



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2020-0283

TO: Mayor and City Council Members

FROM: Pamela M. Gordon, Director of Human Resources

DATE: July 27, 2020

SUBJECT: Recommendation for 2021 General Adjustment for Department Directors

REQUEST:

Approval of the HR Technical Review Committee's recommendation for a 2.5% general adjustment to the salary schedule for department director positions 2021.

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 rates of compensation for City Council and members of Boards and Commissions. As directed by Article III, Section 5 of 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 Services Committee met on July 13, 2020 to discuss 2021 compensation recommendations.

In 2017, City Council authorized implementation of a unified salary schedule to include department directors as well as other non-union and union employee groups. This compensation structure is intended to maintain pay equity between employee groups, as well as to support a market-competitive, above average pay philosophy for the City. As a result, in addition to annual adjustments to offset inflation factors and subject to satisfactory performance, directors are now eligible for annual steps within pay grades established for their positions.

The HRTRC initially met on May 18, 2020, in order to discuss 2021 proposed salary recommendations that would have been presented to City Council at its June 22 meeting, in accordance with City Council policy. However, the committee decided that the discussion should be postponed until July, in order to allow more time to assess the fiscal impact of COVID-19 on State Shared revenue and Act 51 gas tax payments. City Council authorized the requested postponement on June 8.

When the HRTRC reconvened on July 13, CFO, Joe Synder provided a briefing on the most recent revenue data from the State, which was much better than previous estimates. This information is included in an update of the seven-year forecast on tonight's Council agenda. The committee accepted the CFO's conclusion that the City is well positioned to maintain and operate with a structural surplus, while providing general pay adjustments to directors, as well as other non-union employees, consistent with those provided to union employees in the current contracts, thus maintaining the integrity of the unified salary schedule.

On that basis, the HRTRC reached consensus to recommend a 2.5% general adjustment to the 2021 base salary budget for directors, in addition to eligible step increases.

RECOMMENDATION:

That City Council accept the HR Technical Review Committee’s recommendation and approve a 2.5% general adjustment for department directors in 2021 in the amount of \$34,523, for a total base salary budget of \$1,215,243.

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

Contract Reviewed by City Attorney Yes N/A