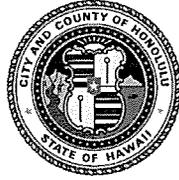


OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR

EMBER LEE SHINN
MANAGING DIRECTOR
GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

July 8, 2013

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

RECEIVED
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C & C OF HONOLULU
2013 JUL -9 PM 2:49

Dear Chair Martin and Councilmembers:

SUBJECT: Cost Items – Included Bargaining Unit 12 Employees

Pursuant to Section 89-11(g) and 89C-2(4), Hawaii Revised Statutes (“HRS”), I am submitting for your action the cost items (wage adjustments) as contained in the final and binding arbitration award for Bargaining Unit 12, dated July 3, 2013.

The collective bargaining agreement is effective from July 1, 2011 through June 30, 2017.

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
and Members
July 8, 2013
Page 2

Attached are the reports covering collective bargaining for this unit and cost estimates.

Should any further information on this matter be required, please contact Carolee C. Kubo, Director of Human Resources, the City's designee for collective bargaining, at 768-8500.

Sincerely,



Kirk Caldwell
Mayor

Attachments

APPROVED:



Ember Lee Shinn
Managing Director



RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE INCLUDED AND EXCLUDED EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU IN BARGAINING UNIT 12 (STATE OF HAWAII ORGANIZATION OF POLICE OFFICERS).

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 12 (State of Hawaii Organization of Police Officers) began negotiations on March 9, 2011 concerning a collective bargaining agreement for the employees in the bargaining unit; and

WHEREAS, negotiation and mediation efforts were unsuccessful and an arbitrator appointed by the parties rendered an award on July 3, 2013;

WHEREAS, the new collective bargaining agreement makes the adjustments to wages and is effective from July 1, 2011 through June 30, 2017; and

WHEREAS, pursuant to Section 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 12, a summary of which is attached as Exhibit A; and



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
AGREEMENT FOR BARGAINING UNIT 12**

Negotiations

Negotiations with the State of Hawaii Organization of Police Officers (SHOPO) began on March 9, 2011. Tentative Agreements (TAs) were reached on two articles (Article 32, Grievance Procedure and Article 57, Drug Testing) but negotiations and mediation were unsuccessful. Arbitrator Thomas Angelo, Esq. was selected by the parties as the neutral arbitrator and rendered a final and binding decision on the Bargaining Unit 12 interest arbitration on July 3, 2013.

Positions Covered in the City and County of Honolulu (as of 6/19/13)

The new contract covers positions included in collective bargaining (and excluded counterparts) as follows:

<u>Covered</u>	<u>Total</u>
Included Positions	1988
Excluded Positions	<u>33</u>
Total	2021

Duration

The collective bargaining agreement for Bargaining Unit 12 is effective from July 1, 2011 through June 30, 2017.

Cost Items

The following information highlights the effective dates of the Bargaining Unit 12 cost items based on Arbitrator Angelo's award.

1. Wages

<u>Effective Date</u>	<u>Across The Board Wage Increase</u>
July 1, 2013	1.75%
January 1, 2014	1.75%
July 1, 2014	1.75%
January 1, 2015	1.75%
July 1, 2015	2.00%
January 1, 2016	2.00%
July 1, 2016	2.50%
January 1, 2017	3.30%

In addition, all Bargaining Unit 12 employees shall receive catch-up step movements and service step movements on their police service anniversary date(s) not to exceed one step per year effective July 1, 2013, July 1, 2014, July 1, 2015, and July 1, 2016.

2. Standard of Conduct Differential (SOCD)

<u>Effective Date</u>	<u>Differential</u>
July 1, 2013	For eligible employees who are paid at PO 8 salary range and below, \$2.00 per hour.
	For eligible employees who are paid at PO 9 salary range and above, \$2.20 per hour.
July 1, 2014	For eligible employees who are paid at PO 8 salary range and below, \$2.60 per hour.
	For eligible employees who are paid at PO 9 salary range and above, \$2.80 per hour.
July 1, 2015	For eligible employees who are paid at PO 8 salary range and below, \$3.60 per hour.
	For eligible employees who are paid at PO 9 salary range and above, \$3.80 per hour.
July 1, 2016	For eligible employees who are paid at PO 8 salary range and below, \$3.80 per hour.
	For eligible employees who are paid at PO 9 salary range and above, \$4.00 per hour.

3. Uniform and Equipment

Firearm Maintenance Allowance:

Effective July 1, 2013, the Employer shall provide to employees authorized to carry a firearm as a condition of employment on a 24-hour basis a sum of \$500.00 per fiscal year for the proper care and maintenance of weapons and accessory personal safety equipment related to their employment issued by the Employer, and for the purchase, care and maintenance of supplemental weapons, including ammunition approved by the Employer.

The following chart summarizes the City's estimated costs for the six-year contract period;

Total of Cost Items for Bargaining Unit 12					
	FY 14	FY 15	FY 16	FY 17	TOTAL FY 14-17
Wages	\$12,143,625	\$23,029,233	\$35,249,896	\$51,067,905	\$121,490,659
SOCD	\$ 5,360,805	\$ 8,646,271	\$14,162,303	\$15,251,667	\$ 43,421,047
Uniform & Equipment	\$ 165,680	\$ 165,680	\$ 165,680	\$ 165,680	\$ 662,720
TOTAL	\$17,670,109	\$31,841,185	\$49,577,879	\$66,485,252	\$165,574,426

Employer-Union Health Benefits Trust Fund (EUTF)

The parties' agreement for the Employer-Union Health Benefits Trust Fund (EUTF) is as follows:

Effective July 1, 2013, 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.

Effective July 1, 2014, 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 pay 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.

For fiscal years 2016 and 2017, the parties have the option to reopen this section to determine the Employer's contribution. If an agreement covering period(s) beginning July 1, 2015 to June 30, 2017 is not executed by June 30, 2015, employer contributions to the Trust Fund shall be the same monthly contribution amounts paid in the plan year 2014-2015 for the Health Benefit Plan approved by the Trust Fund including monthly administrative fees.

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

EUTF COST FOR BARGAINING UNIT 12			
	FY 2014	FY 2015	FY 2016
TOTAL	\$11,549,491	\$12,160,126	\$12,160,126