

M I N U T E S

COMMITTEE OF THE WHOLE

June 26, 1991

CONVENE: 9:08 a.m.

PRESENT: Councilmember Goro Hokama, Chair  
Councilmember Howard Kihune, Vice Chair (Arr 9:09) (Lv 9:58)  
Councilmember Vince Bagoyo, Member  
Councilmember Alice Lee, Member (Arr 9:12)  
Councilmember Rick Medina, Member (Arr 9:30)  
Councilmember Wayne Nishiki, Member  
Councilmember Joe Tanaka, Member  
Councilmember Leinaala Teruya Drummond, Member

EXCUSED: Councilmember Patrick Kawano, Member

STAFF: Diane Wakamatsu, Legislative Analyst  
Yvette Bantilan, Secretary

ADMIN.: Guy Haywood, Acting Corporation Counsel  
Jeff Kuwada, Deputy Corporation Counsel  
Stephanie Aveiro, Director of Human Concerns

PRESS: Mark Adams, Maui News  
Robin Kalama, KMVI

OTHERS: Item 2 - Donn Takahashi, Chairman, Salary Commission  
Roger MacArthur, Vice-Chairman, Salary Commission  
Item 5 - Gail Gnazzo, Executive Director, Maui Youth and Family  
Services  
Item 9 - George Sumner, Director, State Department of Public  
Safety  
Bernie Diamond, Vice-President of Special Services,  
Management and Training Corporation  
Ron Russell, Vice-President of Corrections and  
Building Management, Management and Training  
Corporation  
Item 27 - Leonard Barcoma

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ITEM 2 - RELATING TO SALARY COMMISSION REPORT ON INCREASES FOR  
ELECTED AND APPOINTED OFFICIALS

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CHAIRMAN HOKAMA: Alright, item number 2, as it relates to the Salary Commission Report. Roger and Donn, maybe you folks can come up here and take a seat. Alright, any questions of the Chairman and Vice-Chairman of the County Salary Commission? The request was made that they be requested to appear before the committee. Ms. Lee.

COUNCILMEMBER LEE: Good morning gentlemen.

MR. TAKAHASHI: Good morning.

MR. MACARTHUR: Good morning.

COUNCILMEMBER LEE: First of all, I'd like to commend you on the hard work that you've put forth with the Salary Commission. I know it took a lot of hours and a lot of effort, a lot of research, but we do have a few concerns, and although you explained it in a letter, number one, would be the auto expense that we recommended for the Councilmembers. And, just for clarification, our understanding is that auto expense is considered compensation. But, it seems that your understanding of auto expense is fringe benefits, is that correct? And maybe you can explain the difference to us.

MR. TAKAHASHI: Okay, we received your April 26th letter regarding the Mayor's car allowance and then subsequently your May 15th letter regarding the salaries of the Director of Council Services, Deputy County Clerk, and the County Clerk, and the automobile allowance again. We received an opinion from Cyrus Chan who said that we were not empowered to act on fringe benefits, and we took into account that fringe benefits would include the car allowance. Then we received your letter with the opinion from Mr. Kuwada saying that we were empowered to act on car allowances. So, we were kind of in a quandary as to what to do. So then I went to Guy Haywood and asked for his opinion which he has just given me on June 24th to say that we are empowered to review and allocate the appropriate monies for car allowances for the Mayor, for the Councilmembers, and for department heads with whom those salaries we review.

So, at the last Commission meeting, which we convened just to review these matters and the contents of your letters, we talked to Mr. Kihune because you were not able to be there. And we asked him to determine what the other counties are doing, and once we have that information, and now that I have the official ruling from Mr. Haywood, I can reconvene the Commission to specifically address the car allowances which we will do as soon as possible.

COUNCILMEMBER LEE: At the same time, did you ask the Mayor's Office to justify the \$500 a month since you are asking the Councilmembers to justify the \$300?

MR. TAKAHASHI: No, we have not done that yet, but we plan to.

COUNCILMEMBER LEE: Okay.

- MR. TAKAHASHI: You know it started this small and it got this big, and we are trying to determine the best course of action to do it. And when you look at \$500 or \$300, it's a lot of money. And we want to make sure that we understand the purpose for the money and how it's to be allocated and then we can review that.
- COUNCILMEMBER LEE: Okay, the reason why there was a sense of urgency is because we want to know whether we should eliminate or hold in abeyance, so to speak, the Mayor's allowance while you are making a determination because you really haven't made an official determination on her car allowance. And, if that's the case, I'm not sure if we are authorized to allow her to have it.
- MR. TAKAHASHI: What we would ask that you consider would be to hold both the Mayor's car allowance, and the car allowance for the County Council until I can reconvene the Commission. I think one matter is related to the other, or the big umbrella of car allowances. So, in all fairness to everybody, I think those funds should be allocated and we will expedite the process as soon as we receive the information from Mr. Kihune.
- COUNCILMEMBER LEE: And then the other thing too is a couple of things. How did you see fringe benefits as not being compensation?
- MR. TAKAHASHI: Well, we were, I guess when you have private practice and you have this Salary Commission, we wanted clarification on that, and that's why we asked Mr. Chan to give us an opinion on that, which he did, and Mr. Kuwada said that because of the car allowance that goes on the W-2 as income, and therefore it should be considered compensation. I'm kind of summarizing what he said. So, again, the two opinions were some what conflicting. We just wanted clarification.
- COUNCILMEMBER LEE: No, but from your own experience being a general manager, and Roger your experience managing a bank, don't you consider fringe benefits compensation?
- MR. MACARTHUR: We certainly do. I believe that based on our initial response from Corp. Counsel, we did not bother to address fringe benefits, and looking at prior reports as well, there was never any address or compensation as it related to fringe benefits. It was strictly salary. I think we are really looking at pandora's box if we indeed have to address fringe benefits; but if that is the ruling now from the attorneys, then there's no question that we will have to go back and address the fringe benefits. But, in years past, based on our findings, the Salary Commission did not address fringe benefits per se.
- COUNCILMEMBER LEE: Are you considering them separate?
- MR. MACARTHUR: Based on the ruling initially received, yes, we did. That is correct. I believe now we have to change our thinking on that.

