

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

June 16, 2017

**Committee
Report No. _____**

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

Chair and Members:

Your Budget and Finance Committee, having met on June 6, 2017, makes reference to the following:

1. County Communication 17-206, from the Mayor, transmitting a proposed resolution, entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 2, SUPERVISORY BLUE COLLAR EMPLOYEES," along with a summary of cost items.

The purpose of the proposed resolution is to approve cost items for Supervisory Blue Collar Employees included within Bargaining Unit 2, represented by the Hawaii Government Employees Association, for Fiscal Years 2018 and 2019.

2. County Communication 17-207, from the Mayor, transmitting a proposed resolution, entitled "APPROVING COST ITEMS FOR UNIT 3, NON-SUPERVISORY WHITE COLLAR EMPLOYEES, AND UNIT 4, SUPERVISORY WHITE COLLAR EMPLOYEES," along with a summary of cost items.

The purpose of the proposed resolution is to approve cost items for Non-Supervisory White Collar Employees included within Bargaining Unit 3, and Supervisory White Collar Employees included within Bargaining Unit 4, represented by the Hawaii Government Employees Association, for Fiscal Years 2018 and 2019.

3. County Communication 17-208, from the Mayor, transmitting a proposed resolution, entitled "APPROVING COST ITEMS FOR NON-SUPERVISORY WHITE COLLAR EMPLOYEES EXCLUDED FROM BARGAINING UNIT 3, AND SUPERVISORY

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BUDGET AND FINANCE COMMITTEE

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WHITE COLLAR EMPLOYEES EXCLUDED FROM BARGAINING UNIT 4,” along with a summary of cost items.

The purpose of the proposed resolution is to approve cost items for Non-Supervisory White Collar Employees excluded from Bargaining Unit 3, and Supervisory White Collar Employees excluded from Bargaining Unit 4, for Fiscal Years 2018 and 2019.

4. County Communication 17-209, from the Mayor, transmitting a proposed resolution, entitled “APPROVING COST ITEMS FOR BARGAINING UNIT 13, PROFESSIONAL AND SCIENTIFIC 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 13, represented by the Hawaii Government Employees Association, for Fiscal Years 2018 and 2019.

5. County Communication 17-210, from the Mayor, transmitting a proposed resolution, entitled “APPROVING COST ITEMS FOR PROFESSIONAL AND SCIENTIFIC EMPLOYEES EXCLUDED FROM BARGAINING UNIT 13,” along with a summary of cost items.

The purpose of the proposed resolution is to approve cost items for Professional and Scientific Employees excluded from Bargaining Unit 13, for Fiscal Years 2018 and 2019.

At the request of the Chair of your Committee, the Department of the Corporation Counsel transmitted revised proposed resolutions, approved as to form and legality, incorporating nonsubstantive revisions. Further, the title to the resolution noted in item 2 listed above was revised to read “APPROVING COST ITEMS FOR BARGAINING UNIT 3,

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BUDGET AND FINANCE COMMITTEE

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NON-SUPERVISORY WHITE COLLAR EMPLOYEES, AND BARGAINING UNIT 4, SUPERVISORY WHITE COLLAR EMPLOYEES.”

Your Committee notes pursuant to Sections 89C-5 and 89-11(g), Hawaii Revised Statutes, 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 Council is the legislative branch. Section 89-11(g), Hawaii Revised Statutes, requires the employer to submit all cost items within ten days after the date on which an agreement is entered into to the legislative branch.

Your Committee notes the county communications that transmitted each proposed resolution includes a “Summary of Cost Items.” The summaries outline the additional costs required in categories such as salaries and health benefit premiums.

Your Committee notes the costs for the agreements for the various bargaining units for Fiscal Year 2018 are as follows: Supervisory Blue Collar Employees of BU 2, \$112,146; Non-Supervisory White Collar Employees of BU 3, \$1,021,393; Supervisory White Collar Employees of BU 4, \$81,361; Non-Supervisory White Collar Employees excluded from BU 3, \$135,903; Supervisory White Collar Employees excluded from BU 4, \$12,711; Professional and Scientific Employees of BU 13, \$736,114; and Professional and Scientific Employees excluded from BU 13, \$335,762.

