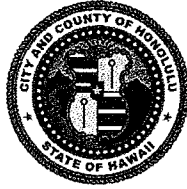


**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 • FAX: (808) 768-4242 • INTERNET: www.honolulu.gov



RICK BLANGIARDI
MAYOR

MICHAEL D. FORMBY
MANAGING DIRECTOR

KRISHNA F. JAYARAM
DEPUTY MANAGING DIRECTOR

April 26, 2022

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Cost Items – Hawaii Government Employees Association,
Bargaining Units 3, 4, and 13
(Included, Excluded, & Excluded Managerial)
July 1, 2021 – June 30, 2025

Pursuant to Section 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 settlements dated April 18, 2022, which were ratified on April 22, 2022, for Hawaii Government Employees Association (HGEA) Bargaining Units 3, 4, and 13. The respective collective bargaining agreements were originally effective July 1, 2021 to and including June 30, 2023. However, by mutual agreement the effective date is now July 1, 2021, to and including June 30, 2025.

According to Chapter 89, HRS, 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."

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
April 26, 2022
Page 2

Section 89C, HRS, also requires City 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."

Furthermore, in accordance with Chapter 89C-3(b)(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 proposed resolution for your favorable consideration and Exhibit A, which is a summary of the cost items for included, excluded, and excluded managerial employees of Bargaining Units 3, 4, and 13.

Should you have any questions, please contact Nola N. Miyasaki, Director of the Department of Human Resources, the City's representative for collective bargaining, at 768-8500.

Sincerely,

A handwritten signature in black ink that reads "Rick Blangiardi". The signature is fluid and cursive, with the first name "Rick" and last name "Blangiardi" clearly distinguishable.

Rick Blangiardi
Mayor

Attachments: Exhibit A (Report to City Council)
Proposed Resolution

cc: Department of Budget and Fiscal Services
(w/ Attachments)
Department of Human Resources
(w/ Attachments)



RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE HAWAII GOVERNMENT EMPLOYEES ASSOCIATION BARGAINING UNITS 3, 4, and 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 HRS Chapter 89, the Employer (State of Hawaii, Hawaii State Judiciary, Hawaii Health Systems Corporation, City and County of Honolulu, County of Maui, County of Kauai, and County of Hawaii) and the exclusive representative of Bargaining Units 3, 4, and 13 (Hawaii Government Employees Association) began negotiations on June 30, 2020, concerning successive collective bargaining agreements for the employees in the bargaining units; and

WHEREAS, the Employer and the Hawaii Government Employees Association reached an Agreement for Bargaining Unit 3 on April 20, 2021; and

WHEREAS, the Agreement was ratified by the Bargaining Unit 3 employees on April 23, 2021; and

WHEREAS, the Employer and the Hawaii Government Employees Association reached Agreements for Bargaining Units 4 and 13 on May 18, 2021; and

WHEREAS, the Agreements were ratified by the Bargaining Unit 4 and 13 employees on May 27, 2021; and

WHEREAS, the collective bargaining agreements made adjustments to a non-wage cost item and was effective for two (2) years, from July 1, 2021, to and including June 30, 2023; and

WHEREAS, the collective bargaining agreements allowed the parties to continue bargaining in good faith on the respective Articles on Salaries for Bargaining Units 3, 4 and 13, for the duration of the Agreements; and

WHEREAS, on April 18, 2022, the Employer and the Hawaii Government Employees Association reached agreements which made adjustments to the respective Articles on Salaries and other non-wage cost items and extended the duration of the Agreements until June 30, 2025; and



RESOLUTION

WHEREAS, on April 22, 2022, the Hawaii Government Employees Association ratified the agreements; and

WHEREAS, pursuant to HRS Section 89C-2(4), "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;" and

WHEREAS, for civil service managers excluded from Bargaining Unit 13, pursuant to Section 89C-3(b)(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;" and

WHEREAS, pursuant to HRS Section 89-10(b), 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 Bargaining Unit 3, 4, and 13 Collective Bargaining Agreements between the Employer and the Hawaii Government Employees Association, for the period from July 1, 2021, to and including June 30, 2025, for included, excluded, and excluded managerial employees of Bargaining Units 3, 4, and 13 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, and the Director of Human Resources.