MR. TAKAHASHI: Not only that, Mr. Kuwada indicated in his report that the Council should enact an ordinance specifying, or specifically dealing with the establishment of car allowances so that it's not a, versus a line item in the budget. So, once that's done, I think it will clarify this whole process. As you know, this was our first year of evaluating an extended number of people, and therefore we run into circumstances that we were not fully apprised of and we did not have the grace of time to do a lot of different things. So, again, we will address this concern as quickly as possible.

COUNCILMEMBER LEE: Yeah, I understand that, you know, you seem to have had a very big task before you, and that's part of my next question. Is it part of your responsibility to set the salaries for appointed officials as oppose to elected officials?

MR. TAKAHASHI: Are you specifically talking about the Director of Council Services?

COUNCILMEMBER LEE: All directors.

MR. TAKAHASHI: Okay. We asked Mr. Haywood for the opinion on that as relates to the Director of Council Services, the Deputy Director, and the County Clerk. And he has informed us at our last meeting that we were not to evaluate those salaries, and it was a little unclear if you looked at the two ordinances and then the Charter as relates to the Salary Commission. I could not find specific language as to the positions that we were to evaluate, and we didn't intend to overstep our bounds by evaluating these positions, but we went through a lengthy interview process, talked to many, many people who could have said that we weren't suppose to evaluate these positions. But, Mr. Haywood has come out with a formal ruling that we are to evaluate elected officials and then those departments that are specified in the County Charter, and that's our understanding as of this point.

COUNCILMEMBER LEE: May I ask Corp. Counsel a question, Mr. Chair?

CHAIRMAN HOKAMA: Yes.

COUNCILMEMBER LEE: That's not exactly what you have in this opinion here dated, um, or this letter dated May 30th.

MR. HAYWOOD: I would only add to what has been said by saying if you.... it says those County departments as outlined in the Charter; and if you look at the Article 8 of the Charter, the specific County departments are outlined there and they do not include the Council Services or the Clerk's Office. And so, you know, what Donn was saying was correct, expect the Office of Council Services and the Clerk's Office are mentioned in the Charter, but they are not mentioned as the specific department. So, the point that I am trying to make is that County departments are specifically listed in

the Charter, and I think those are the departments that the Salary Commission is involved with, not every department in the Charter only as in Article 8.

COUNCILMEMBER LEE: Okay. And Guy.

MR. HAYWOOD: Uh-huh.

COUNCILMEMBER LEE: Isn't the Charter Commission's role to actually establish or determine salary and not a range?

MR. HAYWOOD: You know, if I had a nickel for every time that question was asked in the last couple of months, you know, we could probably pay any differences if people were complaining about. The problem is, or the situation is, and it's unfortunate that the specific ordinance involved speaks only of compensation. People, you know, if you talk to someone, what's compensation? Well, compensation can be determined from a range arguably so long as that range isn't, you know, a ridiculous range that would amount to nothing. Obviously, compensation could be determined by a specific figure, it could be. The Salary Commission chose to do a range and, you know, to me while it may have been easier if they'd come up with a specific figure, that's what they came up with. I play the hand I'm dealt as the expression goes, and I couldn't see anything that forbid them or actually commanded them to come up with one specific number. So, they have in effect determine compensation as being between this, at least between this and this. That's why I think a range is appropriate.

COUNCILMEMBER LEE: So, you're interpreting the word compensation to include range as well as a number?

MR. HAYWOOD: So long in a practical, yes. So long as practically that range isn't ridiculous, you know, you could set up from one dollar to ten million dollars that's ridiculous range. But, as I recall, you know, the ranges that they set were within a few thousand dollars, you know, three to four thousand dollars. It was fairly a tight range. It didn't amount to just a mockery so to speak of a salary and, yes, if the ordinance were more specific and said one specific number, then obviously I would have a problem with the range but, it doesn't.

COUNCILMEMBER LEE: And then finally of course some of us weren't exactly happy with your recommendation for the increase on salaries for the Councilmembers. And I understand that the basis of your thinking was that Councilmembers are considered to be part-time employees, or part-time people with the County, is that correct?

MR. TAKAHASHI: That's correct.

MR. MACARTHUR: In part.

COUNCILMEMBER LEE: In part. Can you tell us the other part.

MR. MACARTHUR: Alice, I think that we took into consideration the financial salaries that were received by the Maui Councilmembers and in relation to that of Kauai, Hawaii, and Honolulu, and we used that as a bench mark also in coming up with your salaries. We took into consideration the budget concerns of the County of Maui. There's always been an outcry, we feel, and if you read the same paper I do what compensation of the Councilmembers, but those are other considerations in addition to "part-time" that is in the Charter.

COUNCILMEMBER LEE: Did you also take into consideration our role and our responsibilities?

MR. MACARTHUR: Certainly, we did.

COUNCILMEMBER LEE: Uh-huh. Did you take into consideration for instance that our budget, which we are responsible for, is twice that of Kauai's? Did you take into consideration that if you go by population, if you are using that as a bench mark or yardstick, that although Oahu has ten times the population of Maui, our Mayor just makes under what, just under what Mayor Fasi makes. So, that to me is out of balance. Did you take those other kinds of things into consideration?

