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February 15, 2007

Mr. James Rosen, President  
City Council  
City of Rochester Hills  
1000 Rochester Hills Drive  
Rochester Hills, Michigan 48309-3033

Re: *Salaries*

Dear President Rosen:

You have asked for my written opinion concerning a recent question about whether the City could form an elected committee to oversee and make decisions concerning salaries of City officials and employees. At the City Council meeting when the question was raised, I answered that could not be done without amending the City Charter, but if the City desired to amend its Charter to do so, it could probably be accomplished. This letter expands further on that answer.

City salaries fall into the following categories: union employees, non-union employees below the department director level, department directors, mayor, boards and commissions, and city council.

Dealing with union employees first, their compensation is established through collective bargaining agreements, and federal and state law governing collective bargaining agreements prevail. Thus, even an amended City Charter creating an elected salary oversight board could not lawfully modify compensation that is set by a collective bargaining agreement. In respect to non-union employees, directors, the mayor, boards and commissions, and city council, it is theoretically possible to amend various sections of the City Charter to create an elected salary oversight board. However, some additional background and information may be relevant to the City Council's consideration of this issue.

By Charter, the City Council is responsible for annually setting the salary and fringe benefits of the clerk, treasurer and all department directors, the mayor, board and commission members, and the city council. This is not unusual or unique because it is common, at all levels of government, for the elected governing body to set such salaries. The underlying premise is that the elected governing body represents their constituents and remains accountable to them to make decisions that are in the best interests of the City. The City Council's salary policy has worked reasonably well in fulfilling the City Council's Charter-prescribed responsibilities to set

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annual salaries in harmony with the Mayor's Charter-prescribed responsibilities as the executive head of the City and overseer of the City's administration.

Although it is possible to compose and present a Charter amendment that would vest a new elected committee with salary oversight responsibility, the City Council would potentially be divesting itself of an important power and responsibility that it currently has when one considers how compensation decisions may affect the budget, staffing levels and performance, City services, and a myriad of other areas, including the Council's implementation of Council's ordinances and policies, and the Mayor's administration of the City. This is not intended as an opinion whether creating a salary oversight board is a good idea or a bad idea, as that is the City Council's (and ultimately the voters') prerogative. However, City Council will need to consider and balance the scope of authority of any such new board with the powers and responsibilities of the City Council and the Mayor and the effect on City operations and services.

I will be happy to answer questions or provide further information as this subject further evolves.

Very truly yours,



John D. Staran

JDS/ab

cc: Mayor Bryan K. Barnett