

Introduced by: Mayor  
Date: 06/03/03  
Action: Adopted  
Vote: 8 Yes, 1 No

**KENAI PENINSULA BOROUGH  
RESOLUTION 2003-067**

**A RESOLUTION APPROVING THE LETTER OF AGREEMENT BETWEEN  
THE KENAI PENINSULA BOROUGH AND THE ALASKA PUBLIC EMPLOYEES  
ASSOCIATION/AFT REGARDING THE BOROUGH'S HEALTH CARE PLAN**

**WHEREAS,** other employers are offering reduced benefit health care plans to their employees;  
and

**WHEREAS,** these plans would shift a larger portion of the cost of health care to the health care  
plans of the spouses of these employees; and

**WHEREAS,** this cost shifting has the potential to negatively impact the Kenai Peninsula  
Borough's health care plan;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI  
PENINSULA BOROUGH:**

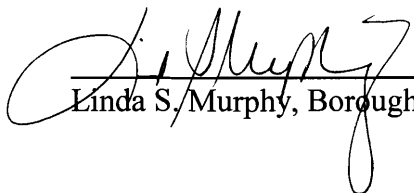
**SECTION 1.** That the attached letter of agreement is approved and incorporated by reference.

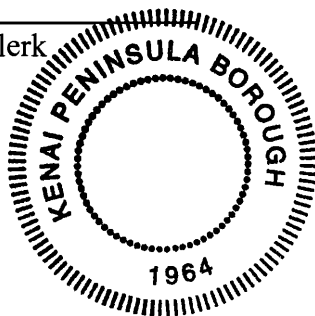
**SECTION 2.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 3RD  
DAY OF JUNE 2003.**

  
Pete Sprague, Assembly President

ATTEST:

  
Linda S. Murphy, Borough Clerk



**Letter of Agreement  
between the  
Kenai Peninsula Borough  
and the  
Alaska Public Employees Association/AFT  
representing the  
Kenai Borough Employees Association, Local 6140**

It is hereby agreed and understood between the parties that the following constitutes the full agreement regarding the modification of Employee Health Insurance to protect against cost shifting by other health care plans.

The provisions of Article 31 are herein modified by adding the following section as follows:

Section 1.a(5). Voluntary Enrollment in Cost Shifting Plan Option.  
If an employee's spouse voluntarily elects a plan design through his/her employer who's benefits are payable at 40% or less and another high option plan exists, benefits paid by the Borough will be reduced to 20%. Additionally, if the spouse's reduced plan design contains a maximum annual benefit payment, the benefits payable under the Borough plan will be limited to that same amount. This reduced benefit will apply to the spouse and any dependent children who are primary under the spouse's plan.

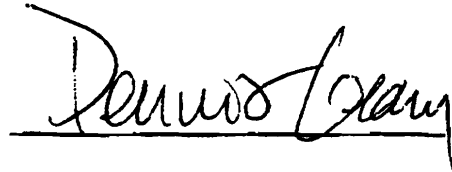
Entered into this 21st day of MAY, 2003, at Soldotna, Alaska  
and effective upon approval of the Kenai Peninsula Borough Assembly.

**For the Kenai Peninsula Borough:**



**Richard Campbell  
General Services Director  
Kenai Peninsula Borough**

**For the APEA/AFT:**



**Dennis Geary  
Assistant Business Manager  
APEA/AFT**