

**METROPOLITAN LIBRARY COMMISSION  
OF OKLAHOMA COUNTY**

**JOINT MEETING OF THE  
Finance and Administrative & Personnel Committees**

**AGENDA**

**Finance Committee**

Allen Coffey, Chair  
Fran Cory  
Dr. Dennis Shockley  
Jim Shonts  
Judy Smith  
Beth Toland

**Administrative & Personnel Committee**

Hugh Rice, Chair  
Dr. Ann Caine  
Cynthia Friedemann  
Helene Harpman  
Brian Maughan  
Mukesh Patel

**Friday, May 12, 2017 at 3:30 pm  
Belle Isle Library  
5501 N. Villa  
Oklahoma City, OK 73112  
Telephone: (405) 843-9601**

- I. Call to Order and Establishment of Quorum – Administrative & Personnel Committee – Hugh Rice, Chair
- II. Discussion, Consideration, and Possible Action: Annual Review of Human Resources – Benefits Plan
- III. Discussion, Consideration, and Possible Action: Executive Director Evaluation Survey
- IV. Call to Order and Establishment of Quorum - Finance Committee – Allen Coffey, Chair
- V. Discussion, Consideration, and Possible Action: Recommendation from Administrative & Personnel Committee – Benefits Plan

## **REPORT AND RECOMMENDATION FROM ADMINISTRATION**

MLS BENEFITS FY 2017-18

### **METROPOLITAN LIBRARY SYSTEM ANNUAL REVIEW OF HUMAN RESOURCES - BENEFITS May 2017**

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

The Library offers its employees benefit plan coverage of medical expenses which include a broad range of inpatient and outpatient health care services; dental expense coverage for diagnostic and preventive services, basic and major restorative services, and orthodontia services for dependent children; and coverage for generic, brand, and specialty prescription drugs. The Library plan is self-funded. In self-funding, the Library assumes the responsibility for payment of the all claims for benefits to the set stop loss levels.

Plan performance report below is compiled from the Coverage Analysis provided by the plan's third-party administrator, HealthSmart, with a close date of 03/31/2017. The following is a brief summation of the current plan performance compared to the close of the prior fiscal Year:

- The amount of paid medical claims increased 1.1%, from \$2,383,765 to \$2,410,399.
- The amount of paid prescription drug claims increased 7.1%, from \$625,631 to \$669,862.
- The amount of paid dental claims increased 16.1%, from \$171,374 to \$198,945.
- The total plan expenses were expended as follows:
  - Stop loss coverage, which pays claims in excess of the pre-determined levels, made up 20.43% of the plan's annual expense. To date this year, there are seven individuals with claims in excess of the \$90,000 specific stop loss deductible. The stop loss carrier has reimbursed \$313,737.
  - Administration costs, which include third party administrator costs for management of claims processing, provider networks, utilization reviews, and membership functions, made up 2.2% of the plan's annual expense.
  - Claims costs, which include payments made by the plan for medical, dental, and prescription drug claims for employees and dependents, made up 75.4% of the plan's annual expense.
  - Ancillary coverage, which include costs for group term life insurance and accidental death and dismemberment, made up 1.3% of the plan's annual expense.
- The plan currently covers 488 members with 172 enrolled in single coverage and 111 employees enrolled in family coverage. The average membership age is 38.3.
- The Preferred Provider Organization (PPO) networks and the Lab Card program discounts saved the plan 56.7% on billed charges. The Lab Card program is available to all members for in office laboratory services ordered by a health care provider.

#### **RECOMMENDATIONS for CHANGE:**

All recommendations are due to increased health care costs. The stop loss premium increased 10.77% and administrative costs increased 2.6%. According to the 2016 Mercer National Survey of Employer-Sponsored Health Plans report, health care costs are predicted to rise 4.0% in 2017.

