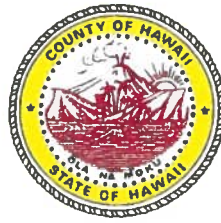


C. Kimo Alameda, Ph.D.
Mayor

William V. Brilhante, Jr.
Managing Director

Merrick Nishimoto
Deputy Managing Director



Gabriella M. Cabanas
Chair

Suzi Bond
Vice-Chair

RCVD HUMAN RESOURCES
2025 NOV 10 PM 12:21

County of Hawai'i Merit Appeals Board

Aupuni Center * 101 Pauahi Street, Suite 2 * Hilo, Hawai'i 96720
(808) 961-8361 * Fax (808) 961-8617

To: Steven Pavao, Chair
and Members of the County of Hawai'i Salary Commission

From: *Gabriella M. Cabanas*
Gabriella M. Cabanas, Chair
and Members of the County of Hawai'i Merit Appeals Board

Date: November 10, 2025

Subject: Hawai'i County Salary Commission's Inquiry to the Appointing
Authorities Concerning Proposed Salary Adjustments for
Fiscal Year 2025-2026

Chair Pavao and Members of the County of Hawai'i Salary Commission:

At its October 30, 2025, meeting, the Merit Appeals Board discussed its response to the Salary Commission's inquiry dated September 4, 2025, regarding proposed salary adjustments for Fiscal Year 2025-2026. Pursuant to that discussion, the Department of Human Resources ("HR") provides the following information:

1. What are the primary duties and responsibilities of the department/agency?

HR is the central human resource agency for the County of Hawai'i, whose functions include administering the civil service laws as they apply to the County. The department has responsibility for strategic planning, workforce planning and employment, equal opportunity, personnel development, compensation and benefits, employee and labor relations, and occupational health and safety.

The general powers and duties as well as the specific duties and powers of the director are codified in Hawai'i Revised Statutes ("HRS"). Pursuant to HRS § 76-12, the director shall:

- (1) Represent the public interest in the improvement of human resources administration in the civil service;

Gilbert J. Aguinaldo, Daniel "Niel" Thomas, Members

**SALARY COMMISSION
COUNTY OF HAWAII**

Comm. No. 25-04.06

Hawai'i County is an Equal Opportunity Provider and Employer Date November 17, 2025

- (2) Assist in fostering the interest of institutions of learning and civic, professional, and employee organizations in the improvement of human resources standards in civil service;
- (3) Advise the chief executive on policies and problems concerning the human resources program; and
- (4) Make investigations concerning the administration of human resources policies in the civil service, including any matter respecting the enforcement or effect of this chapter or the rules adopted thereunder, or the action or failure to act of any officer or employee with respect thereto.

Additionally, pursuant to HRS § 76-13, the director shall:

- (1) Establish and maintain a roster of all persons in the civil service;
- (2) Appoint employees necessary to assist the director in the proper performance of the director's duties and for which appropriations shall have been made;
- (3) Foster and develop, in cooperation with appointing authorities and others, programs for the improvement of employee efficiency;
- (4) Cooperate fully with appointing authorities, giving full recognition to their requirements and needs, in the administration of this chapter to promote public service by establishing conditions of service that will attract and retain employees of character and capability, and to increase efficiency and productivity in governmental departments by continuously improving methods of human resources administration and maximizing the use of advanced technology;
- (5) Encourage and exercise leadership in the development of effective human resources administration within the several departments and make available the facilities of the director's department to this end;
- (6) Investigate from time to time the operation and effect of this chapter and the rules adopted thereunder;
- (7) Develop and maintain classification systems;

- (8) Make recommendations and advise the chief executive on appropriate adjustments for employees excluded from collective bargaining as authorized under chapter 89C; and
- (9) Perform any other lawful acts deemed by the director to be necessary or desirable to carry out the purposes and provisions of this chapter.

In addition to the statutory requirements listed above, the Charter of the County of Hawai'i, specifically, Article VII, Chapter I, Section 7-1.4 Powers, Duties and Functions, mandates the HR director to be responsible for the human resources management program of the County with two distinct categories of duties. The major duties shall be in the areas of equal employment opportunities, personnel development, personnel deployment, personnel relations, and personnel welfare including employee safety and workers' compensation.

The secondary duties of the director shall be the administration of the civil service system and the maintenance of the aims and mechanics prescribed by statute. The director shall be the administrative head of the department of human resources and shall be responsible for the proper conduct of all the administrative affairs of the department and for the execution of the human resources management program prescribed by this charter, ordinances, laws, and regulations. The merit appeals board shall function according to statute. The director shall provide technical and clerical staff services to the board.