The Director of Personnel Services informed your Committee the cost items for Bargaining Units 2, 3, 4, and 13 resulted from binding arbitration hearings. The cost items include increases to salaries and health benefit premiums.

He explained the cost items incurred by the County for the Hawaii Employer-Union Health Benefits Trust Fund assumes the employer will continue to pay the same percentage of health premiums as provided in the master agreement for all bargaining units. It includes approximately 59 percent of the premium amount plus administrative fees, and places an 83.4 percent cap on any premium category.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

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He said the current supplemental agreement for the County of Maui provides for the employers share of health benefits at 60 percent, children's dental plans at 100 percent, and administrative costs are covered 100 percent. The current agreement expires on June 30, 2017.

Your Committee questioned the authority for the Mayor to enter into a supplemental agreement involving cost items without Council approval. A Deputy Corporation Counsel stated pursuant to Section 89-6, Hawaii Revised Statutes, if the funds are budgeted and available, the Mayor has the authority to enter into a supplemental agreement without Council approval.

Your Committee stressed the proposed cost items for Bargaining Units 2, 3, 4, and 13 are for salaries and health premium costs as defined in the master agreement reached through arbitration. There currently is no proposal for a supplemental agreement and the recommendation to approve the proposed cost items does not pre-approve any supplemental agreement that may be proposed.

Furthermore, your Committee notes in the Fiscal Year 2018 Budget, a proviso was placed on the appropriation for Fringe Benefits under Countywide Costs. The proviso reads "Provided, that the Council shall approve by resolution the expenditure of any funds for any bargaining unit supplemental agreement regarding EUTF contributions."

Your Committee recognized the Department of Personnel Services and the Department of the Corporation Counsel for achieving better outcomes of the bargaining unit contracts in comparison to past contracts. Your Committee also noted the Council's support and funding for professional services to assist the employers made a difference in the arbitration award.

Your Committee voted 8-0 to recommend adoption of the revised proposed resolutions and filing of the communications. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, Crivello,

COUNCIL OF THE COUNTY OF MAUI
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Guzman, and Sugimura voted "aye." Committee member King was excused.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Resolution _____, as revised herein and attached hereto, entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 2, SUPERVISORY BLUE COLLAR EMPLOYEES," be ADOPTED;
2. That Resolution _____, as revised herein and attached hereto, entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 3, NON-SUPERVISORY WHITE COLLAR EMPLOYEES, AND BARGAINING UNIT 4, SUPERVISORY WHITE COLLAR EMPLOYEES," be ADOPTED;
3. That Resolution _____, as revised herein and attached hereto, entitled "APPROVING COST ITEMS FOR NON-SUPERVISORY WHITE COLLAR EMPLOYEES EXCLUDED FROM BARGAINING UNIT 3, AND SUPERVISORY WHITE COLLAR EMPLOYEES EXCLUDED FROM BARGAINING UNIT 4," be ADOPTED;
4. That Resolution _____, as revised herein and attached hereto, entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 13, PROFESSIONAL AND SCIENTIFIC EMPLOYEES," be ADOPTED;
5. That Resolution _____, as revised herein and attached hereto, entitled "APPROVING COST ITEMS FOR PROFESSIONAL AND SCIENTIFIC EMPLOYEES EXCLUDED FROM BARGAINING UNIT 13," be ADOPTED;
6. That County Communication 17-206 be FILED;
7. That County Communication 17-207 be FILED;

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

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**Committee
Report No.** _____

8. That County Communication 17-208 be FILED;
9. That County Communication 17-209 be FILED; and
10. That County Communication 17-210 be FILED.

