

LINDA LINGLE
GOVERNOR



STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

LATE

March 22, 2010

The Honorable Donna Mercado Kim, Chair
Senate Committee on Ways and Means
Twenty-Fifth State Legislature
State Capitol, Room 210
Honolulu, Hawaii 96813

Dear Chair Kim and Members of the Committee:

Re: H.B. No. 2919, H.D. 1, S.D. 1, Relating to the
Employees' Retirement System

The ERS Board of Trustees opposes H.B. 2919, H.D. 1, S.D. 1 since it will increase the ERS' \$6.2 billion unfunded actuarial accrued liability. This Bill expands the definition of "sewer worker" to include several supervisory positions and enable these supervisors to qualify for an early retirement benefit.

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.

Please share this information with the members of your Committee. If you have any questions, please call me at 586-1700.

Very truly yours,

A handwritten signature in black ink, appearing to read "David Shimabukuro".

David Shimabukuro
Administrator

c: ERS Board of Trustees
The Honorable Georgina K. Kawamura, Director of Finance

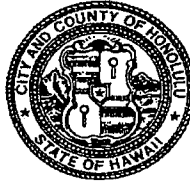


Employees Retirement System
of the State of Hawaii

DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET 10TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8500 • FAX: (808) 768-5563 • INTERNET: www.honolulu.gov/hr

MUFI HANNEMANN
MAYOR



NOEL T. ONO
DIRECTOR

March 31, 2010

Senator Donna Mercado Kim, Chair
and Members of the Committee on Ways and Means
The Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Kim and Members:

Subject: House Bill 2919, HD 1, SD 1
Relating to the Employee's Retirement System

The City and County of Honolulu's Department of Human Resources supports House Bill (HB) 2919, HD 1, SD 1, relating to the Employee's Retirement System.

HB 2919, HD 1, SD 1 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, HD 1, SD 1 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
Director

From: Houghton, Tim
To: WAM Testimony
Subject: HB 2919, HD1, SD1, Relating to the Employees Retirement System; hearing 3/31/10, 9:30 AM
Date: Tuesday, March 30, 2010 3:53:30 PM

Subject: House Bill 2919, HD 1, SD 1, Relating to the Employee's Retirement System

The City and County of Honolulu's Department of Environmental Services supports House Bill (HB) 2919, HD 1, SD 1, relating to the Employee's Retirement System.

HB 2919, HD 1, SD 1, 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.

We request your support of HB 2919, HD 1, SD 1, relating to the Employee's Retirement System, to provide retirement equity to all those directly involved in the maintenance and repair of the wastewater (sewer) collection system.

Timothy E. Steinberger, P.E.
Director

Timothy A. Houghton
Executive Assistant
Office of Administrative Support
Department of Environmental Services
City and County of Honolulu
1000 Uluohia St., Ste 308
Kapolei, HI 96707

Phone: 808-768-3475
Fax: 808-768-3487
Direct Fax: 808-550-6536
Mobile: 808-349-3166
Email: thoughton@honolulu.gov



888 Mililani Street, Suite 601
Honolulu, Hawaii 96813-2991

Telephone: 808.543.0000
Facsimile: 808.528.4059

www.hgea.org

The Twenty-Fifth Legislature, State of Hawaii
Hawaii State Senate
Committee on Ways and Means

Testimony by
Hawaii Government Employees Association
March 31, 2010

H.B. 2919, H.D. 1, S.D. 1 – 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, H.D. 1, S.D. 1, 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, wastewater collection system field services supervisors or those classifications performing substantially the same work.

These bargaining unit 02 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. As the exclusive representative for bargaining unit 02 employees, it is important to correct this inequity in retirement benefits by amending Section 88-21, HRS.

Thank you for the opportunity to testify in support of H.B. 2919, H.D. 1, S.D. 1.

Respectfully submitted,

Nora A. Nomura
Deputy Executive Director