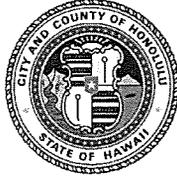


OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU

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

October 15, 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 OF HONOLULU
2013 OCT 16 AM 9:55

Dear Chair Martin and Councilmembers:

SUBJECT: Cost Items – Included Bargaining Unit 10 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 October 9, 2013, for United Public Workers (UPW) Bargaining Unit 10. 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."

Attached is a summary of the cost items for included employees in Bargaining Unit 10. Note: Most of the Bargaining Unit 10 costs are to be reimbursed by the State.

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", with a long, wavy underline.

Kirk Caldwell
Mayor

Attachments

cc: Budget and Fiscal Services

MAYOR'S MESSAGE 154



RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE INCLUDED EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU IN BARGAINING UNIT 10 (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 10 (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 collective bargaining agreement on August 21, 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 employees of the City and County of Honolulu in Bargaining Unit 10, 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 10**

Negotiations with the United Public Workers (UPW) began in June 2012, and continued until August 21, 2013, when the parties tentatively agreed to a new contract. UPW held statewide ratification meetings on September 12, 2013. Ratification voting for BU 10 was completed and the employers notified of approval on October 9, 2013.

The settlement covers the following City employees (as of June 30, 2012):

Bargaining Unit	Employees
10	223

Summary of Settlement

I. Duration

The collective bargaining agreement for BU 10 is effective from July 1, 2013 through June 30, 2017.

II. Salaries

- A. Effective July 1, 2013, all employees shall receive a step movement and the first step on the salary schedule shall be deleted. Employees assigned to the maximum step or not assigned to the salary schedule shall receive a lump sum payment equivalent to four percent (4%) of their base salary, prorated if the employee is less than full time.
- B. Effective January 1, 2014, three-tenths of one per percent (.3%) across-the-board increase to the salary schedule.
- C. Effect July 1, 2014, all employees shall receive a step movement and the first step on the salary schedule shall be deleted. Employees assigned to the maximum step or not assigned to the salary schedule shall receive a lump sum payment equivalent to four percent (4%) of their base salary, prorated if the employee is less than full time.
- D. Effective January 1, 2015, a five tenths of one percent (.5%) across-the-board increase to the salary schedule.
- E. Effect July 1, 2015, all employees shall receive a step movement and the first step on the salary schedule shall be deleted. Employees assigned to the maximum step or not assigned to the salary schedule shall receive a lump sum payment equivalent to four percent (4%) of their base salary, prorated if the employee is less than full time.
- F. Effective January 1, 2016, a five-tenths of one percent (.5%) across-the-board increase to the salary schedule.
- G. Effective July 1, 2016, all employees shall receive a step movement. Employees assigned to the maximum step or not assigned to the salary schedule shall receive a lump sum payment equivalent to four percent (4%) of their base salary, prorated if the employee is less than full time.

- H. Effective January 1, 2017, one percent (1%) across-the-board 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 10*					
	FY14	FY15**	FY16**	FY17**	TOTAL FY14-17
Wage*	\$883,726	\$1,860,193	\$2,842,084	\$3,906,183	\$9,492,187

* Includes wage-related fringe benefits.

**Includes rollover from previous year

Employer-Union Health Benefits Trust Fund (EUTF)

Effective July 1, 2013 to and including June 30, 2015, 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. 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, the 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 City’s estimated total EUTF contribution for BU 10 from July 1, 2013 to June 30, 2015, is as follows:

FY 2014	FY 2015	FY 2016	FY 2017
\$1,148,877	\$1,267,369		