



Rochester Hills Agenda Report

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File Number: 2006-0179

File Number: 2006-0179	File Type: Finance	Status: To Council Liaison
Version: 2	Reference:	Controlling Body: City Council Regular Meeting
Requester: Human Resources	Cost:	Introduced: 02/24/2006
File Name: Salary Recommendation for Directors' Variable Performance (Discretionary) Pool - 2007		Final Action:

Title: Salary Recommendation for Directors' Variable Performance (Discretionary) Pool - 2007

Notes:

Code Sections:

Indexes: Salaries & Wages

Sponsors:

Attachments: Agenda Summary.pdf, 052306 Staff Report - Var. Perform.pdf, 030106 Director Perform Bonus.pdf, 2004 CC Appt Review Policy.pdf, AIS Resolution.pdf

Agenda Date:

Agenda Number:

Enactment Date:

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History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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1	Administration and Information Services Committee	03/07/2006	Discussed				
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Notes: Ms. Pam Lee, Director of Human Resources (HR), provided information to begin discussion for salary adjustments for 2007 for Directors, Council and Mayor. The salary items must go forward to Council for action at the last Council meeting in June. The discussion included the following:

* HR's main responsibility is for the actual employees which may not include Boards & Commissions.

* The Director Salary Survey is reflective of 2005 along with updates based on economic data and other communities anticipated adjustments. The attachments are divided into documents relative to general adjustments, discretionary or bonus performance, and equity adjustments for directors salaries.

* The Michigan Municipal League (MML) survey revealed that most communities are looking at two percent (2%) adjustments, but this Council is encouraged to review other considerations as well.

* The City Council survey has been updated from last year to included the change from 50 to 32 meetings per year which Council members are required to attend before being

compensated per diem for a qualified meeting.

The Committee discussed the following:

- * There are no performance requirements for each type of salary adjustment for directors in place at this time.
- * The cost of living index is one of the attachments to the general adjustment file.
- * There was a wage study performed for 2001 to 2003.
- * Due to economic factors, a two percent (2%) wage increase has been the comparative standard for the last 2 or 3 years.
- * It was suggested that performance requirements should be considered, ie. a growing city may signal high performing directors versus a dying city which would not. Ms. Lee cautioned that that would require a very sophisticated performance evaluation process for directors of which the City does not have one.
- * It was noted that most of the City departments are working with reduced staff due to a hiring freeze for the last two (2) years.
- * The Mayor makes the determination regarding non-union employees which usually follows what directors have been granted and union negotiations.

The Committee will continue discussion at the next AIS meeting.

1	Administration and Information Services Committee	05/23/2006	Recommended for Approval	City Council Regular Meeting	Pass
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Notes: Ms. Pam Lee, Director of Human Resources, summarized the information provided for a \$10,000 Directors variable performance recommendation for 2007 and noted the following:

- * The variable performance pool provides for a flat bonus for one or more directors and does not affect directors' base salaries.
- * The initial objective of the performance bonus was to be tied to the directors' performance appraisal. The \$10,000 recommendation is roughly half of the 2% adjustment to the Directors' General Adjustment pool.
- * There were \$13,200 paid out by the former mayor in bonuses to directors in the fiscal years 2004 and 2005.
- * Any left over monies go back into fund balance.

Aye: Duistermars, Holder, Kinker, Rosen and Verschueren

Text of Legislative File 2006-0179

..Title

Salary Recommendation for Directors' Variable Performance (Discretionary) Pool - 2007

..Body

Whereas, pursuant to Article III, Section 5 of the *City Council Policy for Salaries for Department Directors*, "at the last regular meeting of the City Council in the month of June, the AIS 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"; and

Whereas, the Administration & Information Services (AIS) Committee has reviewed, and discussed the information provided by the Administration regarding a Variable Performance (Discretionary) Pool for Directors and recommends \$10,000.00 be established to provide for bonus pay, separate from base pay, for the Fiscal Year 2007.

Be It Resolved that the Rochester Hills City Council hereby concurs with the recommendation of the AIS Committee and approves a Variable Performance (Discretionary) Pool for Directors of \$10,000.00 be established to provide for bonus pay, separate from base pay, for the Fiscal Year 2007.