



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2012-0228

TO: Mayor and City Council Members

FROM: Pamela M. Gordon, Director of Human Resources

DATE: June 18, 2012

SUBJECT: Recommendation for 2013 General Adjustment for Department Directors

REQUEST:

To accept the recommendation of the HR Technical Review Committee for a 1% adjustment to the general base salary budget for department directors in fiscal year 2013, with an \$8,433 budgeted increase for a total of \$962,641.

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*, the HR Technical Services Committee met on April 23, 2012 to discuss 2013 compensation recommendations. At that meeting, the committee reached consensus to recommend a 1% base salary budget increase.

The administration proposes to continue the healthcare cost savings strategy currently in place with non-union employees in 2013. This strategy was implemented after City Council voted on October 3, 2011 to opt-out of Senate Bill 7 (now Public Act 152) for the express purpose of extending benefit plan changes negotiated with the City's two AFSCME unions (Locals 2491 and 1917) to non-union employees in 2012. The non-union benefit group includes both department directors and the Mayor.

According to the Fiscal Division, the City has saved the City over \$540,000 this year from budgeted healthcare costs, without the PA 152 mandated employee contribution requirements. A 1% adjustment for non-union employees in 2013 will cost approximately \$39,500. If extended to department directors, the additional cost of the proposed 1% general adjustment in 2013 will be less than \$8,500, which includes an equity-based salary freeze for Assessor/Treasurer (see Recommendation for 2013 Department Director Equity Adjustment).

RECOMMENDATION:

That City Council accept the recommendation of the HR Technical Review Committee and authorize an additional \$8,433 budgeted to increase the salaries of department directors (except Assessor/Treasurer) by 1% in 2013, bringing the budget for directors' base salaries from \$954,209 to \$962,641.

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