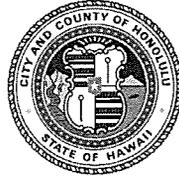


OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 300 * HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 * FAX: (808) 768-4242 * INTERNET: www.honolulu.gov



KIRK CALDWELL
MAYOR

EMBER LEE SHINN
MANAGING DIRECTOR

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

October 16, 2013

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

Dear Chair Martin and Councilmembers:

SUBJECT: Cost Items – Hawaii Government Employees Association,
Bargaining Unit 13

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 October 14, 2013, for the Hawaii Government Employees Association Bargaining Unit 13. The respective collective bargaining agreement is effective from July 1, 2013 to and including 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."

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The Honorable Ernest Y. Martin, Chair
and Members
October 16, 2013
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Furthermore, in accordance with Chapter 89C-3(2), HRS, managers excluded from Bargaining Unit 13 shall be provided adjustments that result in compensation and benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction.

Attached is a summary of the cost items, including estimated salary costs for Bargaining Unit 13 included, excluded, and excluded managerial employees.

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 horizontal flourish extending to the right.

Kirk Caldwell
Mayor

Attachments

cc: Budget & Fiscal Services



RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE HAWAII GOVERNMENT EMPLOYEES ASSOCIATION BARGAINING UNIT 13, INCLUDED, EXCLUDED, AND EXCLUDED MANAGERIAL EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU.

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 13 (Hawaii Government Employees Association) began negotiations in November 2012, concerning a collective bargaining agreement for the employees in the bargaining unit; and

WHEREAS, the parties agreed to a new contract which was ratified on October 14, 2013; and

WHEREAS, pursuant to Section 89C-2(4) and 3(2), HRS, “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.”

WHEREAS, for managers excluded from Bargaining Unit 13, pursuant to Section 89C-3(2), HRS, “Adjustments for excluded civil service employees result in compensation and benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer’s jurisdiction.”

WHEREAS, the new collective bargaining agreement make adjustments to wages and is effective from July 1, 2013 through June 30, 2017; and

WHEREAS, pursuant to Section 89-10(b), 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 Bargaining Unit 13 included, excluded, and excluded managerial employees of the City and County of Honolulu, 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
HGEA AGREEMENT FOR BARGAINING UNIT 13, EXCLUDED MANAGERIAL**

The current collective bargaining agreement for Bargaining Unit 13 with the Hawaii Government Employees Association (HGEA) expired on June 30, 2013. Negotiations for successor agreements began in November 2012. The Employer and Union tentatively agreed to a new contract on September 30, 2013. HGEA held statewide ratification meetings from October 8-11, 2013.

The settlement covers the following City employees:

Bargaining Unit	Included	Excluded	Total
13 – Professional and Scientific	928	75	1003

(Based on filled positions as of July 2013)

Summary of Settlement

I. Duration

Agreement is effective from July 1, 2013 to and including June 30, 2017.

II. Salaries

A. Bargaining Unit 13

1. Effective 7/1/13, increase the rates on the salary schedule by 4.0%, and 4.0% increase to employees not assigned to a salary schedule.
2. Effective 7/1/14, eligible employees receive “catch up” steps on the step movement plan.
3. Effective 7/1/14, employees who are on the maximum step as of 6/30/14, or not assigned to a salary schedule, or employed prior to 7/1/13 but not scheduled to receive a step movement during the period 7/1/14 through 6/30/15 and did not receive any step movement on 7/1/14 shall receive a one-time lump sum payment of \$1,500.
4. Effective 7/1/15, continuation of step movement plan.
5. Effective 1/1/16, increase the rates on the salary schedule by 3.5%, and 3.5% increase to employees not assigned to a salary schedule.
6. Effective 7/1/16, continuation of step movement plan.

- 7. Effective 1/1/17, increase the rates on the salary schedule by 3.5%, and 3.5% increase to employees not assigned to a salary schedule.

B. Excluded Managerial

In accordance with Chapter 89C-3(2), HRS, managers excluded from Bargaining Unit 13 shall be provided adjustments that result in compensation and benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction.

	Total
EM – Excluded Managerial	136

(Based on filled positions as of July 2013)

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

SALARY COSTS FOR BARGAINING UNIT 13 and EM					
	FY14	FY15	FY16	FY17	TOTAL FY14-17
Without BWS					
Included Employees	\$2,925,381	\$8,269,934	\$10,123,198	\$13,980,964	\$35,299,477
Excluded/EM Employees	\$1,988,680	\$4,284,947	\$4,688,912	\$6,965,666	\$17,928,205
TOTAL	\$4,914,061	\$12,554,881	\$14,812,111	\$20,946,629	\$53,227,682
With BWS					
Included Employees	\$3,216,645	\$9,065,348	\$11,114,903	\$15,364,975	\$38,761,870
Excluded/EM Employees	\$2,079,466	\$4,520,613	\$4,972,121	\$7,363,983	\$18,936,183
TOTAL	\$5,296,112	\$13,585,961	\$16,087,023	\$22,728,957	\$57,698,054

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 pay 100% of the premium 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 Employer Contribution rates plus an increase of \$10, \$20, or \$30, for the self-only, two-party, and family rates, respectively.

- C. Effective 7/1/15, 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 Employer Contribution rates plus an increase of \$10, \$20 or \$30, for the self-only, two-party and family rates, respectively.

- D. Effective 7/1/16, 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 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 for Bargaining Unit 13 and EM regarding EUTF is as follows:

FY 2014	FY 2015	FY 2016	FY 2017
\$6,737,058	\$7,056,751	\$7,376,288	\$7,700,695