

# Salary Commission

CITY AND COUNTY OF HONOLULU  
530 South King Street, Room 207  
Honolulu, Hawai'i 96813

## 2023 Commission Members:

Malia Espinda, *Chair*  
Carolee Kubo, *Vice-Chair*  
Sarah E. Guay, *Commissioner*  
David Hayakawa, *Commissioner*  
Rebecca Soon, *Commissioner*  
Lila T. Tom, *Commissioner*

April 26, 2023

The Honorable Tommy Waters, Chair and Presiding Officer  
and Honorable Members  
Council of the City and County of Honolulu  
Honolulu Hale  
530 South King Street, Rm. 202  
Honolulu, Hawaii 96813

Aloha Chair Waters and Councilmembers -

On behalf of the 2023 Salary Commission, I respectfully submit the attached Resolution to establish salaries and salary schedules for the elected and appointed officials of the City and County of Honolulu listed in Section 3-122 of the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended ("Charter"). Pursuant to the Charter these salaries will take effect as of July 1, 2023 unless rejected by a three-fourths majority of the entire membership of the City Council. Also attached are the Commission's Findings of Fact in support of the salaries and salary schedules specified in the Resolution.

At its meeting of January 31, 2023, the Salary Commission created a Permitted Interaction Group ("PIG") to solicit input and make recommendations to the full Commission on the salaries and salary schedules that are within the purview of the Salary Commission. The PIG conducted research and outreach and submitted a report containing a range of recommendations at the Salary Commission's meeting of February 27, 2023. As required by Section 92-2.5(b), Hawaii Revised Statutes, the Commission took no action on the PIG's recommendations at that meeting. At the following meeting held on March 21, 2023, the Salary Commission considered the range of recommendations submitted by the PIG and tentatively approved a slate of salaries and salary schedules. Thereafter, on April 25, 2023, the Salary Commission held a public hearing on its recommended slate of salaries and salary schedules at which it solicited and received testimonies from members of the public as well as from City officials.

In making its recommendations, the Salary Commission considered all testimony and information that was submitted to it and wishes to thank the members of the public and the City officials who took the time to attend the Commission's meetings and to submit their testimonies.

COUNCIL COM. 111  
SALARY

Salary Commission Meeting  
Tuesday, April 26, 2023

As Chair of the 2023 Salary Commission, I believe the salaries and salary schedules set forth in the attached Resolution, as supported by the attached Findings of Fact, are consistent with the Commission's mission -- to provide adequate compensation for work performed and preserve a sensible relationship between the salaries set by the Salary Commission and the salaries of other City employees

Sincerely,

A handwritten signature in black ink that reads "Malia Espinda". The signature is written in a cursive style with a long horizontal flourish at the end.

Malia Espinda, Chair  
Salary Commission  
City and County of Honolulu

Enclosure

## RESOLUTION OF THE 2023 SALARY COMMISSION

APRIL 25, 2023

ESTABLISHING SALARIES AND SALARY SCHEDULES IN ACCORDANCE WITH THE REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU 1973 (AMENDED 2017 EDITION), AS AMENDED.

WHEREAS, Section 3-122 of the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended ("Charter"), creates a Salary Commission to establish the salaries of all elected officials of the City and County of Honolulu ("City"), including the Mayor, the Councilmembers, and the Prosecuting Attorney, and of designated appointed City officials, including the Managing Director, the Deputy Managing Director, Department Heads, Deputy Department Heads, and the Band Director, and the salary schedules for the Deputies of the Corporation Counsel and the Deputies of the Prosecuting Attorney; and

WHEREAS, Charter Section 3-122 further provides that the Salary Commission shall convene no later than the first day of February each year, and shall, after public hearing, establish salaries and salary schedules no later than the first day of May subsequent thereto, said salaries and salary schedules to be effective prospectively from the first day of the fiscal year subsequent to their adoption by the Commission; and

