



MEMORANDUM

To: MCWD Board of Managers
From: Cathy Reynolds
Date: April 26, 2018
Re: 2018-2019 Employee Benefit Renewal

Purpose:

To provide background information regarding the employee benefits provided by the Minnehaha Creek Watershed District (MCWD) and the pending benefit renewal.

On April 12, 2018 the Operations and Programs committee reviewed and discussed the proposed benefit renewal. There was consensus with the proposed renewal and the incorporation of benefits into the total compensation analysis being performed by Springsted Associates.

Background:

The MCWD employee benefit plan year runs from June 1 – May 31. Benefits are renewed annually with an open enrollment period running during the month of May.

Current benefits provided to employees include:

1. Health Insurance: MCWD provides a comprehensive health coverage plan that meets the requirements of the ACA through Health Partners. The plan also includes vision, chiropractic care and an Employee Assistance Program (EAP).
2. Dental Insurance: MCWD provides dental insurance through Health Partners.
3. Life Insurance/Accidental death and dismemberment insurance: MCWD provides for a \$50,000 life insurance policy and employees have the ability to request additional coverage and pay the premium difference.
4. Short term and long term disability insurance.
5. Retirement Benefits: Retirement benefits are provided to employees through Public Employees Retirement Association of Minnesota (PERA). In addition, MCWD has an

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IRA and 457(b) plan that employees can elect to contribute to set up through ICMA-RC.

Renewal:

While the overall cost of health insurance increased in 2018 across the United States, the renewal totals for MCWD will remain fairly steady given the changing employee census with the Human Resources Plan implementation.

Total premiums for health and dental insurance during the 2017 plan year came to \$315,163.70.

Total premiums for health and dental insurance for the 2018 plan year come to approximately \$300,170. This total is based on the current census with projected costs for currently advertised positions.

The District anticipates another \$44,722 in COBRA health insurance premiums being paid in 2018 associated with the implementation of the Human Resources Plan to date.

On April 26, staff will provide a brief overview for the Board of the reenrollment numbers compared to the budget.

Next Steps:

MCWD will conduct an open enrollment period during the month of May for all employees. This will include a benefits overview session provided by Nesbit Agencies, our insurance broker.

MCWD will be looking at total compensation packages while completing the market compensation analysis with Springsted Associates. This analysis will be utilized to evaluate salaries and the overall benefit structure of the District leading into 2019 and the 2019 benefits renewal period.

If there are questions in advance of the April 26 Board Meeting, please contact Cathy Reynolds at 952-641-4503 or creynolds@minnehahacreek.org.

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