

**METROPOLITAN LIBRARY COMMISSION  
OF OKLAHOMA COUNTY**

**FINANCE COMMITTEE  
AGENDA**

Members: Hugh Rice, Chair  
Nancy Anthony  
Scott Duncan  
Greg Womack

Tuesday, June 10, 2003 at 3:30 pm  
Belle Isle Library  
5501 N. Villa  
Oklahoma City, OK 73112  
Telephone: (405) 843-9601

NOTE: Comments from the general public will be limited to 15 minutes with time prorated among speakers. Preference will be given to residents of Oklahoma County. Persons signing up to address the committee must list their residential address and personally sign a speaker form.

- I. Call to Order and Establishment of Quorum – Hugh Rice, Chair
- II. Report and Recommendations from A & P Committee meeting May 20, 2003
- III. Report and Recommendations from Administration
  - MLC FY 2003-2004 Preliminary Budget

Cc: Metropolitan Library Commission  
Administrative Team  
Darlene Browers, President, Staff Association  
Managers and Supervisors

## **REPORT AND RECOMMENDATIONS** **FROM THE ADMINISTRATIVE & PERSONNEL COMMITTEE**

### **The Administrative & Personnel Committee met May 20, 2003 for:**

(Please reference the A & P Committee Packet mailed to entire Commission on May 14, 2003 for the detailed reports)

- I. Annual Review of Human Resources – Salaries and Benefits
- II. Reports and Recommendations from Administration:
  - A. Compensation
  - B. Benefit Plans
  - C. Designation of HIPAA Privacy Compliance Officer

### **During its meeting, the Committee:**

Reviewed and discussed all items.

- *Page 2 of 7 is the Benefits Plan Report supporting document ~ 2003-04 Premium rate quotes and proposed Plan provision changes.*
- *Pages 3 through 7 are the Minutes of the May 20, 2003 A & P Committee meeting.*

The following recommendations are the results of the discussions.

### **FINANCE COMMITTEE ACTION: To accept or approve the following recommendations from the Administrative & Personnel Committee.**

1. Approve the incorporation into the FY 2003-04 Annual Budget the recommended performance awards model of from 0% to 3% for the 2003-04 fiscal year, and the market adjustment of 2% effective December 22, 2003. Funds have been included in the Preliminary FY 2003-04 Budget.
2. Approve the incorporation into the FY 2003-04 Annual Budget the recommended Medical/Dental Insurance Plan premiums and to accept the recommended changes to the Medical/Dental Insurance Plan provisions. Funds have been included in the Preliminary FY 2003-04 Budget.
3. Approve the incorporation into the FY 2003-04 Annual Budget the recommended increase of the Library System's contribution to the Flexible Spending Account (IRC section 125 account) to \$55 effective July 1, 2003. Funds have been included in the Preliminary FY 2003-04 Budget.

**BENEFITS PLAN REPORT SUPPORTING DOCUMENT ~  
FY 2003-04 Premium rate quotes and proposed Plan provisions changes.**

The Library System's Third Party Administrators, Mutual Assurance received quotes from three carriers. The best quote, through Pacific Mutual, represents an 18.09% increase. This increased percentage falls within the range predicted by human resources and management consulting firms for 2003.

THE FOLLOWING QUOTES ARE BASED ON IMPLEMENTING THE PROPOSED PLAN PROVISION CHANGES.

**Library's Share of Monthly Premiums**

(approximately 90% of single coverage & 70% of additional cost for dependents)	
	<u>FY 03-04</u>
Single Coverage	\$398.25
Additional Cost for Dependents	<u>272.57</u>
Total Cost for Both	\$670.82

**Employee's Share of Monthly Premiums**

(approximately 10% of single coverage & 30% of additional cost for dependents)	
	<u>FY 03-04</u>
Single Coverage	\$ 44.25
Additional Cost for Dependents	<u>116.82</u>
Total Cost for Both	\$161.07

**Total Monthly Premiums**

	<u>FY 03-04</u>
Single Coverage	\$442.50
Additional Cost for Dependents	<u>389.39</u>
Total Cost for Both	\$831.89

**Proposed Plan provision changes:**

- Increase the annual cap on dental to \$2000 (from \$1000)
- Increase the annual cap on chiropractic and physical therapy to \$2500 (from \$1800) and pay claims on the same basis as most other medical claims (80% in network, 70% out of network)
- Increase the co-payment on retail prescriptions to 25% (from 20%) and eliminate the maximum out-of-pocket cap (now \$50)
- Set the ninety-day supply of a maintenance prescription by mail order at \$15 for the generic (no change) and \$30 for brand name (from \$40)

By using the formula listed in the *Definition of Medical Funding Account* approved by Commission, \$148,165 will be available from the Medical Funding Account to buy down the cost of insurance. When the contribution from the Medical Funding Account and the premium-sharing ratio are applied, the rate increase to the library is lessened to 16.3%. Funds have been included in the Preliminary FY 2003-04 Budget.