MR. MACARTHUR: Well, Alice, the thing is, if you use that argument, the County of Hawaii also has a bigger population does this County, that does the County of Maui, and they receive a salary which is less. I mean, it is comparable we feel. The salary I believe the Councilmembers there make \$28,056 a year compensation. So, I mean, they are receiving, they have a larger population, and I'll be using that analysis, a larger population, and yet they are receiving less salary than you are. So, I....

COUNCILMEMBER LEE: What about their Mayor?

MR. MACARTHUR: The Mayor is \$76,000 a year and the Mayor right now is \$82,500 here in the County of Maui, but that was established before we came in.

COUNCILMEMBER LEE: But you have the ability to set the salary.

MR. MACARTHUR: That's right. We did not provide for an allowance increase for next year for the Mayor.

COUNCILMEMBER LEE: Or reduction.

MR. MACARTHUR: Or reduction, that's correct.

COUNCILMEMBER LEE: Okay, thank you.

CHAIRMAN HOKAMA: Mr. Kihune.

COUNCILMEMBER KIHUNE: Thank you Mr. Chairman. I did discuss this matter with, representing Alice at that last Salary Commission meeting last week. There are several things that we discussed, and obviously one was the salaries of our Council Director, and County Clerk, which subsequent to that meeting Donn has sent a letter to us telling us that their powers are not, they don't have that kind of authority to do it which is indicated here through this letter. So, the other thing is Donn your letter to you about your request to me to get information from the different counties, and I will be signing that some time today. I am reviewing that information right now, I just happened to see it this morning, and you will be receiving it probably by the end of this day.

The other thing that I question, Mr. Chairman, and this was one of the things that Alice had brought up, and it had to deal with the range that I think we were kind of in a quandary, Donn, about there was a question about if the Mayor is left with that leverage or that leeway, the flexibility to determine the salary within the range, and Guy was at that meeting, and the question was does the Council have that also, flexibility to appropriate whatever monies they want and that will be the determining factor because the Salary Commission has left so-called the final determination with the Mayor to decide which part of that range she is going to set the salary. So, Guy, I think I had asked you to give us an opinion about that because this is going to crop up in the future when we look at appropriations because I had understood it to be that the Salary Commission sets the salary, that's it. But now the Mayor has been given that so-called extra leeway to determine the range, I mean that salary, does the Council has a situation where we can just determine that amount to be appropriated? Go ahead Guy.

MR. HAYWOOD: Thank you Mr. Chairman. That's why it may be a good idea to consider amending the ordinance because I don't think there's anything in the Salary Commission's power to restrict the Mayor's abilities under the Charter, or the Council's ability under the Charter. So, if they establish a range, and the Mayor decides to go top of the range, and Council only becomes below of the range, then there's only money for the low of the range, right. So, my point is I don't know that the Salary Commission has the power to give the Mayor the right to establish and require the Council to fund any position in that range. If Council funds the position, fine. If Council doesn't fund the position, then that's the way it is. That's the problem with a range. Another way to say it is you don't have to fund what the Mayor establishes.

COUNCILMEMBER KIHUNE: But that was the big question in my mind when we discussed this, Guy.

MR. HAYWOOD: You know, it is my understanding that you don't have....(CHANGE OF TAPE)....

CHAIRMAN HOKAMA: ....I think on that, you know, when we had the Budget Director's first appointment, the question of what the salary should be, and at that time there was a ruling that, yeah, the Mayor can create the position, pay the price; but if the Council appropriates only up to certain amount, that's all the person going get paid. Once they eat up that salary, that's it.

MR. HAYWOOD: I would say that the Council can't appropriate below the range, right. And this is the natural, this is one of the situations that arise from having a range, or a broad range but, you know, that's if you are looking at it, that's the way I say the cards were dealt.

COUNCILMEMBER KIHUNE: I just wanted to bring that up as a discussion that we had with Donn and his committee, Commission members.

COUNCILMEMBER HOKAMA: Yeah, Howard, I think your request, you know, when we had that information and complaint officer, remember when we could just appropriate six months salary, and if the Mayor insisted on keep paying the guy, then he worked for six months, and then after that, unless we appropriate additional money, the guy don't get paid.

COUNCILMEMBER KIHUNE: Well, like I said, Mr. Chairman, you know, I thought the way the Charter was structured....obviously there needs to be some possible look at the Charter and make some of the changes, we talked about this too, Donn, that there could be some ambiguous language in there that's questionable and should be changed, and I think we talked about that, and you guys are making a recommendation to the Charter Commission I think Donn, is that correct. Also, I understand that your Commission members, your Commission is making recommendations to have the Charter Commission determine the scope of the Council per se as their type of work whether it should be a full-time determination or part-time or what. Is that correct?

MR. TAKAHASHI: That's correct. We've already transmitted a letter to the Mayor to that effect, and its gone to the Charter Commission.

COUNCILMEMBER KIHUNE: Okay. Just one final note, Mr. Chairman. I think Donn you were asking us, you were asking this Council to hold back on any appropriations on the car allowance because you guys are going to determine that. I think we should receive a letter from you guys requesting that we holdup on that 'cause the budget is going to be passed and the Mayor can use that money if she wants until it's questioned. So, a letter from your Commission would probably be the best vehicle to tell us to hold until you guys determine that car allowance.

MR. TAKAHASHI: I'll do that right after this meeting.

COUNCILMEMBER KIHUNE: Yeah, okay. Thank you.



CHAIRMAN HOKAMA: Any other questions?

COUNCILMEMBER NISHIKI: Yeah.

CHAIRMAN HOKAMA: Mr. Nishiki.