1. Increase specific stop loss deductible from \$90,000 to \$95,000. This increase saves approximately \$27,000 annually in fixed costs and the stop loss premium with a \$95,000 deductible is 4% less than the premium for a \$90,000 stop loss deductible.
2. Increase monthly premiums 5.5%. The Library and participants share this increase equally. The Library premium increases from \$811.44 for single coverage to \$856.06. the Library premium increases from \$1,310.08 for family coverage to \$1,382.13. The employee premium increases from \$91.00 for single coverage to \$96.00. The employee premium increases from \$304.70 for family coverage to \$321.46.
3. Remove override which allowed payment on brand name drugs when a generic drug was available. Removing this override will save approximately \$8,500 annually. This savings is based on if claims were filled compliantly for the last 12 months. However, brand drugs can still be allowed if the patient's physician completes a medical necessity form. This change will affect 7 members.
4. Increase the coinsurance for preferred brand drugs from 35% to 40% with same maximum copay of \$125. Increase the coinsurance for non-preferred brand drugs from 40% to 50% with same maximum copay of \$150. This change will save approximately \$7,000 annually based on current usage of brand drugs. This cost is being shifted to the employees and is comparable to the industry standard for cost sharing of brand drugs.
5. Implement the MaxProtect Specialty Program which enables members to work with drug manufacturer patient assistance programs for high cost specialty drugs. This program will save approximately \$65,000 annually based on the 8 members currently taking specialty drugs that are part of the program.

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

The Administration recommends the following:

- A. Approval of the Stop Loss coverage renewal for the medical, dental, and prescription benefit plan through Sun Life and Health Insurance Company on a paid contract basis with an increase in the specific deductible level from \$90,000 to \$95,000 per individual.
- B. Approval of the entire benefit package for the self-funded employee benefit plan.
- C. Approval of the employee benefit plan premium costs reflecting a 5.5% increase to the Library System and participants after applying a portion of the available fund balance. The Library and participants share the 5.5% increase equally. The current fund balance is \$2,615,697.74. See Exhibit 1.
- D. Continuation of all other benefit plans. See Exhibit 2.

#### **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 2017-2018 budget and that the Commission, by approval of the estimate of needs, approve the plan changes in accordance with the funding level.

EXHIBIT 1

**FY 18 Projected Annual Benefits Costs for MLS:**

| Coverage Description                            | Monthly Cost                                       | Annual MLS Cost       |
|---|--|-----------------------|
| Employee Benefit Plan                           | Single-\$856.06; Family-\$1,382.13                 | \$3,607,905           |
| Employee Benefit Opt out                        | \$55 PEPM*   | \$15,180              |
| Vision  | \$11.64 PEPM*                                      | \$53,534              |
| Life Insurance/Accidental Death & Dismemberment | \$0.18 per \$1,000 of coverage (\$100,000 maximum) | \$45,540              |
| Long Term Disability                            | \$0.16 per \$100 of monthly covered payroll        | \$99,519              |
| Long Term Care                                  | Age banded   | \$28,466              |
| Employee Assistance Program                     | \$1.65 PEPM*                                       | \$9,424               |
| <b>Total:</b>                                   |  | <b>\$3,859,568.00</b> |

\* Per Employee Per Month

**FY 18 Projected Benefits Costs for Employees:**

| Coverage Description         | Monthly Cost  |
|------------------------------|---|
| Employee Benefit Plan        | Single-\$96.00; Family-\$321.46   |
| Vision                       | Spouse-\$10.33; Child(ren) \$10.80; Family (Spouse & Child(ren))- \$24.52 |
| Dependent Life               | \$2.50 per family unit  |
| Short Term Disability        | Age banded  |
| Long Term Care Buy-up option | Age banded  |

The Library shares 90% of single coverage cost and 70% of additional cost for dependents.

The Employee shares 10% of single coverage cost and 30% of additional cost for dependents.



## Summary of Benefits

(Full-Time Employees Only)

*This summary is not intended to fully explain the benefits; it is designed to provide a summary list of some of the benefits available to full-time library system employees. In all cases the policy & procedure items, insurance policies, or other plan documents in existence are the controlling statements covering any and all benefits. No contract for benefits is intended or implied by this summary.*

