank.</p> <p>Vice Chair Katayama asked why there is a staff shortage resulting in temporary assignments. Chief Gibson responded that for staff shortages, if there are several personnel out on extended sick leave that could play a role in the need to temporarily assign individuals. If everyone was available for their shift, there would be 44 personnel working in a day. The minimum staffing level would be 34. Across 3 shifts there are 132 available line crew members. Currently, due to Family Medical Leave Act (FMLA), injuries, and long-term illnesses, there are 17 personnel who are not coming to work. When those 17 personnel are off, there are still people needing to take vacation and other leaves which causes gaps in coverage. If there is no one available, the Department can temporarily assign someone from Fire Fighter III to the Captain role so that the crew can have the proper staffing and supervision. Those individuals who act in a temporary role would receive the temporary assignment pay.</p> <p>Vice Chair Katayama stated that in the Salary Inversion chart that was provided and specifically the other pay category, there appears to be the need for proficiency pay, hazard pay, night alarm calls, etc. Chief Gibson responded that Vice Chair Katayama was correct. Vice Chair Katayama asked if Battalion Chiefs were eligible for those same kinds of</p>	

SUBJECT	DISCUSSION	ACTION
	<p>compensation amounts. Chief Gibson responded in the affirmative. Vice Chair Katayama stated that there appears to be the same issues happening at the Fire Department as with the Police Department.</p> <p>Chair Uyehara asked Chief Gibson if he could estimate how many hours of overtime he worked if he was in a collective bargaining position. Chief Gibson responded that he has scaled back his hours dramatically. He is almost at the end of his third full year. In his first two years, he would be at work by 6:30 a.m. and he would leave no earlier than 6:30 p.m. He wanted to learn the position and learn other positions. A lot of the time he expended was due to his inquisitive nature of wanting to learn the positions he was managing. In July of 2024, he had a sit-down with his wife, and they examined together the viability of their relationship with his current work schedule. He made a commitment to her to leave the office by 4:30 p.m. each day. Right now, he works very close to 40-45 hours of work each week. That does not include work that he may need to staff such as emergencies at the Emergency Operations Center, time and travel to O'ahu for State Fire Council Meeting, meetings for the Hawai'i Fire Chiefs Association, etc. Those are things that the Fire Chief is required to do but that do not always fit within the normal workday. His average work schedule right now is 45 hours per week.</p> <p>Vice Chair Katayama asked if the Fire Chief had any thoughts on addressing the inversion issue. Chief Gibson responded that from the outside looking in, the department heads and deputy directors in the County are severely underpaid. For the Fire Chief, he was in a good situation when he moved to Kaua'i in 2017. He was able to sell property that he owned on the mainland to get a head start on being able to own property on Kaua'i. In 2017, property prices were reasonable, but if he had to purchase today,</p>	

SUBJECT	DISCUSSION	ACTION
	<p>that would not be possible today. He knows a lot of people who probably could not afford to work and live on Kaua'i. Comparatively speaking his counterparts in the other 3 counties all make more than he does. The Fire Chief on Maui is the closest to his salary at \$189,000 per year. Hawai'i County and the Fire Chief for the City and County of Honolulu make substantially more in pay. The Deputy Chief on Maui makes \$174,000. They also experience inversion in those counties as well. On Maui, the Fire Chief is the seventh highest person paid in the department. The Deputy Fire Chief on Maui is seventeenth in the department. Chief Gibson stated that salary inversion is going to occur as the Fire Fighters and Fire Captains work lengthy hours to make the pay that they do. It is time that they cannot get back. Every dollar that they are earning is worthy. It is a lot of money, but it is also a lot of time that one cannot make up. The better the County can pay employees to work a normal work week, and the better balancing employees can do with work and home life, it will lead employees to living a healthier lifestyle. Chief Gibson explained that his work-life balance was not where it should have been a couple of years back but is relieved that he was able to take a step back to realize the importance of doing so for his family. Chief Gibson responded that for someone coming into his position, someone would need to come in at a higher salary for them not to have to worry about financial burdens or seek part-time employment elsewhere as the Fire Chief position should be someone's primary and only job to give it the focus and attention that the position deserves.</p> <p>Vice Chair Katayama asked if the lack of vacancies within the Department could be attributable to the fact that the salary level may not be an issue for the Fire Department. Chief Gibson responded that he would agree with the analysis of the vacancy rate, but that the number of applicants for the Fire Department has been coming down each year. This past year, there</p>	

