



# Rochester Hills

## Agenda Report

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File Number: 2007-0298

**File Number:** 2007-0298      **File Type:** Policy      **Status:** To Council Work Session  
**Version:** 1      **Reference:**      **Controlling Body:** City Council Work Session  
**Requester:**      **Cost:**      **Introduced:** 04/25/2007  
**File Name:** Pension Benefit for City Council Members      **Final Action:**

**Title:** Discussion of the Pension Benefit for City Council Members

**Notes:**

**Code Sections:**

**Agenda Date:**

**Indexes:**

**Agenda Number:**

**Sponsors:**

**Enactment Date:**

**Attachments:** Agenda Summary.pdf, Memo P. Lee 041007.pdf

**Enactment Number:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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1	City Council Work Session	05/02/2007	Discussed				
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**Notes:** *Mr. Ambrozaitis requested that Council approve a resolution to eliminate the pension benefit for incoming Council members. He noted that while he had opted out of the plan from the beginning of his term in office he did not wish to penalize his current colleagues. Acknowledging that the amount was not exorbitant over a four-year term, it was his contention that such expenses are unnecessary and can easily be eliminated. He stressed that he wanted the opportunity for a "simple up or down vote" on the issue.*

*Ms. Raschke stated that Council's pension represents "a minute part of the City's budget," and noted that Mr. Ambrozaitis would be penalized if he accepted the pension because of his self-employed status.*

**PUBLIC COMMENT:**

*Ms. Melinda Hill, 1481 Mill Race, stated that she had refused the pension while serving on Council because it would have negatively impacted her tax deductions. She then indicated that Council sets their own compensation, and suggested that it would be more transparent if the pension were eliminated and that compensation were transferred into their salary. She further urged Council to have this issue examined by the Human Resources Technical Review Committee with their recommendation brought forward to Council for consideration.*

**COUNCIL DISCUSSION:**

*City Attorney John Staran explained that as State law would prohibit Council from reducing*

*the compensation of elected officials during their term, such a change could apply to incoming Council members.*

***President Rosen**, also noting that the pension money over a four-year term is not a great deal of money, questioned whether residents want their City government run by seven people, in effect, receiving minimum wage. He stressed that the issue is a policy decision.*

***Mr. Ambrozaitis** noted that his request to eliminate this benefit was not motivated by his self-employed status, but rather through a desire to save the City money. He stated, "You don't do this job for money." He questioned whether there would be support for a motion to eliminate the pension for incoming Council members.*

***Mr. Hooper** cautioned that if all compensation for City Council were eliminated then only wealthy individuals would run for office. He stated that accepting the pension should be a personal decision made by each Council member, and stressed that, although it is referred to as a pension, in fact it more precisely resembles a 401k plan.*

***President Rosen**, acknowledging Ms. Hill's suggestion, agreed that the Human Resources Technical Review Committee should have the opportunity to examine this issue and suggested that the matter return to Council at the final Regular meeting of the month.*

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#### **Text of Legislative File 2007-0298**

..Title

Discussion of the Pension Benefit for City Council Members

..Body

Discussion only; no resolution.