

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

May 8, 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 April 24, 2020, makes reference to the following:

1. County Communication 20-45, from the Mayor, transmitting a proposed resolution entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 03, INCLUDED 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 ("BU") 03, represented by the Hawaii Government Employees Association ("HGEA"), for Fiscal Years ("FY") 2020 and 2021.

2. County Communication 20-46, from the Mayor, transmitting a proposed resolution entitled "APPROVING COST ITEMS FOR BARGAINING UNIT 03, EXCLUDED EMPLOYEES," along with a summary cost of items.

The purpose of the proposed resolution is to approve cost items for non-supervisory white collar employees excluded from BU 03, represented by the HGEA, for FY 2020 and 2021.

3. County Communication 20-208, from the Mayor, transmitting a proposed resolution entitled "APPROVING COST ITEMS FOR UNIT 4, SUPERVISORY WHITE COLLAR EMPLOYEES," along with a summary cost of items.

**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 White Collar Employees included within BU 04, represented by the HGEA, for FY 2020 and 2021.

4. County Communication 20-209, from the Mayor, transmitting a proposed resolution entitled "APPROVING COST ITEMS FOR EMPLOYEES EXCLUDED FROM BARGAINING UNIT 4, SUPERVISORY WHITE COLLAR EMPLOYEES," along with a summary cost of items.

The purpose of the proposed resolution is to approve cost items for Supervisory White Collar Employees excluded from BU 04, represented by the HGEA, for FY 2020 and 2021.

Your Committee notes that cost items are subject to appropriation by the legislative branch, pursuant to Sections 89-11(g) and 89C-5, Hawaii Revised Statutes. 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 89-11(g), Hawaii Revised Statutes, requires the employer to submit all cost items to the legislative branch within ten days after the date on which an agreement is executed.

Your Committee notes the summary of cost items attached to each proposed resolution outlines the additional costs required in categories such as salaries, other compensation allowances, and health benefit premiums.

Your Committee also notes the additional costs for FY 2020 and FY 2021 are as follows:

- Non-supervisory white collar employees included in BU 03: \$1,688,346 for FY 2020 and \$1,705,263 for FY 2021.

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

Page 3

**Committee**  
**Report No. \_\_\_\_\_**

- Non-supervisory white collar employees excluded from BU 03: \$220,695 for FY 2020 and \$244,020 for FY 2021.
- Supervisory White Collar Employees included within BU 04: \$161,622 for FY 2020 and \$150,864 for FY 2021.
- Supervisory White Collar Employees excluded from BU 04: \$22,025 for FY 2020 and \$20,798 for FY 2021.

The Budget Director said contracts for BUs 03 and 04 expired on June 30, 2019. The new two-year contract would expire on June 30, 2021.

She said the Hawaii State Legislature is required to act on the cost items before they are authorized to be paid out. Your Committee learned City and County of Honolulu, County of Kauai, and Hawaii County have either already approved, or are considering approval of, the cost item proposals. Your Committee agreed to approve the cost items even though the Legislature is in recess until further notice due to the COVID-19 pandemic.

Your Committee noted funds to pay for salary adjustments were already appropriated into the FY 2020 Budget, Countywide Costs, and any further adjustments, if needed, would be made in the FY 2021 Budget.

Your Committee voted 9-0 to recommend adoption of the 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.”

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

Page 4

**Committee**  
**Report No. \_\_\_\_\_**

Your Economic Development and Budget Committee  
RECOMMENDS the following:

1. That Resolution \_\_\_\_\_, attached hereto, entitled  
"APPROVING COST ITEMS FOR BARGAINING UNIT 03,  
INCLUDED EMPLOYEES," be ADOPTED;
2. That Resolution \_\_\_\_\_, attached hereto, entitled  
"APPROVING COST ITEMS FOR BARGAINING UNIT 03,  
EXCLUDED EMPLOYEES," be ADOPTED;
3. That Resolution \_\_\_\_\_, attached hereto, entitled  
"APPROVING COST ITEMS FOR UNIT 4, SUPERVISORY  
WHITE COLLAR EMPLOYEES," be ADOPTED;
4. That Resolution \_\_\_\_\_, attached hereto, entitled  
"APPROVING COST ITEMS FOR EMPLOYEES EXCLUDED  
FROM BARGAINING UNIT 4, SUPERVISORY WHITE COLLAR  
EMPLOYEES," be ADOPTED;
5. That County Communication 20-45 be FILED;
6. That County Communication 20-46 be FILED;
7. That County Communication 20-208 be FILED; and
8. That County Communication 20-209 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.