COUNCILMEMBER NISHIKI: You know I was reading Mr. Takahashi and Mr. MacArthur the cover letter of May 8th, 1991, and I was looking at the recommendations that you offered. And I guess I won't go to number one, I'll go to number two first. It says, for the sake of, I don't know how you pronounce that word, continuity, there should be an ordinance developed to amend the Charter to have some carryover responsibilities between Salary Commissions to insure consistency when the term concludes two years from now. Salary Commissions meet every two years?

MR. TAKAHASHI: Salary Commissions members are appointed for a two year.

COUNCILMEMBER NISHIKI: How often are you required to meet?

MR. TAKAHASHI: Whenever I call the meeting, or as matters come to a point where we need agenda.

COUNCILMEMBER NISHIKI: Then I'll go to number one because in it you said that you should take a look at the full-time versus part-time status in regards to situations that occur with the Council. During your interviews with the Council, and I looked at how certain determinations were made, but I think the legislative branch that I am a part of I think that perhaps you looked at the budget of the department, and of course I don't want to think, or I don't ever want to think that our budget would equate the administrative branch. After all, they are the ones that ultimately carry on with whatever the Council legislates as far as money and appropriations to do the business of the County. So naturally, money should not be a comparison if you were trying to compare administrative to legislative. Also, the number of people supervised, I noticed that was included in here, and then you look at percentage increase, and this is my problem despite that I realize that when I run for office, I know what I am going to be paid, and so I cannot squawk at that, whatever I'm being compensated because I know that is my salary and, you know, I run for that office with that as perhaps knowledge. But then you look at the percentage of the increase, and this is where I find it hard to accept because what it is is that the rich gets richer and the poor gets poorer when we look at these kinds of increases. Because, if you look at somebody who makes a \$100,000 okay, and you look at somebody that makes a \$1,000, if you give a 10 percent increase to a \$100,000 person he'd make an increase of \$10,000. If you give an increase of 10 percent to a person that makes a \$1,000, he or she will make only \$100, right. So, you can see that if we continually go with those kinds of increases percentage wise, we are going to create even more classes of rich and poor, okay. So, that should not be a situation I think

of determination. I think Alice brought up the point where, and I don't know how, I know it's a tough job, Mr. Takahashi and, you know, I commend you for maybe the interviews that you have done and I don't know logically how you can determine who should get the just compensation, but I think Alice brought up many points that need to be redressed such as the compensation that the Mayor gets here in Maui County. And if you are looking at the amount of people that is included in the County as one reason why, then there may be a big discrepancy in population of Maui compared to Oahu and what the Mayor gets there. If you look at responsibility, perhaps they are equal of nature other than the fact that each person in that administration has other people that feathers down responsibility too. So, she's got the department heads, and the department heads have other people that they can feather down that responsibility, and their compensation for the other duties that are included in these departments so are governed also by Civil Service or whatever. So, and the needs also for a different County would also demand a larger number of people serving that certain department.

In the County Council's, however, as I look at perhaps the increases that were given to us in your background research, how did you come to what was fair compensation? Was it again looking at what was given? I think that I read in here that that's what you did. The salary was evaluated based upon past practice. So, what is this past practice that you are talking about where you gave increases to Council people? And I guess what I would ask you to look at is because I've been in the office for 12 years, and I know that the amount of issues, problems, and depending upon who you are in the Council, you can go to a million of different kinds of meetings held by the State, the County whereby the Mayor herself can appoint different department heads to carryout those duties whether it is State Department of Transportation, or her Public Works Director, or Highways Director would go to it. If it was Department of Agricultural, then maybe her agricultural person would go to here within Maui County and, like I said, it is a voluntary basis that one goes to community association meetings, State meetings, Federal meetings, different meetings from the Federal level. But, we have to be knowledgeable here in this office in regards to the million of other things that each and everyone has to cover because we don't have the ability to have that kind of staff personnel here. And, yet, as you know, because of the increase of population so creates the demand because, you know, it is too bad, it is too sad that people become either irresponsible, or we find the need to create more laws to keep up with more problems that are created, you know. So, how did you look at past practice as being a way that you made a determination for I guess compensation is the word that I would use? And do you follow the thing about percentage increases, Donn? I don't think this is the way to look at it, you know. They receive 10 percent, and he receives 10 percent, across the board it should be 10 percent because I said that what you do ultimately is you give somebody \$10,000 increase, you know, if he or she is making a \$100,000.

And the person that's makes a \$1,000 is only getting a \$100. Now, you and I know that living on planet earth, and it depends upon I guess our habits, yeah, but Gwen Ohashi that's walking around right now, and Wayne Nishiki may eat differently or whatever, but I don't think it is fair if we look at just cost of living allowances that we are talking about, you know, that someone that makes more gets \$10,000 compared to somebody that only makes less gets only \$100 because, you know, then that person will have a bigger amount to play with compared to the poor person that is making less. And I ask if you used percentage increase as a background information to make determination increases that you should not look at that, and I know it is a tough job. But, how did you determine Council increases, if I may ask? Obviously, you used--I know I am butting in again--obviously you used it as being probably part-time because that's what you said, past practice but you can go on.

MR. TAKAHASHI: Okay, we understand the complexity, and maybe I should state that I'm speaking as a Chair and not on behalf of the Commission.

COUNCILMEMBER NISHIKI: Yes.

