



RESOLUTION

APPROVING COST ITEMS FOR THE UNIT 10 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE EMPLOYER AND THE UNITED PUBLIC WORKERS FOR THE PERIOD FROM JULY 1, 2017 TO JUNE 30, 2021, FOR BU 10 EMPLOYEES.

WHEREAS, Chapter 89, Hawaii Revised Statutes (HRS), establishes a statewide collective bargaining process for public employees; and

WHEREAS, pursuant to HRS Chapter 89, the Employer and the exclusive representative of Bargaining Unit 10 (United Public Workers) began negotiations in June of 2016, concerning a successive collective bargaining agreement for the employees in the bargaining unit; and

WHEREAS, the Employer and the United Public Workers reached an Agreement; and

WHEREAS, the Agreement was ratified by the Unit 10 employees on August 3, 2017; and

WHEREAS, the new collective bargaining agreement makes adjustments to wages and other non-wage cost items and is effective for four (4) years, from July 1, 2017 through June 30, 2021; and

WHEREAS, pursuant to HRS Section 89-10(b), 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 cost items for the Unit 10 Collective Bargaining Agreement between the Employer and the United Public Workers, for the period from July 1, 2017 to June 30, 2021, for BU 10 employees of the City and County of Honolulu (a summary of these cost items is attached as Exhibit A); and



RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor, the Director of Budget and Fiscal Services, the Director of Human Resources, and to the United Public Workers.

INTRODUCED BY:

[Signature] (br)

DATE OF INTRODUCTION:

AUG 11 2017

Honolulu, Hawaii

Councilmembers

**REPORT TO CITY COUNCIL
COLLECTIVE BARGAINING AGREEMENT FOR BARGAINING UNIT 10 (UPW)**

Background

The current collective bargaining agreement for Bargaining Unit 10 with the United Public Workers (UPW) expired on June 30, 2017. Negotiations for the successor agreement began in June of 2016. An Agreement was reached between the Employer and UPW; and said Agreement was ratified by the Bargaining Unit 10 employees on August 3, 2017.

Number of Filled BU 10 Positions in the City and County of Honolulu

As of July 15, 2017, there were 248 filled BU 10 positions in the City and County of Honolulu,.

Duration

The Bargaining Unit 10 Collective Bargaining Agreement is for four (4) years, effective from July 1, 2017, to and including June 30, 2021. However, during the term of the Agreement and not less than ninety (90) days before the beginning of the 2019 Legislative Session, the Employer and UPW shall meet to continue bargaining in good faith on the equivalent of step movement and the Employer's contribution to the Employer-Union Health Benefits Trust Fund (EUTF) for the period July 1, 2019 to and including June 30, 2021.

Cost Items

A. Wages

1. **Effective October 1, 2017:** Two percent (2%) per month across-the-board salary adjustment to the salary schedule.
2. **Effective July 1, 2018:** Employees on Step A and Step B who meet the requirements for Developmental Career Plan (DCP) movements shall move to the appropriate step. Employees at the maximum Step C as of June 30, 2018 shall receive a one-time lump sum payment equivalent to four percent (4%) of the individual employee's annual basic rate of pay. Employees who are less than full-time shall receive a prorated amount of this lump sum payment. Employees who become eligible for DCP movements during the period July 2, 2018 to June 30, 2019 shall move to the appropriate step on their DCP movement date.
3. **Effective April 1, 2019:** One and thirty-five one hundredths percent (1.35%) per month across-the-board salary adjustment to the salary schedule.
4. **Effective July 1, 2019:** Two percent (2%) per month across-the-board salary adjustment to the salary schedule.
5. **Effective July 1, 2020:** Two percent (2%) per month across-the-board salary adjustment 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					
	FY18	FY19**	FY20**	FY21**	TOTAL FY18-21
Wages*	\$342,055	\$1,570,414	\$2,320,592	\$2,871,340	\$7,104,400

* Includes wage-related fringe benefits.

** Includes rollover from previous year.

B. Employer-Union Health Benefits Trust Fund (EUTF)

- Effective July 1, 2017:** The Employer will pay specific dollar amounts for the PPO and HMO plans, which will increase the Employer’s contribution rates approximately 9% from the previous year. The Employer contribution shall be capped at 84.3% of the total premium. 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 other plans except the life insurance plan (for which the Employer will pay 100% of the premiums and fees).
- Effective July 1, 2018:** The Employer will pay specific dollar amounts for the PPO and HMO plans, which will increase the Employer’s contribution rates approximately 9% from the previous year. The Employer contribution shall be capped at 84.3% of the total premium. 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 other plans except the life insurance plan (for which the Employer will pay 100% of the premiums and fees).
- Fiscal years 2020 and 2021:** For fiscal years 2020 and 2021, the Employer and UPW have the option to reopen negotiations to determine the Employer’s contribution. If an Agreement covering period(s) beginning July 1, 2019 to June 30, 2021, is not executed by June 30, 2019; the Employer’s contribution to the Trust Fund shall be the same monthly contribution amounts paid in the plan year 2018-2019 for the Health Benefit Plan approved by the Trust Fund including monthly administrative fees.

The following chart summarizes the City’s estimated EUTF costs for the first 2 years of the 4-year contract period:

FY18	FY19	TOTAL FY18-19
\$111,512	\$253,021	\$364,533

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

RESOLUTION 17-219

Introduced: 08/11/17 By: RON MENOR – BY REQUEST Committee: BUDGET

Title: RESOLUTION APPROVING COST ITEMS FOR THE UNIT 10 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE EMPLOYER AND THE UNITED PUBLIC WORKERS FOR THE PERIOD FROM JULY 1, 2017 TO JUNE 30, 2021, FOR BU 10 EMPLOYEES.

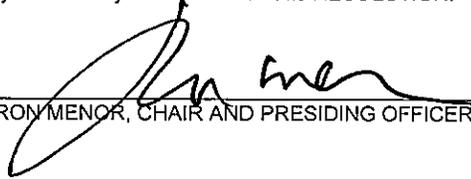
Voting Legend: * = Aye w/Reservations

08/23/17	BUDGET	CR-327 - RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.
09/06/17	COUNCIL	CR-327 AND RESOLUTION 17-219 WERE ADOPTED. 8 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, PINE. 1 ABSENT: OZAWA.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.



GLEN T. TAKAHASHI, CITY CLERK



RON MENOR, CHAIR AND PRESIDING OFFICER