

COUNCIL OF THE COUNTY OF MAUI

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE

January 24, 2020

**Committee
Report No.** _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Economic Development and Budget Committee, having met on January 9, 2020, makes reference to the following:

1. County Communication 19-441, from the Mayor, transmitting a proposed resolution entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 13, INCLUDED EMPLOYEES," along with a summary of cost items.

The purpose of the proposed resolution is to approve cost items for professional and scientific employees included within Bargaining Unit ("BU") 13, represented by Hawaii Government Employees Association ("HGEA"), for Fiscal Years ("FY") 2020 and 2021.

2. County Communication 19-442, from the Mayor, transmitting a proposed resolution entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 13, EXCLUDED EMPLOYEES," along with a summary of cost items.

The purpose of the proposed resolution to approve cost items for professional and scientific employees excluded from BU 13, represented by HGEA, for FY 2020 and 2021.

3. County Communication 19-443, from the Mayor, transmitting a proposed resolution entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 02, SUPERVISORY, BLUE COLLAR EMPLOYEES."

COUNCIL OF THE COUNTY OF MAUI
ECONOMIC DEVELOPMENT AND
BUDGET COMMITTEE

Page 2

Committee
Report No. _____

The purpose of the proposed resolution is to approve cost items for supervisory, blue-collar employees included within BU 02, represented by HGEA, for FY 2020 and 2021.

By three separate correspondences dated November 26, 2019, the Budget Director transmitted revised resolutions specifying that BU 13 and BU 02, respectively, are represented by HGEA.

At the request of the Chair of your Committee, the Department of the Corporation Counsel transmitted further revised proposed resolutions entitled:

1. "APPROVING COST ITEMS FOR BARGAINING UNIT 13, INCLUDED PROFESSIONAL AND SCIENTIFIC EMPLOYEES," approved as to form and legality, incorporating the appropriate summary of cost items as Exhibit "1," and nonsubstantive revisions.
2. "APPROVING COST ITEMS FOR BARGAINING UNIT 13, EXCLUDED PROFESSIONAL AND SCIENTIFIC EMPLOYEES," approved as to form and legality, incorporating the appropriate summary of cost items as Exhibit "1," and nonsubstantive revisions.
3. "APPROVING COST ITEMS FOR BARGAINING UNIT 02, SUPERVISORY, BLUE-COLLAR EMPLOYEES," approved as to form and legality, incorporating the appropriate summary of cost items as Exhibit "1," and nonsubstantive revisions.

Your Committee notes in accordance with Sections 89C-5 and 89-11(g), Hawaii Revised Statutes ("HRS"), cost items are subject to appropriation by the legislative branch. The decision of the arbitration panel shall be final and binding upon all parties. In the County of Maui, the executive branch is the employer and the Council is the legislative branch. Section 89-10(b), HRS, requires the employer to notify the

COUNCIL OF THE COUNTY OF MAUI
ECONOMIC DEVELOPMENT AND
BUDGET COMMITTEE

Page 3

Committee
Report No. _____

legislative branch of all cost items within ten days of the date on which an agreement is ratified by its employees. Further, if the State Legislature or the legislative body of any county rejects any of the cost items submitted, all cost items shall be returned to the employer and employee representatives for further bargaining.

Your Committee notes the "Summary of Cost Items" attached to each revised proposed resolution outlines additional costs required in categories such as salaries and health benefit premiums.

Your Committee further notes the total additional costs for FY 2020 for BU 13 and 02 are as follows:

- Professional and Scientific Employees included in BU 13, \$789,531;
- Professional and Scientific Employees excluded from BU 13, \$377,297; and
- Supervisory, Blue-Collar Employees in BU 02, \$111,059.

The Director of Personnel Services said the cost items will affect 43 employees in BU 02, and over 400 employees in BU 13. Thus, the Council must approve or reject the cost items.

The Director explained the cost items for BU 13 include a lump sum payment in lieu of a step movement for certain non-civil service employees not assigned to a salary schedule. These employees are funded with a federal grant, and the lump sum payment will be paid through the same grant.

