

BOARD MEETING DATE: October 7, 2016

AGENDA NO. 15

PROPOSAL: Approve Amendments to Labor Contracts with Teamsters Local 911 and SCPEA, and to the Administrative Code Provisions for Non-Represented Employees, Relating to Health Insurance Premiums

SYNOPSIS: SCAQMD management and Teamsters Local 911 and SCPEA, representing the employee bargaining units, have reached agreement on changes to their respective MOUs, to address health insurance premium increases effective January 1, 2017. The MOU amendments provide for an additional \$45 per month to be paid directly to the health insurance providers on behalf of each employee. This action is to request Board approval of the MOU amendments. This action is also to approve amendments to the Administrative Code for an additional payment of \$45 per month to the health insurance providers on behalf of each non-represented employee. Sufficient funds are available in the FY 2016-17 Budget.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to sign the proposed amendments to the 2015-2017 Teamsters MOU, representing the Technical-Enforcement and Office Clerical and Maintenance bargaining units, and the 2015-2017 SCPEA MOU representing the Professional bargaining unit employees. Changes to the 2015-2017 Teamsters MOU are shown in Attachment A and changes to the 2015-2017 SCPEA MOU are shown in Attachment B.
2. Adopt the Resolution in Attachment C, amending Section 115.3 (Insurance Contribution Amount) of SCAQMD's Administrative Code.

Wayne Natri
Acting Executive Officer

Background

On December 5, 2014, the Board approved a three-year labor contract, through December 31, 2017, with Teamsters Local 911, representing the Technical-Enforcement and Office Clerical and Maintenance bargaining units. On June 5, 2015, the Board approved a three-year labor contract, through December 31, 2017, with SCPEA representing the Professional bargaining unit employees. Both MOUs contain reopener clauses for management and the bargaining unit representatives to meet-and-confer regarding potential health insurance premium increases effective January 1, 2016 and 2017, respectively.

The health insurance premiums for 2017 were initially set to increase by an average of 12.4%. Through negotiations by SCAQMD's insurance consultants, the average rate increase was reduced to 8.5%. Per the Board's direction, and with the consensus of the Labor-Management Insurance Committee, further reductions to the rate increases will be achieved through changes to the health insurance plans, such as increases in deductibles and co-pays. The proposed additional payments to be made directly to the health insurance providers will offset a portion of increased costs for the employee.

Proposal

The proposed amendments to the MOUs for the represented employees provide for a \$45 per month per employee increase in the contribution towards health insurance premium increases, effective January 1, 2017. Management met and conferred with the representatives for Teamsters Local 911 and SCPEA, and the parties have reached tentative agreements on the proposed amendments. This action is to present the amendments to the 2015-2017 Teamsters MOU and 2015-2017 SCPEA MOU to the Board for approval. The proposed MOU amendments are shown in Attachment A for the Teamsters, and in Attachment B for SCPEA. All other provisions in the respective MOUs remain the same.

This action is also to approve, for non-represented employees, a \$45 per month payment to the health insurance providers on behalf of each employee. Attachment C reflects the proposed amendment to the Administrative Code.

Future cost containment efforts for health insurance for employees will include additional plan changes, marketing SCAQMD's existing program, and exploring alternatives for purchasing (such as risk-sharing pools, joint purchasing pools, and self-funding).

Resource Impacts

The cost for the proposed contribution towards health insurance premiums for all employees is approximately \$215,000 for the remainder of Fiscal Year 2016-17. Sufficient funds are available in the FY 2016-17 Budget for this cost increase. Ongoing costs associated with this item will be requested in future fiscal years' budgets.

Attachments

Attachment A – Teamsters MOU Amendments

Attachment B – SCPEA MOU Amendments

Attachment C – Administrative Code Amendments

ATTACHMENT A

SOUTH COAST AIR QUALITY

MANAGEMENT DISTRICT

MEMORANDUM OF UNDERSTANDING

TECHNICAL & ENFORCEMENT

AND

OFFICE CLERICAL & MAINTENANCE UNITS

January 1, 2015 – December 31, 2017

Article 17 – GROUP INSURANCE (Health, Dental, Life and Vision Insurance), Section 3, of this MOU is amended by adding the following:

For premiums effective January 1, 2017, SCAQMD shall pay on behalf of each T&E and OCM bargaining unit member an additional amount of \$45.00 per month (for a total of \$385.00 per month) paid directly to the health insurance providers resulting in a reduction of premiums paid by employees.

ATTACHMENT B

SOUTH COAST AIR QUALITY

MANAGEMENT DISTRICT

MEMORANDUM OF UNDERSTANDING

PROFESSIONAL UNIT

January 1, 2015 – December 31, 2017

Article 17, GROUP INSURANCE (Health, Dental, Life and Vision Insurance), Section 2, of this MOU is amended by adding the following:

Effective January 1, 2017, SCAQMD shall pay on behalf of each SCPEA employee an additional amount of \$45.00 per month (for a total of \$385.00 per month) paid directly to the health insurance providers resulting in a reduction of premiums paid by employees.

ATTACHMENT C
RESOLUTION NO. 16-

A Resolution of the South Coast Air Quality Management District Governing Board to amend SCAQMD's Administrative Code, to approve, for management and confidential employees, attorney classes, Designated Deputies, the Executive Officer, and the General Counsel, an additional increase of \$45.00 per month per employee for the contribution towards health insurance premiums effective January 1, 2017.

WHEREAS, the Governing Board of the South Coast Air Quality Management District exercises its duty to review and determine appropriate wages, hours, and other terms and conditions of employment provided to its employees.

THEREFORE, BE IT RESOLVED that the Board of the South Coast Air Quality Management District, in a regular session assembled on October 7, 2016, in Diamond Bar, California, does hereby amend SCAQMD's Administrative Code, as set forth in the attachment hereto and incorporated by reference herein, providing management and confidential employees, attorney classes, Designated Deputies, the Executive Officer, and the General Counsel an additional payment of \$45.00 per month per employee to the health insurance providers for health insurance premiums effective January 1, 2017.

AYES:

NOES:

ABSTAIN:

ABSENT:

Date

Clerk of the Boards

Section 115.3 - Insurance Contribution Amount

Effective September 1, 2010, the maximum health insurance contribution amount for management and confidential employees is \$2,060.84. SCAQMD shall also pay to the health insurance providers, on behalf of each management and confidential employee, an amount equal to the monthly premium increases for the health plan(s) selected by each employee, such that there is no change to the premium amount paid by the employee from the rates in effect prior to September 1, 2011, but not for premium increases effective January 1, 2013. Effective January 1, 2014, SCAQMD shall pay an additional amount of \$100.00 per month directly to the health insurance providers on behalf of each management and confidential employee for these health insurance premium increases. For premiums effective January 1, 2016, SCAQMD shall pay an additional contribution of \$100.00 per month directly to the health insurance providers on behalf of each management and confidential employee for health insurance premium increases. For premiums effective January 1, 2017, SCAQMD shall pay an additional amount of \$45.00 per month directly to the health insurance providers on behalf of each management and confidential employee for health insurance premium increases. These payments to the health insurance company do not increase the existing health benefit cap of \$2,060.84.