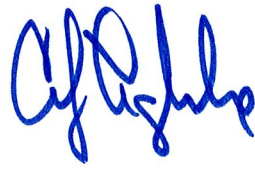




**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING**

#19-0390

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Chris Lagerbloom, ICMA-CM, City Manager 

DATE: April 16, 2019

TITLE: **REVISED BUS-4** - Discussion on the Salary and Benefits for Elected
Officials

Background

The Mayor and City Commission have expressed desire to discuss the salary and benefits currently offered for elected officials. According to Section 4.02 of the City Charter, the City Commission of the City of Fort Lauderdale shall by resolution fix the compensation of commissioners, but any resolution increasing or reducing the compensation of commissioners shall not be adopted subsequent to July 31 of the year immediately preceding the year of the election and shall not be effective until the seating of the next commission following the next election.

In anticipation of the discussion, staff researched and surveyed other local governments in south Florida. This information will be provided as necessary to facilitate the flow of the discussion with the City Commission.

I anticipate covering five areas:

- Salary
- Management Benefits
- Healthcare Coverage
- Retirement Plan
- Expense Account

Should the City Commission direct changes to the current salary and benefits offered for elected officials, those changes will be brought back on August 20, 2019 Regular City Commission Meeting in the form of a resolution.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018 initiative*, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing our resources wisely and sustainably.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Community*.

Attachments

Exhibit 1a - Salary and Benefits Survey - Mayor

Exhibit 1b - Salary and Benefits Survey - Commission

Exhibit 2 - Executive Summary

Exhibit 3 - City of Fort Lauderdale Management Benefit Package Schedule

Prepared by: Chris Lagerbloom, ICMA-CM, City Manager

Department Director: Chris Lagerbloom, ICMA-CM, City Manager

SALARY & BENEFITS SURVEY – MAYOR						
Benchmark	Base Pay	Expense Allowance	Vehicle Allowance	Employer Cost of Benefits		
				Health Insurance	Life Insurance	Retirement Benefits
Fort Lauderdale	\$35,000.00	\$500/monthly	No	City pays 100 % for Single coverage HMO1 \$988.53/monthly DPPO Dental \$51.99/monthly	1 x Salary = \$35,000	No
Coral Springs	\$23,501.17	\$266.83/monthly	Mileage & tolls reimb'd	City pays 90% (Same as General Employees) Bundled Plan \$700/monthly	\$75,000.00	No
Hollywood	\$40,118.00	\$200/monthly	No	City pays 100% for EE & dependent(s) EE = \$793.08 monthly EE + 1 = \$1,586.15 EE + 2 = \$2,537.81	\$100,000.00	Yes (FRS)
Miami	\$97,000.00	\$2,500/monthly + Cell phone \$300/monthly	\$900/monthly	City pays for EE and family coverage EE = \$638.45/monthly EE+Spouse= \$1,404.56/monthly EE+Children \$1,181.16/monthly Family = \$1,819.63/monthly	2x Salary = \$194,000	Yes
Miramar	\$43,411.00	\$208.33/monthly	Yes	City pays 100% for EE and 50% of dependent coverate for health and dental	Yes	No
Pembroke Pines	\$47,763.00	\$1,596/monthly	\$738/monthly	City pays 100% for EE No dental	1 X Salary = \$47,763.00	Yes
Pompano	\$39,045.34	\$270.83/monthly	No	City pays 100% EE and 50% dependent Coverage. Dental included in health.	Yes	Yes

