

CITY OF ROCHESTER HILLS



Susan Galeczka, City Council Liaison

DATE: June 3, 2005

TO: AIS Committee Members

RE: Directors Performance Bonus

The *City Council Policy for Salaries of Department Directors and Mayor and Per Diem Fees for City Boards and Commissions* provides the following information regarding Directors Performance Bonus:

ARTICLE III: SALARIES FOR DEPARTMENT DIRECTORS

Section 3. The *A/S* Committee shall consider the following salary adjustments:

B. Variable Pay

1. **Performance Bonus.** The *A/S* Committee shall determine the maximum percentage of the adjusted base salaries for Directors to be made available to the Mayor to provide additional compensation in recognition of individual effort and annual performance contributions.

The amount shall be based on the Director's annual performance appraisal rating and shall not exceed the maximum percentage established by the *A/S* Committee. This variable amount shall be considered a bonus opportunity to be paid in a lump sum and will not be added to base pay.

Section 4. The *A/S* Committee recommendation may include the carryover of unallocated funds from prior budget years to be included as part of the annual compensation pools.

Section 5. At the last regular meeting of the City Council in the month of June, the *A/S* Committee shall make a written recommendation to the Council concerning the total equity, general, and performance adjustments, if any, for the compensation for the Department Directors as a group for the succeeding fiscal year. This amount, if approved by Council, shall be listed in the Budget for that succeeding fiscal year.

If you need additional information, please feel free to contact me.