

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

November 21, 2003

Committee  
Report No. 03-140

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 November 4, 2003, makes reference to the following:

1. County Communication No. 03-256, from the Mayor, transmitting the following:
  - A. A proposed resolution entitled "APPROVING COST ITEMS FOR UNIT 12, POLICE OFFICERS".

The purpose of the proposed resolution is to approve the cost items and adjustments for Unit 12, Police Officers, pursuant to the arbitration decision dated September 25, 2003 (described below under "SUMMARY OF COST ITEMS").

- B. A document entitled "COUNTY OF MAUI, UNIT 12, SUMMARY OF COST ITEMS, FY 2004 – FY 2007".

This document provides a summary of the Unit 12 cost items, which total \$846,478 for Fiscal Year (FY) 2004, \$1,813,026 for FY 2005, \$3,183,105 for FY 2006 and \$4,284,411 for FY 2007. The additional costs are for wages, including fringe-benefit costs representing expenses that automatically increase when base salaries increase (e.g., FICA, Medicare, Unemployment Compensation, Employees' Retirement System contribution, and Workers' Compensation). The second-, third-, and fourth-year costs include the roll-over costs from the previous years.

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Summary of Pay Adjustments

July 1, 2003 Across-the-board increase of 4%  
Continuation of existing step movement plan  
\$35 per month wage supplement for officers at  
PO-07B pay grade who choose full  
family medical coverage (expires  
June 30, 2004)

July 1, 2004 Across-the-board increase of 4%  
Continuation of existing step movement plan

July 1, 2005 Across-the-board increase of 4%  
Continuation of existing step movement plan  
Increase Standard of Conduct Differential from  
\$75 or \$85 per month (depending on  
rank) to \$.80 or \$1 per hour

July 1, 2006 Across-the-board increase of 4%  
Continuation of existing step movement plan

Hawaii Employer-Union Health Benefits Trust Fund

By law, the employer's contributions to the Trust Fund 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 (approximately 60% of the premium amount, plus administrative fees, with the employee paying the balance). These costs have been previously reported and are part of the Countywide Costs in the annual budget.

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- C. A document entitled "IMPASSE ARBITRATION PROCEEDINGS DECISION AND AWARD OF THE ARBITRATION PANEL", regarding Interest Arbitration Case No. I-12-92, Bargaining Unit 12.

This document is a copy of the arbitration decision dated September 25, 2003, regarding Bargaining Unit 12.

2. County Communication No. 03-257, from the Mayor, transmitting the following:

- A. A proposed resolution entitled "APPROVING COST ITEMS FOR EMPLOYEES EXCLUDED FROM UNIT 12, POLICE OFFICERS".

The purpose of the proposed resolution is to approve cost items for employees excluded from Unit 12, Police Officers (Unit 12E), pursuant to Section 89C-5 of the Hawaii Revised Statutes (HRS) and the arbitration decision dated September 25, 2003 (described below under "SUMMARY OF COST ITEMS").

- B. A document entitled "COUNTY OF MAUI, UNIT 12E, SUMMARY OF COST ITEMS, FY 2004 – FY 2007".

This document provides a summary of the Unit 12E cost items, which total \$5,815 for FY 2004 and \$12,777 for FY 2005, \$27,333 for FY 2006, and \$35,012 for FY 2007. The additional costs are for wages, including fringe-benefit costs representing expenses that automatically increase when base salaries increase (e.g., FICA, Medicare, Unemployment Compensation, Employees' Retirement System contribution, and Workers' Compensation). The second-, third-, and fourth-year costs include the roll-over costs from the previous years.

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Summary of Pay Adjustments:

- July 1, 2003 Across-the-board increase of 4%  
Continuation of existing step movement plan  
\$35 per month wage supplement for officers at  
PO-07B pay grade who choose full  
family medical coverage (expires  
June 30, 2004)
- July 1, 2004 Across-the-board increase of 4%  
Continuation of existing step movement plan
- July 1, 2005 Across-the-board increase of 4%  
Continuation of existing step movement plan  
Increase Standard of Conduct Differential from  
\$75 or \$85 per month (depending on  
rank) to \$.80 or \$1 per hour
- July 1, 2006 Across-the-board increase of 4%  
Continuation of existing step movement plan

Hawaii Employer-Union Health Benefits Trust Fund

By law, the employer's contributions to the Trust Fund 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 (approximately 60% of the premium amount, plus administrative fees, with the employee paying the balance). These costs have been previously reported and are part of the Countywide Costs in the annual budget.

Your Committee notes that County Communication No. 03-256 was transmitted in accordance with Section 89-11, HRS, and County Communication No. 03-257 was transmitted in accordance with Section 89C-5, HRS, which require that the cost items be approved and subject to appropriations by the appropriate legislative bodies.

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Your Committee further notes that the FY 2004 Budget appropriation includes funding for the cost items for Unit 12 and Unit 12E.

At its meeting, your Committee met with the Director of Personnel Services, the Budget Director, the Chief of Police, a union representative of the State of Hawaii Organization of Police Officers (SHOPO), and two Deputy Corporation Counsel.

The Chief of Police requested support for the Arbitration Award for Unit 12 and the increases for Unit 12E. He stated that Unit 12E includes ten personnel that are excluded from the union because of their positions in the Investigative Services Bureau, Criminal Intelligence Unit and the Training Division. He further noted that Unit 12E personnel receive the same increases as the Unit 12 police officers.

Your Committee requested that the proposed resolutions be revised to include the respective County Communication Number in the first "WHEREAS" paragraph and to substitute "approve" for "appropriate" in the first "BE IT RESOLVED" paragraph.

Your Committee subsequently recommended that the proposed resolutions, as revised, be adopted.

Your Committee is in receipt of two revised proposed resolutions entitled "APPROVING COST ITEMS FOR UNIT 12, POLICE OFFICERS" and "APPROVING COST ITEMS FOR EMPLOYEES EXCLUDED FROM UNIT 12, POLICE OFFICERS", incorporating the revisions recommended by your Committee.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Resolution No. \_\_\_\_\_, as revised herein and attached hereto, entitled "APPROVING COST ITEMS FOR UNIT 12, POLICE OFFICERS", be ADOPTED;
2. That Resolution No. \_\_\_\_\_, as revised herein and attached hereto, entitled "APPROVING COST ITEMS FOR EMPLOYEES EXCLUDED FROM UNIT 12, POLICE OFFICERS", be ADOPTED;

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3.     That County Communication No. 03-256 be FILED; and
4.     That County Communication No. 03-257 be FILED.

Adoption of this report is respectfully requested.

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**G. RIKI HOKAMA** **Chair**

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**DANNY A. MATEO** **Member**

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**WAYNE K. NISHIKI** **Vice-Chair**

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**MICHAEL J. MOLINA** **Member**

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**ROBERT CARROLL** **Member**

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**JOSEPH PONTANILLA** **Member**

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**JO ANNE JOHNSON** **Member**

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**CHARMAINE TAVARES** **Member**

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**DAIN P. KANE** **Member**