2. How many employees does the department/agency employ?

HR currently has forty (40) positions, which include permanent civil service positions, a temp. Equipment Operations Instructor, a Student Helper, and the director and deputy director.

In addition, HR programs include an additional 5 professional trainee positions, 5 professional development trainee positions; 20 workers' compensation positions; and 20 temporary on-call positions. These positions are maintained by HR and assigned to various departments as the need arises.

In total, HR's budget includes 90 positions.

3. What is the department/agency organizational structure?

HR is separated into eight (8) different divisions:

1. Classification and Pay. Promotes equal pay for equal work in the development and maintenance of the County's position classification plan. Major responsibilities include advising departments on organizational changes, position classifications, and pay-related matters including the development of new classes of work. Collaborates with department heads/deputies and mid-level managers to develop a productive work force and serves as liaison with human resource agencies from other jurisdictions.
2. Labor Relations. Promotes a positive and effective labor relations program which enhances the workplace environment. Major areas of responsibility include contract negotiations and contract administration, including grievance processing and advisories to departments and agencies. This division works effectively with County employees, supervisors, managers, and executives, and with Union officials and representatives.
3. Personnel and Organizational Development. Develops partnerships with department clientele to improve both individual and human systems effectiveness through personnel development, organization development, and executive coaching. Personnel development includes training needs assessment, skills inventory, formal classroom training, individualized leadership development for supervisors, and alternative dispute resolution and mediation. Organizational development provides services in organizational diagnosis, strategic planning, organizational change management, performance management, team building, and organizational conflict resolution. Executive coaching supports senior management in areas of complex organization problem solving and the development of a combination of skills and human capacities. These skills and capacities may include coaching, leadership and organizational skills, implementation of strategic goals, motivation and commitment to action, analytical and innovative thinking, and social and communication skills.

4. Equal Opportunity and ADA. Develops policies and programs to ensure the County of Hawai'i's compliance with all Federal and State Civil Rights laws. The division oversees, manages, and provides training on the County's Anti-Discrimination and Harassment Policy, the Policy on the Use of Mobility Devices, the Procedures for Providing Reasonable Accommodations for Individuals with Disabilities, and Procedures for Requesting Modifications to County of Hawai'i facilities, Programs, or Services.
5. Administrative Services. Promotes employees' awareness of available benefits by coordinating employee benefit plans, including employees' retirement, health benefits, deferred compensation, and flexible spending plans. Other responsibilities include administration of the Leave Sharing Program, compensation standards and procedures, and personnel records.
6. Recruitment and Examination. Promotes public service and the merit system principle in attracting qualified applicants for County civil service vacancies. The division oversees and administers the recruitment and examination program for the County of Hawai'i and provides guidance and technical assistance to departments in the filling of their civil service positions. The division also serves as liaison between the central human resource agency and educational, employment, and other community agencies to promote the available employment opportunities in the County of Hawai'i.
7. Health and Safety. Works with County employees, supervisors, managers, executives, and unions, to promote positive and effective safety and health programs for the County workforce. Major areas of responsibility include coordinating and/or conducting all phases of safety training programs, policies and procedures. The division is also responsible for the coordination of Call Center staffing for the Civil Defense Emergency Operations Center in emergency events.
8. Workers' Compensation. Administers the County's self-insured workers' compensation program, by providing management and oversight of all workers' compensation claims made by employees who become ill or injured as a result of, or in the course of their employment. Determinations are made regarding compensation benefits, necessary treatment, and expenses related to the injury or illness, in accordance with Hawai'i Workers' Compensation law. The division works with all departments to minimize lost time due to

employee injuries and facilitates return to work as soon as practicable.

(Please see attached Organizational Chart.)

4. What is the department/agency operating budget and funding encompass?

The HR department is responsible for managing three separate annual budgets.

1. Human Resources Budget: \$4,752,204.00
2. Cooperative Vocational Education Program (CVE): \$52,650.00
3. Workers' Compensation Budget: \$5,957,289.00

5. What major challenges does the department/agency face?

Major ongoing challenges (and goals) that HR faces are as follows:

1. Implementation of the Human Capital Management (HCM) module of the County's new Enterprise Resource Planning (ERP) system known as, "CoHnect." CoHnect will replace Eden (Fresh) which has been utilized by the County of Hawai'i for almost 20 years. The HCM module is scheduled to go live in January 2026. For the last year-and-a-half, HR staff has diligently worked with County partners and stakeholders on various portions of the CoHnect system.

