

METROPOLITAN LIBRARY COMMISSION OF OKLAHOMA COUNTY

ADMINISTRATIVE & PERSONNEL COMMITTEE AGENDA

Members: Hugh Rice, Chair
 Cynthia Friedemann
 Helene Harpman
 Mukesh Patel
 Sharon Voorhees

Thursday, August 18, 2016 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

REPORT AND RECOMMENDATION FROM ADMINISTRATION

METROPOLITAN LIBRARY SYSTEM SALARIES FY2016/17

METROPOLITAN LIBRARY SYSTEM ANNUAL REVIEW OF HUMAN RESOURCES - SALARIES August 2016

The Library System provides a salary package intended to attract and retain the excellent quality of employees that our customers have come to expect and deserve. Salaries and the economic outlook 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 Metropolitan Library Commission has set as a goal to be a leading employer among in-state and regional library systems, and has determined that to be an "employer of choice," employee salaries and benefits must be competitive, and in many cases should exceed those of our peer institutions. 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>Percentage Increase over Prior Year</i>	<i>Max</i>	<i>Percentage Increase over Prior Year</i>
Tulsa City-County Library System	\$42,168	2%	\$63,636	2%
Pioneer Multi-County Library System (No supervisory duties)	\$44,256	14.4%	\$58,440	.67%
Pioneer Multi-County Library System (Some supervisory duties)	\$47,568	12.4%	\$71,352	12.4%
Wichita Public Library	\$38,640	1.5%	\$68,702	1.5%
Allen County Public Library (2015 Salary Survey average)	\$42,209		\$67,902	
<i>Metropolitan Library System - Librarians</i>	<i>\$44,762</i>		<i>\$67,122</i>	
<i>Metropolitan Library System – Lead Librarians</i>	<i>\$47,008</i>		<i>\$70,470</i>	

The U.S. Bureau of Labor Statistics 2015 Occupational Outlook Handbook indicates the median pay for Librarians nationally is \$56,880. The Metropolitan Library Systems median, by comparison, is \$55,932.

On May 18, 2016, the Department of Labor released the final regulations updating portions of the Fair Labor Standards Act (FLSA). The main impact to the Library will be the requirement to increase exempt salaries (those salaries for positions determined to be exempt from FLSA) to an annual minimum of \$47,476 by December 1, 2016. Based on current staffing, the Library administration has determined that the budget increase associated with the mandate will amount to approximately \$13,000. The salary schedule for all employees will be reviewed next year as part of the planned classification and compensation study.

ECONOMIC OUTLOOK:

The Employment Cost Index showed the following compensation cost increases for state and local government workers for the 12-month period ending June 2016:

	<i>2016</i>	<i>2015</i>
Compensation	2.3%	2.2%
Wages & Salaries	1.7%	1.9%
Benefits	3.4%	2.7%

The Consumer Price Index (CPI) showed the following increases for all items during the 12-month period ending in June 2016:

US City Average – All Items:	1.0%
Southern Region – All Items:	0.8%
Dallas-Fort Worth – All Items:	1.0%

The Federal Register reported that there would be no cost of living increase in Social Security benefits effective January 2016.

US Employers are predicted to increase 2016 base salaries on average of 3.0% with performance based increases averaging between .2% to 5.0% with an average of 2.8%.

The average MLS employee merit increase for FY2015/16 was 2.32%. There are currently 63 employees out of 490 at the maximum of their salary range.

RECOMMENDATIONS for FY2016/17

RECOMMENDATIONS FROM ADMINISTRATION:

According to Mercer's 2015/2016 *US Compensation Planning Survey*, a compilation of data from more than 1,500 employers, representing 16 million workers, organizations are focusing more on internal talent and career progression to retain key employees. As a result, many companies are rewarding their top-performing employees with higher than average merit based salary increases. The Mercer survey projects that the highest performing employees will receive as much as a 5.0% increase in 2016, with average performers earning an estimated 2.8%.

Accordingly, staff recommend that the Committee establishes a maximum performance award of 5%, effective July 1, 2016, to be distributed in a fashion determined by Library administration as defined in organization procedure. The table below is meant to be illustrative, and Library administration may vary the exact amounts based on pertinent information, however, using performance data from previous years, the distribution below would increase salaries in FY2016/17 by approximately 2.71% or \$74,000 over the amount budgeted in FY2015/16.

Performance Rating	Performance Awards % Increase
3.40 to 4.00	5.0%
3.20 to 3.39	3.2%
3.00 to 3.19	2.0%
1.00 to 2.99	0.0%

Based on the research mentioned above and the establish analysis processes, staff do not recommend a market adjustment or cost of living increase at this time. Prior to the end of FY2016/17, the Library will perform a study of all positions to determine the necessity to adjust and/or reclassify them based on changes in qualification, responsibility and market needs.

ADMINISTRATIVE & PERSONNEL COMMITTEE ACTION:

That the Administrative and Personnel Committee recommends a maximum performance award of 5% to employees and that the Finance Committee incorporate such funds as are necessary to support the maximum performance award into the FY2016/17 budget.