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**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

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PETER B. CARLISLE
MAYOR



DOUGLAS S. CHIN
MANAGING DIRECTOR
CHRYSTN K. A. EADS
DEPUTY MANAGING DIRECTOR

March 14, 2012

VIA EMAIL

ckumura@honolulu.gov

Jim Donovan, Chair and Members
Salary Commission
c/o City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

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2012 MAR 15 P 3:55
CITY COUNCIL
HONOLULU, HAWAII

Dear Chair Donovan and Members:

To reiterate the administration's stance regarding the salaries of the mayor and appointed officials (i.e., directors and deputies) within the executive branch, we request no increases across the board and respectfully disagree with the position taken by the police and fire departments (HPD and HFD, respectively).

The city continues to regain fiscal stability through salary reductions, restrictions on hiring, travel and equipment purchases, and raised fees for public services. Although the city is able to balance its budget, this was not without significant sacrifices made by city employees and O'ahu's taxpayers. We strongly feel any salary increases received by the city's top administrators at this time would send the wrong message to individuals who have struggled, sacrificed and worked hard to help the city weather tough economic times. It will also send a negative message to struggling members of the public who, quite frankly, will only see the media headline reporting that top city officials received a raise.

More urgently, approving such raises may threaten delicate labor union negotiations which are ongoing right now – if raises are approved for the mayor and his top leaders, the unions may ask, how can the administration take the position that its civil servants should be subject to a pay reduction? Regardless of the fact that the decision is in your control and not ours, this is a highly sensitive issue now and I am concerned your decisions might complicate matters during a critical time.

As to HPD and HFD, the city administration respectfully stands by its earlier testimony.

Jim Donovan, Chair and Members
Salary Commission
c/o City Council
Page 2
March 14, 2012

Your city elected and appointed officials are a hard-working, highly sacrificial and impressive group, yet we feel it is imperative at this time that they lead by example. As such, we once again respectfully request your review and careful consideration of our recommendation of no salary increases for elected and appointed officials, particularly those for the mayor and his executive branch appointees (i.e., directors and deputies).

Very truly yours,

A handwritten signature in black ink, appearing to read 'D. Chin', written in a cursive style.

Douglas S. Chin
Managing Director