

# REQUEST FOR LEGAL SERVICES

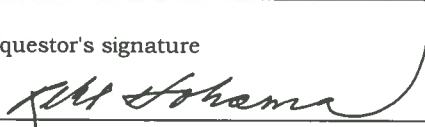
**Date:** January 3, 2018  
**From:** Riki Hokama, Chair  
Budget and Finance Committee

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

**Subject:** Contract Negotiations and Cost Item Proposals (Cost Item Proposals)  
(Bargaining Unit 12, State of Hawaii Organization of Police Officers) (BF-6(2))

**Background Data:** 1) Revise proposed resolutions approving cost items for Bargaining Unit 12, included and excluded employees, as indicated on the attached marked-up copies. Please provide an original hard copy of the resolutions and exhibits. 2) See comments and questions on the Summary of Cost Items for Unit 12 (Excluded), as indicated on the attached marked-up copies. Revise the Summary of Cost Items as appropriate.

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

Requestor's signature  Riki Hokama	Contact Person Michele Yoshimura (Telephone Extension: 7663)
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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): \_\_\_\_\_  
REASON: \_\_\_\_\_

## 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 \_\_\_\_\_

# Resolution

No. \_\_\_\_\_

APPROVING COST ITEMS FOR BARGAINING UNIT 12,  
~~INCLUDED AND EXCLUDED EMPLOYEES~~ *POLICE OFFICERS*

*the Mayor,*

WHEREAS, *1* by correspondence dated November 15, 2017 to the Honorable Mike White, Chair, and Members of the Maui County Council, *a four-year contract for Police Officers represented by* submitted cost items for *1* Bargaining Unit 12, ~~Employees, Included and Excluded, represented by the~~ State of Hawaii Organization of Police Officers, pursuant to an arbitration ~~award~~ *decision* dated November 7, 2017; and

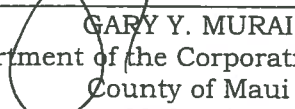
WHEREAS, pursuant to Section 89-10<sup>11</sup>, Hawaii Revised Statutes, *the November 7, 2017 arbitration decision and award shall be final and binding upon* Council approval is required prior to payment of said cost items; and *the parties, all items requiring any moneys for implementation shall be subject to*

WHEREAS, a Summary of Cost Items is attached hereto ~~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 Exhibit "1"; and
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  
Department of the Corporation Counsel  
County of Maui  
2017-1390

2017-11-07 Resolution for BU-12

*appropriation by the appropriate legislative body, and the employer shall submit all such items within ten days after the date on which the agreement is entered into and*

COUNTY OF MAUI  
UNIT 12 (INCLUDED)  
SUMMARY OF COST ITEMS  
FY 2017-18, FY 2018-19, FY 2019-2020, FY 2020-2021

**1. Salaries**

Summary includes the following increases:

*A. Effective July 1, 2017:*

- 1) Across-the-board increase of 2.0%.
- 2) Service step movements: All employees who complete the cumulative years of service required for the next higher step in the pay range as provided in the pertinent compensation adjustment provisions shall move to such step on the employee's police service anniversary date.

*B. Effective July 1, 2018:*

- 1) Across-the-board increase of 2.25%.
- 2) Service step movements: All employees who complete the cumulative years of service required for the next higher step in the pay range as provided in the pertinent compensation adjustment provisions shall move to such step on the employee's police service anniversary date.

*C. Effective July 1, 2019:*

- 1) Across-the-board increase of 2.0%.
- 2) Service step movements: All employees who complete the cumulative years of service required for the next higher step in the pay range as provided in the pertinent compensation adjustment provisions shall move to such step on the employee's police service anniversary date.

*D. Effective July 1, 2020:*

- 1) Across-the-board increase of 2.0%.
- 2) Service step movements: All employees who complete the cumulative years of service required for the next higher step in the pay range as provided in the pertinent compensation adjustment provisions shall move to such step on the employee's police service anniversary date.

*E. Effective June 30, 2021 at 11:59:59 p.m.*

A new step L-6 step shall be established and implemented for bargaining unit 12 employees who have accrued twenty-eight (28) or more years of service credit in accordance with the current step movement plan.

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 includes the roll-over cost from previous years.

Additional Cost <u>FY 2018</u> \$ 1,077,682	Additional Cost <u>FY 2019</u> \$ 2,716,232
Additional Cost <u>FY 2020</u> \$ 4,447,200	Additional Cost <u>FY 2021</u> \$ 6,252,703

**2. Lump Sum Bonus**

*A. Effective July 1, 2019:*

Bargaining unit 12 employees on salary ranges PO 7 to PO 15 on the following steps shall receive a one-time lump sum bonus as follows:

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

*B. Effective July 1, 2020:*

- 1) Bargaining unit 12 employees on salary ranges PO 7 to PO 15 on the following steps shall receive a one-time lump sum bonus as follows:

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

- 2) Bargaining unit 12 employees on step L-5 with twenty-eight (28) or more years of service credit accrued on or before July 1, 2020, shall receive a one-time lump sum bonus of \$500.00.

