

OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR



MICHAEL D. FORMBY
MANAGING DIRECTOR

KRISHNA F. JAYARAM
DEPUTY MANAGING DIRECTOR

July 28, 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,
Included Employees in Bargaining Unit 15
July 1, 2021 – June 30, 2025

Pursuant to Section 89-11(g), Hawaii Revised Statutes (HRS), I am submitting for your action the cost items as contained in the final and binding arbitration award for Bargaining Unit 15 (Water Safety Officers) issued on July 22, 2022 and the ratified agreement regarding the Article on Hawaii Employer-Union Health Benefits Trust Fund (EUTF). The Collective Bargaining Agreement is effective from July 1, 2021, to and including June 30, 2025.

According to Chapter 89, HRS, cost items require City Council action. Section 89-11(g), HRS, provides that,

"All items requiring any moneys for implementation shall be subject to appropriations by the appropriate legislative bodies and the employer shall submit all such items within ten days after the date on which the agreement is entered into as provided herein, to the appropriate legislative bodies."

Attached is a proposed resolution for your favorable consideration and Exhibit A, which is a summary of the cost items for included employees of Bargaining Unit 15.

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
July 28, 2022
Page 2

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 written in a cursive, flowing style with a large initial "R".

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)

REPORT TO CITY COUNCIL COLLECTIVE BARGAINING AGREEMENT FOR BARGAINING UNIT 15 (HGEA)

Background

Act 031, Session Laws of Hawaii 2020 (Act 31) statutorily established Bargaining Unit (BU) 15 by amending Hawaii Revised Statutes Section 89-6 to add a new category for State and county water safety officers. Prior to Act 31, these water safety officers were included in BU 14. Pursuant to Act 31, the rights, benefits, and privileges currently enjoyed by State and county ocean safety and water safety officers shall be maintained under their existing collective bargaining agreement and any successor agreement until a collective bargaining agreement is negotiated for the new BU 15. The collective bargaining agreement for BU 14 expired on June 30, 2021. On June 30, 2021, Hawaii Government Employees Association and the Employers (State of Hawaii, City and County of Honolulu, County of Maui, County of Kauai, and County of Hawaii) entered into a Memorandum of Agreement to extend the terms of the BU 14 collective bargaining agreement from July 1, 2021 until such time that a BU 15 collective bargaining agreement is executed. The Hawaii Labor Relations Board declared impasse on February 1, 2021, and on November 1, 2021, Richard D. Fincher, J.D. was appointed as the neutral arbitrator and chairperson of the arbitration panel. Hearings were conducted in Honolulu, Hawaii from March 14, 2022, through March 18, 2022. A final and binding decision on the BU 15 interest arbitration was rendered on July 22, 2022. In addition, the parties reached an agreement regarding the Article on Hawaii Employer-Union Health Benefits Trust Fund which was ratified on July 27, 2022.

The City has 258 employees included in BU 15 (as of July 15, 2022) in the Honolulu Emergency Services Department, Ocean Safety Division.

Duration

The BU 15 collective bargaining agreement is effective from July 1, 2021, to and including June 30, 2025.

Cost Items

A. Salaries

1. Effective retroactively to July 1, 2021:

- a. No increase in the salary schedule.
- b. One percent (1%) lump sum payment based on June 30, 2021 annual base pay.
- c. Continuation of step movement plan.

2. **Effective July 1, 2022:**

- a. Three percent (3%) across-the-board increase to the salary schedule.
- b. Continuation of step movement plan.

3. **Effective July 1, 2023:**

- a. Four percent (4%) across-the-board increase to the salary schedule.
- b. Continuation of step movement plan.

4. **Effective July 1, 2024:**

- a. Four percent (4%) across-the-board increase to the salary schedule.
- b. Continuation of step movement plan.

The following chart summarizes the City's estimated salary costs for the four-year contract period for BU 15:

SALARY COSTS FOR BARGAINING UNIT 15*					
	FY 2022	FY 2023**	FY 2024**	FY 2025**	TOTAL
Included Employees	\$327,577	\$989,458	\$2,001,311	\$3,259,708	\$6,578,054

* Includes wage-related fringe benefits.

** Includes rollover from previous year.

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

- 1. **Effective August 1, 2022:** The Employer will pay specific dollar amounts for the PPO and HMO plans. These amounts will generally equate to 60 percent of the final premium rates of the HMSA 80-20 medical plan (with drug and chiropractic care) established by the Trust Fund Board subject to a cap of 84.3 percent of the total premium for each plan. The Employer will pay specific monthly contributions which are generally equivalent to 60 percent of the premium cost and 60 percent of the administrative fees for all other plans except the life insurance plan (for which the Employer shall pay 100 percent of the premiums and fees).

There was no increase to EUTF costs for FY22 for included employees in BU15. The City's estimated increase to EUTF costs for FY23 for included employees in BU15 is **\$95,788**.



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. _____

RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE HAWAII GOVERNMENT EMPLOYEES ASSOCIATION BARGAINING UNIT 15 (WATER SAFETY OFFICERS) INCLUDED 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

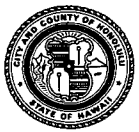
WHEREAS, pursuant to HRS Chapter 89, the Employer (State of Hawaii, City and County of Honolulu, County of Maui, County of Kauai, and County of Hawaii) and the exclusive representative of Bargaining Unit 15 (Hawaii Government Employees Association) began negotiations on September 30, 2020, concerning a collective bargaining agreement for the employees in the bargaining unit; and

WHEREAS, negotiation and mediation efforts were unsuccessful and an arbitrator appointed by the parties rendered an award on July 22, 2022; and

WHEREAS, the new collective bargaining agreement makes adjustments to wages and non-wage cost items and is effective from July 1, 2021, to and including June 30, 2025; and

WHEREAS, pursuant to HRS Section 89-11(g), 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 cost items for the Bargaining Unit 15 employees of the City and County of Honolulu, a summary of these cost items 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, the Director of Budget and Fiscal Services, and the Director of Human Resources.

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawaii

Councilmembers