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



RIKI HOKAMA, Chair

bf:cr:17006(2)aa:mmy

Resolution

No. _____

APPROVING COST ITEMS FOR BARGAINING UNIT 2, SUPERVISORY BLUE COLLAR EMPLOYEES

WHEREAS, the Mayor, by correspondence dated May 4, 2017, to the Honorable Mike White, Chair, and Members of the Maui County Council, submitted cost items pursuant to the April 27, 2017, interest arbitration award, for Supervisory Blue Collar Employees included within Bargaining Unit 2, which is represented by the Hawaii Government Employees Association, ACFSME Local 152 AFL-CIO, pursuant to Section 89-11, Hawaii Revised Statutes; and

WHEREAS, pursuant to Chapter 89, Hawaii Revised Statutes, Council approval is required prior to payment of said cost items; and

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

Resolution No. _____

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

APPROVED AS TO FORM
AND LEGALITY:



GARY Y. MURAI
Deputy Corporation Counsel
County of Maui
LIT-5672
2017-05-01 Resolution HGEA Included Unit 02

COUNTY OF MAUI
UNIT 02 (INCLUDED)
SUMMARY OF COST ITEMS
FY 2017-18, FY 2018-19

1. Salaries

Summary includes the following increases:

A. Effective July 1, 2017:

- 1) 2.0% across-the-board salary increase, including employees not assigned to the salary schedule.
- 2) Employees who become eligible for a step movement shall receive their step movement on their step movement date.

B. Effective January 1, 2018:

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

C. Effective July 1, 2018:

- 1) 2.25% across-the-board salary increase, including employees not assigned to the salary schedule.
- 2) Employees who become eligible for a step movement shall receive their step movement on their step movement date.

D. Effective January 1, 2019:

- 1) 1.2% across-the-board salary increase, including employees not assigned to 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 2018	Additional Cost FY 2019
\$ 102,517	\$ 253,879

2. Hawaii Employer-Union Health Benefits Trust Fund

The following cost assumes 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	Additional Cost FY 2019
\$ 9,629	\$ 29,254

TOTAL ADDITIONAL COST:

FY 2018	<u>\$ 112,146</u>	FY 2019	<u>\$ 283,133</u>
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Resolution

No. _____

APPROVING COST ITEMS FOR BARGAINING UNIT 3, NON-SUPERVISORY WHITE COLLAR EMPLOYEES, AND BARGAINING UNIT 4, SUPERVISORY WHITE COLLAR EMPLOYEES

WHEREAS, the Mayor, by correspondence dated May 4, 2017, to the Honorable Mike White, Chair, and Members of the Maui County Council, has submitted cost items for Non-Supervisory White Collar Employees included within Bargaining Unit 3, and Supervisory White Collar Employees included within Bargaining Unit 4, which are represented by the Hawaii Government Employees Association, pursuant to the April 27, 2017, interest arbitration award, pursuant to Section 89-11, Hawaii Revised Statutes; and

WHEREAS, pursuant to Chapter 89, Hawaii Revised Statutes, Council approval is required prior to payment of said cost items; and

WHEREAS, a Summary of Cost Items is attached hereto and incorporated herein by reference as Exhibit "1"; now, therefore,

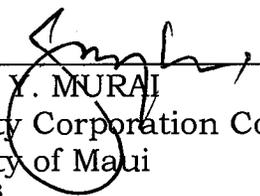
BE IT RESOLVED by the Council of the County of Maui:

1. That it does hereby approve of the cost items as specified in Exhibit "1"; and

Resolution No. _____

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

APPROVED AS TO FORM
AND LEGALITY:



GARY Y. MURAI
Deputy Corporation Counsel
County of Maui
LIT-5678
2017-05-01 Resolution HGEA Unit 3, Unit 4

COUNTY OF MAUI
UNIT 03 (INCLUDED)
SUMMARY OF COST ITEMS
FY 2017-18, FY 2018-19

1. Salaries

Summary includes the following increases:

A. Effective July 1, 2017:

- 1) 2.0% across-the-board salary increase, including employees not administratively assigned to the salary schedule
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

B. Effective January 1, 2018:

- 1) 1.5% across-the-board salary increase, including employees not administratively assigned to the salary schedule.

C. Effective July 1, 2018:

- 1) 2.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

D. Effective January 1, 2019:

- 1) 1.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) Drop Step A and employees on Step A shall move to Step B.