MR. TAKAHASHI: Okay. I'd be happy to take your concerns back to the Commission. We would be happy to have you attend one of the Commission meetings so you can express your viewpoints to the Commission. We did not have an easy task. We met over a period of almost four months, and we convened every week. The final report is a very thick one. I think that on behalf of the Commission they did an exceptional job in reviewing all of the materials and all of the complexities. Certainly, it is easier to review three positions versus the number that we did. We had to go into an extensive amount of background information because there was no carryover from a previous Commission. We had to virtually start from scratch, also with a new administration. So, therefore, when we interviewed 22 individuals that were former and current, pointed and elected, we tried to get a flavor of some of the concerns, difficulties, problems, that we needed to attempt to try and address. We are not in a position to correct all of them, and certainly your case is one of them. And that's why we recommended to the Mayor to the Charter Commission that we evaluate, we can evaluate the salary of Councilmembers once it is determined if it should be full-time or part-time. So, that had a lot to do with it. But, the positions that we....each positions that we looked at, we looked at current salary, historical increases, comparison of current salaries to other counties, the job responsibilities, the demands of the job, the departmental budget, the number of employees supervised, the term of office, the interviews that we conducted, extenuating circumstances, complexity of the department if it was a department head, and also the importance of the position to Maui County. Those are all the factors, and neither one is more important really than the other. They were all considered in the salary process.

I think if you review our report, as the Mayor had said, you could come to different conclusions. Well, my Commission of nine people came to the conclusions that we presented in our report, and it was unanimous. There wasn't any dissension. I mean, we all had different opinions initially, but we came to a final conclusion. Again, we are not looking strictly at historical percentage increase. I understand what you are saying about the rich gets richer and all that. We are trying to be fair and are trying to be objective in this, and it wasn't an easy task. Again, I am sure that, you know, you being as a Councilmember and the merit of responsibilities that you have, which are tremendous, I think we can try and address looking at your salary again once we have the determination from the Charter Commission.

COUNCILMEMBER NISHIKI: Let me ask you this. Did you discuss whether perhaps if you determine, because you looked at other counties, you know, and supposedly made a determination based on what some of the Councilmembers were getting there, and did the other counties so state that their Councilmembers were part-time? Okay, that's one question. I'll give you the other part of it so that you can kind of lock it together. And if you made that determination, number one, that it was part-time, did you think about perhaps making this Council position full-time; and if you did make it full-time, then what would be the compensation of that position, okay? That to me may be something that you look at. But, did you, I mean, obviously you just looked at the past, but was that ever brought up by different people because I see where Alice said she works 60 to 70 hours a week, or was it 50 to 60, somewhere around there, but I saw 60 in there, you know, or did you look at that?

MR. TAKAHASHI: Well, we haven't addressed the issue of if your position was considered to be full-time, what the ensuing salary would be, you know, we are only basing our opinions on the current information as presented to us. We did not specifically look at the other counties as a part-time versus a full-time situation. We took into account obviously what the other counties are doing, and the percentage of increases in the past. We looked at the historical information, but we did not specifically address part-time versus full-time because each county is different. I think the scope of work and your responsibilities are different from the other counties, and we don't, you know, I think it would be comparing apples and oranges at that point. I think we would just like to address this Council specifically.

COUNCILMEMBER NISHIKI: Good, because I think that perhaps that is where perhaps you can objectively analyze that situation looking at what a Councilmember does here in Maui County rather than look at others. Now, you talk about the continuity, and you talked about having meetings, are you guys going to look at, are you people going to look at the situation now and come up with something that perhaps the voters can make a determination, and perhaps then you can add in? And the reason why I have this concern is you surely did a big

change when you presented these position levels and gave the Mayor a range of, you know, in which she can basically pay her different appointed department heads and officials. And, to me, that's a big step that you took in making that kind of determination, and then hopefully you'd look at the Council as another big step that you made and decide whether it is full-time or not, and may be just the compensate, you know, based on that. Is that something that you are going to deal with because, number two, you said that you are going to look at this, well, number one, you said you are going to look at this, is it something that you are going to deal with and address?

MR. TAKAHASHI: Once we have the opinion from the Charter Commission, yes, that we will look at it that way as relates to your comment regarding the Mayor and the salary ranges. She basically puts these people into those positions, appoints them if you will. And if you are in that type of position, and I am, and Roger is in our private practices, when you bring someone into position and you are looking at them to do a job, and outside of the loyalty factors and all those kinds of things, you want to base part of the salary on performance, and that's what we are trying to do to give some flexibility to the Mayor to attract the qualified people. Some of the jobs have changed and grown tremendously in complexity and scope just in the last year. So, we are not in a position to evaluate all those different things. We do not work with these people everyday. So, what we've tried to do is come up with a fair and objective manner in which a specific salary could be assigned by the Mayor and determined within appropriate range. And, as Mr. Haywood said, there are a lot of different opinions on that, but that's the conclusion that we came to on the Commission.

COUNCILMEMBER NISHIKI: Thank you.

MR. MACARTHUR: Excuse me, Mr. Chair.

CHAIRMAN HOKAMA: Go ahead.

MR. MACARTHUR: May I clarify one other point that you made, and that is that we did not in fact come across the board with a flat percentage increase. In fact, there were different percentage increases for different positions that we reviewed. So, it, you know, we'd go from a high of 9.09 increase over a two year period of time to as high as a 16 percent increase. So, we did not in fact say, you know, we will go across the board for a five percent increase or a six percent increase. We really did our very best in looking at the complexity of the job, the fiscal responsibilities, the personnel involved. We also did take into consideration what outside industry was paying to certain types of positions specifically when you look at your Public Works Director. In order to get a good qualified Public Works Director, we felt that the salary should be addressed, and so you really see a larger percentage increase if you will in that slot than you would in others. But, in so far as a percentage, we really looked at the dollar amount rather than the percentages if

you would. And so, I think that we also, addressing what Mr. Takahashi was talking about, we felt that by coming in with a range that this will give the Mayor the opportunity to compensate those individuals, those directors, fair financial consideration if they did a good job, and the Mayor has that right. And if it is necessary to go out to outside industry to come in, and she's got a range that she can work with, we felt that this would be a good bargaining tool for the Mayor. Again, I think that the Council has the right to say we will only allocate x number of dollars, and that's the check and balance, if you will, of the Salary Commission, but I do want to clarify that.

