

CITY OF FORT LAUDERDALE

OFFICE OF THE CITY AUDITOR

*Review of Charter Officer Compensation
Report #13/14-04*

September 30, 2014



CITY OF
FORT LAUDERDALE

City Auditor's Office

Memorandum No: 13/14-09

Date: September 30, 2014

To: Honorable Mayor and Commissioners

From: John Herbst, CPA, CGFO, CGMA
City Auditor

Re: Review of Charter Officer Compensation

At the September 3rd commission meeting, my office was asked to put together an analysis of the Charter Officers' compensation. At the subsequent meeting, further information regarding benefits was asked to be included in the analysis.

The attached schedule (Exhibit A) recaps the salary, retirement contributions and other benefits for the four Charter Officers for fiscal year 2015.

In addition, it includes the salary information for the Assistant City Managers and the two most senior Assistant City Attorneys. This information is included to examine the issue of compression. It shows the percentage difference in compensation between the City Manager and his staff, and the percentage difference between the City Attorney and her staff.

cc: Lee R. Feldman, City Manager
Cynthia A. Everett, City Attorney
Jonda Joseph, City Clerk

Charter Officer Compensation Comparison With Benefits

Exhibit A

Employee Name	Job Title	Full Time Service Date	10/1/14 Regular Pay	401 (a) Reduction Offset	Car Allowance	Cellphone Allowance	GERS Pension	Employee Pension Deduction	401 (a) ICMA 9%	401 (a) ICMA 19.15%	Medical Insur	Dental Insur	Life Insur	Total Comp	% Diff Below Supervisor
Feldman, Lee R	City Manager	6/12/2011	219,692	8,788	7,104	1,320				42,071	8,424	1,391	6,375	295,165	
Herbst, John C	City Auditor	8/1/2006	202,048		4,680	960	38,692	(12,123)			8,424	319	17	243,018	
Everett, Cynthia A	City Attorney	7/1/2013	204,802		4,680	1,320			18,432		8,424	573	1,935	240,166	
Joseph, Jonda	City Clerk	5/3/2004	113,484		4,680	1,080	21,732	(6,809)			8,424	319	17	142,927	
Compression Analysis															
Toriente, Susanne M	Assistant City Manager	7/25/2011	167,267	10,253	4,680	1,320				32,032	8,424	573	17	224,566	31%
Hawthorne, Stanley D	Assistant City Manager	7/5/2011	167,267	10,253	4,680	1,320				32,032	8,424	573	17	224,566	31%
Bangel, Paul G	Senior Assistant City Attorney	9/8/2003	181,070		4,680	360	34,675	(10,864)			8,424	573	17	218,935	10%
Dunckel, Robert B	Assistant City Attorney III	1/24/1988	156,128		4,080	360	29,899	(9,368)			8,424	1,074	17	190,614	26%



CITY OF
FORT LAUDERDALE

City Auditor's Office

Memorandum No: 13/14-08

Date: September 10, 2014

To: Honorable Mayor and Commissioners

From: John Herbst, CPA, CGFO, CGMA
City Auditor

Re: Review of Charter Officer Compensation

At the September 3rd commission meeting, my office was asked to put together an analysis of the Charter Officers' compensation.

The attached schedule (Exhibit A) recaps the salary and retirement contributions for the four Charter Officers for the fiscal years 2013, 2014, and 2015.

The schedule reflects certain assumptions/conditions:

1. Cynthia Everett was hired on 7/1/2013. For comparison purposes, her salary and 401 (a) contribution for fiscal year 2013 are shown as if it was for the entire year. In addition, she did not receive a merit increase on 10/01/2013, as she had only just started her employment with the city three months prior.
2. There is a deduction from salary for both myself and Jonda Joseph. That deduction represents the 6% that employees who participate in the GERS pension are required to contribute into the pension plan from their own pay.
3. The employer payment into the GERS pension plan is only shown for the "normal cost" component of the city's contribution. The balance of the city's annual required contribution goes towards paying off the accrued unfunded liability that pertains to the past performance of the plan. The "normal cost" of a defined-benefit plan is the annual employer cost of the future liability associated with the benefits earned by an employee for their service in that particular year.
4. The analysis does not include fringe benefits, such as insurance, auto allowance, etc.

