



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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Legislative File No: 2026-0053

TO: Mayor and City Council Members

FROM: Brooke Insana, Director Human Resources
Joe Snyder, Chief Financial Officer (CFO)

DATE: February 9, 2026

SUBJECT: Request to Approve New Position: Deputy Director - DPS Operations

REQUEST:

City Council is requested to authorize the creation of one (1) new full-time Deputy Director – DPS Operations position within the Department of Public Services. This position will serve as a non-union, exempt employee reporting directly to the Public Services Director. The role is designed to provide high-level administrative oversight, leadership, and strategic planning across several key divisions, specifically including Water & Sewer, Roads & Pathway, Field Services, and Fleet.

REASON FOR ACTION:

Traditionally, requests for new personnel positions are handled through the annual budget process. However, the recent vacancy of the Public Services Director position allowed for a holistic leadership structure review and a comparison against the organizational models of peer municipalities. This analysis identified a significant leadership gap regarding the oversight of "garage" or field-based operations. While the City currently utilizes a City Engineer in a Deputy capacity at City Hall to oversee Engineering services, no equivalent partner structure exists at the garage to manage field operations.

The creation of the Deputy Director – DPS Operations position directly addresses this gap by providing a high-level operational lead to ensure quality and timely performance across the Water & Sewer, Roads & Pathway, Field Services, and Fleet Divisions. As the City's infrastructure needs expand, this role provides the dedicated executive supervision required to safeguard community health, safety, and welfare.

Furthermore, this position establishes a critical secondary layer of leadership, allowing the Deputy Director to serve as the Operator in Charge for the City's Water Regulatory Requirements. By managing divisional managers and handling elevated public concerns, this role enables the Public Services Director to shift focus toward long-term infrastructure sustainability, strategic planning, and innovation.

BUDGET:

The net cost impact of salary and benefits of the new position, including for the full FY 2026, is estimated at \$207,400. This position is anticipated to serve several functions and will be charged to the following cost centers based on the proposed position split:

- 15% = Major Road Fund
- 20% = Local Street Fund
- 15% = Pathway Operations Fund

- 5% = Storm Water Fund
- 15% = Water & Sewer Fund / Sanitary Sewer Division
- 20% = Water & Sewer Fund / Water Division
- 10% = Fleet Fund

If this new position is approved by City Council, Fiscal shall bring forth the following respective amounts as part of the upcoming 1st Quarter 2026 Budget Amendment, and shall include this position's cost in future Budget Plans.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Road Fund	202.703000	Salaries + Benefits	\$0	\$31,110	(\$31,110)
Local Street Fund	203.703000	Salaries + Benefits	\$0	\$41,480	(\$41,480)
Pathway Operating Fund	214.703000	Salaries + Benefits	\$0	\$31,110	(\$31,110)
Storm Water Fund	244.703000	Salaries + Benefits	\$0	\$10,370	(\$10,370)
Sanitary Sewer Division	510.703000	Salaries + Benefits	\$0	\$31,110	(\$31,110)
Water Division	530.703000	Salaries + Benefits	\$0	\$41,480	(\$41,480)
Fleet Fund	661.703000	Salaries + Benefits	\$0	\$20,740	(\$20,740)
Total			\$0	\$207,400	(\$207,400)

Financial Sustainability & Long-Term Funding Plan: While the FY 2026 impact of \$207,400 will be absorbed by current fund balances, the City has identified sustainable long-term revenue sources for each affected fund:

- **State Revenue Growth (Major & Local Streets):**
 - Anticipated increases in State Act 51 revenues will provide the necessary capacity to fund the 35% combined allocation for road and street oversight.
- **Rate-Based & Internal Service Charges (Water/Sewer & Fleet):**
 - The 35% Water and Sewer allocation will be integrated into future water & sewer rate studies with a marginal increase anticipated.
 - Fleet costs (10%) will be recovered through a marginal increase anticipated in the internal service charge model applied to all user departments.
- **Restricted Millage & Supplemental Support (Pathways):**
 - Pathway operations are supported by a dedicated voter-approved millage. To ensure long-term stability, the City will utilize a strategic transfer of eligible road-related funds to Pathways where appropriate, acknowledging the interconnected nature of these infrastructures.
- **General Fund Subsidized (Storm Water):**
 - As Storm Water operations are historically subsidized, the General Fund's annual Storm Water subsidy will be adjusted to incorporate this position's 5% allocation, ensuring these critical drainage services remain fully funded.

RECOMMENDATION:

It is recommended that City Council authorize the creation of one (1) new full-time Deputy Director – DPS Operations position within the Department of Public Services.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney ☐ Yes ☒ N/A