

TESTIMONY BY DAVID SHIMABUKURO  
ADMINISTRATOR, EMPLOYEES' RETIREMENT SYSTEM  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 2919

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM

FEBRUARY 22, 2010

Chair Oshiro and Members of the Committee:

The ERS Board of Trustees opposes H.B. 2919 since it will increase the ERS' \$6.2 billion unfunded actuarial accrued liability. This Bill will expand the definition of "sewer worker" to include several supervisory positions and enable these supervisors to qualify for an early retirement benefit as long as they have at least 25 years of credited service prior to their normal retirement age.

The ERS' Actuary has previously advised us that it would be prudent to defer any retirement benefit enhancement proposal until a future year when the outlook for the ERS' funded position is more stable.

Thank you for the opportunity to testify on this measure.

DEPARTMENT OF ENVIRONMENTAL SERVICES  
**CITY AND COUNTY OF HONOLULU**

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DIRECTOR

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DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.  
DEPUTY DIRECTOR

IN REPLY REFER TO:  
WAS 10-49

February 22, 2010

The Honorable Marcus R. Oshiro, Chair  
and Members of the Committee on Finance  
House of Representatives  
State Capitol  
Honolulu, Hawaii 96813

Dear Chair Oshiro and Members:

**Subject: House Bill 2919, Relating to the Employees' Retirement System**

The City and County of Honolulu's Department of Environmental Services supports House Bill (HB) 2919, relating to the Employees' Retirement System.

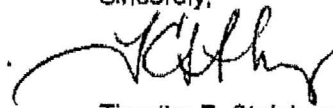
HB 2919 would change the definition of "sewer worker" to include sewer maintenance working supervisors, wastewater collection system inspection supervisors, wastewater collection system district supervisors, and wastewater collection system field services supervisors. This corrects an error and inequity that has occurred with the introduction of new classifications within the wastewater collection system maintenance function within the City and County of Honolulu over time.

As with the staff of "sewer workers" these positions supervise, employees in these positions are, as a requirement of their jobs, exposed to the same hazards as their subordinates including gases, wastewater, and other materials as they are on site for the maintenance and repair of sewer pipes. In addition, many possible good candidates for these supervisory positions can be reluctant to pursue the promotions because they would lose the option of the 25-year retirement. It is important that we have the opportunity to get the best candidates in our supervisory positions who are essential in protecting the public health and the environment. This change applies to less than ten positions in the Department of Environmental Services. Retirement contributions for these employees are made from the City's Sewer Fund funded from sewer service charges and not from General Funds.

The Honorable Marcus R. Oshiro, Chair  
and Members of the Committee on Finance  
February 22, 2010  
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We request your support of HB 2919, relating to the Employees' Retirement System, to provide retirement equity to all those directly involved in the maintenance and repair of the wastewater (sewer) collection system.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Steinberger', with a long horizontal flourish extending to the left.

Timothy E. Steinberger, P.E.  
Director

DEPARTMENT OF HUMAN RESOURCES  
**CITY AND COUNTY OF HONOLULU**

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MUFI HANNEMANN  
MAYOR



NOEL T. ONO  
ACTING DIRECTOR

February 22, 2010

Representative Marcus R. Oshiro, Chair  
and Members of the Committee on Finance  
House of Representatives  
State Capitol  
Honolulu, Hawaii 96813

Dear Chair Oshiro and Members:

Subject: House Bill 2919  
Relating to the Employee's Retirement System

The City and County of Honolulu's Department of Human Resources supports House Bill (HB) 2919, relating to the Employee's Retirement System.

HB 2919 would change the definition of "sewer worker" to include sewer maintenance working supervisors, wastewater collection system inspection supervisors, wastewater collection system district supervisors, and wastewater collection system field services supervisors. It also allows for coverage of substantially similar classifications under different class titles so that the definition does not need to be amended every time a different title is created or amended.

As these positions supervise employees covered by the "sewer worker" definition and come from the same ranks, coverage under the same twenty-five year retirement benefit is fair and appropriate.

We request your support of HB 2919, relating to the Employee's Retirement System, to provide retirement benefits to positions in the affected classes.

Yours truly,

A handwritten signature in black ink, appearing to read "Noel T. Ono".

Noel T. Ono  
Acting Director



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**

AFSCME Local 152, AFL-CIO

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The Twenty-Fifth Legislature, State of Hawaii  
Hawaii State House of Representatives  
Committee on Finance

Testimony by  
Hawaii Government Employees Association  
February 22, 2010

H.B. 2919 (HSCR174-10)-RELATING  
TO THE EMPLOYEES  
RETIREMENT SYSTEM

The Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 2919 (HSCR174-10), which expands the definition of "sewer worker" under Section 88-21, HRS, to include certain bargaining unit 02 classes that are currently excluded from enhanced retirement benefits. The expanded definition includes sewer maintenance working supervisors, wastewater collection system inspection supervisors, wastewater collection district supervisors and wastewater collection system field services supervisors. These employees are represented by the HGEA.

These employee classes were created after the last amendment to Section 88-21, HRS, although they are exposed to many of the same hazards as those already included in this statute. Correcting this inequity is important and the employees deserve to be covered by Section 88-21, HRS.

Thank you for the opportunity to submit our testimony in support of H.B. 2919 (HSCR174-10).

Respectfully Submitted,

Nora A. Nomura  
Deputy Executive Director

Rep. Marcus R. Oshiro, Chair  
And the committee on finance  
House of Representatives  
State Capitol  
Honolulu, Hawaii 96813

Subject: House Bill 2919, Relating to the employees Retirement System

Dear Chair Oshiro and Members,

My name is Florendo Juan Jr. AKA Fuji. I support HB 2919, relating to the Employees Retirement System.

As an employee of the City & County of Honolulu Department of Environmental Services Collection System Maintenance Division for the past 29 years, I was covered under section 88-21, HRS: Until my promotion to Wastewater Field Service Supervisor back in 2003. When I took this promotion I was no longer covered under 88-21 HRS although I continued to come in contact with the same situations on the field as my fellow employees who are covered under 88-21 HRS. In fact, this past Sunday I was working side by side with a crew to stop a manhole from overflowing in Palolo Valley.

I often look at this situation as if a rookie who enters the Police Department and is covered under their 25 year service benefit but, loses it when he gets promoted to a higher rank such as a Major, he would still face the same situations he did as a rookie while in the field.

I believe that these positions were not even created when the bill passed years ago. I respectfully ask that you support HB2919 and to treat all Collection System Maintenance employees who need to work out in the field as Sewer Workers.

Sincerely,



Florendo Juan Jr. AKA Fuji  
Field Service Supervisor