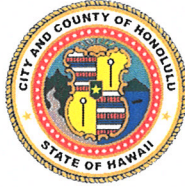


**OFFICE OF THE MAYOR
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RICK BLANGIARDI
MAYOR



MICHAEL D. FORMBY
MANAGING DIRECTOR

KRISHNA JAYARAM
DEPUTY MANAGING DIRECTOR

January 27, 2023

Members of the Salary Commission
Salary Commission
City and County of Honolulu
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Members of the Salary Commission:

Thank you for the opportunity to provide input regarding the compensation for Directors and Deputy Directors of our City departments. I would also like to express my appreciation to each of you for the work you are undertaking to determine fair and equitable compensation for our City Leaders.

Running a City department is demanding, stressful, and requires a high degree of technical expertise, commitment, and sacrifice of time. It also requires leadership and command of day-to-day City operations. Directors and Deputies are required to represent the City Administration before City Council, the media, and at public meetings on complex and controversial community matters. The magnitude of their scope of responsibility is enormous as their decisions directly impact entire communities. We are confident we have assembled an elite group of dedicated leaders who are wholeheartedly committed to making the City and County of Honolulu a better place to live, work and play.

To continue to attract and retain qualified and experienced individuals to assume the immense responsibility vested with City Directors and Deputies, we must offer salaries that are competitive with those offered by the private sector and other government agencies. In the past, consideration has been given to keeping pace with the increases granted to City's excluded managers (EMs), whom Directors and Deputies oversee, and to preclude financial inversion with these managers. Adjustments for EMs are generally equivalent to that provided to employees included in the Hawaii Government Employees Association (HGEA) Bargaining Unit 13, which represents Professional and Scientific Employees.

MAYOR'S MESSAGE 17

For reference, Mayor's Directive 20-22, issued by the prior City administration, provided a 2.03% increase for EMs effective July 1, 2020. Subsequently, Mayor's Directive 22-9, which I signed on September 26, 2022, for the period beginning July 1, 2022, provides EMs a 2% increase to their base pay and, as applicable, an EM progression. The progression is received once every three years and equates to a 4% increase. As the Salary Commission makes a recommendation on a yearly basis, this step movement roughly equates to 1.33% per year. Under Mayor's Directive 22-9, on July 1, 2023, the EMs will receive an additional 4% increase and, as applicable, an EM progression. While City Directors and Deputies last received an increase on July 1, 2019, the cumulative increase to EMs from July 1, 2019 to July 1, 2023 will be 10.69% (2.03% + 2% + 1.33% + 4% + 1.33%).

This disparate increase in EM pay versus City Directors and Deputies has led to ongoing pay inversion, where some subordinate managers are paid more than their Directors and Deputies. In its 2019 meetings, the Salary Commission focused on inversion specific to the Deputy Medical Examiner making less than a Forensic Pathologist and took steps to ensure it would not happen in subsequent years. I suggest that same approach should be considered and applied by this current Salary Commission for all City Directors and Deputies.

Therefore, in recognizing the difficulty of the Director and Deputy positions and their broad responsibilities in administering the operations of the City and County of Honolulu, I humbly ask this Commission to consider an increase consistent with the cumulative increase to EMs from July 1, 2019 to July 1, 2023. I believe such an increase will ensure a sensible relationship with the salaries of the City's EMs and recognize their dedicated service to our City and County of Honolulu residents.

Although I defer to City Council, I also believe the pay of our City Council members similarly deserve increases based on their immense responsibilities, leadership in their communities and dedicated service.

Sincerely,

A handwritten signature in black ink that reads "Rick Blangiardi". The signature is written in a cursive, flowing style with a large, prominent "R" and "B".

Rick Blangiardi
Mayor