SALARY & BENEFITS SURVEY – COMMISSION

Benchmark	Base Pay	Expense Allowance	Vehicle Allowance	Employer Cost of Benefits		
				Health Insurance	Life Insurance	Retirement Benefits
Fort Lauderdale	\$30,000.00	\$300/monthly	No	City pays 100 % for Single coverage HMO1 \$988.53/monthly DPPO Dental \$51.99/monthly	1 x Salary = \$30,000	No
Coral Springs	\$18,800.46	\$266.83/monthly	Mileage & tolls reimb'd	City pays 90% (Same as General Employees) Bundled Plan \$700/monthly	\$75,000.00	No
Hollywood	\$29,561.00	\$200/monthly	No	City pays 100% for EE & dependent(s) EE = \$793.08 monthly EE + 1 = \$1,586.15 EE + 2 = \$2,537.81	\$100,000.00	Yes (FRS)
Miami	\$58,200.00	\$2,666.67/monthly Cell phone allowance \$300/monthly	\$900.00/monthly	City pays for EE and family coverage EE = \$638.45/monthly EE+Spouse= \$1,404.56/monthly EE+Children \$1,181.16/monthly Family = \$1,819.63/monthly	No	Yes
Miramar	\$34,175.00	\$208.33/monthly	Yes	City pays 100% for EE and 50% of dependent coverage for health and dental	Yes	No
Pembroke Pines	\$24,360.00	\$913/monthly	\$552/monthly	City pays 100% for EE No dental	1 X Salary = \$24,360	Yes
Pompano (Vice-Mayor)	\$37,093.06	\$245.83/monthly	No	City pays 100% EE and 50% dependent Coverage. Dental included in health.	Yes	Yes
Pompano (Commissioners)	\$36,442.22	\$220.83/monthly	No	City pays 100% EE and 50% dependent Coverage. Dental included in health.	Yes	Yes

EXECUTIVE SUMMARY

In response to your request for information regarding Elected Official's participation in the Florida Retirement System (FRS), the following provides a brief synopsis of highlighted topics and overview for discussion. Upon further direction from the Mayor and Commission, an in-depth review and comprehensive report can be provided for further exploration and options.

Retirement Plan Risk and Annual Funding

All retirement plans, including the FRS Pension Plan, have risk. When the funding of the FRS Pension Plan is less than 100 percent, benefits or contribution levels may be affected. *The FRS Pension Plan funding valuation takes place annually and was 83.9 percent funded, as of July 1, 2018.*

FRS Pension Plan (Blended Rate Contributions)

The employer and employee make contributions each month to the plans (with the exceptions noted below) based on a percent salary and FRS membership class. The contribution (blended rate) percentage paid by the employer is the same whether there is participation in the Pension Plan or the Investment Plan. These rates are shown under the Pension Plan column below. Elected Officials would contribute 3% of salary each month regardless of which plan is chosen.

FRS Pension Plan (Blended Rate)

Contributions are deposited into the Pension Plan trust fund, according to the following table.

<u>Employment Class</u>	<u>July 1, 2018 Rates</u>	
	<u>Employee</u>	<u>Employer</u>
Regular	3%	8.26%
Special Risk	3%	24.50%
Special Risk Administrative Support	3%	34.98%
<u>Elected Officers:</u>		
Legislators	3%	56.75%
Governor, Lt. Governor, Cabinet Officers	3%	56.75%
State Attorney, Public Defenders	3%	56.75%
Justices, Judges	3%	40.77%
County & Local Elected Officers	3%	48.70%
Senior Management Service	3%	24.06%
DROP participants	0%	14.03%

It's important to note that the total contributions submitted by the employer and employee do not affect the retirement benefit. The retirement benefit is set by a formula that does not include the contribution rate paid by the employer and the employee.

Employee contributions of 3% are required of all Pension Plan and Investment Plan members, except those in DROP who are not required to pay employee contributions. Employee contributions are deposited in the FRS trust fund, along with any contributions employees may have paid for a leave of absence or other type of service for which pay is eligible.

All employee and employer contributions go into a single trust fund to pay benefits for all FRS Pension Plan participants. Contribution percentage amounts are subject to change each year based on legislative law changes, investment experience and the actuarial experience of the trust fund. However, the rise and fall of the contribution percentages does not affect the accrued retirement benefit, which is guaranteed by law.

The employer also contributes additional amounts each month to fund the Health Insurance Subsidy benefit (1.66%) and plan administrative and educational expenses (0.06%). The employer rates above include these contributions.

THE FLORIDA LEGISLATURE MAY MAKE CHANGES TO THE FRS AT ANY TIME.