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 2018	Additional Cost FY 2019
\$ 874,212	\$ 1,988,830

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 FY 2018	Additional Cost FY 2019
\$ 147,181	\$ 462,195

TOTAL ADDITIONAL COST:

FY 2018	<u>\$ 1,021,393</u>	FY 2019	<u>\$ 2,451,025</u>
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COUNTY OF MAUI
UNIT 04 (INCLUDED)
SUMMARY OF COST ITEMS
FY 2017-18, FY 2018-19

1. Salaries

Summary includes the following increases:

A. Effective July 1, 2017:

- 1) 2.0% across-the-board salary increase, including employees not administratively assigned to the salary schedule
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

B. Effective January 1, 2018:

- 1) 1.5% across-the-board salary increase, including employees not administratively assigned to the salary schedule.

C. Effective July 1, 2018:

- 1) 2.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

D. Effective January 1, 2019:

- 1) 1.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) Drop Step A and employees on Step A shall move to Step B.

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 2018</u>	<u>FY 2019</u>
\$ 76,992	\$ 177,931

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 FY 2018	Additional Cost FY 2019
\$ 4,369	\$ 15,574

TOTAL ADDITIONAL COST:

FY 2018	<u>\$ 81,361</u>	FY 2019	<u>\$ 193,505</u>
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Resolution

No. _____

APPROVING COST ITEMS FOR NON-SUPERVISORY WHITE COLLAR
EMPLOYEES EXCLUDED FROM BARGAINING UNIT 3, AND SUPERVISORY
WHITE COLLAR EMPLOYEES EXCLUDED FROM BARGAINING UNIT 4

WHEREAS, the Mayor, by correspondence dated May 4, 2017, to the Honorable Mike White, Chair, and Members of the Maui County Council, submitted cost items for Non-Supervisory White Collar Employees excluded from Bargaining Unit 3, and Supervisory White Collar Employees excluded from Bargaining Unit 4, pursuant to Section 89C-5, Hawaii Revised Statutes; and

WHEREAS, pursuant to Chapter 89C, Hawaii Revised Statutes, Council approval is required prior to payment of said cost items; and

WHEREAS, a Summary of Cost Items is attached hereto and incorporated herein by reference as Exhibit "1"; now, therefore,

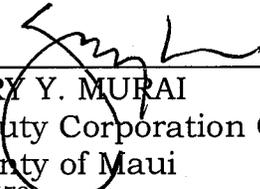
BE IT RESOLVED by the Council of the County of Maui:

1. That it does hereby approve of the cost items as specified in Exhibit "1"; and

Resolution No. _____

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

APPROVED AS TO FORM
AND LEGALITY:



GARY Y. MURAI
Deputy Corporation Counsel
County of Maui
LIT-5678
2017-05-01 Resolution HGEA Excluded Unit 3, Unit 4

COUNTY OF MAUI
UNIT 03 (EXCLUDED)
SUMMARY OF COST ITEMS
FY 2017-18, FY 2018-19

1. Salaries

Summary includes the following increases:

A. Effective July 1, 2017:

- 1) 2.0% across-the-board salary increase, including employees not administratively assigned to the salary schedule
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

B. Effective January 1, 2018:

- 1) 1.5% across-the-board salary increase, including employees not administratively assigned to the salary schedule.

C. Effective July 1, 2018:

- 1) 2.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

D. Effective January 1, 2019:

- 1) 1.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) Drop Step A and employees on Step A shall move to Step B.

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 2018</u>	<u>FY 2019</u>
\$ 133,605	\$ 307,348

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>	Additional Cost <u>FY 2019</u>
\$ 2,298	\$ 7,050

TOTAL ADDITIONAL COST:

FY 2018	<u>\$ 135,903</u>	FY 2019	<u>\$ 314,398</u>
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COUNTY OF MAUI
UNIT 04 (EXCLUDED)
SUMMARY OF COST ITEMS
FY 2017-18, FY 2018-19

1. Salaries

Summary includes the following increases:

A. Effective July 1, 2017:

- 1) 2.0% across-the-board salary increase, including employees not administratively assigned to the salary schedule
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

B. Effective January 1, 2018:

- 1) 1.5% across-the-board salary increase, including employees not administratively assigned to the salary schedule.

