



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

**1000 Rochester Hills Dr.  
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**Legislative File No: 2025-0296**

**TO:** Mayor and City Council Members

**FROM:** Brooke Insana, Human Resources Director

**DATE:** July 7, 2025

**SUBJECT:** Recommendation of Monthly Vehicle Allowance for Mayor - 2026

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**REQUEST:**

Approval of the HR Technical Review Committee's recommendation of a vehicle allowance increase to \$850 per month for the position of Mayor in 2026.

**BACKGROUND:**

Pursuant to Section 8.4 of the City Charter of the City of Rochester Hills, City Council is required to establish fringe benefits for the Mayor. As directed by Article IV of the *City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions*, the Human Resources Technical Resource Committee (HRTRC) met on June 24, 2025 to discuss 2026 fringe benefits, specifically the Mayor's monthly vehicle allowance.

The Mayor's vehicle allowance has remained at \$550 per month since 2012, with no increase since that time. The HRTRC reviewed current vehicle expenses, including an analysis based on a \$60,000 vehicle, which mirrors standard vehicle costs for other City-eligible positions that utilize a City vehicle. A vehicle allowance remains the preferred method over providing a City-owned vehicle, as it represents a significant cost-saving measure for the City. The analysis revealed that a lease for such a vehicle would cost an estimated \$770 per month, while a purchase would incur an estimated \$888 per month.

Increasing the allowance to \$850 per month offers several financial and administrative benefits to the City. This adjustment would reduce administrative burdens by eliminating the need for the City to manage insurance, registration, and fuel costs. Furthermore, the City would avoid depreciation risk and eliminate maintenance and repair costs by shifting these responsibilities to the allowance recipient. Importantly, there would be no City liability for personal use of the vehicle.

**RECOMMENDATION:**

That City Council accepts the recommendation of the HRTRC that the Mayor's vehicle allowance be increased from \$550 per month to \$850 per month, effective the first pay period in 2026 and each year thereafter.

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<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
<b>Department Review</b>		
<b>Department Director</b>		
<b>Mayor</b>		
<b>Clerk</b>		

**Contract Reviewed by City Attorney**      ☐ **Yes**      ☒ **N/A**