Additional Cost
<u>FY 2020</u>
\$ 824,116

Additional Cost
<u>FY 2021</u>
\$ 874,679

**3. Firearm Maintenance Allowance**

*A. Effective July 1, 2017:*

Effective July 1, 2017, the Employer shall provide to bargaining unit 12 employees authorized to carry a firearm as a condition of employment on a 24-hour basis a sum of \$1,000.00 per fiscal year for the proper care and maintenance of weapons and accessory personal safety equipment related to their employment issued by the Employer, and for the purchase, care and maintenance of supplemental weapons, including ammunition approved by the Employer.

Additional Cost
<u>FY 2018</u>
\$ 173,000

Additional Cost
<u>FY 2019</u>
\$ 173,000

Additional Cost
<u>FY 2020</u>
\$ 173,000

Additional Cost
<u>FY 2021</u>
\$ 173,000

**4. 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  
FY 2018  
\$ 135,606

Additional Cost  
FY 2019  
\$ 396,672

Additional Cost  
FY 2020\*  
\$ 396,672

Additional Cost  
FY 2021\*  
\$ 396,672

\*Premium rates for FY 2020 and FY 2021 have not been negotiated at this time so premium rate increases are unknown.

**TOTAL ADDITIONAL COST:**

**FY 2018 \$1,386,288**

**FY 2019 \$3,285,904**

**FY 2020 \$5,840,988**

**FY 2021 \$7,697,054**

# Resolution

No. \_\_\_\_\_

APPROVING COST ITEMS FOR, <sup>EMPLOYEES EXCLUDED FROM</sup> BARGAINING UNIT 12,  
~~INCLUDED AND EXCLUDED EMPLOYEES~~ <sup>POLICE OFFICERS</sup>

WHEREAS, <sup>the Mayor,</sup> by correspondence dated November 15, 2017 to the Honorable Mike White, Chair, and Members of the Maui County Council, <sup>Police Officers excluded from</sup> submitted cost items for, ~~Bargaining Unit 12, Employees, Included and Excluded,~~ represented by the State of Hawaii Organization of Police Officers, ~~pursuant to an arbitration award dated November 7, 2017;~~ and

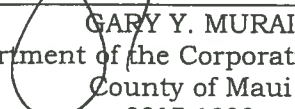
WHEREAS, pursuant to Section <sup>89C-5</sup> ~~89-10~~, Hawaii Revised Statutes, <sup>and the November 7, 2017 arbitration decision regarding Bargaining Unit 12 employees,</sup> ~~Council approval is required prior to payment of said cost items; and~~ <sup>all items requiring any moneys for implementation shall be subject to appropriation by the</sup>

WHEREAS, a Summary of Cost Items is attached hereto ~~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 Exhibit "1"; and
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  
Department of the Corporation Counsel  
County of Maui  
2017-1390

2017-11-07 Resolution for BU-12

<sup>appropriate legislative body; and,</sup>



COUNTY OF MAUI  
UNIT 12 (EXCLUDED)  
SUMMARY OF COST ITEMS  
FY 2017-18, FY 2018-19, FY 2019-2020, FY 2020-2021

1. **Salaries**

~~In accordance with Hawaii Revised Statutes Section 89C-3, salary adjustments provided herein shall be at least equal to the compensation and benefit packages provided under collective bargaining agreements.~~ *Include summary of increases as indicated in items 1A through 1D on the summary of cost items for included employees.*  
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>	Additional Cost <u>FY 2019</u>	Additional Cost <u>FY 2020</u>	Additional Cost <u>FY 2021</u>
\$ 71,502	\$ 188,369	\$ 298,802	\$ 411,883

2. **Lump Sum Bonus** *- Provide breakdown and effective dates.*

Additional Cost <u>FY 2020</u>	Additional Cost <u>FY 2021</u>	<i>See item "2" on the Summary of cost items for included employees -</i>
\$ 43,675	\$ 52,386	

3. **Firearm Maintenance Allowance** *Provide effective date and should the paragraph in item "3A" be included to explain the condition?*

Additional Cost <u>FY 2018</u>	Additional Cost <u>FY 2019</u>	Additional Cost <u>FY 2020</u>	Additional Cost <u>FY 2021</u>
\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000

← 4. **Hawaii Employer-Union Health Benefits Trust Fund**

By law, the employer's contributions to the Employer-Union Trust Fund (EUTF) are not subject to arbitration, and are thus negotiated separately. Under that separate agreement, the employers will continue to pay the same percentage of health benefit premiums as they currently pay. (This is approximately 60% of the premium amount, plus administrative fees, with the employee paying the balance.) Due to the tracking method utilized in coding employees in the EUTF system, we are not able to include cost figures for this item.

*How was the cost item calculated for included employees?*

← **TOTAL ADDITIONAL COST:**

FY 2018	<u>\$ 79,502</u>	FY 2019	<u>\$ 196,369</u>
FY 2020	<u>\$ 350,477</u>	FY 2021	<u>\$ 472,269</u>