

**METROPOLITAN LIBRARY COMMISSION  
OF OKLAHOMA COUNTY  
ADMINISTRATIVE & PERSONNEL COMMITTEE  
AGENDA**

Members: Hugh Rice, Chair  
Bose` Akadiri  
Ralph Bullard  
Cynthia Friedemann  
Helene Harpman  
Mukesh Patel

Wednesday, May 14, 2014 at 3:30 p.m.  
Downtown Library  
300 Park Avenue  
Oklahoma City, OK 73102  
Telephone: (405) 231-8650

- I. Call to Order and Establishment of Quorum – Mr. Hugh Rice, Chair
- II. Discussion, Consideration, and Possible Action: Annual Review of Human Resources – Salaries and Benefits
  - With Reports and Recommendations from Administration:
    - ❖ Compensation & Benefit Plans

## **REPORT AND RECOMMENDATION FROM ADMINISTRATION**

### MLS SALARIES & BENEFITS FY 2014-15

#### **RECOMMENDATIONS FROM ADMINISTRATION:**

The Administration recommends the following:

##### **1. Compensation:**

- A. A continuation of the performance based merit increase schedule ranging from 0-3%
- B. Depending on pending tax revenue, a possible market adjustment for all employees effective the first pay period in January, 2015.

##### **2. Benefits:**

- A. Acceptance of the Stop Loss coverage renewal for the Employee Benefit Plan through Sun Life Assurance Company on a Paid contract basis with an increase in the Specific Deductible level to \$80,000 per individual.
- B. Acceptance of the plan change recommendations for the self-funded Employee Benefit Plan.
- C. Acceptance of the Employee Benefit Plan premium costs reflecting a 3.8% increase to the Library System and participants after applying a portion of the available fund balance.

#### **ADMINISTRATIVE & PERSONNEL COMMITTEE ACTION:**

The Committee action would be to recommend that the Finance Committee incorporate the funds for the above recommendations into the FY 2014-15 budget and that the Commission, by approval of the estimate of needs, approve the plan changes in accordance with the funding level.

**METROPOLITAN LIBRARY SYSTEM**  
**ANNUAL REVIEW OF HUMAN RESOURCES - SALARIES AND BENEFITS**  
**May 2014**

The Library System provides a salary and benefits package intended to attract and retain the excellent quality of employees that our customers have come to expect and deserve. Salaries, economic outlook, and benefits are reviewed annually using information from various sources such as the US Department of Labor's Bureau of Labor Statistics, surrounding library systems, national and local library and human resource associations, and national publications and surveys.

**SALARIES**

The Library System has stated, as a goal, that it is desirable to be the leader in-state among the major public library employers. The library system has traditionally compared salaries for the position of librarian since qualifications and duties in libraries of comparable size are similar. Shown below are the current comparisons:

<i>Source</i>	<i>Min</i>	<i>Max</i>
Tulsa City-County Library System	37,656	56,820
Pioneer Multi-County Library System (No Supv duties)	38,700	58,050
Pioneer Multi-County Library System (Some Supv duties)	42,312	63,468
Allen County Public Library (2013 survey)	39,642	62,500
<i>Metropolitan Library System</i>	<b>43,867</b>	<b>65,790</b>

**EMPLOYER OUTLOOK:**

The Employment Cost Index, released in April 2014, showed the increased for state and local government for the 12-month period ending March 2014 as follows:

	<u>2014</u>	<u>2013</u>
Compensation	1.9%	1.9%
Wages & Salaries	1.2%	1.0%
Benefits	3.0%	3.5%

The Consumer Price Index (CPI), released in April 2014, showed that the increase for all items during the 12-month period for the year ended in March 2014 as follows:

US City Average – All Items:	1.5%
Southern Region – All Items:	1.5%
Dallas-Fort Worth – All Items:	1.1%

The Federal Register reported a 1.5% cost of living increase in Social Security benefits effective January 2014.

US Employers are predicted to increase base salaries on average of 3% and continue performance based increases averaging between 1.02 to 4.46%.

The average MLS employee merit increase for FY13-14 was 2.38%. There are currently 57 employees maxed out within their salary range.

