

OFFICE OF THE MAYOR
KE KE'ENA O KA MEIA
CITY AND COUNTY OF HONOLULU
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RICK BLANGIARDI
MAYOR
MEIA



MICHAEL D. FORMBY
MANAGING DIRECTOR
PO'O HO'OKELE

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DEPUTY MANAGING DIRECTOR
HOPE PO'O HO'OKELE

April 29, 2025

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 - United Public Workers (UPW), AFSCME Local 646,
AFL-CIO Bargaining Units 1 and 10
July 1, 2025 - June 30, 2029

Pursuant to Section 89-10(b), Hawaii Revised Statutes (HRS), I am submitting for your action the cost items as contained in the contract agreements ratified on April 23, 2025, for United Public Workers (UPW) Bargaining Units 1 and 10.

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."

Attached is a proposed resolution for your favorable consideration and Exhibit A, which summarizes the cost items for employees in Bargaining Units 1 and 10.

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
April 29, 2025
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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 (808) 768-8500.

Sincerely,



Rick Blangiardi
Mayor

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

cc: Department of Budget and Fiscal Services
Department of Human Resources



RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU IN BARGAINING UNITS 1 AND 10 (UNITED PUBLIC WORKERS, AFSCME Local 464, AFL-CIO).

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

WHEREAS, pursuant to HRS Chapter 89, the Employer (State of Hawai'i, Hawai'i State Judiciary, Hawai'i Health Systems Corporation, City and County of Honolulu, County of Maui, County of Kauai, and County of Hawai'i) and the exclusive representative of Bargaining Unit 1 and Bargaining Unit 10 (United Public Workers) began negotiations on July 1, 2024, concerning successive collective bargaining agreements for the employees in the bargaining units; and

WHEREAS, the Employer and the United Public Workers reached agreements; and

WHEREAS, the Agreements were ratified by the Bargaining Units 1 and 10 employees on April 23, 2025; and

WHEREAS, the new collective bargaining agreements make adjustments to wage and non-wage cost items and are effective for four (4) years, from July 1, 2025, to and including June 30, 2029; 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 wage and non-wage cost items for the Unit 1 and Unit 10 Collective Bargaining Agreements between the Employer and the United Public Workers, for the period from July 1, 2025, to and including June 30, 2029, for employees in Bargaining Units 1 and 10 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, the Director of Human Resources, and the United Public Workers.

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawaii

Councilmembers

**REPORT TO CITY COUNCIL
COLLECTIVE BARGAINING AGREEMENTS FOR BARGAINING UNITS 1 & 10
(UPW)**

Background

The collective bargaining agreements for Bargaining Units (BU) 1 and 10 with the United Public Workers (UPW) expire on June 30, 2025. Negotiations for the successor agreements began on July 1, 2024, and continued until April 9, 2025, when the parties tentatively agreed to new contracts. UPW held statewide ratification meetings on April 14, 15, 16, 17 and 21, 2025. Ratification voting for BU 1 and 10 was completed, and the Employers (State of Hawai'i, Hawai'i State Judiciary, Hawai'i Health Systems Corporation, City and County of Honolulu, County of Maui, County of Kaua'i, and County of Hawai'i) were notified of approval on April 23, 2025.

City Employees Covered by Agreements (as of April 14, 2025)

Bargaining Unit	Without Board of Water Supply		With Board of Water Supply	
	Included	Excluded	Included	Excluded
1	1,781	1	1,981	1

Bargaining Unit	Included Employees	Excluded Employees
10	297	0

Duration

The BU 1 and 10 Collective Bargaining Agreements are for a duration of four (4) years, effective from July 1, 2025, to June 30, 2029. However, there is reopener language specific to the Employers' Hawai'i Employer-Union Health Benefits Trust Fund (EUTF) contributions for the plan years 2027-2028 and 2028-2029, allowing either party to give written notice of its intent to reopen negotiations by January 31, 2027.

Cost Items

A. Wages

1. Effective July 1, 2025: 3.5% monthly across-the-board salary increase
2. Effective July 1, 2026: 3.79% monthly across-the-board salary increase
3. Effective July 1, 2027: 4% monthly across-the-board salary increase

4. Effective July 1, 2028: 4% per month across-the-board salary increase

The BU 1 Salary Costs Table below summarizes the City's estimated salary costs for the four-year contract period both without and including the Board of Water Supply (BWS):

SALARY COSTS FOR BARGAINING UNIT 1*					
	FY26	FY27**	FY28**	FY29**	Total FY26-29
Without BWS					
Included Employees	\$5,465,123	\$11,827,911	\$18,512,053	\$25,770,075	\$61,575,162
Excluded Employees	\$1,094	\$2,367	\$3,705	\$5,158	\$12,324
TOTAL	\$5,466,217	\$11,830,278	\$18,515,758	\$25,775,233	\$61,587,486
With BWS					
Included Employees	\$6,157,619	\$13,326,649	\$20,857,751	\$29,035,451	\$69,377,470
Excluded Employees	\$1,094	\$2,367	\$3,705	\$5,158	\$12,324
TOTAL	\$6,158,713	\$13,329,016	\$20,861,456	\$29,040,609	\$69,389,794

* Includes wage-related fringe benefits.

**Includes rollover from previous year

The BU10 Salary Costs Table below summarizes the City's estimated salary costs for the four-year contract period:

SALARY COSTS FOR BARGAINING UNIT 10*					
	FY26	FY27**	FY28**	FY29**	Total FY26-29
Included Employees	\$1,385,929	\$2,999,501	\$4,680,322	\$6,515,336	\$15,581,088

* Includes wage-related fringe benefits.

**Includes rollover from previous year

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

- Effective July 1, 2025: The Employer will pay set dollar amounts for the PPO and HMO plans. These amounts 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 90 percent of the total premium for each plan. The Employer will pay set 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).
- Effective July 1, 2026: 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 90 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).

The following Table summarizes the City's estimated increase to EUTF costs for the first two years of the contract period for Bargaining Unit 1:

FY26	FY27	TOTAL FY26-27
\$1,474,309	\$3,111,750	\$4,586,059

The following Table summarizes the City's estimated increase to EUTF costs for the first two years of the contract period for Bargaining Unit 10:

FY26	FY27	TOTAL FY26-27
\$211,829	\$442,477	\$654,306

C. Meal Allowance and Travel

- Effective July 1, 2025 & July 1, 2026: The collective bargaining agreements also amend Section 34, Meal Allowance, and Section 44, Travel, by increasing the amounts paid for meals and changing travel reimbursements to use the federal reimbursement allowances. However, these items do not have specific costs associated with them and are presumed to be absorbed by departments' operating budgets.