SUBJECT	DISCUSSION	ACTION
	<p>were approximately 130 applicants. Of that number only half usually show up and pass the written test. Of those remaining, 25 people enter the physical agility phase. After that stage there are approximately 15-16 people that can apply and be selected for the position. About 5 years and previous the number of applicants was 500 or more. To put things in perspective, the County of Kaua'i is at the same ratio as the other islands. The City and County of Honolulu received 2,000-2,500 applicants when they received close to 8,000-9,000 applicants previously. If the number keeps trending downwards there will be vacancies. Chief Gibson stated that he hopes the Department never sees the day when there are vacancies due to the applicant pool bottoming out. Chief Gibson further stated that his Department tries to provide an environment that is safe and one that fosters adequate training for its employees. This trend is occurring nationally as well, and the island is lucky that there are 15 people that come out of each class.</p> <p>Vice Chair Katayama stated that every industry group is experiencing that problem now. There are many employers who cannot fill their vacancies at all.</p> <p>Vice Chair Katayama asked if having a minimum qualification of being a member of the Kaua'i Fire Department for the position of Deputy Fire Chief has hampered the recruitment of the position. Chief Gibson responded that he was very fortunate to have 3 members of the Department apply for the position. All 3 were very qualified and it was a very tough decision. Chief Gibson felt that he made the right choice. Most of the firefighters would prefer to work at the fire station. If they had a choice, many would want to work at Hanalei or Kōloa. Fire Training Bureau and Fire Prevention are usually the employees' last choice. When Chief Gibson became the Fire</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Chief, he needed to fill the Deputy Fire Chief position. His hire was a Fire Captain who came from one of the fire stations. The other two applicants were both Fire Captains as well. The other Fire Captains of the bureaus had the opportunity to select assignments at fire stations and they ultimately ended up choosing to do so. The two applicants who were not selected were Fire Captains and they could have chosen to work at any station, but they decided to work for the Fire Administration Bureau. Fire Chief Gibson explained that the requirement of having the Deputy come from within the Kaua'i Fire Department is important especially in today's day of operations and whether the current Chief and Deputy Chief remain for a while or decide to leave at the same time. There is very limited historical knowledge available within the Department as there are only 27 Fire Captains within the Department's ranks. Similarly, there are only 3 Fire Battalion Chiefs. A lot of these employees are nearing the 25-year mark for retirement. When some leave, there is the possibility that all may leave. There are not going to be many who can fill the higher ranks. Chief Gibson reiterated that it is important to keep the requirement of having worked in the Kaua'i Fire Department to maintain the passing of historical knowledge through the ranks.</p> <p>Chair Uyehara stated that the Commission is trying to understand the distinction between the positions warranting higher salary levels, especially in comparison to the other counties with the extent the current salary cap is a hinderance for recruitment. Chief Gibson responded that the salary level is not currently a problem for the Fire Department.</p> <p>Vice Chair Katayama asked if Battalion Chiefs aspire to be the Deputy Chief of Police as their normal job progression. Chief Gibson responded that Battalion Chiefs typically do not aspire to be the Deputy Chief of Police</p>	

SUBJECT	DISCUSSION	ACTION
	<p>because of the pay. They do not want to take a pay cut. The compensation schedule for a firefighter is a lucrative one. Coming to work one day and knowing you have the next day off to take care of your yard, go shopping, or help with the kids is very valuable. When you transition from Battalion Chief to Deputy Fire Chief, you are now on a 5-day a week schedule with 2 short weekend days off that go by quickly.</p> <p>Vice Chair Katayama asked if the Deputy Fire Chief was on-call as well. Chief Gibson responded that Vice Chair Katayama was correct. The Battalion Chief is in the best position in the Fire Department. The passion must carry an employee wanting to take on the role of Deputy Fire Chief. The Fire Department also has a role called the Administrative Battalion Chief, which is a 40-hour Battalion Chief that works in the office. Between the Deputy Fire Chief and Administrative Battalion Chief is who the Fire Chief can divide projects that need to get done. The office will handle SOGs, apparatus purchases, station maintenance, and personnel issues. The Department has a drug testing program as a part of its collective bargaining agreement whereby each employee gets randomly tested at least once per year. With that program, there is follow up testing should an employee test positive for having too much alcohol or substances in their system from the night before. That is a problem that the Department is facing openly and getting assistance in getting a handle on. The Administrative Battalion Chief is tasked with being at the fire stations to be with the technician from the laboratory that collects the urine samples. It is a time-consuming process as it is not uncommon for an employee to have a shy bladder. They could have just gone to the restroom prior to the unannounced drug testing and now have a 3-hour window to produce a sample. If someone must provide a sample and they try but fall short of the minimum amount needed, they need to wait 3 hours to try again. If they</p>	

