



# Rochester Hills

## Agenda Report

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**File Number: 2006-0178**

**File Number:** 2006-0178      **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' General Adjustment Recommendation - 2007      **Final Action:**

**Title:** Salary Recommendation for Directors' General Adjustment Recommendation - 2007

**Notes:**

**Code Sections:**

**Indexes:** Salaries & Wages

**Sponsors:**

**Attachments:** Agenda Summary.pdf, 052306 Staff Report - Gen Adj.pdf, 022806 RH Director Salaries.pdf, Proposed 2007 increases 2%, 2.5%, 3%.pdf, 022806 RH Empl Grp Wage Adj.pdf, 2005-2006 Survey - Exempt Wage Adj.pdf, 2006 MML Quick Poll Prelim Results.pdf, 2005 Consumer Price Index Info.pdf, 071702 CC Salary Policy.pdf, AIS Resolution.pdf

**Agenda Date:**

**Agenda Number:**

**Enactment Date:**

**Enactment Number:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Administration and Information Services Committee	03/07/2006	Discussed				
<p><b>Notes:</b> <i>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:</i></p> <p><i>* HR's main responsibility is for the actual employees which may not include Boards &amp; Commissions.</i></p> <p><i>* 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.</i></p> <p><i>* 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.</i></p>							

\* 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 two-percent (2%) general adjustment recommendation for Directors and noted the following:

\* The Michigan Municipal League quick poll showed state wide salary increases for department heads and other non-union employees at a 2% average. The survey of eleven (11) comparables in the tri-county area showed average increases projected for 2006-2007 at 2.1% for exempt employees. The cities of Farmington Hills and Troy are planning for a 3% adjustment for 2007.

\* Salary comparisons for Rochester Hills employees groups between 1999 to 2004 have shown directors are slightly behind other employee groups.

\* Current union negotiations are in process with a two-percent (2%) adjustment on the table for 2491 and 3472 bargaining units for 2007.

\* Inflation continues to outpace the cities wage increases.

\* Budgetary issues must be taken into consideration that the City is currently facing.

The Committee commenced discussion and noted the following points:

\* Directors have had to reduce budgets and be more creative to provide an appropriate level of service for less dollars than in the past.

\* Directors are eligible for a conservative performance bonus authorized by the Mayor if they meet desired goals and objectives.

\* Going toward a "performance-based" system is an object of the Human Resource Department. However, municipal entities cannot operate like the private sector because they have no profit factor to work with.

\* Comparison figures for a 2.5% and 3% increase have been provided. However, a 2% increase is more conservative and reasonable.

Aye: Holder, Kinker, Rosen and Verschueren  
Absent: Duistermars

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### Text of Legislative File 2006-0178

..title

Salary Recommendation for Directors' General Adjustment Recommendation - 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 general salary adjustment for Directors and recommends a General Salary Adjustment of a two-percent (2%) increase to budgeted funds for Department Directors' base salaries for Fiscal Year 2007.

***Be It Resolved*** that the Rochester Hills City Council hereby concurs with the recommendation of the AIS Committee and approves a General Salary Adjustment of a two-percent (2%) increase to budgeted funds for Department Directors' base salaries for Fiscal Year 2007, bringing it to \$906,242.80.