| <b>Insurance Benefits</b>                           |  |
|---|--|
| <b>Health &amp; Dental Insurance</b>                | <p>Effective 1<sup>st</sup> of the month following 60 days of continuous full-time employment:</p> <p>Self-insured group coverage with First Health Network benefits on shared cost basis</p> <p><u>Employee Cost for monthly pre-tax premiums</u><br/>           Employee only = \$96.00<br/>           Family (employee plus dependent(s)) = \$321.46<br/>           (\$208.73 deducted from 1<sup>st</sup> paycheck each month; \$112.73 deducted from the 2<sup>nd</sup>)</p> <p>Opt out option: \$55 per month (providing there is proof of coverage elsewhere)</p> |
| <b>Vision Insurance</b>                             | <p>Provides routine eye exam and one pair of glasses or contacts per employee every 12 months with minimal co-payment</p> <p><u>Employee Cost for monthly pre-tax premiums</u><br/>           Employee only = \$0.00 (coverage paid 100% by the library)<br/>           (Dependent Coverage paid 100% by the employee)<br/>           Spouse = \$10.33<br/>           Child(ren) = \$10.80<br/>           Family (Spouse &amp; Child(ren)) = \$24.52</p>   |
| <b>Flexible Spending Account (IRS Section 125c)</b> | <p>IRS approved, pre-tax salary reduction with direct library reimbursement of eligible medical and/or dependent care out of pocket</p> <p><u>Employee Limits plan year (July – June)</u><br/>           Medical Reimbursement Plan: \$2,600 limit<br/>           Dependent Care Plan: \$5,000 limit</p>   |
| <b>Life &amp; AD&amp;D</b>                          | <p>Each valued at one and ½ times annual salary (up to a maximum of \$100,000 each); paid 100% by the library (available to employees only)</p>  |
| <b>Dependent Life</b>                               | <p>Available by payroll deduction at group rates; coverage provides \$5,000 for spouse, \$2,000 for child(ren) 6 months-26yrs, &amp; \$1,000 for child(ren) under 6 month; paid 100% by the employee</p>   |
| <b>Short Term Disability</b>                        | <p>Available by payroll deduction at group rates for employees on an amount of monthly benefit income selected by them not to exceed 65% of basic monthly earnings; paid 100% by the employee</p>  |
| <b>Long Term Disability</b>                         | <p>Provides up to 60% of lost income up to a maximum of \$6,000 per month (coordinated with other sources of income) for an absence due to illness or injury in excess of 90 days; paid 100% by the library</p>  |
| <b>Long Term Care</b>                               | <p>Base policy, paid 100% by the library; \$1,000 facility monthly benefit for 3 yrs after a 90 day Elimination Period; Lifetime Maximum benefit of \$36,000 (a 6 month pre-existing condition provision applies)</p> <p>A "buy-up" option is available for employees and eligible family members; this option is paid 100% by the employee</p>  |
| <b>Employee Assistance Program</b>                  | <p>(Available to all employees of MLS.)</p> <p>Confidential counseling and referral service available 24 hrs a day/7 days a week; program is available to employees and immediate family members residing in the employee's home</p>   |

## METROPOLITAN LIBRARY COMMISSION OF OKLAHOMA COUNTY

### Staff Input for Executive Director Annual Evaluation

For Period: **July 1, 2016 – June 30, 2017**

Using the rating scale below, respond to each of the appraisal items in the four categories.

Please return your evaluation form to Director of Human Resources Kelley Hoffman, by **July 1, 2017**. The evaluation ratings will be compiled and shared with Tim Rogers prior to the August Commission meeting.

#### Explanation of Ratings

- E** Exceeds performance expectations
- S** Satisfactory performance/meets expectations
- I** Improvement needed/less than satisfactory performance\*
- U** Unsatisfactory performance/does not meet expectations\*
- NA** No rating/unable to evaluate

\*Any rating of a "I" or "U" should include an explanation

| Leadership |  | E | S | I | U | NA |
|------------|--|---|---|---|---|----|
| 1          | Sets appropriate goals for the organization.   |   |   |   |   |    |
| 2          | Promotes and develops teamwork within the Leadership Team.   |   |   |   |   |    |
| 3          | Develops/mentors staff to become future organizational leaders.  |   |   |   |   |    |
| 4          | Empowers the Leadership Team with responsibility and authority.  |   |   |   |   |    |
| 5          | Encourages and embraces change by challenging status quo   |   |   |   |   |    |
| 6          | Provides a clear sense of purpose and direction, roles and responsibilities, for me individually and for my team members |   |   |   |   |    |

Comments:

| <b>Accountability</b> |   | <b>E</b> | <b>S</b> | <b>I</b> | <b>U</b> | <b>NA</b> |
|-----------------------|---|----------|----------|----------|----------|-----------|
| 7                     | Works through problems to achieve success.                                      |          |          |          |          |           |
| 8                     | Focuses on goal achievement.  |          |          |          |          |           |
| 9                     | Seeks input from all team members   |          |          |          |          |           |
| 10                    | Shows genuine concern for team members  |          |          |          |          |           |
| 11                    | Treats people fairly, without showing favoritism                                |          |          |          |          |           |
| 12                    | Recognizes and rewards my individual contributions in a manner meaningful to me |          |          |          |          |           |