**METROPOLITAN LIBRARY COMMISSION  
OF OKLAHOMA COUNTY**

**ADMINISTRATIVE & PERSONNEL COMMITTEE**

**MINUTES**

DATE: Tuesday, May 20, 2003      TIME: 3:30 PM  
MEETING PLACE: Belle Isle Library  
5501 N. Villa  
Oklahoma City, OK 73112  
(405) 843 - 9601

Written public notice of the time, date and place of this meeting was given to the County Clerk of Oklahoma County, April 14, 2003. 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 Belle Isle Library, 5501 N. Villa, and the Downtown Library, 131 Dean A. McGee Avenue, Oklahoma City, on May 15, 2003, in conformity with the Oklahoma Open Meeting Act

**COMMITTEE MEMBERS PRESENT:**

David Greenwell, Chair  
Dr. Ann Caine  
Carolyn Cornelius  
Shirley Pritchett  
Marguerite Ross

**COMMITTEE MEMBERS EXCUSED:**

**COMMISSION MEMBERS PRESENT:**

Donna Morris, Executive Director

**ESTIMATE OF OTHERS PRESENT: 14**

I. The meeting was called to order at 3:30 p.m. by Mr. David Greenwell, Chair.

Roll was called to establish a quorum. Present: Caine, Cornelius, Pritchett, Ross, Greenwell.

II. Mr. Greenwell called on Mr. Ric Rea, Director of Human Resources, to present the agenda items. Mr. Rea introduced Mrs. Kelley Hoffman, Assistant Benefits Manager, and Mrs. Karyn Miller, Benefits Manager.

Mr. Rea began with agenda item #II – Annual Review of Human Resources – Salaries and Benefits. He reviewed the report in detail then summarized the report by stating that the average salary within the Metropolitan Library System rose 2.67% and that the overall cost of benefits rose .53% in 2002.

He further stated that the Metropolitan Library System's starting salary for a librarian is 7.95% **below** the average starting salary for the "mid-west" region librarian employers.

When comparing the Metropolitan Library System's starting salary for a librarian with the in-state big four (Oklahoma Department of Libraries, Pioneer Library System, Tulsa City-County Library System, and Metropolitan Library System) librarian employers' starting salaries, it shows that in 2000 the MLS minimum starting salary for a librarian was 7.03% above the average. In 2001, it was 3.44% above the average. In 2002, it is now only 3.02% above the average. MLS has dropped .42% during the last twelve months.

Comparing the MLS minimum salary with the Pioneer Library System's minimum, in 2001, MLS was 3.43% below Pioneer. In 2002, MLS is 3.92% below Pioneer. Besides not being the lead library in the state, MLS has dropped farther behind the current leader. In short, our position is losing ground.

The employees' Direct Cost Benefits total averages, as a percent of salary, is 39.12% or a value of \$12,530 annually. The employees' Indirect Cost Benefits total averages, as a percent of salary, is 13.67% or a value of \$4,378 annually.

Direct Cost Benefits  
include:

- ♦ Salary
- ♦ Retirement
- ♦ Social Security
- ♦ Medicare
- ♦ Medical/Dental Insurance
- ♦ Life and AD&D Insurance
- ♦ Long-term Disability Insurance
- ♦ Workers' Compensation Insurance
- ♦ Unemployment Insurance
- ♦ Vision Insurance
- ♦ EAP

Indirect Cost Benefits  
include:

- ♦ Annual Leave
- ♦ Sick Leave
- ♦ Doctor/Dental Leave
- ♦ Holidays
- ♦ Miscellaneous

Mr. Rea asked for questions; discussion followed.



**III.** Mr. Rea continued with agenda item #III - Reports and Recommendations from Administration: A - Compensation.

Mr. Rea reviewed the report in detail, stating that the Administrative & Personnel Committee's approved goal is to be the highest among the in-state big four librarian employers and to be 4 to 5% above the average of the "mid-west" region of the Allen County Survey, librarian employers.

Based on this goal and all the data provided, the Administration makes the following recommendations: That a performance award ranging from 0% to 3% for both full-time and part-time employees (including pages) be approved for FY 2003-04. The estimated cost for FY 2003-04 is approximately \$109,079. Funds have been included in the Preliminary FY 2003-04 Budget to allow for this.

That a market adjustment of 2% be approved effective December 22, 2003 for all positions not currently above the maximum for their salary grade. The date of December 22 is proposed since it is the beginning of the biweekly pay period that includes January 1, 2004. The estimated cost for FY 2003-04 is approximately \$72,716. Funds have been included in the Preliminary FY 2003-04 Budget to allow for this.

Mr. Rea called for questions; discussion followed.

**Mrs. Carolyn Cornelius moved to accept the Administration's recommendations and to recommend to the Finance Committee incorporation into the FY 2003-04 Annual Budget the recommended performance awards model of from 0% to 3% for the upcoming fiscal year, and the market adjustment of 2% effective December 22, 2003. Mrs. Shirley Pritchett seconded. No further discussion; motion passed unanimously.**

**IV.** Mr. Rea continued with agenda item #III: B - Benefit Plans.

He stated that at the time the report was created and sent, pertinent information was unavailable. In the interim the data was received, and as a result there are two addenda to this report, Mr. Rea reviewed the report and each addendum in detail.

