



Board of County Commissioners
Office of Policy and Budgetary Affairs
Memorandum

To: Honorable Chairman Jose “Pepe” Diaz
and Members, Board of County Commissioners

From: Office of Policy and Budgetary Affairs

Date: April 28, 2021

Subject: Executive Benefits and Expense Allowances

The following document has been prepared by the Office of Policy and Budgetary Affairs (OPBA). The information and the attachment were gathered from specified sources and may change if this proposal becomes legislation. Additional updates will be provided as required.

The research included below does not explicitly serve as a recommendation to the Board of County Commissioners nor does it support or oppose a particular legislative action. Should you have any questions, please contact us at 305-375-5350.

c: Melissa Adames, Director, Clerk of the Board
Office of Policy and Budgetary Affairs

EXECUTIVE BENEFITS AND EXPENSE ALLOWANCES

The imposition of term limits and changes in the members of the Board of County Commissioners (BCC) has given us an opportunity to revisit certain policies and practices of the BCC. These policies and practices include executive benefits and expense allowances.

The expense allowance and executive benefits program was designed to support the County Commissioners in carrying out their official responsibilities. The expense allowance was last modified in fiscal year 1998-99. The current allocation for the Members' expense allowance is \$24,000. The expense allowance is intended to be used by Members to reimburse expenses associated with their official duties. The cumulative rate of inflation since 1998 is more than 60% (US Labor Department, Bureau of Labor Statistics). The BCC may wish to consider increasing the expense allowance allocation within the current Commission Office budgets.

The executive benefit plan includes a cash allowance, which may be used to pay for health insurance or as a contribution to a deferred compensation program among other things and a car allowance is intended to offset the cost of maintenance, insurance, gasoline, tolls and other operating expenses, including parking fees incurred when attending business meetings and functions. Other benefits include a participation in a supplemental retirement account and an executive retiree health insurance program.

In fiscal year 2006-07, recognizing the growing costs of fuel, vehicle maintenance, parking and tolls, the car allowance portion of the executive benefit program for County Commissioners was increased to \$800 per month. As the cumulative rate of inflation for the past 14 years is 31.4% (US Labor Department, Bureau of Labor Statistics), that same allowance value would now be over \$1,000. The BCC may wish to consider increasing the car allowance portion of the executive benefits program.

Although executive benefits are no longer granted to members of the Administration, when they were, some executives were assigned a County vehicle rather than receive a car allowance. As a corollary, rather than receive a car allowance and acquiring a private vehicle, Members have been provided the service of the County leasing a vehicle on their behalf. A calculation is done to either credit or charge the Member should the monthly lease payment be more or less than the established car allowance. Unfortunately, the practice did not take into account the cost of insurance and gas, which were covered by the County budget. Furthermore, the leases into which the County entered were more expensive than an individual may negotiate with a dealership and the cost of insurance acquired by the County is more expensive than private auto insurance. Because none of the newly elected BCC members have chosen this option, the Board may wish to consider grandfathering in the current leases and ending this inequitable and expensive practice moving forward. These changes would also require repealing Section 2-8.1(b)(4) relating to procurement of single vehicle purchase.

The Executive Retiree Health Insurance program provides that if a retiree has been part of the Executive Benefits program for a minimum of six years and is at least age 60 with 10 years of continuous Miami-Dade County service, any age with 25+ years of continuous Miami-Dade County Special Risk service or any age with 30+ years of continuous Miami-Dade County service is eligible to receive single coverage health insurance. Now that all BCC members will be unable to serve for longer than 8 years, consideration should be given to adjusting these conditions as they apply to Elected Officials. As the County is self-insurance for health coverage, the fiscal impact of this change would be minimal.