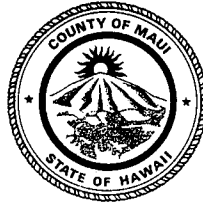


ALAN M. ARAKAWA  
MAYOR



RECEIVED

KEITH A. REGAN  
MANAGING DIRECTOR

2017 APR 26 AM 8:14

OFFICE OF THE MAYOR  
COUNTY COUNCIL

Ke'ena O Ka Meia  
COUNTY OF MAUI - Kalana O Maui

April 25, 2017

Honorable Mike White, Chair  
and Members of the Council  
Maui County Council  
County of Maui  
200 South High Street  
Wailuku, HI 96793

RECEIVED  
2017 APR 25 PM 2:38  
OFFICE OF THE  
COUNTY CLERK

Dear Council Chair White and Council Members:

SUBJECT: APPROVAL OF COST ITEMS FOR BARGAINING UNIT 11

In accordance with HRS Section 89-11, I am herewith transmitting the cost items for the two-year contract covering Bargaining Unit 11, Fire Fighters, which was reached pursuant to an arbitration decision. The law requires that all cost items shall be subject to appropriations by the appropriate legislative bodies.

These computations reflect the implementation cost for included and excluded members in Bargaining Unit 11 for fiscal years 2018 and 2019. Summaries of the pay adjustments is also transmitted for your information. The computations are based on the arbitration panel's decision and award dated April 17, 2017, a copy of which is attached for your information.

Also transmitted is the necessary resolution prepared by the Corporation Counsel for approval of the cost items.

If you have any questions or require additional information on this matter, please call on Mr. David J. Underwood, Director of Personnel Services.

Sincerely,

ALAN M. ARAKAWA  
Mayor, County of Maui

DJU:jlja  
Attachments  
cc: Director of Finance  
Director of Personnel Services

# Resolution

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

## APPROVING COST ITEMS FOR BARGAINING UNIT 11, FIRE FIGHTERS

WHEREAS, the Mayor, by letter dated April 25, 2017, to the Honorable Mike White, Chair, and Members of the Maui County Council, submitted cost items for Fire Fighters represented by Bargaining Unit 11, Hawaii Fire Fighters Association, pursuant to an arbitration decision and award dated April 17, 2017; and

WHEREAS, pursuant to Section 89-11, Hawaii Revised Statutes, the April 17, 2017 arbitration decision and award shall be final and binding upon the parties, all items requiring any moneys for implementation shall be subject to 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

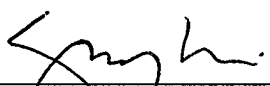
WHEREAS, a Summary of Cost Items is attached hereto as Exhibit "1"; now, therefore,

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

1. That it does hereby approve the Summary of 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, and the Director of Finance.

APPROVED AS TO FORM AND LEGALITY:

  
\_\_\_\_\_  
GARY Y. MURAI  
Deputy Corporation Counsel  
County of Maui

LIT-5632

2017-04-25 Reso Bu11 Included FY 2018-2019

COUNTY OF MAUI  
UNIT 11 (INCLUDED)  
SUMMARY OF COST ITEMS  
FY 2017-2018; FY 2018-2019

**1. Salaries**

Summary includes the following increases:

*A. Effective July 1, 2017:*

- 1) 2.0% across-the-board wage increase.
- 2) 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 shall move to the next higher step in their salary range on the employee's service anniversary date.
- 3) Service step movements: All employees who complete the cumulative years of service required for the next higher step in the pay range shall move to such step on the employee's service anniversary date, provided that the employee did not receive a catch-up step movement.
- 4) 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.
- 5) Employees with 25 or more years of service whose salaries are below Step L5 of the employee's salary range shall be placed on Step L5 of the employee's salary range on the employee's service anniversary date.

*B. Effective July 1, 2018:*

- 1) 2.25% across-the-board wage increase.
- 2) 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 shall move to the next higher step in their salary range on the employee's service anniversary date.
- 3) Service step movements: All employees who complete the cumulative years of service required for the next higher step in the pay range shall move to such step on the employee's service anniversary date, provided that the employee did not receive a catch-up step movement.

- 4) 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.
- 5) Employees with 25 or more years of service whose salaries are below Step L5 of the employee's salary range shall be placed on Step L5 of the employee's salary range on the employee's service anniversary date.

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>
\$ 858,197	\$ 2,203,225

**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. The large difference in costs between the first and second year is due to recognized savings in the first year, due to the discontinuance of the current supplemental agreement.

Additional Cost	Additional Cost
<u>FY 2018</u>	<u>FY 2019</u>
\$ 75,126	\$ 312,599

**TOTAL ADDITIONAL COST:**

<b>FY 2018</b>	<b><u>\$ 933,323</u></b>	<b>FY 2019</b>	<b><u>\$ 2,515,824</u></b>
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# Resolution

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

## APPROVING COST ITEMS FOR EMPLOYEES EXCLUDED FROM BARGAINING UNIT 11, FIRE FIGHTERS

WHEREAS, the Mayor, by letter dated April 25, 2017, to the Honorable Mike White, Chair, and Members of the Maui County Council, submitted cost items for Fire Fighters excluded from Bargaining Unit 11, Hawaii Fire Fighters Association; and

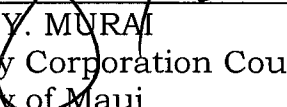
WHEREAS, pursuant to Section 89-11, Hawaii Revised Statutes, and the April 17, 2017 arbitration decision regarding Bargaining Unit 11 employees, all items requiring any moneys for implementation shall be subject to appropriation by the appropriate legislative body; and

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

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

1. That it does hereby approve the Summary of 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, and the Director of Finance.

APPROVED AS TO FORM AND LEGALITY:

  
\_\_\_\_\_  
GARY Y. MURAI  
Deputy Corporation Counsel  
County of Maui  
LIT-5632  
2017-04-25 Reso BU11 Excluded FY 2018-2019

COUNTY OF MAUI  
UNIT 11 (EXCLUDED)  
SUMMARY OF COST ITEMS  
FY 2017-2018; FY 2018-2019

**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.

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>
\$ 42,390	\$ 99,347

**2. 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.

**TOTAL ADDITIONAL COST:**

<b>FY 2018</b>	<b><u>\$ 42,390</u></b>	<b>FY 2019</b>	<b><u>\$ 99,347</u></b>
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