

REQUEST FOR LEGAL SERVICES

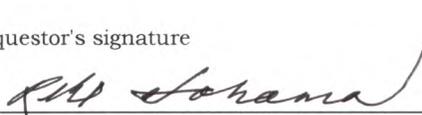
Date: September 18, 2017
From: Riki Hokama, Chair
Budget and Finance Committee

TRANSMITTAL
Memo to: DEPARTMENT OF THE CORPORATION COUNSEL
Attention: Gary Y. Murai, Esq.

Subject: Contract Negotiations and Cost Item Proposals (United Public Workers, Bargaining Unit 1) (BF-6(2))

Background Data: Revise proposed resolution approving cost items for Bargaining Unit 1, as indicated on the attached marked-up copy. Please provide an original hard copy of the resolution.

Work Requested: FOR APPROVAL AS TO FORM AND LEGALITY
 OTHER:

Requestor's signature  Riki Hokama, Committee Chair	Contact Person <u>Michele Yoshimura</u> (Telephone Extension: <u>7663</u>)
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ROUTINE (WITHIN 15 WORKING DAYS) RUSH (WITHIN 5 WORKING DAYS)
 PRIORITY (WITHIN 10 WORKING DAYS) URGENT (WITHIN 3 WORKING DAYS)

SPECIFY DUE DATE (IF IMPOSED BY SPECIFIC CIRCUMSTANCES): Thursday, September 21, 2017
REASON: For posting on Wednesday, September 27, 2017 for Budget and Finance Committee meeting on Tuesday, October 3, 2017.

FOR CORPORATION COUNSEL'S RESPONSE

ASSIGNED TO:	ASSIGNMENT NO.	BY:
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TO REQUESTOR: APPROVED DISAPPROVED OTHER (SEE COMMENTS BELOW)
 RETURNING--PLEASE EXPAND AND PROVIDE DETAILS REGARDING ITEMS AS NOTED

COMMENTS (NOTE - THIS SECTION NOT TO BE USED FOR LEGAL ADVICE): _____

DEPARTMENT OF THE CORPORATION COUNSEL

Date _____

By _____

(Rev. 7/03)

bf.ltr:006(2)acc02:mmy

Attachment

Resolution

No. _____

APPROVING COST ITEMS FOR BARGAINING UNIT 1, NON-SUPERVISORY BLUE COLLAR EMPLOYEES

WHEREAS, the Mayor, by letter dated August 22, 2017 to ~~Council~~ ^{the Honorable}
~~Chair~~ ^{Chair,} Mike White, and members of the Maui County Council, ~~which is~~
~~incorporated herein by reference, has~~ submitted cost items pursuant to the
~~August 14, 2017 notice of ratification by~~ ^{for} Non-Supervisory Blue Collar
Employees included within Bargaining Unit 1, represented by the United
Public Workers, ^{pursuant to the August 24, 2017, notice of ratification of the} and
^{collective bargaining agreement; and}

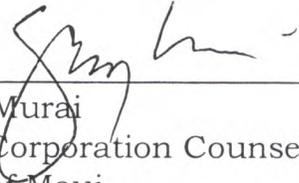
WHEREAS, pursuant to Section 89-10, Hawaii Revised Statutes,
Council approval is required prior to payment of said cost items; ^{and} ~~now,~~
^{WHEREAS, a Summary of Cost Items is attached hereto}
~~therefore,~~ ^{and incorporated herein, by reference as "Exhibit "1"; now, therefore,}
BE IT RESOLVED by the Council of the County of Maui:

1. That it does hereby approve of the cost items as specified in ~~the~~
^{Exhibit "1"} ~~above-referenced County Communication; and~~

Resolution No. _____

2. That certified copies of this resolution be transmitted to the Mayor, the Director of Personnel Services, *the Budget Director,* and the Director of Finance.

APPROVED AS TO FORM AND LEGALITY:



Gary Y. Murai
Deputy Corporation Counsel
County of Maui

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COUNTY OF MAUI
UNIT 01 (INCLUDED)
SUMMARY OF COST ITEMS
FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21

1. Salaries

Summary includes the following increases:

A. Effective November 1, 2017:

A one-time lump sum payment of one thousand dollars (\$1,000) for Employees who were employed as of October 31, 2017. Employees who are less than full-time shall receive a prorated amount.

B. Effective June 1, 2018:

3.2% across the board salary increase, including employees not assigned to the salary schedule.

C. Effective November 1, 2018:

A one-time lump sum payment of one thousand dollars (\$1,000) for Employees who were employed as of October 31, 2018. Employees who are less than full-time shall receive a prorated amount.

D. Effective May 1, 2019:

3.45% across the board salary increase, including employees not assigned to the salary schedule.

E. Effective July 1, 2019:

2.0% across the board salary increase, including employees not assigned to the salary schedule.

F. Effective July 1, 2020:

2.0% across the board salary increase, including employees not assigned to the salary schedule.

EXHIBIT "1"

Wage costs include fringe benefit costs representing expenses which automatically increase when base salaries increase (e.g., premium pay, overtime, Medicare, unemployment compensation, and leave benefits). All subsequent year costs include the roll-over cost from previous years.

Additional Cost <u>FY 2018</u> \$ 846,807	Additional Cost <u>FY 2019</u> \$ 2,224,282
Additional Cost <u>FY 2020</u> \$ 3,514,809	Additional Cost <u>FY 2021</u> \$ 4,446,671

2. Hawaii Employer-Union Health Benefits Trust Fund

The following costs assume the employer will continue to pay the same percentage of health benefit premiums as it currently pays. This is approximately 60% of the premium amount, plus administrative fees, with the employee paying the balance. Increase in costs in subsequent years is due to anticipated increases in premium amounts.

Additional Cost <u>FY 2018</u> \$ 170,547	Additional Cost <u>FY 2019</u> \$ 543,835
Additional Cost <u>FY 2020*</u> \$ 543,835	Additional Cost <u>FY 2021*</u> \$ 543,835

*For FY 2020 and FY 2021 have not been negotiated at this time, as premium rate increases are unknown.

TOTAL ADDITIONAL COST:

FY 2018	<u>\$ 1,017,354</u>	FY 2019	<u>\$2,768,117</u>
FY 2020	<u>\$4,058,644</u>	FY 2021	<u>\$4,990,506</u>