COUNCILMEMBER NISHIKI: Thank you Roger.

MR. MACARTHUR: Thank you.

COUNCILMEMBER BAGOYO: Mr. Chairman.

CHAIRMAN HOKAMA: Mr. Bagoyo.

COUNCILMEMBER BAGOYO: Thank you Mr. Chairman. Just a brief question to either Roger or Donn. If I heard you correctly earlier that your decision with respect to the proposed pay increases for the County Council was based basically on the notion of part-time. I guess my question is how do you define part-time, because I guess Alice and I probably work 60 hours, and certainly 60 hours a week is not a part-time. So, I just wanted to get some idea as to how you define part-time?

MR. TAKAHASHI: Okay, we did not make the determination part-time, or we're not the deciding factor to make your job part-time. We don't want to imply that. We realize the tremendous responsibilities that each of you have. However, it is our understanding that the job is considered "part-time" and that some people work, you know, a tremendous amount of hours and some people work what would be considered above the, I guess, part-time category. And, as we talked to different people in our interview process, it became very known to us that the job was a big, big job, and that we should have a formal ruling that would indicate the Council's job is full-time and then we would evaluate that salary accordingly, but it is our understanding that the job is considered to be noted as part-time and that's how we evaluated the salary. If there is something that we missed, and we could've, that indicates that the job is full-time, then I can convene the Commission and go back and re-evaluate that.

COUNCILMEMBER BAGOYO: I guess I am a little confused about, you know, because if I heard you correctly that pay increases that Salary Commission has proposed based, as I said before, based on the notion of a part-time, and I guess I am a little, uh, maybe I don't understand with respect to what constitutes part-time in your mind, or the Commission's part if you use that kind of an evaluation to set

the salaries based on a part-time. I guess I wanted to know what the Commission constitute a part-time. What do you think about it?

MR. TAKAHASHI: Again, we're looking at this historical part of your job and as it was evaluated before, and that's what we are trying to do, and that's why we have gone to the Charter Commission to have it changed. Again, it is our understanding that the job was considered part-time and that's how we evaluated it based on, again, historical information, all the other factors that I've mentioned. Part-time, as we understand it, is a job that is done under 40 hours per week. That is the definition of part-time.

COUNCILMEMBER BAGOYO: If I could just ask one more question. So, have you may be perhaps reviewed the task of County Council, and the amount of hours just based on our committee meetings, you know, when you set these proposed pay increases in terms of how many hours that we actually work whether it is part-time or full-time just based on the amount of hours we actually work because I guess we have the differences between the definition of part-time. You know part-time could be 60 hours a week; and if you take the part-time, that word part-time and base your decisions mainly on the number of hours that we actually work, don't you think that would be the good measurement as to what we should be compensated, or what the Council should be compensated?

MR. TAKAHASHI: I understand what you are saying. I guess the other thing is that you could and, you know, I'm not a politician, so I don't know all the in's and out's, and I fully understand the tremendous amount of time that you folks spend doing your duties and meetings and all of the different functions that you have to attend. We did not interview everybody. So, we interviewed Alice Lee, and Howard Kihune, and we received a written response from Goro Hokama. But, based on the functions of the Council, as it was presented to us, and as we understood it when we evaluated the position, and as you may have other employment opportunities as well, that is what we are looking at the definition of part-time. So, if it can be clarified to us of all of the responsibilities, and the part-time and full-time status, and that's what we are asking the Charter Commission to do, then we will go back and re-examine the situation.

COUNCILMEMBER BAGOYO: I guess maybe my final request is that may be one of the things that I could suggest is that look at the number of committees that we have, and the hours that we work based on those committees, you could easily determine in terms of the number of hours that each of us work. I mean, it's a public record on what committee that we serve, and the number of meetings that we attend, and I think you can determine the number of hours that we actually work. So, I hope that with that kind of information, that would provide you kind of a good measurement to determine the salary of the elected official. Thank you, Mr. Chairman. Thank you, Donn.

MR. TAKAHASHI: With Mr. Chairman's approval, I'd like to maybe request that we receive information from each of the Councilmembers as to the responsibilities and time spent so that we have a clear understanding of each of the Councilmembers so that in the future we have that information. And if we need clarification, then we could ask you to come in and speak to us, but it would be good information for us to have nevertheless because I think it might be different from individual to individual and then we can examine that at that time.

COUNCILMEMBER BAGOYO: Thank you.

CHAIRMAN HOKAMA: Mr. Tanaka.

COUNCILMEMBER TANAKA: Yeah, I guess just a follow-up I guess. I've been in the Council may be four and a half years and there's records in the Clerks Office on the, uh, like Vince was saying the committee that we belong too, there's so much standing committee, there's subcommittees, and if you go back and check the records on the amount of hours spent in committee and subcommittee meetings plus public hearings and, you know, so the hour that the Councilmember devote to its job, I don't know how you guys are going to compare that. It is very difficult. Another thing when Roger says you compare the other Council people from the other counties, and then you need to go and check the records also because maybe on Kauai it is a part-time, maybe their pay range is comparable to us, but their job load is a part-time, and maybe in Hilo or the County of Hawaii. But, I guess the proof of the pudding is to go and check the records of all the meetings that we had in the past. I can speak for myself maybe four years or three years and you are going to find that that's a lot of hours devoted into the committees, and aside from that we have other agendas that we have to work that's County related. And so, when you say part-time, I think myself had to give up a lot of my part-time job on the private sector to work part-time for the County. So, I don't understand when you guys say it is part-time.