The second schedule (Exhibit B) examines the issue of compression. It shows the percentage difference in compensation between the City Manager and his two Assistant City Managers, as well as the percentage difference between the City Attorney and her two most senior Assistant City Attorneys.

cc: Lee R. Feldman, City Manager
Cynthia A. Everett, City Attorney
Jonda Joseph, City Clerk

Exhibit A

		LEE FELDMAN	CYNTHIA EVERETT	JOHN HERBST	JONDA JOSEPH
FY 2013					
BASE		\$ 200,990	\$ 193,000 (1)	\$ 184,870	\$ 110,157
401 (A) REDUCTION OFFSET	4.00%	8,040			
EMPLOYEE PENSION DEDUCTION	6.00%			(11,092) (2)	(6,609) (2)
CASH COMPENSATION		209,030	193,000	173,778	103,548
RETIREMENT					
EMPLOYER PENSION CONTRIBUTION	19.89%			36,771 (3)	21,910 (3)
OLD 401 (A)	19.89%	41,576			
NEW 401 (A)	9.00%		17,370 (1)		
RETIREMENT COMPENSATION		41,576	17,370	36,771	21,910
TOTAL NET COMPENSATION	(4)	\$ 250,606	\$ 210,370	\$ 210,548	\$ 125,458

		LEE FELDMAN	CYNTHIA EVERETT	JOHN HERBST	JONDA JOSEPH
FY 2014					
		3% MERIT	0% MERIT (1)	3% MERIT	0% MERIT
		1% COLA	1% COLA	1% COLA	1% COLA
BASE		209,102	194,938	192,317	111,259
401 (A) REDUCTION OFFSET	4.00%	8,364			
EMPLOYEE PENSION DEDUCTION	6.00%			(11,539) (2)	(6,676) (2)
CASH COMPENSATION		217,466	194,938	180,778	104,583
RETIREMENT					
EMPLOYER PENSION CONTRIBUTION	18.82%			36,194 (3)	20,939 (3)
OLD 401 (A)	18.82%	40,927			
NEW 401 (A)	9.00%		17,544		
RETIREMENT COMPENSATION		40,927	17,544	36,194	20,939
TOTAL NET COMPENSATION	(4)	\$ 258,393	\$ 212,482	\$ 216,972	\$ 125,522

		LEE FELDMAN	CYNTHIA EVERETT	JOHN HERBST	JONDA JOSEPH
FY 2015					
		3% MERIT	3% MERIT	3% MERIT	0% MERIT
		2% COLA	2% COLA	2% COLA	2% COLA
BASE		219,692	204,798	202,040	113,484
401 (A) REDUCTION OFFSET	4.00%	8,788			
EMPLOYEE PENSION DEDUCTION	6.00%			(12,122) (2)	(6,809) (2)
CASH COMPENSATION		228,480	204,798	189,918	106,675
RETIREMENT					
EMPLOYER PENSION CONTRIBUTION	19.15%			38,691 (3)	21,732 (3)
OLD 401 (A)	19.15%	43,754			
NEW 401 (A)	9.00%		18,432		
RETIREMENT COMPENSATION		43,754	18,432	38,691	21,732
TOTAL NET COMPENSATION	(4)	\$ 272,234	\$ 223,230	\$ 228,608	\$ 128,407

NOTE:

- (1) CYNTHIA EVERETT HIRED 7/1/2013, BASE AND 401 (A) PRESENTED AS IF EMPLOYED FOR THE ENTIRE YEAR
- (2) PENSION EMPLOYEES ARE REQUIRED TO CONTRIBUTE 6% OF THEIR OWN PAY INTO THE PENSION PLAN
- (3) EMPLOYER PENSION IS THE NORMAL COST ONLY, DOES NOT INCLUDE AMORTIZATION OF THE ACCUMULATED UNFUNDED LIABILITY
- (4) TOTAL NET COMPENSATION DOES NOT INCLUDE TAXES OR FRINGE BENEFITS

COMPRESSION COMPARISON - FY 2015

		LEE FELDMAN	STANLEY HAWTHORNE	SUSANNE TORRIENTE
BASE		219,692	172,294	172,294
401 (A) REDUCTION OFFSET	4.00%	8,788		
401 (A) REDUCTION OFFSET	6.14%		10,579	10,579
CASH COMPENSATION		228,480	182,873	182,873
<u>RETIREMENT</u>				
OLD 401 (A)	19.15%	43,754	35,020	35,020
RETIREMENT COMPENSATION		43,754	35,020	35,020
TOTAL NET COMPENSATION		\$ 272,234	\$ 217,893	\$ 217,893
% BETWEEN CITY MANAGER AND STAFF			25%	25%

		CYNTHIA EVERETT	PAUL BANGEL	BOB DUNKEL
BASE		204,798	175,795 (1)	156,128
EMPLOYEE PENSION DEDUCTION	6.00%		(10,548)	(9,368)
CASH COMPENSATION		204,798	165,247	146,761
<u>RETIREMENT</u>				
EMPLOYER PENSION CONTRIBUTION	19.15%		33,665	29,899
NEW 401 (A)	9.00%	18,432		
RETIREMENT COMPENSATION		18,432	33,665	29,899
TOTAL NET COMPENSATION		\$ 223,230	\$ 198,912	\$ 176,659
% BETWEEN CITY ATTORNEY AND STAFF			12%	26%

NOTE:

- (1) PAUL BANGEL HAS NOT YET RECEIVED A MERIT INCREASE FOR THE CURRENT YEAR, WHICH WHEN GIVEN WILL FURTHER NARROW THE DIFFERENCE BETWEEN HIM AND MS. EVERETT