RECOMMENDATIONS for FY14-15

Based on all information available, the proposed changes in the health/dental plan, and the library's financial situation, administration recommends the continuation of the current performance based merit increase schedule ranging from 0-3%, beginning July 1, 2014. The preliminary budget currently reflects a 0% market adjustment due to the still uncertain ad valorem tax revenue. Upon receiving the final numbers from the County, administration may bring a recommendation to the commission at final budget approval for a possible market adjustment to be effective January 1, 2015.

**BENEFITS**

**MEDICAL/DENTAL & PRESCRIPTION DRUG PLAN (EMPLOYEE BENEFIT PLAN)**

The following is a brief summation of the current Plan performance:

- Paid medical and prescription drug claims (including Stop Loss Reimbursements) increased 23% over the prior year.
- Medical claims increased 14%
- Prescription Drug claims increased 24%.
- Paid dental claims are on track to be 18% lower than last year.
- To date this year, there are four individuals with claims in excess of \$75,000 (Specific Stop Loss Deductible). The Stop Loss carrier has reimbursed \$115,259.
- The Total Plan Expenses were allocated as follows:
  - Stop Loss Coverage: 16.44%
  - Administration: 1.94%
  - Claims: 78.50%
  - Ancillary Coverage (Group Term Life/AD&D): 1.35%
- The Provider networks and Lab Card program discounts saved the Plan 44.66% on billed charges.
- The average age of our membership is 39.7.
- The Plan currently covers 422 members.

ANTICIPATED PREMIUMS for FY 15:

	Monthly Premiums*					
	Library's Share		Employee's Share		TOTAL	
	Increase:	FY 14-15	Increase:	FY 14-15	Increase:	FY 14-15
Single Coverage	\$ 28.95	\$ 790.86	\$ 3.21	\$ 87.86	\$ 32.16	\$ 878.72
Dependent Coverage	\$ 17.79	\$ 486.01	\$ 7.64	\$ 208.30	\$ 25.43	\$ 694.31
Total Cost for Both	\$ 46.74	\$ 1,276.87	\$ 10.85	\$ 296.16	\$ 57.59	\$ 1,573.03

\* The Library shares approximately 90% of single coverage cost and 70% of additional cost for dependents.  
 The Employee shares approximately 10% of single coverage cost and 30% of additional cost for dependents.

RECOMMENDATIONS for CHANGE:

*Affordable Care Act (ACA) Mandated Changes:*

1. Eliminate Annual Maximum Per Covered Person.
2. Eliminate all Pre-existing Condition Limitations.
3. Provide coverage for Clinical Trials.

*Recommendations:*

1. Terminate Disease Management program through WellNet Interactive.
2. Increase Prescription Drug Benefit Retail coinsurance for Brand Name products to 35% Preferred and 40% Non-Preferred (current coinsurance amounts 30% /35%).
3. Increase Prescription Drug Benefit Mail Order copayments to \$125 Preferred / \$175 Non-Preferred (current copayments \$105 / \$150).

**WELLNESS PROGRAM**

The fourth annual *A Healthy Me* challenge, held in October 2013, resulted in the following outcomes: 218 comprehensive biometric screenings administered and 160 Health Risk Assessments completed. Fourteen employees had at least one critical laboratory value identified as part of their biometric screening. Personalized Prevention estimates a potential medical cost avoidance of \$222,497 resulting from early identification and intervention with these individuals.

Since the beginning of the Wellness Works program in 2010, the percentage of employees with three or more markers for Metabolic Syndrome has dropped from 32% to 20% which is considered a significant decrease.

The first year of the Wellness Points Program concluded in September 2013. In its inaugural year, 318 employees took advantage of the program, earning a total of 20,536 points for 1,292 activities.

The online Wellness Portal provided by Personalized Prevention has 250 active members. Employees have completed 151 workshops offered through the online site, the most popular being the Nutrition Workshop, followed by the Exercise Workshop.

**WORKERS' COMPENSATION**

Current Workers' Compensation Carrier:	<i>CompSource Oklahoma</i>
Current Policy Period:	<i>10/01/2013 – 09/30/2014</i>
Current Experience Modification Factor :	<i>1.02 (prior year 0.97)</i>

*No changes recommended for other benefits programs.*