MR. TAKAHASHI: We did not coin the phrase okay, and we do not want to imply to you that we consider, well, that because of the nature of what is presented to us in the historical information, that's how we evaluated the job. What we are trying to say is that we think your job is more than the part-time term that is brought forth to us, and that's what we want to have re-evaluated, and that's what we've asked the Charter Commission to do. We do not dispute the amount of time, and the amount of committees, and the number of hours that you have. I mean, that is not a question. We appreciate all that, and I think once we have the information that I requested, that would be most helpful to us.

CHAIRMAN HOKAMA: Ms. Lee.



COUNCILMEMBER LEE: Mr. Chair. For the record, I want to say that since I was one of the people that was interviewed by the Salary Commission, I did mention to them and, well, not only mentioned but, I stressed to them that we spend a tremendous amount of time doing our jobs much more than 20 hours or even 40 hours because, you know, as a part-time person would. I told them that there are some of us who spend a great deal of time here at the building, and I happen to be one of them, but I also told them that there are members of this Council that spend a lot of time attending community activities and functions and that one cannot judge a Councilmember by his or her presence in the building. So, you know, I just want the other Councilmembers to know that I really emphasized with the Salary Commission that all of us, all of you, spend an incredible amount of time on your jobs, and no one can and judge your performance by the amount of time you are in the building. Because of the amount of outside activities, public hearings that can go until two o'clock in the morning, hearings that are on various islands like Molokai, Lanai, and Hana, the amount of committee work, subcommittee work as well as the demands of the public, you know, there's a lot that can't be really quantified on paper. And I expressed all of this when I was interviewed, and I just want all of the members to know that I did say this. I know that the Council Chair, Councilmember Kihune, and Councilmember Hokama were also interviewed, I think, and I'm not sure what they said, and maybe they can share with us how they express themselves to the Commission.

COUNCILMEMBER TANAKA: On the historical side.

CHAIRMAN HOKAMA: Mr. Medina.

COUNCILMEMBER MEDINA: Thank you, Mr. Chair. I think historically as you went back to why this Salary Commission was created, it was to remove from the elected officials the onerous responsibility of determining what salary we should be paid. So, we kind of past the buck to a Commission such as this to set the salary for us, which is well and good, which is what you did, you set the compensation for the Mayor and the Council. Getting to the appointed members of the cabinet was also a problem between the Mayor and the Council. The Mayor would traditionally come in and want to pay his department heads the highest pay possible. The Council would oppose and try to pay each position what they thought it was worth. As a consequence, there was this battle every year as to what the department heads would get paid, and the higher pay that the Mayor recommended was because he could not find, or the Mayor could not find people who would give up their private jobs to enter public service because of the pay. So, the Salary Commission I think was created to eliminate this bickering of what pay appointed officials should receive so that the Mayor would have the ability to find the best people possible to serve at these important positions.

I note that you are taking one direction, which may be a consideration for what kind of pay the elected official should

receive. I noticed that you went through the extent of calling each range of salary Level I, Level II, Level III, Level IV. How you arrived at some people being at Level II instead of being at Level III, I think is based probably on your investigations and your studies of what these people do. I note that the people such as Parks Director, Fire Chief, Human Concerns Director are being paid at a level that is less than the Police Chief, Planning Director, Finance Director, Corp. Counsel. But, you have arrived at the conclusion that the Public Works Director, and Prosecuting Attorney should receive the highest pay next to the Managing Director. How did you do that is a good question I think. How did you determine that the Public Works Director, and the Prosecuting Attorney should get the highest pay next to the Managing Director.

We know that through the process that the Charter has setup that should something happen to the Mayor, the Managing Director would take over thereafter. Now, in this ascension of power, who is going to be next in line?

COUNCILMEMBER LEE: Department of Finance.

COUNCILMEMBER MEDINA: Department of Finance. Was the Department of Finance given the pay consideration in that if anything happen to the first two people, that person would be serving as the Mayor according to our Charter. So, however, regardless of what rationale you use, I think you are arriving at some rationale that can be acceptable except that one thing that I think I find trouble with is that you have listed a range for us thereby putting this battle between the Mayor and the Council back where we started from. The Salary Commission was there to take away this problem that we have in yearly budget battles trying to decide what pay these appointed people should have. So, to put it into I think an unbiased body, you would help us by saying that in your best judgment the pay should be such and such, and not a range. Because, I don't think, for one, it goes according to what I think the law says. The law says you shall set the compensation of these appointed officials as well as the elected officials.

By determining that the salary should be within a range, you have not settled the question that we have been trying to resolve all these years, and that is to have some independent body tell us this is the pay based on our study, and you guys take it or lump it, this is it. That's the power I think you have as a Salary Commission.

Now, I think it is the Council's fault that we have not setup any principles, procedures, conditions as to how you should operate. I think we should do that. We should say that once the Salary Commission has set the pay, it cannot reduce the pay the following year, or it cannot increase the pay beyond a certain percentage each year. So, there should be certain procedures that you should be asked to follow so that when you come into the job you have some parameters that you could work within, and you have some direction that you could work within.

So, I think your recommendation that we adopt some kind of ordinance to give you guidance is a good recommendation. But, whether or not it should amend the Charter because of Guy's opinion, maybe it should be clear as to what we want the Salary Commission to do, and Guy I think that's what the intent was that the Salary Commission remove from the elected officials the responsibility of deciding what the salaries are going to be so that we could find the best people possible.

MR. HAYWOOD: I agree.

COUNCILMEMBER MEDINA: But, if you are going to determine them from your level of pay, and apply that to what the Council should get, it seems to me the rationale should be that if I am Chairman of the Finance Committee, and the Finance Director is going to be Level III pay, then I should get Level III pay too, but not \$70,000, may be a percentage of what you think the Finance Director should be paid. The same thing is done in Honolulu where the Councilmembers receive a percentage of pay that the Mayor gets, which is a real sneaky way of doing it. Because, every time they support the Mayor's increase, they themselves automatically get an increase.

