



## MEMORANDUM

**To:** MCWD Board of Managers  
**From:** James Wisker  
**Date:** April 9, 2018  
**Re:** 2018 – 2019 Employee Benefit Renewal

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### **Purpose:**

To provide background information regarding the pending renewal of employee benefits, scheduled for May 2018.

### **Background:**

The Minnehaha Creek Watershed District (MCWD) provides healthcare and dental benefits to District employees. These benefits are renewed annually, with plan year running from June 1 – May 31 (e.g. June 1, 2018 – May 31 2019).

Current employee benefits are provided by HealthPartners. MCWD also utilizes the services of Nesbit Agencies (Nesbit), which acts as a broker to shop for employee benefits. Brokerage fees are fixed across carriers, and paid for by the health care carrier, creating no additional overhead or obligation for MCWD.

During recent meetings with Nesbit staff, Steve Strege, the District was informed that, due to volatility in the health care marketplace, costs are proposed to increase over 2018-2019 plan year.

Carrier costs are determined based on individual age and family status. Nesbit provided information comparing fixed costs for comparable plans across carriers that represent over 90% of the healthcare market in Minnesota:

- HealthPartners
- BlueCross BlueShield
- Medica
- PreferredOne

HealthPartners provides the smallest increase in costs assuming no change in the benefit plan being provided.

Based on analysis of MCWD's changing census, and application of individual costs provided by Nesbit Agencies, the costs to MCWD to provide employee healthcare and dental benefits from 2017 – 2018 plan year, to 2018 – 2019 plan year, are projected to increase 7%. As part of the 2018 budget development, the District budgeted for an 8% increase.

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**April 12 Meeting:**

At the April 12 Meeting staff will provide an overview of the proposed changes to the Operations and Programs Committee.

**Next Steps:**

A final decision on benefits will be brought before the Board of Managers for consideration at the April 26 Meeting.

Meanwhile, District staff is working with Springsted Associates to ensure that market compensation work, currently being planned for delivery in fourth quarter 2018, includes benefits in the comparison of total compensation across benchmark organizations.

This information will be used to inform decisions by the Board for fiscal year 2019 and beyond.

If there are questions in advance of the meeting, please contact: James Wisker at [Jwisker@minnehahacreek.org](mailto:Jwisker@minnehahacreek.org) or 952-641-4509

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