

BOARD MEETING DATE: October 2, 2026

AGENDA NO. 14

PROPOSAL: Approve Increases to Employer Contribution for Health Insurance Premiums for Represented Employees in Office Clerical & Maintenance and Technical & Enforcement Bargaining Units and for Non-Represented Employees, and Appropriate Funds from Undesignated (Unassigned) Fund Balance

SYNOPSIS: South Coast AQMD management and Teamsters Local 986, 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, 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 OCM and T&E bargaining units. This action is also to approve an amendment to the South Coast AQMD Administrative Code and the Salary Resolution to add \$40 per month to the monthly insurance contribution for non-represented employees. Funding of \$148,000 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 Teamsters MOU to increase the monthly contribution amount for employees in the Office Clerical & Maintenance (OCM) and the Technical & Enforcement (T&E) bargaining units 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;
2. Approve an amendment to Section 115.3 (Insurance Contribution Amount) of South Coast AQMD's Administrative Code and Section 56.b (Health Insurance) of the South Coast AQMD Salary Resolution to increase the monthly contribution amount for non-represented employees for health, dental, vision, and life insurance by an additional \$40 per month, for a total monthly contribution amount of \$2,662, as shown in Attachments B and C, respectively; and

3. Appropriate \$148,000 from the General Fund Undesignated (Unassigned) Fund Balance into the FY 2026-27 General Fund Budget, Salaries and Employee Benefits Major Object.

Wayne Natri
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 four percent across South Coast AQMD's medical insurance plans.

Article 17, Section 2 of the 2024-2027 Teamsters MOU sets forth the monthly contribution amount for employees in the OCM and T&E bargaining units to help cover health, dental, vision, and life insurance. The 2024-2027 Teamsters MOU contains a reopener clause (Article 17, Section 6) 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 Teamsters have reached an agreement to increase the amount of the monthly contribution for insurance to offset 2027 premium increases.

For the non-represented employees, staff is proposing a \$40 monthly increase of the same amount agreed to with the Teamsters, to offset 2027 premium increases. South Coast AQMD's Administrative Code Section 115.3 (for Manager and Confidential groups) and Salary Resolution Section 56.b (for Designated Deputies) set forth provisions to provide monthly contributions toward health, dental, vision, and life insurance premium costs. The Executive Officer and the General Counsel executive agreements provide for health insurance benefits in accordance with the insurance program for management employees.

Proposal

The proposed amendment to the Teamsters MOU is to provide an additional \$40 per month per employee increase in the contribution towards health insurance premiums that are effective January 1, 2027. This would bring the total monthly contribution amount for the Teamsters 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.

This action is also to approve for non-represented employees an additional \$40 per month per employee, for a total monthly insurance contribution amount of \$2,662. Non-represented employees have the same insurance plans as represented employees, but their plans utilize tiered rates, where the cost varies based on the coverage (employee, employee plus one, or family). The 2027 increases to the medical insurance premiums vary depending on the coverage and the insurance plan chosen, with the highest increase at \$119 per month (family plan).

Resource Impacts

Sufficient funding of \$148,000 is available in the General Fund Undesignated (Unassigned) Fund Balance for FY 2026-27 and will be requested in future budgets.

Attachments

Attachment A – Proposed Teamsters MOU Amendment

Attachment B – Proposed South Coast AQMD Administrative Code Amendment

Attachment C – Proposed South Coast AQMD Salary Resolution Amendment

ATTACHMENT A

SOUTH COAST AIR QUALITY

MANAGEMENT DISTRICT

MEMORANDUM

OF

UNDERSTANDING

TECHNICAL AND ENFORCEMENT

AND

OFFICE CLERICAL AND MAINTENANCE

UNITS

January 1, 2024 – December 31, 2027

Board approval, January 5, 2024
Amended, April 5, 2024
Amended, September 5, 2025
Amended, October 2, 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, life and vision insurance for employees shall be an amount not to exceed ~~\$2,022.00~~2,062.00.

ATTACHMENT B

SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

ADMINISTRATIVE CODE

Revised ~~September 5, 2025~~October 2, 2026

Section 115.3 - Insurance Contribution Amount

Effective January 1, ~~2026~~2027, the maximum health insurance contribution amount for management and confidential employees is ~~\$2,6222,662~~. 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. These payments to the health insurance company do not increase the existing health benefit cap of ~~\$2,6222,662~~.

ATTACHMENT C

SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

SALARY RESOLUTION

~~September 5, 2025~~October 2, 2026

ARTICLE 3

BENEFITS

Section 56. FRINGE BENEFITS

Designated Deputies shall be entitled to receive the following additional fringe benefits based upon the conditions as set forth below. In no event shall SCAQMD's liability exceed the actual cost to SCAQMD of the benefits described herein. The receipt of benefits customarily given to regular employees does not create a property interest for Designated Deputies in their jobs.

- b. Health Insurance. Designated Deputies participate in the same health insurance program offered by South Coast AQMD to management employees and are subject to all of the terms and conditions of the insurance contract with the provider chosen. South Coast AQMD shall pay to the health insurance providers, on behalf of each Designated Deputy, an amount equal to the monthly premium increases for the health plans selected by each Designated Deputy, such that there is no change to the premium amount paid by the Designated Deputy from the rates in effect prior to September 1, 2011, but not for premium increases effective January 1, 2013. This payment to the health insurance company does not increase the existing health benefit cap of ~~\$2,6222,662~~.