SUBJECT	DISCUSSION	ACTION
	<p>fail to produce a sample, they could face termination. He loses that Battalion Chief for many hours each week because of the testing.</p> <p>Vice Chair Katayama asked if the lowest Battalion Chief on the Salary Inversion chart was the one that was the Administrative Battalion Chief. Chief Gibson responded that he does not believe that to be the case as he believes the lowest Battalion Chief that appears on the chart was because that Battalion Chief was the most recent promotion and was at the lower end of the salary schedule for that position. The Administrative Battalion Chief is retirement eligible and transitioned from line Battalion Chief to Administrative Battalion Chief out of the passion to be a part of the team with the Fire Chief and Deputy Fire Chief. He could be the Fire Chief as he has the heart, dedication, knowledge, and support of his colleagues to do so. He serves out of commitment and not for the money.</p> <p>Vice Chair Katayama asked if the Deputy Fire Chief and Battalion Fire Chiefs get the same pay or close to it. Chief Gibson confirmed this was accurate. Vice Chair Katayama stated that the Deputy Fire Chief does not get overtime. Chief Gibson concurred. Chief Gibson stated that the Deputy Fire Chief took on the role for less pay to afford him more time to be with family. The schedule does allow the administrative staff the ability to be at home each night. Though the station schedule is lucrative to have complete days off, it does not replace the evenings when the fire crew must work at the station. Though the firefighters get premiums for night differentials and other pay compensation, the pay does not beat being able to sleep or be home with family. Vice Chair Katayama stated that that fact will be a challenge for the Commission.</p> <p>The Commission thanked Chief Gibson for his time.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Administrator Ching stated that the next department for review is the Department of Human Resources since the Director cannot be available for the Commission's next meeting.</p> <p>The Commission heard from Ms. Anderson, Director of Human Resources, who stated the following:</p> <ul style="list-style-type: none">• She is appointed by the Civil Service Commission and has been the Director for the last 5 years.• The HR Department has 24 full-time positions. The annual Operating Budget for the Department is approximately \$4.2M. <p>Mr. Ono asked if Ms. Anderson's appointment was open-ended. Ms. Anderson responded in the affirmative. She further responded that all department heads are considered at-will employees except for the Chief of Police. The Chief of Police can only be terminated with cause as he has certain rights.</p> <p>Vice Chair Katayama stated that when looking at Police and Fire, there is a compensation category for temporary disability insurance (TDI) payments. If someone is getting TDI, is that in addition to their base salary. Ms. Anderson responded that it is not on top of the base salary. She noted that she heard Chief Raybuck mention that TDI was not affecting his Department but further noted that TDI is being pulled from the HR system and so it could have been for employees within the Police Department and charged there accordingly. Vice Chair Katayama asked if someone was getting TDI, would their base salary be reduced and TDI added. Ms. Anderson responded in the affirmative. Vice Chair Katayama noted that when looking at Police and Fire salaries, it appears that the base salary</p>	

SUBJECT	DISCUSSION	ACTION
	<p>amounts are close to the known salary amounts, so it does not appear that these individuals were getting TDI. Ms. Anderson responded that she does not have the data in front of her to respond to that and that the response would be insignificant. Vice Chair Katayama responded that he was trying to analyze the data and trying to understand the salary inversion issue. There are large differentials between individuals. Ms. Anderson responded that with respect to collective bargaining agreements for Police and Fire, and with the respect to when someone's raises were collectively bargained for and what administration was in effect, sometimes you want to make the salaries of all the bargaining close so that each bargaining unit appears to be equal in nature. What happens a lot of the time with Police and Fire, the salary increases will be aligned with some of the other bargaining units. All the other compensation items will increase to make up for the base salary remaining level with other bargaining units. The other pay items are usually overlooked by the news when people are reporting out what was negotiated for. Most times people focus only on percentage increases to the base salary amounts. Rarely do people look at the uniform allowance amount or the meal allowance amount. Vice Chair Katayama responded that that information was good to know.</p> <p>Ms. Anderson noted that the Director of Finance's projections will change once the County has a better grasp on the financial implications of current collective bargaining negotiations. Once there are settlements or arbitration awards those amounts will be factored into the County's overall liabilities.</p> <p>Chair Uyehara asked if there were any drivers regarding the salary inversion in the HR Department. Ms. Anderson responded that salary inversion is common in the public sector. It is not shocking or objectionable. It is based</p>	

