



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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Legislative File No: 2023-0328

TO: Mayor and City Council Members

FROM: Chelsea K. Ditz, Director of Human Resources

DATE: July 10, 2023

SUBJECT: Recommendation for 2024 General Adjustment for Department Directors

REQUEST:

Approval of the HR Technical Review Committee's recommendation for a 2.75% general adjustment to the salary schedule for department director positions for 2024.

BACKGROUND:

Pursuant to Section 8.8 of the City Charter of the City of Rochester Hills, City Council is required to set in the annual budget, by resolution, the annual salary for department directors, Mayor, and rates of compensation for City Council and members of Boards and Commissions. As directed by Article III, Section 5 of *City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions, as amended*, and authorized by resolution number 2017-0279, the HR Technical Services Committee met on June 12, 2023 to discuss 2024 compensation recommendations.

In 2017, City Council authorized implementation of a unified salary schedule to include department directors as well as other non-union and union employee groups. This compensation structure is intended to maintain pay equity between employee groups, as well as to support a market-competitive, above average pay philosophy for the City. As a result, in addition to annual adjustments to offset inflation factors and subject to satisfactory performance, directors are now eligible for annual steps within pay grades established for their positions.

When the HRTRC convened on June 12, 2023, HR Director, Chelsea Ditz, provided a briefing on the most CPI data and market considerations to keep the City's salary schedule consistent with the pay philosophy of being at the 55th percentile. The seven-year forecast budgets for this increase, to keep the salary schedule consistent with the pay philosophy. The committee accepted the recommendation that the City provide a 2.75% general pay adjustment to directors, to keep the unified salary schedule current with the market.

On that basis, the HRTRC reached consensus to recommend a 2.75% general adjustment to the 2024 base salary budget for directors, in addition to eligible step increases.

RECOMMENDATION:

That City Council accept the HR Technical Review Committee's recommendation and approve a 2.75% general adjustment for department directors in 2024 in the amount of \$37,011, for a total base salary budget of \$1,382,873.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		

Contract Reviewed by City Attorney

Yes

N/A