WHEREAS, Charter Section 3-122 further provides that the Salary Commission shall set salaries in accordance with the principles of adequate compensation for work performed, and preservation of a sensible relationship with the salaries of other City employees; and

WHEREAS, Charter Section 3-122 dictates that any action of the Salary Commission altering salaries shall be by resolution accompanied by findings of fact, and that said resolution shall be forwarded to the Mayor and the City Council ("Council"), but shall take effect without their concurrence 60 calendar days after its adoption by the Salary Commission unless rejected by a three-quarters vote of the Council's entire membership; and

WHEREAS, the Salary Commission has this day adopted Findings of Fact, which are attached hereto and incorporated herein; now, therefore,

BE IT RESOLVED by the 2023 Salary Commission of the City and County of Honolulu that the salaries of all elected City officials, including the Mayor, Councilmembers, and the Prosecuting Attorney; the salaries of certain appointed City officials including the Managing Director, the Deputy Managing Director, Department Heads, Deputy Department Heads, and the Band Director; and the salary schedules for the deputies of the Corporation Counsel and Prosecuting Attorney; shall be as provided below:

<b>Position</b>	<b>FY 2023-24 Proposed Salaries</b>
Mayor	\$209,856
Council Chair	\$123,288
Councilmember	\$113,304
Prosecuting Attorney	\$198,888
Managing Director	\$200,712
Deputy Managing Director	\$190,296
Department Heads, except Prosecutor, Police, Fire, Medical Examiner, Corporation Counsel	\$187,488
Police Chief	\$231,648
Fire Chief	\$224,304
Medical Examiner	\$363,144
Deputy Department Heads, except Prosecutor's Office, Police, Fire, Medical Examiner, Corporation Counsel	\$177,888
First Deputy Prosecuting Attorney	\$189,096
Deputy Police Chiefs	\$220,944
Deputy Fire Chief	\$213,912
Deputy Medical Examiner	\$354,168
Band Director	\$177,888
Corporation Counsel	\$192,864
First Deputy Corporation Counsel	\$183,216
Schedule of salaries of the deputies of the Corporation Counsel	\$75,144 – \$183,216
Schedule of salaries of the deputies of the Prosecuting Attorney	\$59,112 – \$188,928

IN WITNESS WHEREOF, the undersigned members of the 2023 Salary Commission have signed this resolution as of 25 April 2023, and transmitted it together with their findings of fact attached hereto to the Mayor and the City Council of the City and County of Honolulu this 25<sup>th</sup> day of April 2023.



MALIA ESPINDA, CHAIR



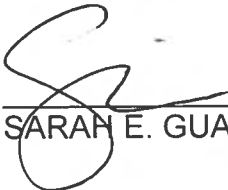
CAROLEE KUBO, VICE-CHAIR



LILA T. TOM



DAVID HAYAKAWA



SARAH E. GUAY



REBECCA J.I. SOON

## FINDINGS OF FACT BY THE 2023 SALARY COMMISSION

APRIL 25, 2023

Pursuant to Section 3-122 of the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended ("Charter"), the City and County of Honolulu ("City") Salary Commission makes the following findings of fact in support of its decision to adjust the salaries and salary schedules of elected and appointed officials of the City to be effective July 1, 2023:

