

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:

Ann H. Kobayashi, Chair; Stanley Chang, Vice Chair;
Carol Fukunaga, Joey Manahan, Kymberly Marcos Pine

Committee Meeting Held
October 30, 2013

Honorable Ernest Y. Martin
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Resolution 13-252 entitled:

"RESOLUTION APPROVING COLLECTIVE BARGAINING COST ITEMS FOR
THE INCLUDED EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU
IN BARGAINING UNIT 10 (UNITED PUBLIC WORKERS),"

transmitted by Communication MM-154, dated October 15, 2013, from
Mayor Kirk Caldwell, reports as follows:

The purpose of the Resolution is to approve collective bargaining cost items for
the included employees of the City and County of Honolulu in Bargaining Unit 10
(United Public Workers).

The Director of the Department of Human Resources testified in support of the
Resolution.

Your committee received no testimony from members of the public.

Your committee received one testimony in support of Resolution 13-252 from
institutions, organizations, and governmental agencies:

1. Dayton M. Nakanelua, State Director of the United Public Workers,
AFSCME, Local 646, AFL-CIO (UPW)

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON

NOV 13 2013

COMMITTEE REPORT NO. **341**

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Your Committee considered and approved a proposed posted CD1 version that amends the fifth WHEREAS clause to delete the reference to HRS section 89-11(g).

Your Committee on Budget is in accord with the intent and purpose of Resolution 13-252, as amended herein, and recommends its adoption in the form attached hereto as Resolution 13-252, CD1. (Ayes: Kobayashi, Chang, Fukunaga, Pine – 4; Noes: None; Excused: Manahan - 1.)

Respectfully submitted,



Committee Chair

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON NOV 13 2013

COMMITTEE REPORT NO. 341



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), 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



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:

Ikaika Anderson (br)

DATE OF INTRODUCTION:

October 17, 2013
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		