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawaii

Councilmembers

**REPORT TO CITY COUNCIL
COLLECTIVE BARGAINING AGREEMENT FOR BARGAINING UNITS 3, 4, and 13
(HGEA)**

Background

On April 23, 2021, the Hawaii Government Employees Association (HGEA) ratified and approved the current agreement for Bargaining Unit 3 which became effective July 1, 2021, and was set to expire on June 30, 2023. On May 27, 2021, the Hawaii Government Employees Association (HGEA) ratified and approved the current agreements for Bargaining Units 4 and 13 which became effective July 1, 2021, and were set to expire on June 30, 2023. As contained in the agreements, however, the parties agreed to continue to bargain in good faith on respective Articles on Salaries for Bargaining Units 3, 4 and 13 for the duration of the agreements. On April 18, 2022, the parties tentatively agreed to new contracts. HGEA held statewide ratification voting from April 19 - 22, 2022. Ratification voting was completed and the Employers (State of Hawaii, Hawaii State Judiciary, Hawaii Health Systems Corporation, City and County of Honolulu, County of Maui, County of Kauai, and County of Hawaii) were notified of approval on April 22, 2022.

City Employees Covered by Settlement (as of April 15, 2022, including BWS)

Included and Excluded Employees

Bargaining Unit	Included Employees	Excluded Employees	TOTAL
03 – White Collar Non-supervisory	1439	179	1618
04 – White Collar Supervisors	123	2	125
13 – Professional and Scientific	1250	98	1348
TOTAL	2812	279	3091

Excluded Managerial Employees

In accordance with Chapter 89C-3(b)(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 13 – Excluded Managerial	163

Duration

The duration for the Bargaining Unit 3, 4, and 13 Collective Bargaining Agreements was extended from two (2) years to four (4) years, effective from July 1, 2021, to and including June 30, 2025.

Cost Items

A. Salaries – BU 03

1. **Effective retroactively to July 1, 2021:** A \$1,000 one-time lump sum payment for all employees who were employed in BU 03 as of June 30, 2021, and continue to be employed as of July 1, 2021. Employees who are less than full-time will receive a lump sum amount that is prorated by their FTE, e.g., employee whose FTE is 50 percent will get \$500 ($\$1,000 \times .50 = \500).
2. **Effective October 1, 2022:** 3.72% across-the-board increase.
3. **Effective July 1, 2023:** 5% across-the-board increase.
4. **Effective July 1, 2024:** 5% across-the-board increase.

B. Salaries, Uniforms, Meals – BU 04

1. **Effective retroactively to July 1, 2021:** 1% lump sum payment based on June 30, 2021 annual base for all employees who were employed in BU 04 as of June 30, 2021 and continue to be employed as of July 1, 2021.
2. **Effective July 1, 2022:** 3.72% across-the-board increase.
3. **Effective July 1, 2023:**
 - a. 4.96% across-the-board increase.
 - b. Uniforms – Increase in uniform maintenance allowance as follows:
 - i. Full uniform: \$20 to \$25
 - ii. Button shirt, trousers, or jacket only: \$10 to \$15
 - iii. T-shirt and/or shorts only: \$6 to \$10
 - c. Meals – Increase in meal compensation as follows:
 - i. Breakfast: \$6 to \$8
 - ii. Lunch: \$8 to \$10
 - iii. Dinner: \$10 to \$12
4. **Effective July 1, 2024:** 5% across-the-board increase.

