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OFFICE OF THE MAYOR
KE KE'ENA O KA MEIA
CITY AND COUNTY OF HONOLULU
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RICK BLANGIARDI
MAYOR
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MICHAEL D. FORMBY
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PO'O HO'OKELE

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DEPUTY MANAGING DIRECTOR
HOPE PO'O HO'OKELE

October 1, 2025

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

Dear Chair Waters and Councilmembers:

SUBJECT: Cost Items – State of Hawai'i Organization of Police Officers
Bargaining Unit 12
(Included, Excluded, and Excluded Managerial)
July 1, 2025 – June 30, 2029

Pursuant to Section 89-11(g), Hawai'i 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 September 24, 2025. The Collective Bargaining Agreement is effective from July 1, 2025, through June 30, 2029.

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."*

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 (808) 768-8500.

Sincerely,

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)

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. _____

RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE STATE OF HAWAIʻI ORGANIZATION OF POLICE OFFICERS BARGAINING UNIT 12 INCLUDED, EXCLUDED, AND EXCLUDED MANAGERIAL EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU.

WHEREAS, Chapter 89, Hawai'i 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 Hawai'i Organization of Police Officers) began negotiations on June 28, 2024, 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 September 24, 2025; 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, 2025, to June 30, 2029; 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, HAWAIʻI

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, Hawaiʻi Councilmembers

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

Background

Negotiations with the State of Hawai'i Organization of Police Officers (SHOPO) began on June 28, 2024. The collective bargaining agreement for Bargaining Unit (BU) 12 expired on June 30, 2025. On June 30, 2025, SHOPO and Employers (State of Hawaii, City and County of Honolulu, County of Kaua'i, County of Maui, and County of Hawai'i) entered into a Memorandum of Agreement to extend the terms of the BU 12 collective bargaining agreement from July 1, 2025 and until a new agreement was approved and implemented. The Hawai'i Labor Relations Board declared impasse on October 24, 2024 and on January 10, 2025, the parties selected Arbitrator Russell Higa, Esq. as the neutral arbitrator and chairperson of the arbitration panel. On February 18, 2025 and March 24, 2025, the parties participated in mediation sessions in efforts to resolve all remaining outstanding issues, but were unsuccessful. A hearing was conducted via video conference call on May 9, 2025. Subsequent hearings were held in Honolulu, Hawai'i, on June 30, July 1, and July 2, 2025. A final and binding decision on the BU 12 interest arbitration was rendered on September 24, 2025. In addition, the parties reached an agreement regarding the Article on Hawai'i Employer-Union Health Benefits Trust Fund (EUTF).

Positions Covered in the City and County of Honolulu (as of September 24, 2025)

Bargaining Unit	Included	Excluded	Excluded Managerial	Total
12 – Police Officers	1,765	35	41	1,841

Duration

The BU 12 Collective Bargaining Agreement is effective from July 1, 2025 through June 30, 2029. However, there is reopener language specific to the Employers' contributions to the EUTF for the plan years 2027 – 2028 and 2028 – 2029, allowing either party to give written notice of its intent to reopen EUTF negotiations by January 31, 2027.

Cost Items

A. Salaries

1. **Effective retroactively to July 1, 2025:**

   a. Five percent (5%) across-the-board increase to the salary schedule

   b. Continuation of step movement plan.

2. **Effective July 1, 2026:**

   a. Five percent (5%) across-the-board increase to the salary schedule.

   b. Continuation of step movement plan.

   c. One-time lump sum retention bonus of one-thousand eight hundred dollars ($1,800) for employees on salary ranges from PO7 to PO15.

3. **Effective July 1, 2027:**

   a. Five percent (5%) across-the-board increase to the salary schedule.

   b. Continuation of step movement plan.

4. **Effective July, 1, 2028:**

   a. Five percent (5%) 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 12:

SALARY COSTS FOR BARGAINING UNIT 12*					
	FY 2026	**FY 2027****	**FY 2028****	**FY 2029****	**TOTAL**
Included Employees	$17,717,130	$43,269,172	$61,847,306	$86,025,929	**$208,859,537**
Excluded/EM Employees	$972,710	$2,381,367	$3,727,620	$5,223,739	**$12,305,436**
TOTAL	$18,689,840	$45,650,539	$65,574,926	$91,249,668	**$221,164,973**

* Includes wage-related fringe benefits.
** Includes rollover from previous year.

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

1. **Effective July 1, 2025**: The Employer will pay specific dollar amounts for the PPO and HMO plans. These amounts will generally equate to sixty percent (60%) 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% of the total premium for each plan. The Employer will pay specific monthly contributions which are generally equivalent to sixty percent (60%) of the premium cost and sixty percent (60%) of the administrative fees for all other plans except the life insurance plan (for which the Employer shall pay one hundred percent (100%) of the premiums and fees).

2. **Effective July 1, 2026**: The Employer will pay specific dollar amounts for the PPO and HMO plans. These amounts will generally equate to sixty percent (60%) 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% of the total premium for each plan. The Employer will pay specific monthly contributions which are generally equivalent to sixty percent (60%) of the premium cost and sixty percent (60%) of the administrative fees for all other plans except the life insurance plan (for which the Employer shall pay one hundred percent (100%) of the premiums and fees).

The following chart summarizes the City's estimated EUTF costs for the first two years of the contract period:

FY26	FY27	Total FY26-27
$1,640,375	$3,565,637	$5,206,012