

ALAN M. ARAKAWA  
Mayor



DAVID J. UNDERWOOD  
Director

CYNTHIA M. RAZO-PORTER  
Deputy Director

COUNTY OF MAUI  
DEPARTMENT OF PERSONNEL SERVICES

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April 18, 2017

Ms. Lynn A.S. Araki-Regan  
Budget Director, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

Honorable Alan M. Arakawa  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Riki Hokama  
Chair, Budget and Finance Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

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Dear Chair Hokama:

**SUBJECT: FISCAL YEAR ("FY") 2018 BUDGET (PS-3) (BF-1)**

We are in receipt of your communication (PS-3) (BF-1), which requests:

*"May I please request you provide a copy of the final arbitration decisions for Bargaining Units 3 and 4; 11; and 2 and 13, slated to be available on April 12, 17, and 18, respectively, at your earliest opportunity. Please provide copies as they become available, rather than wait for all three to respond."*

Attached please find the arbitration panel's decision for Bargaining Unit 11, which was issued on April 17, 2017. The decisions for the other bargaining units cited above have not been received as of this writing. We will forward them as they become available.

We would also note that the decision issued by the panel for Bargaining Unit 11 differs in form from previous arbitration awards. Past arbitration awards have generally been quite lengthy, as they contain the actual decision along with a detailed report of the factors and influences that the panel took into consideration in reaching that decision. In this case, the time required to prepare such a response would have caused the decision to be issued quite late the affected jurisdictions' budget preparation process. At the request of the parties, the panel agreed to

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issue the specifics of the decision as soon as possible so jurisdictions would have time to consider the potential costs when crafting their budgets, with the report detailing the panel's reasoning to follow at a later date.

The cost items associated with this decision are being analyzed and will be transmitted to you as soon as possible.

I hope this addresses your request. If you have any questions, please feel free to contact me at extension 7850.

Sincerely,



DAVID UNDERWOOD  
Director of Personnel Services

DU  
Attachments

**IMPASSE ARBITRATION FOR BARGAINING UNIT 11  
BEFORE ARBITRATORS DAVID M. GABA,  
WILLIAM J. PUETTE AND DAVID J. UNDERWOOD  
STATE OF HAWAII**

In the Matter of the Arbitration between:	)	
<b>HAWAII FIRE FIGHTERS ASSOCIATION, IAAF LOCAL</b>	)	
<b>1463, AFL-CIO;</b>	)	
Exclusive Representative,	)	AWARD
And,	)	
<b>DAVID Y. IGE, Governor, State of Hawai'i; KIRK</b>	)	HLRB Case No. I-11-157
<b>CALDWELL, Mayor, City and County of Honolulu; HARRY</b>	)	
<b>KIM, Mayor, County of Hawai'i; ALAN M. ARAKAWA,</b>	)	
Mayor, County of Maui; <b>BERNARD P. CARVALHO, Mayor,</b>	)	
County of Kaua'i;		
Employers.		

**APPEARANCES:**

For the Exclusive Representative:	<b>ALAN C. DAVIS</b> Davis and Reno 22 Battery Street, Suite 800 San Francisco, CA 94111
For The Employers State of Hawai'i, City and County of Honolulu, County of Kauai, County of Maui, County of Hawai'i:	<b>ROBERT S. KATZ, ESQ.</b> <b>KENDRA K. KAWAI, ESQ.</b> Torkildson, Katz, Moore, Hetherington & Harris 700 bishop Street, 15 <sup>th</sup> Floor Honolulu, HI 96813
For the Employer County of Hawai'i:	<b>CHRISTOPHER P. SCHLUETER, ESQ.</b> Deputy Corporation Counsel County of Hawaii Office of the Corporation Counsel 101 Aupuni Street, Suite 325 Hilo, HI 96720
For the Employer City and County of Honolulu:	<b>KAREN K. LEE, ESQ.</b> <b>AMANDA FURMAN, ESQ.</b> Deputies Corporation Counsel Department of the Corporation Counsel City and County of Honolulu 530 S. King Street, Room 110 Honolulu, HI 96813

For The Employer, County of Maui:

GARY Y. MURAI, ESQ.  
CHRISTIE TRENHOLME, ESQ.  
Deputies Corporation Counsel  
Department of the Corporation Counsel  
County of Maui  
200 South High Street  
Wailuku, Maui, HI 96793

## **TENTATIVE AGREEMENTS**

Prior to and during the interest arbitration process, the Union and the Employers were able to reach tentative agreements on issues involving the following provisions of their Collective Bargaining Agreement:

Section 11. Substitution  
Section 21. Overtime  
Section 37. Leave for Jury or Witness Duty  
Section 43. Safety Equipment  
Section 46. Tools  
Section NEW. Alcohol and Controlled Substance Testing

The Panel unanimously finds and agrees that the Tentative Agreements listed above are consistent with the statutory criteria governing this proceeding. Accordingly, the Panel hereby orders the parties to incorporate each of the above Tentative Agreements into their 2017-2019 agreement.

