
CITY OF ROCHESTER HILLS

Mayor's
Office

Pat Somerville, Mayor



DATE: April 2, 2004

TO: AIS Committee

RE: Director Adjustments for 2005

The AIS Committee has requested my input regarding recommended salary adjustments for Department Directors for the 2005 budget. At this time, I could support no more than a 2% overall increase in the budget for directors as well as in the Mayor's salary adjustment.

Communities such as Farmington Hills, Troy, Royal Oak, Sterling Heights and Southfield have not yet pursued contract reopeners on 3% adjustments that were negotiated two or three years ago. However, the prospect of further fiscal constraints, including additional State revenue sharing reductions, the impacts of legislative limits on millage rates and property tax increases, as well as the need to identify funds to sustain the City's local road program, would suggest a more conservative approach. Such an approach will reduce the pressure to further decrease operating expenses in the 2005 budget. Moreover, we cannot expect the other employee groups to settle for fiscally responsible wage adjustments if the directors and I are not willing to do so.

C: Pam Lee, Director of Human Resources
Julie Jenuwine, Interim Finance Director