1. The Salary Commission has the authority to annually establish the salaries of all elected City officials, including the Mayor, Councilmembers, and the Prosecuting Attorney, and designated appointed officials, including the Managing Director, the Deputy Managing Director, Department Heads, Deputy Department Heads, and the Band Director. The Salary Commission also establishes the salary schedules for the Deputies of the Corporation Counsel and the Deputies of the Prosecuting Attorney. Collectively, these City officials will be referred to as the "Covered Officials."
2. To streamline its annual review of the salaries and salary schedules of the Covered Officials, the Salary Commission created a permitted interaction group ("PIG") pursuant to Section 92-2.5, Hawaii Revised Statutes ("HRS") at its meeting held on January 31, 2023. The PIG provided its report to the full Salary Commission at its meeting held on February 27, 2023, recommending for discussion a range of salary increases for the Covered Officials.
3. The Salary Commission held a public hearing on the salaries and salary schedules of the Covered Officials and the PIG's recommendations thereon on March 21, 2023.
4. In accordance with the Charter and HRS Chapter 92, the Salary Commission's meetings held on January 31, 2023; February 27, 2023; March 21, 2023; and April 25, 2023; were duly noticed and afforded opportunities for public comment. Testimony was received at all of the meetings.
5. To assist in its annual review of salaries, the Salary Commission solicited input and received testimony from City Councilmembers, the City Administration, the Honolulu Police Department, the Medical Examiner, the Department of the Prosecuting Attorney, the Department of Human Resources, and the general public. The Salary Commission also considered all testimony, the cost-of-living index from the previous year, historic salary data, current salary ranges for excluded managers within

the City, the schedule of raises for excluded managers over the past four years, challenges with recruitment for positions with the City, the duties and responsibilities of positions with the City, inversion challenges, and other data provided by the Department of Human Resources.

6. Historically, the salaries established by the Salary Commission have frequently been indexed to the increases given to City employees in collective Bargaining Unit 13 (professional and scientific employees) ("BU 13") and the over 200 City civil service managerial employees who are excluded from collective bargaining ("Excluded Managers"), but whose salaries are tied to the BU 13 salaries.
7. To match the salary increases granted to the BU 13 employees, the prior and current City administrations have granted Excluded Managers a cumulative increase of at least 12.56% and as much as 17.07% for the period between July 1, 2019 to July 1, 2023.
8. The Salary Commission awarded no salary increases to the Covered Officials for the three-year period from July 1, 2020 through June 30, 2023, citing primarily the COVID-19 pandemic and the economic conditions resulting from the pandemic. For Fiscal Year 2022-2023, the Salary Commission withheld increases in large part because the Collective Bargaining Agreement for BU 13 had not been finalized by the May 1, 2022 deadline for the Salary Commission to make its annual salary recommendations. On June 1, 2022, the City Council adopted Resolution 22-113 approving a 2% across-the-board increase in pay for BU 13 employees, plus a 2% lump sum payment for those BU 13 employees on step M as of June 30, 2021, who continued to be employed on July 1, 2021. Therefore, the Covered Officials were denied the pay increase for the past fiscal year that was received by the BU 13 employees. Although the Salary Commission considered providing a one-time payment to make up for this inequity, the Salary Commission ultimately decided against it.
9. The Salary Commission further acknowledges that the cost of living, based on U.S. Bureau of Labor Statistics national CPI inflation rate, cumulatively rose by at least 14% from 2020 to present day. Therefore, the Covered Officials have essentially suffered at least a 14% loss of buying power since 2020.
10. Additionally, the Salary Commission notes that certain Department Heads and Deputy Department Heads are suffering from salary "inversion," where subordinate civil servants are paid higher salaries than the Department Heads or Deputy Department Heads who supervise them and oversee their work. This inversion provides a disincentive for experienced civil servants to step into Department Head and Deputy Department Head positions when they are vacated and makes it difficult for the Mayor to

promote experienced managerial employees from within the City departments. Although the Department of Human Resources provided the Salary Commission with inversion information, this information compared base salaries, without inclusion of other forms of monetary compensation. None of the Covered Officials are eligible for overtime, step increases, nor recruitment incentives.