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KEANI N.W. RAWLINS-FERNANDEZ, Chair

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# Resolution

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

## APPROVING COST ITEMS FOR BARGAINING UNIT 03, INCLUDED EMPLOYEES

WHEREAS, the Mayor, by correspondence dated January 16, 2020 to the Honorable Alice Lee, Chair, and Members of the Maui County Council, submitted cost items for non-supervisory white collar employees included within Bargaining Unit 03, which is represented by the Hawaii Government Employees Association, for fiscal years 2019-2020 and 2020-2021; and

WHEREAS, pursuant to Section 89-10, 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

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



EDWARD S. KUSHI, JR.  
Department of the Corporation Counsel  
County of Maui  
2020-0031  
2020-01-13 BU03 Cost Items Included

COUNTY OF MAUI  
UNIT 03 (INCLUDED)  
SUMMARY OF COST ITEMS  
FY 2019-20, FY 2020-21

1. **Salaries**

Summary includes the following increases:

*A. Effective July 1, 2019:*

- 1) \$2,800.00 lump-sum payment, prorated per full-time equivalency for all employees including employees not assigned to the salary schedule.

*B. Effective July 1, 2020:*

- 1) Employees on Step B through Step L move one step. Step B is deleted.
- 2) Increase SR-4 by 10.1%; SR-5 by 8.0%; SR-6 by 5.9%; SR-7 by 3.9%; and SR-8 by 2.0%.
- 3) 2% one-time lump-sum payment for SR-8 employees on Step M as of June 30, 2020.
- 4) 4% one-time lump-sum payment for SR-9 employees and above on Step M as of June 30, 2020, and employees not administratively assigned to the salary schedule.

*C. Effective January 1, 2021*

- 1) 3.46% across-the-board increase for all employees, including employees not administratively assigned to the salary schedule and exempt 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  
FY 2020  
\$ 1,688,346

Additional Cost  
FY 2021  
\$ 1,705,263

**TOTAL COST:**

<b>FY 2020</b>	<b><u>\$ 1,688,346</u></b>	<b>FY 2021</b>	<b><u>\$ 1,705,263</u></b>
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# Resolution

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

## APPROVING COST ITEMS FOR BARGAINING UNIT 03, EXCLUDED EMPLOYEES

WHEREAS, the Mayor, by correspondence dated January 16, 2020 to the Honorable Alice Lee, Chair, and Members of the Maui County Council, submitted cost items for non-supervisory white collar employees excluded from Bargaining Unit 03, which is represented by the Hawaii Government Employees Association, for fiscal years 2019-2020 and 2020-2021; and

WHEREAS, pursuant to Section 89C, Hawaii Revised Statutes, and the tentative agreement ratified by the members of Bargaining Unit 03, all items requiring any money for implementation shall be subject to appropriation by the appropriate legislative body; 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:

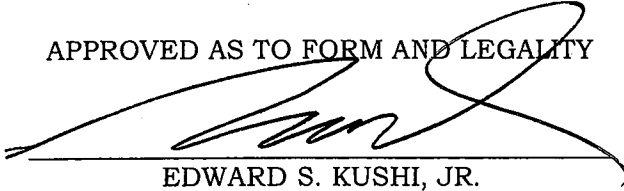
1. That it does hereby approve of the cost items as specified in Exhibit "1"; and



**Resolution No. \_\_\_\_\_**

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

APPROVED AS TO FORM AND LEGALITY



EDWARD S. KUSHI, JR.  
Department of the Corporation Counsel  
County of Maui  
2020-0031  
2020-01-13 BU03 Cost Items Excluded

COUNTY OF MAUI  
UNIT 03 (EXCLUDED)  
SUMMARY OF COST ITEMS  
FY 2019-20, FY 2020-21

1. **Salaries**

Summary includes the following increases:

*A. Effective July 1, 2019:*

- 1) \$2,800.00 lump-sum payment, prorated per full-time equivalency for all employees including employees not assigned to the salary schedule.