The Medical/Dental Insurance premium cost rate was estimated to increase 20% for FY 2003-04. The actual quoted rate increase is 18.09%. By using the formula listed in the *Definition of Medical Funding Account* approved by the Commission, \$148,165 will be available from the Medical Funding Account to buy down the cost of insurance. When the contribution from the Medical Funding Account and the premium-sharing ratio are applied, the rate increase to the library is lessened to 16.3%.

The rates remain split between the library system and the employee on a 90/10 for employees and 70/30 for dependents ratio.

Mr. Rea stated the recommended changes to the Medical/Dental Insurance Plan provisions are to:

- ♦ Increase the annual cap on dental to \$2000 (from \$1000)

- ♦ Increase the annual cap on chiropractic and physical therapy to \$2500 (from \$1800) and pay claims on the same basis as most other medical claims (80% in network, 70% out of network)
- ♦ Increase the co-payment on retail prescriptions to 25% (from 20%) and eliminate the maximum out-of-pocket cap (now \$50)
- ♦ Set the ninety-day supply of a maintenance prescription by mail order at \$15 for the generic (no change) and \$30 for brand name (from \$40)

The recommended monthly premiums for FY 2003-04 are:

	Library's Share	Employee's Share	Total
Employee only	\$398.25	\$ 44.25	\$442.50
Dependents	\$272.57	\$116.82	\$389.39
Both	\$670.82	\$161.07	\$831.89

Mr. Rea called for questions; discussion followed.

**Dr. Ann Caine moved to accept the Administration's recommendations and to recommend to the Finance Committee incorporation into the FY 2003-04 Annual Budget the recommended Medical/Dental Insurance Plan premiums and to accept the recommended changes to the Medical/Dental Insurance Plan provisions. Mrs. Marguerite Ross seconded. No further discussion; motion passed unanimously.**

**V.** Mr. Rea continued with the final section of the Benefits Plan report.

The library system currently contributes \$46 per month into a flexible spending account (IRC Section 125 account) for each library employee. When an employee does opt-out it saves the library system a minimum of \$331.65 per month. Since 1989 or longer the amount the library system contributes to the flexible spending account has not increased, whereas the insurance premiums for the other employees have increased yearly. A 20% increase of \$9 is suggested (from \$46 to \$55) at this time.

Mr. Rea noted that by Commission adoption if an employee chooses to opt-out of the library system's insurance plan they must provide proof of coverage elsewhere. Currently, twenty-one individuals opt-out of the library's insurance coverage. Mr. Rea called for questions; discussion followed.

**Dr. Ann Caine moved to accept the Administration's recommendations and to recommend to the Finance Committee incorporation into the FY 2003-04 Annual Budget the recommended increase of the library system's contribution to the Flexible Spending account to \$55 effective July 1, 2003. Mrs. Marguerite Ross seconded. No further discussion; motion passed unanimously**

**VI.** Mr. Rea continued with the final agenda item #III: C – Designation of HIPAA Privacy Compliance Officer.

Mr. Rea stated that for the library system to be in compliance with the Health Insurance Portability and Accountability Act (HIPAA) it must designate an individual who will act as Privacy Compliance Officer. The Compliance Officer trains other staff in privacy regulations, and receives and responds to complaints and inquiries about the library's privacy practices. It is the Administration's recommendation that the Library Commission designate an individual by job title, as Privacy Compliance Officer and also designate another individual by job title, as Deputy Privacy Compliance Officer.

Individuals who have access to protected personnel health information must be, if at all possible, individuals other than someone who has an active role in the employment, promotion, demotion or termination of employment process. This prevents the knowledge of health conditions from influencing employment decisions.

For this reason, the Director of Human Resources should not serve in the capacity of the Privacy Compliance Officer. The library system's Benefits Manager, however, is the logical individual to serve as privacy officer and the Assistant Benefits Manager is the logical deputy. Mr. Rea called for questions; discussion followed.

**Mrs. Ross moved to accept the Administration's recommendations and to recommend to the Metropolitan Library Commission the designation of the Benefits Manager as the Metropolitan Library System Privacy Compliance Officer and the Assistant Benefits Manager as the Metropolitan Library System Deputy Privacy Compliance Officer. Mrs. Cornelius seconded. No further discussion; motion passed unanimously.**

Mr. Greenwell thanked Mr. Rea and all staff for the complete and comprehensive reports.

**VII.** Meeting adjourned at 4:36 p.m.



Donna Morris, Executive Director  
(Secretary)



**REPORT AND RECOMMENDATION FROM ADMINISTRATION**

**METROPOLITAN LIBRARY SYSTEM  
PRELIMINARY BUDGET FY 2003 - 2004  
(July 1, 2003 ~ June 30, 2004)**

*THE PRELIMINARY MLS FY 2003-04 BUDGET*  
*FOR VIEWING IS ON LINE*  
*ON THE MLS INTRANET*  
*UNDER*  
*GENERAL INFORMATION*

**ADMINISTRATIVE RECOMMENDATION AND COMMITTEE ACTION:**

To approve the Metropolitan Library System Preliminary Budget FY 2003-04