11. To keep pace with increases granted to BU 13 employees and to avoid further inversion scenarios where long-serving civil servants are paid more than their managers, the Salary Commission concludes that a 12.56% salary increase for most Covered Officials is consistent with the principles of adequate compensation for work performed and preservation of a sensible relationship with the salaries of other city employees, as the Salary Commission is directed to do by Section 3-122.3 of the City Charter.
12. The Salary Commission acknowledges that this 12.56% increase does not fully compensate several of the holdover Covered Officials who served during the COVID-19 pandemic to present day, due to lost wages resulting from not having received earlier raises over the past four years at the same time as BU 13 employees.
13. The Salary Commission has determined that the Band Director should be compensated at a salary equal to that of a Deputy Department Head.
14. The Salary Commission also concludes that the Medical Examiner and Deputy Medical Examiner require an increase in salary to competitively place the position within the job market and to achieve adequate compensation for work performed. This determination was based on testimony regarding the inability of the City to recruit a Deputy Medical Examiner for the past three years (due to the limited pool of qualified candidates and a salary range that does not meet the national average), an existing inversion where actual pay (which includes recruitment incentives) granted to civil service forensic pathologist exceeds the current salary of the Medical Examiner, and the significant administrative and forensic needs for the positions to address rising caseloads and existing backlog.
15. The Salary Commission determines that Councilmembers' salaries should be indexed to the closest equivalent civil service position based on the nature of their work, as described by the Councilmembers in their submitted testimonies, to be consistent with the principles of adequate compensation for work performed.

Testimony received demonstrated that the current salaries were inadequate for the work performed. The Salary Commission considered



the work performed in determining compensation. Public testimony both in support of and in opposition to the proposal raised important points that were considered at length by the Salary Commission.

The Salary Commission was unable to determine what had previously served as an index for the Councilmember salaries to-date. The City Councilmembers' responsibilities are weighty: draft, consider, and enact the ordinances and resolutions that govern the lives of the people of the City; they review, amend, and enact the City's Executive Operating and Capital Budget Ordinances in addition to their own Legislative Budget and the Operating and Capital Budgets of the Honolulu Authority for Rapid Transportation; represent over 100,000 constituents in their respective Council Districts, handle innumerable constituent complaints, and work with the City Administration in addressing constituent inquiries; chair one or two, and sit on a number of, Council Standing Committees; and attend numerous Neighborhood Board and Community Association meetings, legislative hearings, and community events.

While inherently different in nature as one is Executive and the other the Legislative branch, indexing preserves a sensible relationship of the Councilmembers' salaries with those of other City employees performing similarly high-level duties and responsibilities to the general public. Presently, 46% of the active legislative staff earn more than the Council Chair, while 77% earn more than the other Councilmembers. Continuing the existing salaries does not meet the requirement for a preservation of a sensible relationship with the salaries of other City employees. The Salary Commission also received data demonstrating that Honolulu Councilmembers were paid less than both Maui and Hawai'i Councilmembers, despite having many more constituents to whom they must be responsive and a much larger City budget and staff they are responsible to oversee. Data also demonstrated that Councilmembers are paid less than State Legislators, despite Councilmembers having a year-round schedule and districts that are two to nine times larger than State Representatives' districts.

The Salary Commission concludes that the lowest end of the range for the current fiscal year EM-08 salary (\$113,292) represents the closest equivalent civil service position to the work of Councilmembers. During discussion, the Salary Commission explored several alternative methods of indexing Councilmember salaries, concluding with a consensus opinion that use of an entry-level civil service Excluded Managerial EM-08 salary would be most consistent with the managerial and policy-setting type of work Councilmembers perform. The Excluded Managers at the EM-08 level are similarly positioned as a starting division chief. The Salary Commission further notes that the EM-08 position is generally a division administrator in the executive branch who is subject to step-up increases,

which the Councilmembers do not receive, with a salary range that goes up to \$194,262 in 2023. The Salary Commission also notes that the \$113,292 salary level is just below the middle of the salary range for the EM-03 position, which is generally for a smaller section manager in the executive branch.

