



City of Rochester Hills  
AGENDA SUMMARY  
NON-FINANCIAL ITEMS

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Legislative File No: 2025-0290

**TO:** Mayor and City Council Members

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

**DATE:** July 7, 2025

**SUBJECT:** Budget for Variable (Discretionary) Performance Pay for Department Directors

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**REQUEST:**

Approval of the recommendation of the Human Resources Technical Review Committee (HRTTC) regarding the Mayor's discretionary performance pay budget for Directors in fiscal year 2025.

**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 City Council and the rates of compensation for members of Boards & Commissions.

As directed by Article III, Section 5 of the *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 Review Committee reviewed and discussed the appropriate information provided by the Administration at its meeting on June 24, 2025.

Historically, the authorized variable performance pay for Department Directors was \$20,000 from 2003 to 2008. Since 2017, the director performance pay pool has been authorized annually in the amount of \$15,000. The HRTTC reached consensus to recommend increasing the performance pay budget to \$20,000 for 2026. This proposed \$5,000 increase not only restores the discretionary performance pay to its historical amount of \$20,000, but also accounts for the impact of increased inflation since the last adjustment, ensuring the effectiveness of the performance pay pool.

**RECOMMENDATION:**

That City Council authorize \$20,000 for the Mayor's 2025 discretionary performance pay budget for Directors. This recommendation aligns with the consensus reached by the HRTTC.

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APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
Clerk		

Contract Reviewed by City Attorney ☐ Yes ☒ N/A