C. Effective July 1, 2018:

- 1) 2.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

D. Effective January 1, 2019:

- 1) 1.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) Drop Step A and employees on Step A shall move to Step B.

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 2018</u>	<u>FY 2019</u>
\$ 12,711	\$ 29,868

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. Due to the tracking method utilized in coding employees in the EUTF system, we are not able to include the cost figures for this item.

TOTAL ADDITIONAL COST:

FY 2018	<u>\$ 12,711</u>	FY 2019	<u>\$ 29,868</u>
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Resolution

No. _____

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

WHEREAS, the Mayor, by correspondence dated May 4, 2017, to the Honorable Mike White, Chair, and Members of the Maui County Council, submitted cost items pursuant to the April 27, 2017, interest arbitration award, for Professional and Scientific Employees included within Bargaining Unit 13, which is represented by the Hawaii Government Employees Association, ACFSME Local 152 AFL-CIO, pursuant to Section 89-11, Hawaii Revised Statutes; and

WHEREAS, pursuant to Chapter 89, Hawaii Revised Statutes, Council approval is required prior to payment of said cost items; and

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

Resolution No. _____

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

APPROVED AS TO FORM
AND LEGALITY:



GARY Y. MURAI
Deputy Corporation Counsel
County of Maui
LIT-5677
2017-05-01 Resolution HGEA Included Unit 13

COUNTY OF MAUI
UNIT 13 (INCLUDED)
SUMMARY OF COST ITEMS
FY 2017-18, FY 2018-19

1. Salaries

Summary includes the following increases:

A. Effective July 1, 2017:

- 1) 2.0% 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.

B. Effective July 1, 2018:

- 1) 2.25% 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.

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 2018</u>	<u>FY 2019</u>
\$ 676,192	\$ 1,518,933

2. Hawaii Employer-Union Health Benefits Trust Fund

The following cost assumes 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 anticipate increases in premium amounts.

Additional Cost	Additional Cost
<u>FY 2018</u>	<u>FY 2019</u>
\$ 59,922	\$ 244,376

TOTAL ADDITIONAL COST:

FY 2018	<u>\$ 736,114</u>	FY 2019	<u>\$ 1,763,309</u>
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Resolution

No. _____

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

WHEREAS, the Mayor, by correspondence dated May 4, 2017, to the Honorable Mike White, Chair, and Members of the Maui County Council, submitted cost items for Professional and Scientific Employees excluded from Bargaining Unit 13, pursuant to Section 89C-5, Hawaii Revised Statutes; and

WHEREAS, pursuant to Chapter 89C, Hawaii Revised Statutes, Council approval is required prior to payment of said cost items; and

WHEREAS, a Summary of Cost Items is attached hereto and incorporated herein by reference as Exhibit "1"; now, therefore,

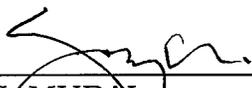
BE IT RESOLVED by the Council of the County of Maui:

1. That it does hereby approve of the cost items as specified in Exhibit "1"; and

Resolution No. _____

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

APPROVED AS TO FORM
AND LEGALITY:



GARY Y. MURAI
Deputy Corporation Counsel
County of Maui
LIT-5677
2017-05-01 Resolution HGEA Excluded Unit 13

COUNTY OF MAUI
UNIT 13 (EXCLUDED)
SUMMARY OF COST ITEMS
FY 2017-18, FY 2018-19

1. Salaries

Summary includes the following increases:

A. Effective July 1, 2017:

- 1) 2.0% 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.

B. Effective July 1, 2018:

- 1) 2.25% 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.

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 2018	Additional Cost FY 2019
\$ 300,249	\$ 727,435

2. Hawaii Employer-Union Health Benefits Trust Fund

The following cost assumes 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 anticipate increases in premium amounts.

Additional Cost FY 2018	Additional Cost FY 2019
\$ 35,513	\$ 132,242

Summary of BU 13 (Excluded) Cost Items
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TOTAL ADDITIONAL COST:

FY 2018	<u>\$ 335,762</u>	FY 2019	<u>\$ 859,677</u>
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