

SUBJECT: A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING A LETTER OF AGREEMENT (LOA) WITH THE MATANUSKA-SUSITNA BOROUGH EMPLOYEE ASSOCIATION TO AMEND ARTICLE 45, SECTION A, OF THE 2025-2027 LABOR AGREEMENT BY ESTABLISHING AN OPT-OUT PROVISION FOR EMPLOYEES WITH ALTERNATIVE HEALTH COVERAGE, AND AUTHORIZING THE MANAGER TO SIGN AND EXECUTE THE LOA.

AGENDA OF: November 18, 2025

Assembly Action:

Approved under the consent agenda 11/18/25 - EMW

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To	Signatures
Originator M. Brown	<div>11/13/2025</div> <div>X M i c h a e l B r o w n</div> <div>Signed by: Mike Brown</div>
Finance Director	<div>11/13/2025</div> <div>X C h e y e n n e H e i n d e l</div> <div>Signed by: Cheyenne Heindel</div>
Borough Attorney	<div>11/13/2025</div> <div>X N i c h o l a s S p i r o p o u l o s</div> <div>Signed by: Nicholas Spiropoulos</div>
Borough Manager	<div>11/13/2025</div> <div>X M i c h a e l B r o w n</div> <div>Signed by: Mike Brown</div>
Borough Clerk	<div>11/14/2025</div> <div>X B r e n d a J . H e n r y f o r</div> <div>Signed by: Brenda Henry</div>

ATTACHMENT (S): Resolution Serial No. 25-112 (2 pp)
Draft Letter of Agreement (2 pp)

SUMMARY STATEMENT: Attached is a resolution approving a Letter of Agreement (LOA) with the Matanuska-Susitna Borough Employee Association (MSBEA) to amend Article 45, Section A, of the 2025-2027 Labor Agreement by allowing employees with alternative health coverage to opt out of the Borough Employee Health Plan, effective January 1, 2026.

Currently, all employees with a work week of at least thirty-four (34) hours or more must be enrolled in the plan, and employees with a regular work week of at least thirty (30) but less than thirty-four (34) hours may elect to purchase Borough provided insurance coverage.

Allowing employees to opt out of the Borough's health plan will not

impact the Borough's ability to comply with the Affordable Care Act (ACA), as it only requires employers to offer coverage, not mandate employee enrollment. This change also supports employee satisfaction by honoring individual coverage preferences, such as existing enrollment through a spouse or alternative plans. If approved, the opt-out provision will take effect at the start of the upcoming plan year, January 1, 2026.

RECOMMENDATION OF ADMINISTRATION: Respectfully request approval.

LETTER OF AGREEMENT
between the
MATANUSKA-SUSITNA BOROUGH
and the
MATANUSKA-SUSITNA BOROUGH EMPLOYEES ASSOCIATION

RE: Article 45, Insurance
2025-2027

It is hereby agreed and understood between the parties that Article 45, section A.1. and section A.2., of the January 1, 2025 through December 31, 2027 Collective Bargaining Agreement, shall be modified as set forth below.

Section A. Health Insurance Plan

1. Covered Employees

a. Plan Design: Through the duration of this Agreement as outlined below, the Borough shall provide and pay the costs for group health insurance for employees and their dependents:

i. for employees with a work week of thirty-four (34) hours or more; and,

ii. for employees with a work week of at least thirty (30) but less than thirty-four (34) hours who elect to purchase Borough provided insurance coverage. and their dependents through the duration of this Agreement as outlined below.

The benefits shall be equal to or better than those in the Matanuska-Susitna Borough health plan in effect December 31, 2017.

b. All employees with a work week of at least thirty-four (34) hours or more must be enrolled in the plan. However, effective January 1, 2026, employees with a work week of thirty-four (34) hours or more may opt out of coverage under the Borough's group health insurance only if they have and maintain insurance coverage under another plan, and provide proof of such coverage. Employees must provide proof of such coverage at the time they opt out and again during each subsequent annual open enrollment period. Employees may only opt out at the time of hire or during the Borough's annual open enrollment period. Employees who opt out of the group health plan may still elect to participate in the Borough's vision and dental insurance plans.

a-c. Employees with a regular work week of at least thirty (30) but less than thirty-four (34) hours may elect to purchase Borough provided insurance coverage at the contribution rates established below.

2. Employee Contribution

Each employee with a regular work week of at least thirty (30) hours or more will pay the appropriate monthly contribution for the health plan they are enrolled in and the dependent coverage option chosen eighteen percent (18%) of the overall

~~medical plan costs, including prescription costs, administrative fees, and stop loss premium costs incurred the prior plan year. At the employee's option, the employee may pay an additional contribution and receive Dental and Vision coverage. Employees with a regular work week of at least thirty (30) but less than thirty four (34) hours may elect to purchase Borough provided insurance coverage.~~

Employee contributions shall be deducted in equal amounts from each employee's paycheck on a bi-weekly basis. Adjustments to employee contributions will be effective on the pay period that includes July 1 of each year.

Following are the monthly contributions for the term of this contract:

FY26 CONTRIBUTION AMOUNTS						
Tier Coverage	Deductible: \$500 Individual, \$1500 Family MED /RX ONLY MED/RX /DEN/VIS		Deductible: \$1500 Individual, \$3000 Family MED /RX ONLY MED/RX /DEN/VIS		Deductible: \$3000 Individual, \$6000 Family MED /RX ONLY MED/RX /DEN/VIS	
Employee	\$212	\$226	\$178	\$192	\$145	\$159
Employee and Children	\$320	\$341	\$270	\$291	\$220	\$241
Employee and Spouse	\$423	\$451	\$356	\$384	\$290	\$318
Employee and Family	\$571	\$609	\$481	\$519	\$392	\$430
FY27 CONTRIBUTION AMOUNTS						
Tier Coverage	Deductible: \$500 Individual, \$1500 Family MED /RX ONLY MED/RX /DEN/VIS		Deductible: \$1500 Individual, \$3000 Family MED /RX ONLY MED/RX /DEN/VIS		Deductible: \$3000 Individual, \$6000 Family MED /RX ONLY MED/RX /DEN/VIS	
Employee	\$228	\$243	\$192	\$207	\$157	\$172
Employee and Children	\$346	\$369	\$292	\$315	\$237	\$260
Employee and Spouse	\$457	\$487	\$385	\$415	\$313	\$343
Employee and Family	\$617	\$658	\$519	\$560	\$423	\$464
FY28 CONTRIBUTION AMOUNTS						
Tier Coverage	Deductible: \$500 Individual, \$1500 Family MED /RX ONLY MED/RX /DEN/VIS		Deductible: \$1500 Individual, \$3000 Family MED /RX ONLY MED/RX /DEN/VIS		Deductible: \$3000 Individual, \$6000 Family MED /RX ONLY MED/RX /DEN/VIS	
Employee	\$247	\$263	\$208	\$224	\$169	\$185
Employee and Children	\$374	\$399	\$315	\$340	\$256	\$281
Employee and Spouse	\$493	\$526	\$416	\$449	\$338	\$371
Employee and Family	\$665	\$709	\$561	\$605	\$457	\$501

All provisions of the collective bargaining agreement not modified herein shall remain in full force and effect. The effective date of the LOA is the date this agreement is signed by both parties.

Entered into this _____ day of _____, 202~~5~~⁴ at Palmer, Alaska.

For the Borough:

For the MSBEA:

Mike Brown

Sara Clemons