

**METROPOLITAN LIBRARY COMMISSION
OF OKLAHOMA COUNTY**

**FINANCE COMMITTEE
AGENDA**

Members: Nancy Anthony, Chair
Allen Coffey
Rozz Grigsby
Jim Shonts
Judy Smith
Beth Toland

Tuesday, June 4, 2013
at 3:30 pm
Downtown Library
300 Park Avenue
Oklahoma City, OK 73102
Telephone: (405) 231-8650

- I. Call to Order and Establishment of Quorum – Nancy Anthony, Chair
- II. Discussion, Consideration, and Possible Action: Report and Recommendations from Administrative & Personnel Committee meeting May 10, 2013
- III. Discussion, Consideration, and Possible Action: Report and Recommendations from Administration
 - MLC FY 2013-2014 Preliminary Budget

REPORT AND RECOMMENDATIONS
FROM THE ADMINISTRATIVE & PERSONNEL COMMITTEE

The Administrative & Personnel Committee met May 10, 2013 for:

- I. Discussion, Consideration, and Possible Action: Annual Review of Human Resources – Salaries and Benefits
With Reports and Recommendations from Administration:
 - ❖ Compensation & Benefit Plans
- II. Discussion, Consideration, and Possible Action: Recommendation regarding Compensation & Benefits for Executive Director

During its meeting, the Committee:

Reviewed and discussed all items.

The following recommendations are the results of the discussions.

FINANCE COMMITTEE ACTION:

To accept or approve the following recommendations from the Administrative & Personnel Committee and recommend the Commission incorporate the funds for the Administration recommendation for 1: Compensation and 2: Benefits into the FY 2013-2014 budget and that the Commission, by approval of the estimate of needs, approve the performance awards program and the plan changes in accordance with the funding level.

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, 2014.

2. Benefits:

- A. Acceptance of the Stop Loss coverage for the Employee Benefit Plan through Sun Life & Health Insurance Company on a 24/12 contract basis with an increase in the Specific Deductible level to \$75,000 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 2.67% increase to the Library System and participants after applying a portion of the available fund balance.
- D. Acceptance of \$4.00 per account fee for third party administration of the Flexible Benefits Plan.
- E. Acceptance of plan change recommendation for the Vision Service Plan.

METROPOLITAN LIBRARY COMMISSION
OF OKLAHOMA COUNTY

ADMINISTRATIVE & PERSONNEL COMMITTEE

MINUTES

DATE: Friday, May 10, 2013 TIME: 9:30 AM
MEETING PLACE: Downtown Library
300 Park Avenue
Oklahoma City, OK 73102
(405) 231-8650

Written public notice of the time, date and place of this meeting was given to the County Clerk of Oklahoma County, April 17, 2013. Notice of the time, date, place, and agenda for this meeting was posted by the Secretary of the Commission in prominent public view at the Downtown Library, 300 Park Avenue, Oklahoma City, on May 8, 2013, in conformity with the Oklahoma Open Meeting Act

COMMITTEE MEMBERS PRESENT:

Bose' Akadiri
Cynthia Friedemann
Mukesh Patel
Hugh Rice, Chair

COMMITTEE MEMBERS EXCUSED:

Ralph Bullard
Helene Harpman

ESTIMATE OF OTHERS PRESENT: 10

I. The meeting was called to order at 9:42 a.m. by Mr. Hugh Rice, Chair.

Roll was called to establish a quorum. Present: Akadiri, Friedemann, Patel, and Rice.

II. Mr. Rice referred to the Discussion, Consideration, and Possible Action: Annual Review of Human Resources ~ Salaries and Benefits.

Mrs. Lori Piccolo, Director of Human Resources, provided the details of the Compensation report and recommendations.

Mrs. Piccolo reported the library system continues to be the leader in-state among the major public library employers, which is and continues to be our goal. The employer outlook for 2013 is consistent compared to last year. In February, Oklahoma County approved a 2% across the board pay increase for employees, with an additional 3% designated to workers in specific departments. Mrs. Piccolo highlighted data received from the US Department of Labor's Bureau of Labor Statistics regarding Employer Costs. She also provided information on the Consumer Price Index. US Employers are predicted to increase base salaries on average of 3% and continue performance based increases averaging 0.1 to 4.7%.

After analyzing the data available Administration is recommending continuation of the current performance based merit increase schedule ranging from 0-3%, beginning July 1, 2013. The average MLS employee merit increase for FY 2012-13 was 2.37%. There are currently 56 employees who are maxed out within their salary range. Those employees receive a onetime bonus in lieu of a salary increase. The preliminary budget will reflect a 0% market adjustment due to the uncertain ad valorem tax revenue. Once the final numbers are received from the County, Administration may bring a recommendation to the A & P and Finance Committee prior to final budget approval for a possible market adjustment to be effective January 1, 2014. Questions and Discussion followed.

Mrs. Morris called on Mrs. Kelley Hoffman, Benefits Manager, to provide the benefits portion of the report and recommendations.

Mrs. Hoffman provided a brief overview of the Plan performance.

- Paid medical and prescription drug claims (including Stop Loss Reimbursements) increased 0.2% over the prior year.
- Prescription Drug claims decreased 19%.
- Paid dental claims are on track to be 28% higher than last year.
- To date this year, there are four individuals with claims in excess of \$70,000 (Specific Stop Loss Deductible). The Stop Loss carrier has reimbursed \$177,824.
- The Total Plan Expenses were allocated as follows:
 - Stop Loss Coverage: 17.64%
 - Administration: 3.21%%
 - Claims: 77.73%
 - Ancillary Coverage (Group Term Life/AD&D): 1.42%
- The average age of our membership is 40.33.
- The Plan currently covers 411 members.
- The Provider networks and Lab Card program discounts saved the Plan 49.7% on billed charges.

