BOARD MEETING DATE: November 6, 2026 AGENDA NO. 11

PROPOSAL: Approve Increases to Employer Contribution for Health Insurance Premiums for Represented Employees in South Coast AQMD Professional Employees Association Bargaining Unit and Appropriate Funds from Undesignated (Unassigned) Fund Balance

SYNOPSIS: South Coast AQMD management and the South Coast AQMD Professional Employees Association ("SC-PEA") have reached an agreement to address health insurance premium increases effective January 1, 2027. This action is to request Board Approval of the proposed MOU amendment to add $40 per month to the monthly insurance contribution for employees in the SC-PEA bargaining unit. Funding of $91,000 for FY 2026-27 is available in the General Fund Undesignated (Unassigned) Fund Balance and will be requested in future budgets.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

1. Approve an amendment to Article 17, Section 2 of the 2024-2027 SC-PEA MOU to increase the monthly contribution amount for health, dental, vision, and life insurance by an additional $40 per month, for a total monthly contribution amount of $2,062, as shown in Attachment A; and
2. Appropriate $91,000 from the General Fund Undesignated (Unassigned) Fund Balance into the FY 2026-27 General Fund Budget, Salaries and Employee Benefits Major Object.

Wayne Nastri
Executive Officer

AJO:mm

Background

Since 2018, South Coast AQMD has been a member of the Public Risk Innovation, Solutions, and Management (PRISM) public agency insurance pool. For 2027, PRISM's

health insurance premiums are set to increase by 4% across South Coast AQMD's medical insurance plans.

Article 17, Section 2 of the 2024-2027 South Coast AQMD Professional Employees Association ("SC-PEA") MOU sets forth the monthly contribution amount to help cover health, dental, vision, and life insurance. The 2024-2027 SC-PEA MOU contains a reopener clause (Article 17, Section 7) for management and the bargaining unit representatives to meet-and-confer regarding potential health insurance premium increases effective January 1, 2027. Subject to Board approval, South Coast AQMD management and the SC-PEA have reached an agreement to increase the amount of the monthly contribution for insurance to offset 2027 premium increases.

At the October 2, 2026 meeting, the Board approved adding an additional $40 per month to the contribution amount that helps cover insurance premium costs for employees in Teamsters-represented bargaining units and in Non-represented classifications. The agreement with SC-PEA is for the same amount.

Proposal
The proposed amendment to the SC-PEA MOU is to provide an additional $40 per month per employee to the employer contribution towards health insurance premiums. This would bring the total monthly contribution amount for SC-PEA bargaining unit employees to $2,062. Represented employees have composite rates (same rate, with or without dependents) for their insurance plans. The 2027 increases to the medical insurance premiums vary depending on the insurance plan chosen, with the highest increase at $82 per month.

Resource Impacts
Sufficient funding of $91,000 is available in the General Fund Undesignated (Unassigned) Fund Balance for FY 2026-27 and will be requested in future budgets.

Attachment
Attachment A – Proposed SC-PEA MOU Amendment

ATTACHMENT A

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

MEMORANDUM

OF

UNDERSTANDING

PROFESSIONAL UNIT

January 1, 2024 – December 31, 2027

Board Approval, March 1, 2024
Amended, October 3, 2025
Amended, November 6, 2026

ARTICLE 17

GROUP INSURANCE
(Health, Dental, Life, and Vision Insurance)

Section 2. 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 ~~$2,022.00~~$2,062.00.

[REMAINDER OF SECTION 2 IS UNCHANGED]