## **FINDINGS AND CONCLUSIONS**

The following issues were not resolved by the parties during their negotiations and were therefore submitted to the Panel for final and binding Arbitration. The panel of arbitrators in the above entitled matter have made the following determinations:

### Section 32. WAGES

Delete the existing contract language and replace with the following:

A. Subject to the approval of the respective legislative bodies and effective July 1, 2017:

1. The salary schedule in effect on June 30, 2017 shall be designated as Exhibit A.
2. Exhibit A shall be amended to reflect a two percent (2%) across-the-board salary adjustment as shown in the salary schedule designated as Exhibit B.
3. Employees on the salary schedule designated as Exhibit A as of June 30, 2017 shall be placed on the corresponding pay range and step of Exhibit B.
4. Employees shall move or remain on Exhibit B as follows:
  - a. Catch-Up Step movements: All Employees who are on a step or receiving a basic rate of pay lower than warranted by their cumulative years of service as provided in Subsection O. Step Movements of Section 32-A. Compensation Adjustments shall move to the next higher step in their salary range on the Employees' service anniversary dates.
  - b. 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 Subsection O. Step Movements of Section 32-A. Compensation Adjustments shall move to such step on the Employees' service anniversary dates, provided that the Employees did not receive a catch-up step movement in accordance with A.4.a. above.
  - c. All other Employees who are on or beyond their appropriate step based on their cumulative years of service shall remain at their respective step or rate until such time as the Employee's cumulative service corresponds with the next higher step on the salary schedule.
  - d. Notwithstanding the above, Employees with 25 or more years of service whose salaries are below Step L5 of the Employees' salary range shall be placed on Step L5 of the Employees' salary range on the Employees' service anniversary dates.

B. Employees shall receive no more than one step movement under A.4.a. or A.4.b. above from July 1, 2017 to June 30, 2018.

C. Subject to the approval of the respective legislative bodies and effective July 1, 2018:

1. Exhibit B shall be amended to reflect a two and a quarter percent (2.25%) across-the-board salary adjustment as shown in the salary schedule designated as Exhibit C.

2. Employees shall move or remain on Exhibit C as follows:

- a. Catch-up Step movements: All Employees who are on a step or receiving a basic rate of pay lower than warranted by their cumulative years of service as provided in Subsection O. Step Movements of Section 32-A. Compensation Adjustments shall move to the next higher step in the salary range on the Employees' service anniversary dates.
- b. 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 Subsection O. Step Movements of Section 32-A. Compensation Adjustments shall move to such step on the Employees' service anniversary dates, provided that the Employees did not receive a catch-up step movement in accordance with C.2.a. above.
- c. All other Employees who are on or beyond their appropriate step based on their cumulative years of service shall remain at their respective step or rate until such time as the Employees' cumulative service corresponds with the next highest step on the salary schedule.
- d. Notwithstanding the above, Employees with 25 or more years of service whose salaries are below Step L5 of the Employees' salary range shall be placed on Step L5 of the Employees' salary range on the Employees' service anniversary dates.

D. Employees shall receive no more than one step movement under C.2.a. or C.2.b. above from July 1, 2018 to June 30, 2019.

E. Catch-up Step movements and Service Step movements as provided above shall be continued in successor agreements unless modified or terminated by mutual consent of the parties. All step movement costs under this section shall be included in the costs of collective bargaining and submitted to the respective legislative bodies for approval at the appropriate time.

F. For the purposes of the Agreement, the hourly rate of pay shall be derived by dividing the annual rate of pay by (the applicable average hours of work per week X 52).

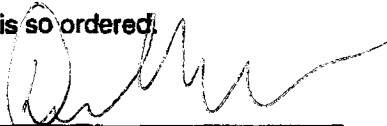
#### Section 55 DURATION.

Delete existing language and replace with the following:

This Agreement shall become effective as of July 1, [2011] **2017** and shall remain in effect to and including June 30, [2017] **2019**. It shall be renewed thereafter in accordance with the statutes unless either party hereto gives written notice during the period January 1, [2016] **2018** to January 31, [2016] **2018** to the other party of its desire to modify, amend or terminate the Agreement. Notices served under this section shall be in writing and shall be accompanied by complete specific proposals of the notifying party, together with the sections which the proposals seek to modify, amend or terminate.

The findings and conclusions set forth herein are final and binding. The arbitration panel will have until May 3, 2017 to provide a written report which shall be submitted to the parties for completeness, technical correctness and clarity as provided for in HRS §89-11(e)(2)(D).

It is so ordered.



DAVID M. GABA  
Impartial Chairman  
Arbitration Panel

Dated: April 12, 2017.

I concur  
 I dissent



Dr. WILLIAM M. PUETTE  
HFFA's Member  
Arbitration Panel

Dated: April 17, 2017

I concur  
 I dissent



DAVID J. UNDERWOOD  
Employers' Member  
Arbitration Panel

Dated: April 12, 2017