C. Salaries – BU 13

1. **Effective retroactively to July 1, 2021:** 2% lump sum payment based on June 30, 2021 annual base pay for employees who were employed in BU 13 on Step M as of June 30, 2021 and continue to be employed as July 1, 2021.
2. **Effective July 1, 2022:**
 - a. Employees eligible for step movements during the period July 1, 2021 to June 30, 2022, shall receive their step movement effective July 1, 2022.
 - b. Continuation of step movement plan.
 - c. 2% across-the-board increase.
3. **Effective July 1, 2023:**
 - a. Continuation of step movement plan.
 - b. Employees on Step C move to Step D, delete Step C.
 - c. 4% across-the-board increase.
4. **Effective July 1, 2024:**
 - a. Continuation of step movement plan.
 - b. 3.59% across-the-board increase.

The following chart summarizes the City's estimated salary and other costs for the four-year contract period for Bargaining Units 3, 4, and 13 (included, excluded, and excluded managerial):

SALARY COSTS FOR BARGAINING UNIT 3*					
	FY 2022	FY 2023**	FY 2024**	FY 2025**	TOTAL
Without BWS					
Included Employees	\$1,606,725	\$2,371,398	\$7,786,478	\$12,656,124	\$24,420,725
Excluded Employees	\$132,582	\$214,195	\$643,045	\$1,045,203	\$2,035,025
TOTAL	\$1,739,307	\$2,585,593	\$8,429,523	\$13,701,327	\$26,455,750
With BWS					
Included Employees	\$1,780,694	\$2,629,582	\$8,688,136	\$14,121,677	\$27,220,089
Excluded Employees	\$144,787	\$233,130	\$705,491	\$1,146,704	\$2,230,112
TOTAL	\$1,925,481	\$2,862,712	\$9,393,627	\$15,268,381	\$29,450,201

SALARY AND OTHER COSTS FOR BARGAINING UNIT 4*					
	FY 2022	FY 2023**	FY 2024**	FY 2025**	TOTAL
Without BWS					
Included Employees	\$101,965	\$422,212	\$1,009,905	\$1,641,840	\$3,175,922
Excluded Employees	\$1,606	\$5,876	\$14,261	\$23,213	\$44,956
TOTAL	\$103,571	\$428,088	\$1,024,166	\$1,665,053	\$3,220,878
With BWS					
Included Employees	\$112,967	\$472,271	\$1,128,802	\$1,834,534	\$3,548,574
Excluded Employees	\$1,606	\$5,876	\$14,261	\$23,213	\$44,956
TOTAL	\$114,573	\$478,147	\$1,143,063	\$1,857,747	\$3,593,530

SALARY COSTS FOR BARGAINING UNIT 13 and EM*					
	FY 2022	FY 2023**	FY 2024**	FY 2025**	TOTAL
Without BWS					
Included Employees	\$534,799	\$3,836,237	\$9,420,238	\$14,912,751	\$28,704,025
Excluded Employees	\$434,500	\$1,060,707	\$2,594,556	\$4,086,164	\$8,175,927
TOTAL	\$969,299	\$4,896,944	\$12,014,794	\$18,998,915	\$36,879,952
With BWS					
Included Employees	\$606,179	\$4,302,663	\$10,635,524	\$16,834,542	\$32,378,908
Excluded Employees	\$491,144	\$1,194,109	\$2,938,483	\$4,621,451	\$9,245,187
TOTAL	\$1,097,323	\$5,496,772	\$13,574,007	\$21,455,993	\$41,624,095

* Includes wage-related fringe benefits.

** Includes rollover from previous year.

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

1. On June 2, 2021, the Council of the City and County of Honolulu adopted Resolution 21-109, which approved the EUTF cost items for Bargaining Unit 3 for 2021-2022 and 2022-2023. On June 30, 2021, the Council of the City and County of Honolulu adopted Resolution 21-138, which approved the EUTF cost items for Bargaining Units 4 and 13 for 2021-2022 and 2022-2023. The Parties agreed to meet on the Employer's EUTF contributions for plan years 2023-2024 and 2024-2025 by giving written notice to the other party of its intent to reopen discussions by January 31, 2023.