Your Committee noted the BU 02 cost items include a change from a three-step salary schedule to a single-step salary schedule. The Director said the change will help to avoid the compression of salaries between BU 02 employees and the employees they oversee.

COUNCIL OF THE COUNTY OF MAUI
**ECONOMIC DEVELOPMENT AND
BUDGET COMMITTEE**

Page 4

**Committee
Report No. _____**

Your Committee voted 9-0 to recommend adoption of the further revised proposed resolutions and filing of the communications. Committee Chair Rawlins-Fernandez, Vice-Chair King, and members Hokama, Kama, Lee, Molina, Paltin, Sinenci, and Sugimura voted "aye."

Your Economic Development and Budget Committee RECOMMENDS the following:

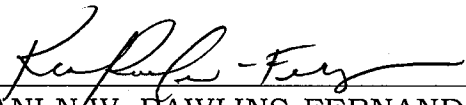
1. That Resolution _____, as revised herein and attached hereto, entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 13, INCLUDED PROFESSIONAL AND SCIENTIFIC EMPLOYEES," be ADOPTED;
2. That Resolution _____, as revised herein and attached hereto, entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 13, EXCLUDED PROFESSIONAL AND SCIENTIFIC EMPLOYEES," be ADOPTED;
3. That Resolution _____, as revised herein and attached hereto, entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 02, SUPERVISORY, BLUE-COLLAR EMPLOYEES," be ADOPTED;
4. That County Communication 19-441 be FILED;
5. That County Communication 19-442 be FILED; and
6. That County Communication 19-443 be FILED.

COUNCIL OF THE COUNTY OF MAUI
**ECONOMIC DEVELOPMENT AND
BUDGET COMMITTEE**

Page 5

**Committee
Report No.** _____

This report is submitted in accordance with Rule 8 of the Rules of the Council.



KEANI N.W. RAWLINS-FERNANDEZ, Chair

edb:cr:20006(1), 006(2), and 006(3)aa:jgk



Resolution

No. _____

APPROVING COST ITEMS FOR BARGAINING UNIT 13, INCLUDED PROFESSIONAL AND SCIENTIFIC EMPLOYEES

WHEREAS, by correspondence dated October 21, 2019, the Mayor submitted cost items for professional and scientific employees included within Bargaining Unit 13, which is represented by the Hawaii Government Employees Association, for Fiscal Years 2019-2020 and 2020-2021; and

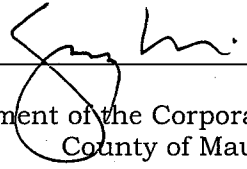
WHEREAS, in accordance with Section 89-10, Hawaii Revised Statutes, Council approval is required prior to payment of the cost items; and

WHEREAS, a Summary of Cost Items is attached as Exhibit "1"; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it approves 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



Department of the Corporation Counsel
County of Maui

edb:misc:006(1)areso01:jgk

COUNTY OF MAUI
UNIT 13 (INCLUDED)
SUMMARY OF COST ITEMS
FY 2019-20, FY 2020-21

1. Salaries

Summary includes the following increases:

A. Effective July 1, 2019:

- 1) 2.15% across-the-board increase, including employees not assigned to the salary schedule.
- 2) Employees who become eligible for step movements shall receive their step movements on their step movement dates.
- 3) \$750 lump-sum payment, prorated per full-time equivalency for all employees in the unit not eligible for a step movement for the duration of the contract period, including employees not assigned to the salary schedule.

B. Effective July 1, 2020:

- 1) 2.03% across-the-board increase, including employees not assigned to the salary schedule.
- 2) Employees who become eligible for step movements shall receive their step movements on their step movement dates.
- 3) \$750 lump-sum payment, prorated per full-time equivalency for all employees in the unit not eligible for a step movement for the duration of the contract period, including employees not assigned to the salary schedule.