*B. Effective July 1, 2020:*

- 1) Employees on Step B through Step L move one step. Step B is deleted.
- 2) Increase SR-4 by 10.1%; SR-5 by 8.0%; SR-6 by 5.9%; SR-7 by 3.9%; and SR-8 by 2.0%.
- 3) 2% one-time lump-sum payment for SR-8 employees on Step M as of June 30, 2020.
- 4) 4% one-time lump-sum payment for SR-9 employees and above on Step M as of June 30, 2020, and employees not administratively assigned to the salary schedule.

*C. Effective January 1, 2021*

- 1) 3.46% across-the-board increase for all employees, including employees not administratively assigned to the salary schedule and exempt 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  
FY 2020  
\$ 220,695

Additional Cost  
FY 2021  
\$ 244,020

**TOTAL COST:**

FY 2020	<u>\$ 220,695</u>	FY 2021	<u>\$ 244,020</u>
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# Resolution

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

## APPROVING COST ITEMS FOR UNIT 4, SUPERVISORY WHITE COLLAR EMPLOYEES

WHEREAS, the Mayor, through correspondence dated March 12, 2020 to the Honorable Alice Lee, Chair, and Members of the Maui County Council has submitted cost items for Supervisory White Collar Employees included within Bargaining Unit 4, pursuant to the March 3, 2020, notice of ratification of the collective bargaining agreement; 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 Costs 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 and the Director of Finance.

APPROVED AS TO FORM AND LEGALITY:

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

COUNTY OF MAUI  
UNIT 04 (INCLUDED)  
SUMMARY OF COST ITEMS  
FY 2019-20, FY 2020-21

**1. Salaries**

Summary includes the following increases:

*A. Effective July 1, 2019:*

- 1) 5.98% lump-sum payment based on June 30, 2019 annual base pay.

*B. Effective July 1, 2020:*

- 1) Employees on Step B move to Step C, delete Step B.
- 2) Delete SR-4.
- 3) Increase SR-5 by 11.8%; SR-6 by 9.7%; SR-7 by 7.6%; and SR-8 by 5.6%.
- 4) Increase salary schedule for SR-9 and above by 3.60%, and employees not administratively assigned and exempt included employees will receive 3.6% pay increase.

*C. Effective January 1, 2021*

- 1) 3.74% across-the-board increase for all employees, including employees not administratively assigned to the salary schedule and exempt 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  
FY 2020  
\$ 161,622

Additional Cost  
FY 2021  
\$ 150,864

**TOTAL COST:**

<b>FY 2020</b>	<b><u>\$ 161,622</u></b>	<b>FY 2021</b>	<b><u>\$ 150,864</u></b>
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# Resolution

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

## APPROVING COST ITEMS FOR EMPLOYEES EXCLUDED FROM BARGAINING UNIT 4, SUPERVISORY WHITE COLLAR EMPLOYEES

WHEREAS, the Mayor, by correspondence dated March 12, 2020, to the Honorable Alice Lee, Chair, and Members of the Maui County Council, submitted cost items for Supervisory White Collar Employees excluded from Bargaining Unit 4, pursuant to Section 89C-5, Hawaii Revised Statutes; and

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

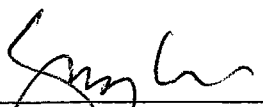
WHEREAS, a Summary of Cost Items is attached hereto and incorporated herein by reference as Exhibit "1"; now, therefore,

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

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

APPROVED AS TO FORM AND LEGALITY:

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

COUNTY OF MAUI  
UNIT 04 (EXCLUDED)  
SUMMARY OF COST ITEMS  
FY 2019-20, FY 2020-21

**1. Salaries**

Summary includes the following increases:

*A. Effective July 1, 2019:*

- 1) 5.98% lump-sum payment based on June 30, 2019 annual base pay.

*B. Effective July 1, 2020:*

- 1) Employees on Step B move to Step C, delete Step B.
- 2) Delete SR-4.
- 3) Increase SR-5 by 11.8%; SR-6 by 9.7%; SR-7 by 7.6%; and SR-8 by 5.6%.
- 4) Increase salary schedule for SR-9 and above by 3.60%, and employees not administratively assigned and exempt included employees will receive 3.6% pay increase.

*C. Effective January 1, 2021*

- 1) 3.74% across-the-board increase for all employees, including employees not administratively assigned to the salary schedule and exempt 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  
FY 2020  
\$ 22,025

Additional Cost  
FY 2021  
\$ 20,798

**TOTAL COST:**

**FY 2020      \$ 22,025**

**FY 2021      \$ 20,798**