Comments:

| <b>Communication</b> |  | <b>E</b> | <b>S</b> | <b>I</b> | <b>U</b> | <b>NA</b> |
|----------------------|--|----------|----------|----------|----------|-----------|
| 13                   | Effectively communicates the mission, vision, and values of the Metropolitan Library System.                       |          |          |          |          |           |
| 14                   | Available and accessible to Library staff.   |          |          |          |          |           |
| 15                   | Communicates in a timely manner with Library personnel.  |          |          |          |          |           |
| 16                   | Encourages others to express different ideas and perspectives  |          |          |          |          |           |
| 17                   | Is open to other perspectives and is willing to change his/her position when presented with compelling information |          |          |          |          |           |
| 18                   | Involves me in decision-making when appropriate  |          |          |          |          |           |
| 19                   | Seeks input/feedback from diverse individuals and groups, including internal/external customers                    |          |          |          |          |           |

Comments:

| <b>Community Outreach</b> |   | <b>E</b> | <b>S</b> | <b>I</b> | <b>U</b> | <b>NA</b> |
|---------------------------|---|----------|----------|----------|----------|-----------|
| 20                        | Represents the Metropolitan Library System in civic organizations.            |          |          |          |          |           |
| 21                        | Responds to public inquiries and complaints.                                  |          |          |          |          |           |
| 22                        | Serves as a liaison to the Friends of the Library and to the Endowment Board. |          |          |          |          |           |

Comments:

**Summary**

**E**

**S**

**I**

**U**

**NA**

|                         |  |  |  |  |  |
|-------------------------|--|--|--|--|--|
| Overall Job Performance |  |  |  |  |  |
|-------------------------|--|--|--|--|--|

**Additional feedback/comments:**



**METROPOLITAN LIBRARY COMMISSION OF OKLAHOMA COUNTY**

**Commission Input for Executive Director  
Annual Evaluation**

For Period: **July 1, 2016 – June 30, 2017**

Tim Rogers, Executive Director

Date:

Please return your evaluation form to Director of Human Resources Kelley Hoffman, by **July 1, 2017**. The evaluation ratings will be compiled and shared with Tim Rogers prior to the August Commission meeting.

**Explanation of Ratings**

- E** Exceeds performance expectations
- S** Satisfactory performance/meets expectations
- I** Improvement needed/less than satisfactory performance\*
- U** Unsatisfactory performance/does not meet expectations\*
- NA** No rating/unable to evaluate

|  | E | S | I | U | NA | COMMENTS |
|--|---|---|---|---|----|----------|
| Operates the Library's business in a fair, open, and ethical manner                                  |   |   |   |   |    |          |
| Keeps the Commission informed on all matters of its concern  |   |   |   |   |    |          |
| Strictly enforces the policies set forth by the board and operates within the established procedures |   |   |   |   |    |          |
| Interprets accurately the needs of the community   |   |   |   |   |    |          |
| Operates the agency in a fiscally sound manner, securing organization financial health.              |   |   |   |   |    |          |

|  | E | S | I | U | NA | COMMENTS |
|--|---|---|---|---|----|----------|
| Keeps the board advised of changes, innovations, and trends in Library services                    |   |   |   |   |    |          |
| Functions as the chief executive officer and provides support to the Commission                    |   |   |   |   |    |          |
| Easily available to staff and board  |   |   |   |   |    |          |
| Serves as a professional example to employees  |   |   |   |   |    |          |
| Strives to provide atmosphere for good working conditions  |   |   |   |   |    |          |
| Demonstrates a positive outlook and communicates the positive aspects of the Library to the public |   |   |   |   |    |          |
| Demonstrates the ability to meet difficult situations appropriately and effectively                |   |   |   |   |    |          |
| Is approachable and communicative to the Library's employees                                       |   |   |   |   |    |          |
| Shows initiative, creativity, and originality in organization                                      |   |   |   |   |    |          |
| Delegates appropriately  |   |   |   |   |    |          |
| Maintains and grows good relationships with community leaders                                      |   |   |   |   |    |          |
| Anticipates problems and is effective in preventive actions  |   |   |   |   |    |          |
| Involves staff members in Commission meetings, as appropriate                                      |   |   |   |   |    |          |
| Other:   |   |   |   |   |    |          |
| Other:   |   |   |   |   |    |          |

Commission member responses will be provided to the executive director as part of the evaluation process in order to provide reinforcement for excellence, provide encouragement in areas where growth is occurring, and to provide direction in areas where improvement is needed.

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Commission Member  
(Signature required)

Date

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Executive Director

Date

(Signature affirms knowledge of evaluation, not agreement)

COMMISSION MEMBER COMMENTS: