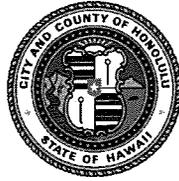


OFFICE OF THE MAYOR  
**CITY AND COUNTY OF HONOLULU**  
530 SOUTH KING STREET, ROOM 300 \* HONOLULU, HAWAII 96813  
PHONE: (808) 768-4141 \* FAX: (808) 768-4242 \* INTERNET: www.honolulu.gov



KIRK CALDWELL  
MAYOR

EMBER LEE SHINN  
MANAGING DIRECTOR

GEORGETTE T. DEEMER  
DEPUTY MANAGING DIRECTOR

April 30, 2013

The Honorable Ernest Martin, Chair  
and Members  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

RECEIVED  
CITY CLERK  
C & C OF HONOLULU  
2013 APR 30 AM 8:21

Dear Chair Martin and Councilmembers:

**SUBJECT: Cost Items – Hawaii Government Employees Association,  
Bargaining Units 2, 3, and 4**

Pursuant to Sections 89-10(b) and 89C-2(4), Hawaii Revised Statutes (HRS), I am submitting for your action the cost items as contained in the contract settlement and ratification dated April 24, 2013, for HGEA Units 2, 3, and 4. The respective collective bargaining agreements are effective from July 1, 2013 to and including June 30, 2015.

According to Chapter 89, HRS, cost items require Council action. Section 89-10 (b), HRS provides, in part:

"The state legislature or the legislative bodies of the counties acting in concert, as the case may be, may approve or reject the cost items submitted to them, as a whole. If the state legislature or the legislative body of any county rejects any of the cost items submitted to them, all cost items submitted shall be returned to the parties for further bargaining."

Section 89C, HRS, also requires Council action for cost items for excluded employees. Section 89C-2(4), HRS, provides that:

"For excluded employees under the same classification systems as employees within collective bargaining units, adjustments shall be not less than those provided under collective bargaining agreements for employees hired on a comparable basis."

The Honorable Ernest Y. Martin, Chair  
April 30, 2013  
Page 2

Attached is a summary of the cost items, including estimated salary costs for included and excluded employees in Units 2, 3, and 4. Wage adjustments for managerial employees excluded from Unit 4 are not covered herein.

Should you have any questions, please contact Carolee C. Kubo, Director of Human Resources and the City's designee for collective bargaining, at 768-8500.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk Caldwell", written over a horizontal line.

Kirk Caldwell  
Mayor

Attachments

cc: Budget & Fiscal Services



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## RESOLUTION

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APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE INCLUDED AND EXCLUDED EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU IN BARGAINING UNITS 2, 3, AND 4 (HAWAII GOVERNMENT EMPLOYEES ASSOCIATION).

WHEREAS, Chapter 89, Hawaii Revised Statutes (“HRS”), establishes a statewide collective bargaining process for public employees; and

WHEREAS, pursuant to Chapter 89, HRS, the employers and representatives of Bargaining Units 2, 3, and 4 (Hawaii Government Employees Association) began negotiations in June 2012, concerning collective bargaining agreements for the employees in the bargaining units; and

WHEREAS, the parties agreed to a new contract which was ratified on April 24, 2013; and

WHEREAS, the new collective bargaining agreements make adjustments to wages and is effective from July 1, 2013 through June 30, 2015; and

WHEREAS, pursuant to Section 89-10(b) and 89-11(g), HRS, the wage cost items are subject to appropriations by the respective legislative bodies; now therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approve the collective bargaining cost items for the included and excluded employees of the City and County of Honolulu in Bargaining Units 2, 3, and 4, a summary of which is attached as Exhibit A; and



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. \_\_\_\_\_

**RESOLUTION**

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BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor and Director of Human Resources of the City.