Questions and Discussion followed.

Mrs. Hoffman reviewed and explained the recommended changes to the self-funded employee benefit plan.

Affordable Care Act (ACA) Mandated Changes:

1. Increase Annual Maximum Per Covered Person to \$2,000,000
2. Implement ACA *Expanded Access to Preventive Services for Women* provisions:
 - 100% coverage Generic & Brand w/no Generic; standard copayment for Brand w/Generic equivalent available.
3. Add provision for Annual Open Enrollment in June of each year (additions/changes effective July 1).

Recommendations:

1. Add retail pharmacy, point-of-sale coverage for vaccinations through MaxCare Rx; 100% coverage.
2. Add coverage for Colonoscopy & Mammogram for member's under age 50 that have a family history with cancer diagnosis, payable at standard benefit levels.

FLEXIBLE BENEFITS PLAN

ACA Mandated Change:

1. Decrease Medical Expense Reimbursement Account spending limit to \$2,500; after 2013, adjusted annually, indexed to inflation.

Recommendation:

1. To improve cost effectiveness, recommend implementation of administration through Third Party Administer with an estimated annual cost of \$4,200.

VISION INSURANCE

- Number of claims paid has increased 16.6%
- Number of covered persons has increased 8.0%
- Average claim cost has decreased 8.3%

Recommendation:

1. Increase examination copayment from \$10 to \$20; retain current rates for two years (07/01/13 – 06/30/15).

Discussion Followed.

Mrs. Hoffman provided information on the Wellness Program. The third annual A Healthy Me challenge was held in October 2012. There were 190 comprehensive biometric screenings administered and 83 Health Risk assessments completed. Thirty employees had at least one critical laboratory value identified as part of their biometric screening. Personalized Prevention projects a potential medical cost avoidance of \$175, 536 as a result of early identification and intervention with the individuals identified. Questions and Discussion followed.

Mrs. Hoffman referred to Workers' Compensation and reported State Bill 1062, which changes the current Workers' Compensation system from court-based to administrative was signed by the Governor on May 7 and will go into effect February 1, 2014. Administration will bring recommendations regarding Workers' Compensation to the A & P Committee prior to February 1.

Mr. Rice called for a motion from the Committee.

Mrs. Friedemann moved to recommend that the Finance committee incorporate the funds for the recommendations regarding Compensation and

Benefits into the FY 2013-14 budget and that the Commission, by approval of the estimate of needs, approve the plan changes in accordance with the funding level. Mr. Mukesh Patel seconded.

Mrs. Friedemann asked for clarification regarding recommendations for a market adjustment. Mrs. Morris stated Administration expects to receive final Ad Valorem numbers from the County in August. Once the estimate is received from the County, Administration will bring its recommendation to the A & P Committee, prior to Final Budget Approval.

No Further discussion; motion passed unanimously.

III. Mr. Rice referred to the Discussion, Consideration, and Possible Action: Executive Session

Ms. Bose' Akadiri moved to go into Executive Session. Mr. Patel seconded. No further discussion. Motion passed unanimously.

The Committee went into Executive Session at 10:18 a.m.

Mr. Rice called for a motion to reconvene.

Ms. Akadiri moved to reconvene in Open Meeting. Mr. Patel seconded. No further discussion. Motion passed unanimously.

The Committee reconvened in open meeting at 10:59 a.m.

Mrs. Friedemann moved to set compensation at \$215,000 effective October 1, 2013 through Mrs. Donna Morris' anticipated retirement date of December 2014. Her other present benefits, a \$450 car allowance and \$50 cell phone allowance, will not change. Mr. Patel seconded. No further discussion. Motion passed unanimously.

Mr. Rice called for questions or comments. Questions were raised regarding who will set the goals for the new Executive Director, once one has been hired. Mrs. Morris stated, currently the Executive Director sets her own goals. Ideally, it would be helpful to the new Executive Director to have some goals set by the commission. Mrs. Morris suggested the bylaws be revised to appoint an Executive Committee or a Governance Committee, which typically is composed of the officers of the commission as well as an at large member. That committee could set the goals for the new Executive Director and its recommendations would then go the full commission for final approval. Discussion continued. Mrs. Morris stated she would research and review the makeup of various Executive Committees and report back her findings. Mrs. Morris added, in order to revise the bylaws, a bylaws committee would need to be appointed by the Commission Chair.

No further discussion. The meeting was adjourned at 11:14 a.m.

Donna Morris,
Executive Director
(Secretary)

REPORT AND RECOMMENDATION FROM ADMINISTRATION

**METROPOLITAN LIBRARY SYSTEM
PRELIMINARY BUDGET FY 2013 - 2014
(July 1, 2013 ~ June 30, 2014)**

PLEASE REMEMBER TO BRING THIS DOCUMENT
TO THE JUNE 20, 2013
METROPOLITAN LIBRARY COMMISSION MEETING
AT THE DOWNTOWN LIBRARY

ADMINISTRATIVE RECOMMENDATION AND COMMITTEE ACTION:

To approve the Metropolitan Library System Preliminary Budget FY 2013-14