

BOARD MEETING DATE: September 2, 2022

AGENDA NO. 10

PROPOSAL: Approve Amendments to the MOU with Teamsters Local 911 and to Administrative Code Provisions for Non-Represented Employees Regarding Employer Contributions for Health Insurance Premiums

SYNOPSIS: South Coast AQMD management and Teamsters Local 911, representing the Office Clerical & Maintenance (OCM) and Technical & Enforcement (T&E) bargaining units, 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. This action is also to approve an amendment to the South Coast AQMD Administrative Code for an additional payment of \$50 per month to the health insurance providers on behalf of each non-represented employee. 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:

1. Approve an amendment to Article 17, Section 3 in the 2022-2023 Teamsters MOU to provide an additional \$50 per month to be paid directly to health insurance providers on behalf of each OCM and T&E employee, as shown in Attachment A; and
2. Approve an amendment to Section 115.3 (Insurance Contribution Amount) of South Coast AQMD's *Administrative Code* to provide an additional \$50 per month to be paid directly to health insurance providers on behalf of each non-represented employee, as shown in Attachment B.

Wayne Nastri
Executive Officer

Background

The 2022-2023 Teamsters 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. South Coast AQMD's Administrative Code Section 115.3 sets forth provisions to provide employer contributions toward health insurance premium costs for non-represented employees.

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 Teamsters 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. Similar payment increases are proposed for non-represented employees for partial offset purposes.

Proposal

The proposed amendment to the Teamsters MOU provides for a \$50 per month per employee increase in the contribution towards health insurance premiums that are effective January 1, 2023. This action is also to approve, for non-represented employees, an additional \$50 per month payment to the health insurance providers on behalf of each such employee to address 2023 insurance premium increases. 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 for either group.

Resource Impacts

The cost for the proposed increased contributions towards health insurance premiums is \$288,000 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 – Teamsters MOU Amendments

Attachment B – South Coast AQMD *Administrative Code* Amendments

ATTACHMENT A

**SOUTH COAST AIR QUALITY
MANAGEMENT DISTRICT**

**MEMORANDUM
OF
UNDERSTANDING**

**TECHNICAL AND ENFORCEMENT
AND
OFFICE CLERICAL AND MAINTENANCE
UNITS**

January 1, 2022 – December 31, 2023

ARTICLE 17

GROUP INSURANCE

(Health, Dental, Life and
Vision Insurance)

Section 3. South Coast AQMD shall pay an additional amount of
~~\$385.00~~\$435.00 per month on behalf of each bargaining unit
member directly to the health insurance providers, resulting in a
reduction of premiums paid by employees.

ATTACHMENT B

SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

ADMINISTRATIVE CODE

Revised ~~January 7~~September 2, 2022

Section 115 - Group Insurance

Represented employees should consult Article 17, "Group Insurance," of their MOU.

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. South Coast AQMD 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, South Coast AQMD 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, South Coast AQMD 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. Effective January 1, 2017, South Coast AQMD shall pay an additional amount of \$45.00 per month directly to the health insurance providers on behalf of each management and confidential employees for health insurance premium increases. For premiums effective January 1, 2023, South Coast AQMD shall pay an additional amount of \$50.00 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.