

DATE: May 23, 2006

TO: AIS Committee

RE: 2007 Equity Adjustment
Recommendations for Directors

I. Director Equity Adjustment Considerations:

Internal Comparisons – Rochester Hills Directors & Deputies

- Most deputies and division managers are at the maximum of their pay range. Therefore, appropriate differentials (ranging from 10 to 23%, based on general wage adjustments) will generally be maintained.
- Deputy directors who are not at their max step include the Deputy Director of Building/Ordinance Compliance, Deputy Director of Planning & Economic Development and the Deputy Fire Chief.
- Two of the three, the Deputy Fire Chief and the Deputy Planning Director will come within less than 10% of their director's salary. The differential between the Planning director and deputy will reduce from 23% to 8.9% within the next two years, while the gap between the Fire Chief and deputy chief will completely close in two years.
- The 6% differential that exists between the Director of Public Services and the City Engineer will generally be maintained since the City Engineer is at the maximum step within his current pay range. The smaller gap is appropriate due to the relative qualifications and market demands of the two positions. The position of City Engineer requires a P.E. in the past has been a director level position.

External (Market) Comparisons – 2005 Salary Survey for Department Directors

Assessor/Treasurer – Above average salary compared to maximum pay for Farmington Hills and St. Clair Shores where positions also combine Treasury with another major function (Finance).

Director of Building / Ordinance Compliance – Salary above average maximum for comps, which include building officials who are division heads, as well as one union position.

City Clerk – Newer appointee (4/18/2005); salary above 50th percentile of average range. Due performance appraisal. Salary less than that of the former Clerk based on relative experience and education.

Director of Finance – Salary less than 50th percentile of average range. Newer appointee (10/04/2004); no longer responsible for major division (Purchasing). Most other comps at or near the top of their ranges and have a broader range of responsibilities.

Fire Chief – Salary less than 50th percentile of average range. Newer appointee (5/16/05). Due performance appraisal. Above average salary for combination full-time/POC departments.

Director of Human Resources – Above 50th percentile of average range.

Director of MIS – Above 50% percentile of average range.

Director of Planning & Economic Development – Above 50th percentile of average range.

Director of Parks & Forestry – Lack of true comparables. Above 50th percentile of average range.

Director of Public Services – Second highest paid director. Broadest range of responsibilities. Above 50th percentile of average range.

II. 2007 Director Equity Adjustment Recommendations:

An additional 5% Equity adjustment is recommended for the Fire Chief in order to maintain an appropriate differential as the Deputy Chief moves toward the maximum step within non-union pay grade for his position. No other equity adjustments are currently recommended for 2007.

III. Budget Impacts

- A 5% equity adjustment above a 2% general adjustment would increase the 2007 base salary for Fire Chief by \$4251.87 to \$89,289.27.
- The overall 2007 general adjustment for Director's base salaries would increase to \$906,242.80.