INTRODUCED BY:

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\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_  
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DATE OF INTRODUCTION:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Honolulu, Hawaii

\_\_\_\_\_  
Councilmembers

**COLLECTIVE BARGAINING REPORT TO CITY COUNCIL  
HGEA AGREEMENT FOR BARGAINING UNITS 2, 3, AND 4**

The current collective bargaining agreements for Bargaining Units 2, 3, and 4, with the Hawaii Government Employees Association (HGEA) expire on June 30, 2013. Negotiations for successor agreements began in October 2012. The Employer and Union tentatively agreed to a new contract on April 22, 2013. HGEA held statewide ratification meetings from April 22-24, 2013.

The settlement covers the following City employees:

<b>Bargaining Unit</b>	<b>Included</b>	<b>Excluded</b>	<b>Total</b>
02 - Blue Collar Supervisors	209	0	209
03 - White Collar Non-supervisory	1656	179	1,835
04 - White Collar Supervisory	139	1	140
<b>TOTAL</b>	<b>2,004</b>	<b>180</b>	<b>2,184</b>

(Based on filled positions as of March 31, 2013)

### Summary of Settlement

#### I. Duration

Each agreement is effective from July 1, 2013, to and including June 30, 2015.

#### II. Salaries

##### A. Bargaining Unit 2

1. Effective 7/1/13, increase the rates on the salary schedule by 4.0%, and 4.0% increase to employees not assigned to salary schedule.
2. Effective 7/1/13 – 6/30/14, there shall be no step movements.
3. Effective 7/1/14, increase the rates on the salary schedule by 2.0%, and 2.0% increase to employees not assigned to salary schedule.
4. Effective 7/1/14, employees who were eligible but did not receive a step movement during 7/1/09 – 6/30/14 shall receive their step movement on 7/1/14.

5. Effective 7/1/14, employees who become eligible for a step movement during 7/1/14 – 6/30/15 shall receive their step movement on their step movement date.
6. Effective 7/1/14, employees who are employed as of 6/30/14 on the maximum step or employees not assigned to the salary schedule shall receive a one-time lump sum payment of \$1,000.

**B. Bargaining Units 3 and 4**

1. Effective 7/1/13, add 1 new maximum step M (31 years of service) to the salary schedule and employees who are employed as of 6/30/13 shall receive a step movement on 7/1/13.
2. Effective 7/1/13, employees who are employed as of 6/30/13 and not assigned to the salary schedule shall receive a one-time lump sum payment of \$1,500.
3. Effective 7/1/14, increase the rates on the salary schedules by 4.0%, and 4.0% increase to employees not assigned to salary schedule or between steps.

The following chart summarizes the City’s estimated costs for the two-year contract period:

<b>SALARY COSTS FOR BARGAINING UNITS 2, 3, &amp; 4</b>			
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
<b>Without BWS</b>			
Included Employees	4,114,419	8,461,068	12,575,487
Excluded Employees	2,386,132	2,192,475	4,578,607
<b>TOTAL</b>	<b>6,500,551</b>	<b>10,653,543</b>	<b>17,154,094</b>
<b>With BWS</b>			
Included Employees	4,558,553	9,326,977	13,885,529
Excluded Employees	2,423,195	2,257,383	4,680,577
<b>TOTAL</b>	<b>6,981,747</b>	<b>11,548,359</b>	<b>18,566,107</b>

III. Employer-Union Health Benefits Trust Fund (EUTF)

- A. Effective 7/1/13, the Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for the Trust Fund health benefit plans and 100% of the premiums and fees for the Life Insurance plan.
- B. Effective 7/1/14, the Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all plans except the life insurance plan (for which the Employer shall 100% of the premiums and fees) and the PPO and HMO plans. The Employer will pay a specific dollar amount for the PPO and HMO plans. The dollar amounts the Employer will pay will be the 2013-2014 Employer Contribution rates plus an increase of \$10, \$20 or \$30, for the self-only, two-party and family rates, respectively.

The total Employer’s contribution regarding EUTF is as follows:

<b>EUTF COSTS FOR BARGAINING UNITS 2, 3, &amp; 4</b>		
	<b>FY 2014</b>	<b>FY 2015</b>
<b>TOTAL</b>	9,542,384	9,970,734