

BOARD MEETING DATE: October 7, 2022

AGENDA NO. 11

**PROPOSAL:** Approve Amendments to the MOU with South Coast AQMD Professional Employees Association Regarding Employer Contributions for Health Insurance Premiums

**SYNOPSIS:** South Coast AQMD management and South Coast AQMD Professional Employees Association, representing the Professional Unit employees, have reached an agreement to address health insurance premium increases effective January 1, 2023. The proposed MOU amendment provides for an additional \$50 per month to be paid directly to health insurance providers on behalf of each employee. This action is to request Board approval of the MOU amendment. Sufficient funds are available in the FY 2022-23 Budget and will be requested in the FY 2023-24 Budget.

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

Approve an amendment to Article 17, Section 2 in the 2022-2023 South Coast AQMD Professional Employees Association MOU to provide an additional \$50 per month to be paid directly to health insurance providers on behalf of each Professional Unit employee, as shown in Attachment A.

Wayne Natri  
Executive Officer

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**Background**

The 2022-2023 South Coast AQMD Professional Employees Association (PEA) MOU contains a reopener clause for management and the bargaining unit representatives to meet-and-confer regarding potential health insurance premium increases effective January 1, 2023.

Employee health insurance premiums for 2023 are set to increase by 9.3 percent across all medical insurance plans. Since joining the Public Risk Innovation, Solutions, and Management public agency insurance pool in 2018, the average overall premium rate increase is below 2 percent. Subject to Board approval, South Coast AQMD management and the PEA have reached an agreement to increase the amount of the payments made directly to the health insurance providers to offset a portion of the increased costs for employees.

### **Proposal**

The proposed amendment to the PEA MOU provides for a \$50 per month per employee increase in the contribution towards health insurance premiums that are effective January 1, 2023. These increased payments will be made directly to the health insurance providers and will begin in pay period 26 of 2022. There is no change in the Monthly Benefits Cap.

### **Resource Impacts**

The cost for the proposed increased contributions towards health insurance premiums is \$224,400 for calendar year 2023. Sufficient funds are available in this year's budget and ongoing costs will be requested in the FY 2023-24 Budget.

### **Attachments**

Attachment A – PEA MOU Amendments

**ATTACHMENT A**

**SOUTH COAST AIR QUALITY  
MANAGEMENT DISTRICT**

**MEMORANDUM OF  
UNDERSTANDING**

**PROFESSIONAL UNIT**

**January 1, 2022 – December 31, 2023**

ARTICLE 17

GROUP INSURANCE

(Health, Dental, Life, and  
Vision Insurance)

Section 2. Effective September 1, 2010, the total monthly contribution to be paid by South Coast AQMD for health, dental, vision, and \$10,000 life insurance shall be an amount not to exceed \$1,320.60.

South Coast AQMD shall pay an additional amount of ~~\$385.00~~\$435.00 per month on behalf of each employee directly to the health insurance providers, resulting in a reduction of premiums paid by the employees.

Any amount necessary to fund insurance coverage in excess of amounts listed above for each contract year shall be the responsibility of the individual employee. South Coast AQMD is authorized to deduct any amount necessary to maintain coverage of health, dental, life, and vision insurance in excess of the amounts listed above for each contract year by deducting the difference from the employee's biweekly pay warrant.

Any unused portion of the monthly benefit amount remaining after premiums for medical, dental, life, and, if selected by the employee, vision insurance plans have been paid will be reimbursed as cash.