Successful launch of the HCM module in January requires HR's oversight of testing and issue resolution prior to go-live. To date, HR staff have designed and run over 300 scenarios in the HCM module's test environment. Every defect discovered requires additional time and expense to re-test and, ultimately, resolve.

This involves coordinating training across all departmental human resources representatives and other stakeholders, redesigning and updating HR policies and procedures to align with CoHnect's system capabilities, and leading change management efforts across all departments through coordination of "Readiness Coordinators." The goal is to ensure a smooth transition and to minimize work disruption. This work is in addition to HR's normal daily duties and responsibilities.

2. Reorganization of HR's Health and Safety Division. This will include centralizing all Safety and Driver Improvement Coordinator (SDIC) positions within the County. This reorganization will allow the department to develop a uniform, Countywide driver training program. This reorganization will provide HR with additional oversight of departmental safety operations, which in turn will require inter-departmental negotiation. The challenge is winning stakeholder buy-in. County departments are accustomed to managing their own internal safety procedures, personnel, and training practices.
3. Collective Bargaining. This round of negotiations reflected the significant challenges facing public sector employers such as the County. With ongoing recruitment and retention difficulties exacerbated by strong private-sector competition for what has become an increasingly limited qualified applicant pool, higher wages and expanded benefits have increasingly become points of contention. The difficulty is in maintaining positive labor relations across multiple bargaining units, meeting immediate needs while simultaneously ensuring each collective bargaining agreement is fair, fiscally responsible, and sustainable.

Collective bargaining for the 2025-2029 contract period has concluded for Bargaining Units 1, 2, 3, 4, 12, and 13. Interest arbitration is pending for Bargaining Units 11 and 15.

4. Recruitment. Recruitment continues to be challenging as competition for qualified talent remains high. Public-sector wages typically lag behind the private sector, making it difficult to attract applicants with in-demand skills. At the same time, what employees value in employment continues to evolve.

Today's workforce prioritizes flexibility, work-life balance, and growth opportunities. The pace of government processes and policy implementation often cannot keep up with these evolving expectations, creating a competitive disadvantage in hiring. At the same time, changing economic conditions and priorities further affect workforce stability and labor availability. The result is a challenging environment for recruiting and retaining qualified public servants. HR has changed its recruitment efforts to a more active strategy.

6. Are there any overtime requirements of the department/agency?

Yes. HR's overtime budget has increased significantly from \$3,075 in FY 22-23, \$83,075 in FY 23-24 and to \$130,575 in FY 24-25 and 25-26. The significant increase reflects the challenges and efforts for the HR divisions identified in question number 5 above.

In addition, HR is responsible for responding to and managing the County of Hawai'i Emergency Operations Call Center at Civil Defense every time the EOC is activated due to a natural disaster or emergency. HR's Health & Safety Division manager now performs duties of an EOC 'Safety Officer' when activated.

Finally, HR hosts the County Employee of the Year Recognition Program which takes place annually. This program is usually held after hours at a designated County facility.

The highest paid subordinate to the director and deputy director of HR may be paid overtime (which the director and deputy director are not entitled to). With overtime, said position can make more than the director and deputy director.

7. What is the recommended salary adjustments and the rationale for these adjustments?

On October 30, 2025, the Merit Appeals Board that to be proactive and create a cushion between managers and a department head, we recommend a 5% per year increase over the next four years for the HR Director and Deputy. We also ask that in the future, more comparative data of past years be given to boards to assist in making recommendations (i.e. rates of department head/deputy salary increases, salaries of other jurisdiction HR department heads/deputies, et cetera).

The board discussed the following points in arriving at its recommendation for a salary increase:

- Although the Department of Human Resources is modest in size compared to other County of Hawai'i departments, its scope of responsibility extends across the entire County, as the central human resources authority for a workforce of approximately 2,900 employees. The HR director oversees policies and initiatives that directly influence the effectiveness, accountability, and fiscal sustainability of all County

departments. This position requires a high level of professional expertise, strategic judgment, and leadership to ensure that the County of Hawai'i attracts, develops, and retains a skilled and diverse workforce capable of delivering essential services to the public.

- Hawai'i County covers an area of approximately 4,028 square miles and is home to over 200,000 residents.
- The County of Hawai'i has approximately 2,900 employees.
- The salary for the County of Hawai'i's HR director should be equitable and maybe a little more than that of other county human resources directors within the State, when comparing the size of Hawai'i County, as well as the size of the County of Hawai'i's HR department and scope of its responsibility.

Thank you very much for the opportunity to provide input for this very important matter. As always, please feel free to contact me at 808-961-8361 if you have additional questions or concerns.

GMC/gy

Attachment (Organizational Chart)