16. To achieve adequate compensation for additional work performed by the Council Chair, the Salary Commission concludes that the Council Chair's salary should be set at approximately \$10,000 higher than the salary granted to the other Councilmembers. Not only does the Council Chair preside over all Council meetings, as the head of the City's Legislative Branch, the Chair has additional ceremonial and substantive duties as enumerated in Rule 4.A of the Rules of the City Council (adopted by Resolution 22-295). These duties include assignment of Councilmembers to their various standing committees, referral of all bills and resolutions to the appropriate committees, preparing and presenting the annual Legislative Budget, serving as the Chief Procurement Officer of the City's Legislative Branch, oversight of four divisions, and supervising the work of approximately 120 employees of the Council, excluding the personal staff of other Councilmembers.

17. The Salary Commission acknowledges that the salary increases for 2023 are higher than in some of the previous years. However, most of these salary increases simply restore deferred matching increases that were received by other managers within the City. The increases do not fully restore the lost wages caused by deferred increases.

In the case of Councilmembers, the Salary Commission notes that since 1990, Councilmember salaries have been frozen 19 times over the last 33 years. The result is a significant disparity in wages relative to salaries of other City employees.

18. The Salary Commission is composed of volunteer commissioners who are mindful of current economic conditions as well as their obligation to set salaries consistent with the principles of adequate compensation for work performed, and preservation of a sensible relationship between the salaries that they set with the salaries of other city employees. Increases other than those that follow the general increase in salaries are based on the Charter-imposed obligation to provide "adequate compensation for work performed". In total, these salary increases are approximately \$1.4 million or 0.03% of the City budget, about which testimony received from the Administration described as approximately \$4.5 billion per year, or 0.4% of the \$383 million the City lapsed (budgeted but did not spend) in the last fiscal year.

19. The Salary Commission is an independent commission committed to the success of the City in fulfilling its kuleana. Having one in every four positions within the City empty, some reports as high as 35%, with significant vacancies in every department, directly and negatively impacts the ability of the City to serve the needs of the City's residents. Negative impacts include 12-month waiting periods for building permits, six-month waiting periods for autopsy reports, limited customer service, and ongoing needs for affordable housing. The Salary Commission notes the importance of investing in future generations of public servants and encourages a culture of appropriately compensating positions for the work expected.

The Salary Commission is aware that the level of salaries offered for equivalent work in the private sector is generally higher than that offered by the City, but lacks independent data or the expertise to make comparisons between public and private employment, given the many variables involved, such as base pay, eligibility for merit bonuses or overtime pay, job security, vacation and sick leave benefits, retirement benefits, etc. In the long-term, the Salary Commission believes employment of expert consultants and staff, as provided by the Charter, will be required to assist volunteer commissioners in fulfilling their duty under the Charter to determine what is "adequate compensation for work performed."

To illustrate the problem, when it became clear that the Medical Examiner's Office had been unable to fill its deputy position for over three years, while handling an increasing caseload, the Salary Commission agreed on increasing the salary of the Deputy Medical Examiner so that the position would be filled. This meets the Charter-imposed obligation to provide for "adequate" compensation.

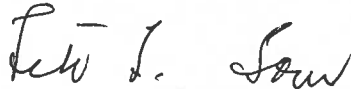
However, the Salary Commission was unable to confirm whether the 17% overall increase requested by the Prosecuting Attorney would be reasonable given the nature of the work, the high rate of staff turnover, the experience required, the private labor market, and the salaries offered to attorneys by other governmental entities including the State Attorney General's Office, the Hawai'i Office of the Public Defender, the State Judiciary, and the Corporation Counsel. Further study is required to determine if existing salaries for attorneys in the Department of the Prosecuting Attorney provide adequate compensation for the work performed.

The above findings of fact will be forwarded to the Mayor and the City Council of the City and County of Honolulu by May 1, 2023.



MALIA ESPINDA, CHAIR

CAROLEE KUBO, VICE-CHAIR



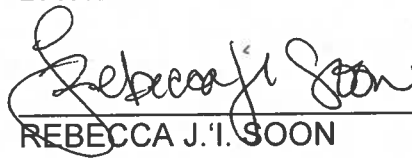
LILA T. TOM



DAVID HAYAKAWA



SARAH E. GUAY



REBECCA J.I. SOON