

Commission on Salaries Meeting Minutes
March 13, 2019
9:00 a.m.

Department of Human Resources Development
235 S. Beretania Street, Room 1403
Honolulu, Hawaii 96813

1. Call to Order

Meeting was called to order by the Chairperson at 9:20 a.m.

Members present: Michael Irish, Rachael Wong, Cameron Nekota, Dwayne Yoshina, Danna Holck, Beth Tokioka, and Haunani Apoliona.

Others present: Joy Inouye, Eliza Campos, Sunah Cheng; Wes Machida (House Speaker); Chad Blair and Cory Lum (Honolulu Civil Beat); Eric Tanigawa, Jan Kagehiro, Brandon Kimura, Daylin Heather, Rod Maile, Christina Uebelein, Mark Recktenwald, Jade Taono, and Tom Mick (Judiciary); Alvin Aki and Joe Mahoe (Public).

2. Approval of Meeting Minutes for March 5, 2019

Chairperson moved to approve the minutes of March 5, 2019. A correction was made to add "House Speaker" after Wes Machida's name. A motion was made to approve the minutes as amended. The move was seconded and with a unanimous vote, minutes were approved as amended.

3. Discuss March 12, 2019 General Fund Forecast from the Council on Revenues

The Council on Revenues previous forecast for 2019 was for 4.2% economic growth but it was lowered to 3% at their meeting on March 12, 2019. The 1.2% decrease represents about 80 million dollars in tax revenues for FY 2019. Projections for future years (2020-2025) will remain at 4% per year.

4. Public Testimony

No public testimony was submitted.

5. Comments on Salary Recommendation by Representatives of the State Executive, Judicial, and Legislative Branches of Government

The Commission invited all three (3) branches of government to comment/speak to the Commission at the meeting regarding salary recommendations. The judicial branch attended the meeting to give comments while the executive and legislative branches declined.

Chief Justice Mark Recktenwald (CJ) addressed the Commission and began by thanking the Commissioners for their hard work. CJ passed out comparison graphs of dollar and percentage differences between actual and recommended salary increases since 2007. His main concern is the ability to recruit and retain excellent judges. He explained that they are competing with attorneys in private practice. The CJ is also very concerned about retaining their judges with the last salary proposal. Currently, 56% of the judges are eligible for retirement.

CJ asked the Commission to reconsider their judicial branch recommendations to address recruitment and retention of judges. He respectfully requested 2% per

year to keep in step with cost of living/inflation. He offered to answer further questions or provide other information as needed.

The Chairperson passed a handout to the members and explained the numbers for the judicial branch.

The Chairperson said that he'd like to make a motion to re-open the discussion for the judicial branch's proposed recommendations after a 10-minute break.

<Chairperson called for a 10-minute break>

6. Review and Discuss Salary Recommendations

The Chairperson motioned to re-open the discussion on the salary recommendations made by the Commission for the judicial branch. The motion was seconded and with a majority vote, the motion was carried.

The Chairperson made another motion to increase the judicial recommendation from \$1000 per year to a 2% increase per year.

There was discussion regarding the importance of parity between the three branches and that if the increase for the judicial branch was a percentage, parity would not be achieved. After continued discussion, the Commission agreed to increase the dollar amount per year versus a percentage increase per year for the judicial branch.

The Chair closed out the discussion and withdrew his previous motion for a 2% increase per year. The CJ readjusted his request to \$3000 per year. There was a motion by a Commissioner to amend the judicial proposal from \$1,000 per year to \$2,000 per year. The motion was seconded. The majority voted aye with two members who opposed (Mike Irish and Danna Holck). The motion was passed. There was no new motion to amend to \$3000 per year.

7. Review, Discuss, Edit, and Approve Final Report, Tables, and Appendices of the Commission on Salaries for Legislative (Legislators), Executive (Governor, Lt. Gov., Dept. & Deputy Heads), and Judicial (Justices and Judges) Branch Positions

Commission members added that future Commissions should consider legislative roles in setting salaries.

Language for the report was given for the CJ's testimony regarding salary increases for the judicial branch.

8. Commission Signing of the Final Report

Commissioners signed a signature page that will be inserted once the report is finalized.

9. Adjournment

With no further business, the meeting was adjourned at 10:55 a.m.