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	Additional Cost
<u>FY 2020</u>	<u>FY 2021</u>
\$ 789,531	\$ 1,717,519

TOTAL ADDITIONAL COST:

FY 2020	\$ <u>789,531</u>	FY 2021	\$ <u>1,717,519</u>
---------	-------------------	---------	---------------------

Resolution

No. _____

APPROVING COST ITEMS FOR BARGAINING UNIT 13, EXCLUDED PROFESSIONAL AND SCIENTIFIC EMPLOYEES

WHEREAS, by correspondence dated October 21, 2019, the Mayor submitted cost items for professional and scientific employees excluded from Bargaining Unit 13, which is represented by the Hawaii Government Employees Association, for Fiscal Years 2019-2020 and 2020-2021; and

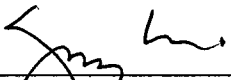
WHEREAS, in accordance with Section 89C, Hawaii Revised Statutes, and the tentative agreement ratified by the members of Bargaining Unit 13, all items requiring any money for implementation are subject to appropriation by the appropriate legislative body; and

WHEREAS, a Summary of Cost Items is attached as Exhibit "1"; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it approves 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



Department of the Corporation Counsel
County of Maui

edb:misc:006(2)areso01:jgk

COUNTY OF MAUI
UNIT 13 (EXCLUDED)
SUMMARY OF COST ITEMS
FY 2019-20, FY 2020-21

1. **Salaries**

Summary includes the following increases:

A. Effective July 1, 2019:

- 1) 2.15% across-the-board salary increase, including employees not assigned to the salary schedule.
- 2) Employees who become eligible for step movements shall receive their step movements on their step movement dates.
- 3) \$750 lump-sum payment, prorated per full-time equivalency for all employees in the unit not eligible for a step movement for the duration of the contract period, including employees not assigned to the salary schedule.

B. Effective July 1, 2020:

- 1) 2.03% across-the-board salary increase, including employees not assigned to the salary schedule.
- 2) Employees who become eligible for step movements shall receive their step movements on their step movement dates.
- 3) \$750 lump-sum payment, prorated per full-time equivalency for all employees in the unit not eligible for a step movement for the duration of the contract period, including employees not assigned to the salary schedule.

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 FY 2020
<u>\$ 377,297</u>

Additional Cost FY 2021
<u>\$ 757,217</u>

TOTAL ADDITIONAL COST:

FY 2020	<u>\$ 377,297</u>	FY 2021	<u>\$ 757,217</u>
---------	-------------------	---------	-------------------

Resolution

No. _____

APPROVING COST ITEMS FOR BARGAINING UNIT 02, SUPERVISORY, BLUE-COLLAR EMPLOYEES

WHEREAS, by correspondence dated October 29, 2019, the Mayor submitted cost items for supervisory, blue-collar employees included within Bargaining Unit 02, which is represented by the Hawaii Government Employees Association, for Fiscal Years 2019-2020 and 2020-2021; and

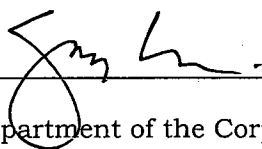
WHEREAS, in accordance with Section 89-10, Hawaii Revised Statutes, Council approval is required prior to payment of the cost items; and

WHEREAS, a Summary of Cost Items is attached as Exhibit "1"; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it approves 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



Department of the Corporation Counsel
County of Maui

edb:misc:006(3)areso01:jgk

COUNTY OF MAUI
UNIT 02
SUMMARY OF COST ITEMS
FY 2019-20, FY 2020-21

1. Salaries

Summary includes the following increases:

A. Effective July 1, 2019:

- 1) \$2,000.00 lump-sum payment, prorated per full-time equivalency for all employees in the unit.

Note: Deletion of the step movement plan.

B. Effective July 1, 2020:

- 1) Move from current three-step salary schedule to a single-step salary schedule:
 - a. Employees currently on step A1 move to step C1.
 - b. Employees currently on steps B1 and C1 removed from salary schedule.
 - c. Delete steps A1 and B1.
- 2) 1.2% across-the-board increase for employees still assigned to the salary schedule.
- 3) 5.29% pay increase for employees not assigned to the salary schedule.

C. Effective January 1, 2021:

- 1) 1.2% across-the-board increase, including employees not assigned to the salary schedule.

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 2020</u>	Additional Cost <u>FY 2021</u>
\$ 111,059	\$ 230,295

TOTAL ADDITIONAL COST:

FY 2020 \$ 111,059

FY 2021 \$ 230,295