If there's any rationale as to what is a part-time or full-time position on the Council, as some people have said, there are some committees that meet more often than others. But, I note that the Planning Director is Level III, and I would think that Planning Committee meets the most often of any committee on the Council. So, if you wanted to determine what the salary of the Planning Council should be, I don't know if you could determine that by looking at what you've done here, you give him Level III pay. You know you give the Council Chair more pay than the other Councilmembers. Why? Because, traditionally the Council Chair got more pay. That's the only reason I can remember, I think, or maybe when we were board of supervisors and Council Chair, maybe Goro, that's why the Council Chair got more pay, right, he was just like the Mayor. But, if you are going to give the Council Chair more pay because he has to be here a lot, he or she has to be here a lot to organize the Council, then the Committee Chair then may be should be paid at what committee they are chairing if you follow the same rationale that you are following here, regarding Level II, Level III, Level IV pay. The Public Works Chairman should make the most pay then on the Council based on your rationale here. Because, if you think the Public Works is important and has a lot of work to do, must be that you gave him the most pay including the Prosecuting Attorney you know.

So, I think you folks are just starting on something, and you are arriving at a kind of a rational way of determining what the salary should be but, I would say that you must also amend this range because we don't want to fight with the Mayor again. That's what's going to happen. We are going to be fighting with her on what to

pay these people because with the range she can pay her Human Concerns Director \$68,000. She can pay the Parks Director \$61,900 yeah, within this range.

CHAIRMAN HOKAMA: Sixty eight.

COUNCILMEMBER MEDINA: She can. She can send that recommendation to us. By law, what are we going to do? I don't think we can fight her by law, you know, because you guys are suppose to set the real salary amount, not a range, so there's no fighting. For us to not appropriate the money as proposed by you folks, I think we would be in big trouble.

So, the other thing I was going to comment on was the, whether or not we should try to clean up the Charter, or we should adopt an ordinance that gives you folks specific instructions so there is no confusion.

CHAIRMAN HOKAMA: Anyway, this matter we will send to the Salary Commission this portion of the minutes so, you know, the discussion that was taken place can be followed up by you people.

COUNCILMEMBER TANAKA: Last comment.

CHAIRMAN HOKAMA: The Chair is going to limit this because we have some people that suppose to have appeared at 9:45. Mr. Tanaka.

COUNCILMEMBER TANAKA: One last comment I guess. Also, I got to defend the deputies I guess. At times you guys said that you got to set salaries to attract best qualified people for the job. So, as an example, I guess I'll take the Police Department where the deputy .....(CHANGE OF TAPE)....I think you guys got to consider that also.

MR. MACARTHUR: I believe that was considered.

MR. TAKAHASHI: It was considered, but....

MR. MACARTHUR: It was a good illustration of a Police Department where you have certain individuals making more money than Chief of Police and Deputy. And so, this is why we tried to increase the salaries to address that issue. It is a good point, and we did take that into consideration.

MR. TAKAHASHI: Similarly, if like for the Police Department they wanted to promote from within. I think that's what Chief Tagomori wanted to do, you know, look first within if there's going to be a change at that deputy level he wanted to look within his captains, etcetera. And when the captains make more than the current deputy, that was a big problem. So, he came out and stated that, and we took that into consideration.

MR. MACARTHUR: Same was true with the Fire Department.

MR. TAKAHASHI: Right.

COUNCILMEMBER TANAKA: Yeah, those you usually promote within, you don't go out and get.

CHAIRMAN HOKAMA: Ms. Lee.

COUNCILMEMBER LEE: Yeah, one last question. Donn, are you planning to refer the matter of the Council's role, and responsibilities, and part-time status to the Charter Commission? Or do you plan to resolve this matter within your committee?

MR. TAKAHASHI: I believe, well, I have sent a letter to the Charter Commission via the Mayor to have it resolved up there with the Charter Commission.

MR. MACARTHUR: As to what though, Donn, as to definition?

MR. TAKAHASHI: As to full-time versus part-time. And if there's any changes that need to be made in accordance with salaries, then we could do that at that time we receive that definition.

COUNCILMEMBER LEE: No, because the Charter Commission they haven't even met yet or organized.

CHAIRMAN HOKAMA: One moment. Mr. Haywood.

MR. HAYWOOD: I have one comment that I'd like to add on this. Thank you very much Mr. Chairman. The Salary Commission, based on my conversation will be getting back together again. I think at that time our office is going to be looking into where this part-time ends, number one. I'm not sure where it ends. Number two, how if it all would restrict the Salary Commission in its evaluation. I think those two questions have to be asked. That's fairly what we have been saying here.

COUNCILMEMBER LEE: Okay. That's right.

MR. HAYWOOD: And also again Donn and I had some conversations. All he told me is that they felt if they were handcuffed by this part-time classification, and we've got to look into it, we are going to be looking into it, how are they, etcetera. So, I think, in fact, I haven't had a chance, but I was going to talk to Roger and Donn about this after the meeting, but since the subject came up just now, I thought it would be appropriate to mention to all the members that rather than say we are going to go to Salary Commission, or Charter Commission, lets just look and see what the lay of the land is first and see what the restrictions are first because I don't think there is any doubt that the work that's done by the average Councilperson is not part-time as we understand.

COUNCILMEMBER LEE: And also what does part-time have to do with it?

MR. HAYWOOD: Exactly. Even if 60 hours a week is part-time, so what.

CHAIRMAN HOKAMA: Alright, look, I don't want to hold this up because it is going to be deferred anyway, and we got people still waiting from 9:45. Alright, okay, so we will defer this, and we will get the and rather than I go through my....(inaudible)....I'll submit mine in writing to you people. Okay, thank you.

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