The Florida Legislature can increase or decrease the amount that employers contribute to Investment Plan members' accounts or increase or decrease the amount that employees contribute to their Investment Plan account.

The preliminary list below includes suggested topics to research for further discussion:

1. Enrollment procedures of Elected Officials in the FRS
2. Reemployment restrictions
3. Exceptions to reemployment restrictions
4. Procedures for reporting FRS-covered salary and retirement contributions
5. Benefit information and health insurance subsidy information and procedures for members of the FRS Pension Plan
6. Information on disability benefits and health insurance subsidy payments available for members of the FRS Investment Plan

CITY OF FORT LAUDERDALE, FLORIDA MANAGEMENT BENEFIT PACKAGE

Employees in positions assigned to management categories will be provided with the following additional benefits. This is in addition to basic benefits provided to general employees:

MANAGEMENT CATEGORY	VACATION	ALLOWANCE BENEFITS	ANNUAL PHYSICAL EXAMINATION	HOSPITAL-MEDICAL EXPENSE INSURANCE	VEHICLE ASSIGNMENT
V	Four (4) additional days per calendar year (must use) or option of accepting cash payment at 75%.	Exempt Employee Expense Allowance \$80.00/month Vehicle Allowance Mileage Reimbursement rate (see PSM 9.4.4.1)	Reimbursed for 25% of the cost of a complete physical examination up to a maximum of \$62.50.	*The City pays a portion of the cost of basic & major medical insurance for both employee & eligible family members. Employee contributions for basic & major medical insurance cost shall be established by resolution adopted by the City Commission.	The City Manager may assign a take-home vehicle to an employee where circumstances of the position warrant such action.
IV	Five (5) additional days per calendar year (must use) or option of accepting cash payment at 75%.	Exempt Employee Expense Allowance \$120.00/month Vehicle Allowance Mileage Reimbursement rate (see PSM 9.4.4.1)	Reimbursed for 25% of the cost of a complete physical examination up to a maximum of \$62.50.	*The City pays a portion of the cost of basic & major medical insurance for both employee & eligible family members. Employee contributions for basic & major medical insurance cost shall be established by resolution adopted by the City Commission.	The City Manager may assign a take-home vehicle to an employee where circumstances of the position warrant such action.
III	Six (6) additional days per calendar year (must use) or option of accepting cash payment at 75%.	Vehicle Allowance \$250.00/month	Reimbursed for 50% of the cost of a complete physical examination up to a maximum of \$125.00.	*The City pays a portion of the cost of basic & major medical insurance for both employee & eligible family members. Employee contributions for basic & major medical insurance cost shall be established by resolution adopted by the City Commission, except that sworn Police Management in this category may elect in lieu of the foregoing the basic and major medical insurance coverage available under the F.O.P. Lodge 31 Collective Bargaining Agreement, as provided in Resolution No. 99-93, as same may be amended from time to time.	The City Manager may assign a take-home vehicle to an employee where circumstances of the position warrant such action. This assignment would be in lieu of car allowance.
II	Eight (8) additional days per calendar year (must use) or option of accepting cash payment at 75%.	Vehicle Allowance \$340.00/month	Reimbursed for 100% of the cost of a complete physical examination (exclusive of EKG stress tests) up to a maximum of \$250.00. Reimbursed for EKG stress tests to a maximum of \$150.00.		The City Manager may assign a take-home vehicle to an employee where circumstances of the position warrant such action. This assignment would be in lieu of car allowance.
I	Ten (10) additional days per calendar year (must use) or option of accepting cash payment at 75%.	Vehicle Allowance \$390.00/month	Reimbursed for 100% of the cost of a complete physical examination (exclusive of EKG stress tests) up to a maximum of \$250.00. Reimbursed for EKG stress tests to a maximum of \$150.00.		The City Manager may assign a take-home vehicle to an employee where circumstances of the position warrant such action. This assignment would be in lieu of car allowance.

*Ordinance No. C-02-16 effective 06-23-02