SUBJECT	DISCUSSION	ACTION
	<p>upon a person with 30 years of experience who has moved up the salary range. She is not sure it is something that needs to be corrected and it is common for someone with many years of service to make more than the new boss coming into the role.</p> <p>Chair Uyehara asked if, based on Ms. Anderson's expertise, if she saw the salary inversion issue as something that would make taking on a leadership role unattractive due to the pay disparity. Ms. Anderson responded that it would deter that person and has deterred them from remaining in the Director's position. The person decided to return to their civil service position to receive a higher amount of pay. Ms. Anderson stated that like Chief Raybuck, she is before the Commission advocating for the position of HR Director and not for herself personally. For the HR Director there is no minimum requirement for a certain type of college degree. In her experience prior to moving into HR, she worked as an employment law attorney. HR has become so complicated with so many laws that need to be followed. A lot of people in the HR field have a legal background. That is one of the reasons that Ms. Anderson got into the field. The Charter does not require any bachelor's degree, and it is a huge deal to change the Charter. The positions in HR have become very complicated with so many laws. The position used to be one handling personnel matters and taking care of transactions to get promotional pay opportunities. Now, HR includes analyzing the risks and implications for the organization if something were to be initiated within the organization. The other unique part of the HR Department at the County of Kaua'i is that payroll is a part of the Department's function. That is a challenge for Ms. Anderson as her background does not entail much payroll experience. In most jurisdictions where she has worked in Hawai'i and in California, the payroll task is typically held with the Department of Finance. There are great challenges</p>	

SUBJECT	DISCUSSION	ACTION
	<p>to have payroll under the HR Department as there are complications and mistakes that occur with payroll.</p> <p>Vice Chair Katayama asked if her Department handles the payroll for the entire County or just the administrative portion. Ms. Anderson responded that HR handles payroll for the entire County including issuing the checks for time worked. Since 2012 went the Department transitioned from the Department of Personnel Services to the Department of Human Resources, the goal was to be a fully-centralized payroll department. The Department has almost transitioned fully by taking on the payroll and time-keeping aspects of all the departments. There are still a few departments who are keeping time of their own departments. If Council approves the budgetary allocation for it, the HR Department will soon be taking on the task of payroll for the Police Department, which is a large undertaking. This includes the time-keeping function of recordkeeping and ensuring that the time is accurately entered into the payroll system of the County. HR does not handle the payroll functions of the Department of Water and one other department, which Ms. Anderson cannot recall now. Ms. Anderson stated that she is proud to say that in the very near future the HR Department will be responsible for all the payroll aspects of the County. Mr. Ono stated that he heard the Chiefs mention the new Workday system where employees would enter their own time for approval by management. Ms. Anderson responded that when the Department embarked on the new HR system, they had to establish a Human Resources Management System (HRMS) position in the County with the head of the Payroll Section becoming an IT expert to deal with the various complications that could come about because of the various pay schedules, pay cost items, step movements, etc. Ms. Rapozo is in various meetings related to the HRMS daily to work out the kinks and to improve upon what is currently in place.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>They are constantly meeting with the HRMS vendor to make things work properly for the various modifications that are needed to handle payroll-related items of the County. The new payroll system puts the responsibility on each employee instead of someone doing it for them. Management and payroll must audit the entries to ensure everything is accurate. Mr. Ono expressed appreciation for the response as all members of the Commission see those same challenges occurring in the private sector as well. Ms. Anderson stated that when the new HRMS was being proposed, her Department had to sell the benefits to the previous Administration, current Administration, and Councils throughout the years to justify the expenditure and the benefits for why it is so important. This new system will do away with the manual payroll process that was in existence since the beginning of time and reduce errors. The Department has found that to reduce errors, the program must be programmed properly, and that is not always an easy task to accomplish.</p> <p>Chair Uyehara noted that the Commission has a hard stop so any follow up questions will be submitted to the respective departments in writing.</p> <p>The Commission thanked Ms. Anderson for her time.</p> <p>Administrator Ching summarized that the Commission reviewed the Fire Department, Police Department, Department of Finance, and Department of Human Resources. The next Commission meeting will be devoted to covering the remaining departments. Administrator Ching will be sending requests for information to the departments based on questions asked during the meeting.</p>	<p>No action was taken regarding this agenda item.</p>

SUBJECT	DISCUSSION	ACTION
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.
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.

SUBJECT	DISCUSSION	ACTION
Adjournment	Chair Uyehara called for a motion to adjourn the meeting.	Mr. Ono moved to adjourn the meeting. Ms. Kanna seconded the motion. Motion carried 5:0. Hearing no objections, the meeting was adjourned at 12:45 p.m.

Submitted by: _____
Mercedes Omo, Staff Support Clerk

Reviewed and Approved by: _____
Joshua Uyehara, Chair

(x) Approved as circulated on January 30, 2025.

() Approved as amended. See minutes of _____ meeting.