

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

July 15, 2016

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 28, 2016, makes reference to County Communication 15-164, from Councilmember Riki Hokama, relating to amendments to the Fiscal Year 2016 Budget.

By correspondence dated December 22, 2015, the Budget Director transmitted a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF FINANCE, COUNTYWIDE COSTS; TOTAL OPERATING APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)."

The purpose of the proposed bill is to amend the FY 2016 Budget to fund salary increases for Bargaining Unit 03 positions by: (1) increasing Carryover/Savings from the General Fund by \$367,991; (2) increasing the appropriation for the Department of Finance, Countywide Costs, Fringe Benefits, by \$367,991; and (3) amending Appendix C by increasing Category B and the total appropriation for Fringe Benefits.

Your Committee noted the FY 2016 Budget incorporated revisions to Section 7 of the General Budget Provisions to increase transparency by restricting disbursements for each program by category of use, with allocations specified for: (a) salaries, premium pay, or reallocation pay ("A" category); (b) operations or services ("B" category); and (c) equipment ("C" category).

Your Committee further noted the Mayor certified \$367,991 in Carryover/Savings from the General Fund for the proposed bill. However, funding was later reallocated by the Administration in order to fund a

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portion of the Department of Fire and Public Safety's budgetary shortfall of \$1,500,000 for FY 2016, to pay for salaries and premium pay.

Your Committee noted the Mayor created a Clerk Repricing Committee three years ago comprised of clerks, secretaries, and administrative staff from various County departments to address the issue of equal pay for equal worth.

Your Committee noted the County's clerical positions are predominantly held by females and laborer positions are predominantly held by males. A minimum two years of clerical experience is needed for an entry-level clerk, yet the annual starting wage for a clerk is approximately \$15,500 below that of an entry-level laborer requiring no previous experience.

Your Committee noted the proposed bill would allow for salary increases for Bargaining Unit 03 positions currently at a salary below that of an entry-level laborer in Bargaining Unit 01. For example, the salary of an entry-level clerk is \$1,902 per month; and the salary of an entry-level laborer is \$3,206 per month.

Your Committee further noted salary discussions should be made at the bargaining table, in light of Bargaining Unit 03 being a large unit encompassing white collar, non-supervisory positions, including clerical, secretarial, and administrative positions from the counties and the State. A total of 14 bargaining unit contracts are up for renegotiation in FY 2017, including Bargaining Unit 03. Furthermore, the equal pay issue is a statewide matter, and is not limited to Maui County.

The Budget Director clarified the matter is not a repricing issue because salary ranges are set in contracts and cannot be changed by the County.

He informed your Committee the Department of Personnel Services will submit a draft supplemental agreement for FYs 2016 and 2017 to the Hawaii Government Employees Association for review and comments. The supplemental agreement will increase the starting salary for an entry-level

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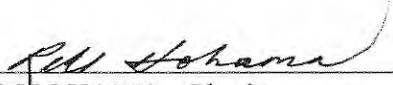
clerk at a higher step within their existing salary range, comparable to that of an entry-level laborer. He anticipates a proposed budget amendment to address the possible salary increase and related documents to be presented to the Council by October 2016.

Your Committee noted the importance of clerical, secretarial, and administrative staff throughout the County's departments.

Your Committee voted 6-0 to recommend filing of the correspondence. Committee Chair Hokama, Vice-Chair White, and members Baisa, Carroll, Couch, and Guzman voted "aye." Committee members Cochran, Crivello, and Victorino were excused.

Your Budget and Finance Committee RECOMMENDS that correspondence dated December 22, 2015, from the Budget Director, be FILED.

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



RIKI HOKAMA, Chair