



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2021-0330

TO: Mayor and City Council Members

FROM: Chelsea K. Ditz, Director of Human Resources

DATE: August 16, 2021

SUBJECT: Budget for Variable (Discretionary) Performance Pay for Department Directors in 2021

REQUEST:

Approval of the recommendation of the HR Technical Review Committee regarding the Mayor's discretionary performance pay budget for Directors in fiscal year 2022.

BACKGROUND:

Pursuant to Section 8.8 of the City Charter of the City of Rochester Hills, City Council is required to set in the annual budget, by resolution, the annual salary for Department Directors, Mayor and City Council and the rates of compensation for members of Boards & Commissions.

As directed by Article III, Section 5 of the *City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions*, as amended and authorized by resolution number 2017-0279, the HR Technical Review Committee reviewed and discussed the appropriate information provided by the Administration at its meeting on July 26, 2021.

Director performance pay budgets of \$15,000 have been authorized annually for discretionary use by the Mayor since 2017. In 2020, the HRTRC recommended delaying determination of the performance pay for 2021 pending a more comprehensive view of the fiscal impact of COVID-19. At the HRTRC convened on July 26, CFO Joe Snyder provided an update regarding the City's financial status coming out of 2020, which was almost net neutral to the budgeted revenue, therefore, the City came out of 2020 in a more positive financial position than expected. The HRTRC reached consensus to recommend performance pay for 2021 in the amount of \$15,000. The HRTRC also reached consensus that the normal cadence of the performance pay evaluation should be around the mid-point of the calendar year for which it is being authorized.

RECOMMENDATION:

That City Council accepts the recommendation of the HR Technical Review Committee that \$15,000 should be authorized for the Mayor's 2021 discretionary performance pay budget for Directors, and that the annual discretionary performance pay budget for Directors be evaluated mid-year for the year of disbursement, beginning in 2022.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		

Contract Reviewed by City Attorney Yes N/A