



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

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Legislative File No: 2008-0322

TO: Mayor and City Council Members
FROM: Pamela M. Lee, Director of Human Resources
DATE: June 23, 2008
SUBJECT: Salary Recommendations for 2009 General Adjustment for Department Directors

REQUEST:

To concur with the recommendation of the HR Technical Review Committee for the department directors' general base salary adjustment for fiscal year 2009.

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 the Department Directors and the rates of compensation for Mayor, Council and members of Boards & Commissions.

As directed by Article III, Section 5 of *City Council Policy for Salaries of Department Directors, as amended*, The HR Technical Review Committee met over a three-month period to review and discuss prospective salary recommendations for 2009. A briefing on the financial condition of the City by the Finance Director and the City Treasurer was provided at the first meeting in April. Other information including directors' current base salaries, a survey of 2008/2009 general adjustments for exempt executive employees in several municipalities and Oakland County, a historical comparison of adjustments for City employee groups, and consumer price index data was also provided (updated attachments are included).

Possible recommendations presented for 2009 included zero adjustment; a deferred adjustment, pending the outcome of upcoming negotiations with the City's largest union (AFSCME Local 2491); and a minimal 1% adjustment. The committee discussed the impact of flat financial projections for next year and the trend of declining pay increases among the County and several municipalities. The committee also recognized the importance of maintaining equitable pay between union and non-union employees, and the importance of appropriate pay differentials between directors and the employees they oversee. At its final meeting on June 16, the committee reached consensus to recommend a one percent (1%) general adjustment for directors for the 2009 budget year, recognizing prospect that both non-union and union employees could receive no general adjustments in 2010 and/or subsequent budget years.

RECOMMENDATION:

That City Council authorize the recommendation of the HR Technical Review Committee for a one percent (1%) adjustment to the budget for department directors' general adjustments for 2009, bringing the budget for director base salaries to \$939,827.62.

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

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