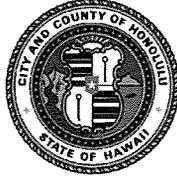


OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU

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 Y. 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 8:22

Dear Chair Martin and Councilmembers:

SUBJECT: Cost Items – Included and Excluded Bargaining Unit 1 Employees

Pursuant to Section 89-10(b) and 89C-2(4), Hawaii Revised Statutes (HRS), I am submitting for your action the cost items (wage and non-wage cost item adjustments) as contained in the contract settlement and ratification dated April 26, 2013, for United Public Workers (UPW) Bargaining Unit 1. The respective collective bargaining agreement is effective from July 1, 2013, through June 30, 2017.

According to Chapter 89, HRS, only cost items require Council action. Section 89-10(b), HRS, provides that,

“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.”

Attached is a summary of the cost items for included and excluded employees in Bargaining Unit 1.

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

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". The signature is fluid and cursive, with a large initial "K" and a long, wavy tail.

Kirk Caldwell
Mayor

Attachments

cc: Budget and Fiscal Services



RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE INCLUDED AND EXCLUDED EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU IN BARGAINING UNIT 1 (UNITED PUBLIC WORKERS).

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 Unit 1 (United Public Workers) began negotiations in June 2012, concerning a collective bargaining agreement for the employees in the bargaining unit; and

WHEREAS, the parties tentatively agreed to a new contract on April 18, 2013; and

WHEREAS, the new collective bargaining agreement makes the adjustments to wages and other non-wage cost items and is effective from July 1, 2013 through June 30, 2017; and

WHEREAS, pursuant to Section 89-10(b) and 89-11(g), HRS, the wage and non-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 and related cost items for the included and excluded employees of the City and County of Honolulu in Bargaining Unit 1, a summary of which is attached as Exhibit A; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. _____

RESOLUTION

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

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawaii

Councilmembers

**COLLECTIVE BARGAINING REPORT TO CITY COUNCIL
UPW AGREEMENT FOR BARGAINING UNIT 1**

The current collective bargaining agreement for Bargaining Unit 1, with the United Public Workers (UPW), will expire on June 30, 2013. Negotiations for a successor agreement began in June 2012, and continued until April 18, 2013, when the parties tentatively agreed to a new contract. UPW held statewide ratification meetings on April 23, 2013, April 25, 2013, and April 26, 2013. Ratification voting for BU 1 was completed and the employers notified of approval on April 26, 2013.

The settlement covers the following City employees (as of March 31, 2013):

Bargaining Unit	Without Board of Water Supply		With Board of Water Supply	
	Included	Excluded	Included	Excluded
1	1,592	75	1,792	75

Summary of Settlement

I. Duration

The collective bargaining agreement for BU 1 is effective from July 1, 2013, through June 30, 2017.

II. Salaries

- A. Effective October 1, 2013, 2% per month across-the-board salary increase to the salary schedule
- B. Effective April 1, 2014, 2% per month across-the-board salary increase to the salary schedule.
- C. Effective October 1, 2014, 2% per month across-the-board salary increase to the salary schedule.
- D. Effective April 1, 2015, 2% per month across-the-board salary increase to the salary schedule.
- E. Effective October 1, 2015, 2% per month across-the-board salary increase to the salary schedule.
- F. Effective April 1, 2016, 2% per month across-the-board salary increase to the salary schedule.
- G. Effective October 1, 2016, 2% per month across-the-board salary increase to the salary schedule.
- H. Effective April 1, 2017, 2% per month across-the-board salary increase to the salary schedule.

The following chart summarizes the City's estimated salary costs for the four-year contract period:

SALARY COSTS FOR BARGAINING UNIT 1*					
	FY14	FY15**	FY16**	FY17**	TOTAL FY14-17
Without BWS					
Included Employees	\$1,822,624	\$5,917,382	\$10,209,654	\$14,651,479	\$32,601,138
Excluded Employees	\$28,480	\$92,469	\$159,553	\$228,968	\$509,471
TOTAL	\$1,851,104	\$6,009,851	\$10,369,207	\$14,880,447	\$33,110,609
With BWS					
Included Employees	\$2,054,362	\$6,669,747	\$11,507,760	\$16,514,341	\$36,746,210
Excluded Employees	\$34,506	\$112,035	\$193,313	\$277,415	\$617,268
TOTAL	\$2,088,868	\$6,781,782	\$11,701,073	\$16,791,757	\$37,363,479

* Includes wage-related fringe benefits.

**Includes rollover from previous year

Employer-Union Health Benefits Trust Fund (EUTF)

The Employer has agreed to pay a specific dollar amount which generally equates to 60% of the final premium rates established by the Trust Fund Board for the respective health benefit plan, plus 60% of all administrative fees and 100% of the group life insurance plan. The City's estimated total EUTF contribution for Unit 1 is as follows:

FY 2014	FY 2015	FY 2016	FY 2017
\$9,344,124	\$10,006,675	\$10,721,646	\$11,490,025