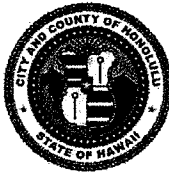


**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

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

August 1, 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 – State of Hawaii Organization of Police Officers,
Bargaining Unit 12
(Included, Excluded, & Excluded Managerial)
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 12 issued on July 26, 2022. The Collective Bargaining Agreement is effective from July 1, 2021, to 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."

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."

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
August 1, 2022
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Furthermore, in accordance with HRS Section 89C-3(b)(2), civil service managers excluded from Bargaining Unit 12 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 Bargaining Unit 12 included, civil service excluded, and civil service excluded managerial employees.

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 STATE OF HAWAII ORGANIZATION OF POLICE OFFICERS BARGAINING UNIT 12 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 12 (State of Hawaii Organization of Police Officers) began negotiations on January 29, 2021, 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 26, 2022; and

WHEREAS, for civil service employees excluded from Bargaining Unit 12, pursuant to Section 89C-2(4), 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;" and

WHEREAS, for civil service managers excluded from Bargaining Unit 12, 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, the new collective bargaining agreement makes adjustments to wages and other non-wage cost items and is effective from July 1, 2021, to June 30, 2025; and

WHEREAS, pursuant to Section 89-11(g), 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 cost items for the Bargaining Unit 12 included, civil service excluded, and civil service 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

**REPORT TO CITY COUNCIL
COLLECTIVE BARGAINING AGREEMENT FOR BARGAINING UNIT 12 (SHOPO)
INCLUDED, EXCLUDED, AND EXCLUDED MANAGERIAL**

Background

Negotiations with the State of Hawaii Organization of Police Officers (SHOPO) began on January 29, 2021. The collective bargaining agreement for BU 12 expired on June 30, 2021. On June 30, 2021, SHOPO and Employers (State of Hawaii, City and County of Honolulu, County of Kauai, County of Maui, and County of Hawaii) entered into a Memorandum of Agreement to extend the terms of the BU 12 collective bargaining agreement from July 1, 2021 and until a new agreement was approved and implemented. The Hawaii Labor Relations Board declared impasse on February 1, 2021, and on October 27, 2021, the parties selected Arbitrator Russell Higa, Esq. as the neutral arbitrator and chairperson of the arbitration panel. A hearing was conducted in Honolulu, Hawaii, on May 23, 2022. A final and binding decision on the Bargaining Unit 12 interest arbitration was rendered on July 26, 2022. In addition, the parties reached an agreement regarding the Article on Hawaii Employer-Union Health Benefits Trust Fund which was fully executed on July 26, 2022.

Positions Covered in the City and County of Honolulu (as of July 15, 2022)

Bargaining Unit	Included	Excluded	Excluded Managerial	Total
12 – Police Officers	1,825	33	49	1,907

Duration

The BU 12 Collective Bargaining Agreement is effective from July 1, 2021, to June 30, 2025.

Cost Items

A. Salaries

- 1. Effective retroactively to July 1, 2021:**
 - a. No increase in the salary schedule.
 - b. Continuation of step movement plan.
- 2. Effective July 1, 2022:**
 - a. Five percent (5%) across-the-board increase to the salary schedule.
 - b. Continuation of step movement plan.

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

- a. Five percent (5%) across-the-board increase to the salary schedule.
- b. Continuation of step movement plan.

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

- a. Five percent (5%) across-the-board increase to the salary schedule.
- b. Continuation of step movement plan.
- c. One-time lump sum bonus for employees on salary ranges from PO7 to PO15:

- Step A \$1,800.00
- Step B \$1,825.00
- Step C \$1,850.00
- Step D \$1,875.00
- Step L-1 \$1,900.00
- Step L-2 \$1,925.00
- Step L-3 \$1,950.00
- Step L-4 \$1,975.00
- Step L-5 \$2,000.00
- Step L-6 \$2,000.00

The following chart summarizes the City's estimated salary costs for the four-year contract period for Bargaining Unit 12:

SALARY COSTS FOR BARGAINING UNIT 12*					
	FY 2022	FY 2023**	FY 2024**	FY 2025**	TOTAL
Included Employees	\$1,914,372	\$20,213,417	\$40,521,786	\$66,710,237	\$129,359,812
Excluded/EM Employees	\$98,764	\$1,060,237	\$2,362,061	\$3,826,763	\$7,347,825
TOTAL	\$2,013,136	\$21,273,654	\$42,883,847	\$70,537,000	\$136,707,637

* 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

Exhibit A: Report to City Council (BU 12)

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, excluded and excluded managerial employees in BU 12. The City's estimated increase to EUTF costs for FY23 for included, excluded and excluded managerial employees in BU 12 is \$745,191.