

City of Lathrup Village
27400 Southfield Road
Lathrup Village, MI 48076
www.lathrupvillage.org | (248) 557-2600

TO: Mayor & City Council
FROM: Mike Greene – City Administrator
DATE: November 26, 2025
RE: Employee Salary/Benefits

Employee Salary/Benefits are a consistent talking point from the public during our current financial situation. This memo is to serve as information that can be used for decision-making purposes. As an employee, naturally, there is a bias when discussing these topics, and I will do whatever I can to protect the team we have built for this community; however, I understand that everything is on the table for potential cuts in upcoming budgets.

Enclosed with this memo is the MML's 2025 Municipal Benefits Summary. The report provides trending insight and benchmark data on current benefit offerings across Michigan communities, along with guidance aimed at supporting informed decisions and robust benefit frameworks for the future.

The following tables will show snapshots to compare Lathrup Village administrative offerings to the MML data.

Paid Time Off Averages

MML Paid Time Off Averages	MML Survey # of days	LV # of days	Difference
Holidays	11.9	16	4.1
Personal Days	3.5	3	0.5
Sick Days	11.1	12	0.9
Vacation Days @ 1 Year	9.2	10	0.8
Vacation Days @ 5 Years	14.6	15	0.4
Vacation Days @ 10 Years	18.9	20	1.1
Vacation Days @15 Years	24.3	20	4.3
Vacation Days @ 20 years	25.4	20	5.4

Outside of Holidays and vacation days for tenured employees, the City is in line with MML. It should be noted, decreasing the number of approved holidays for administrative employees does not save the City money. Staff are paid for those days, whether they are in the building or not. This is not **extra** pay on top of standard salaries.

Insurance Benefits

40% of municipalities require a 20% employee contribution for Health Care premiums (PA 152 80/20). Lathrup Village falls under this category. This does not account for the type of health care plan the community offers. LV offers a Blue Care Network HMO to its administrative employees.

43% of groups offer 100% employer-paid premiums for single coverage.

The overall average employee contribution is 13.6%.

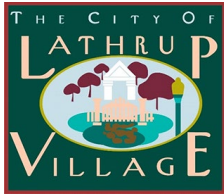
Bruce Kantor
Mayor

Kelly Garrett
Mayor Pro-Tem

Jalen Jennings
Council Member

Jason Hammond
Council Member

John Sousanis
Council Member



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Payment in Lieu of Health Insurance

If an employee opts out of the City's health plan, they are provided a payment (this is an overall cost savings for the City). The average opt-out payment is \$3,120. LV offers \$3,000.

Dental & Vision

94% of communities offer employer-paid dental & 84% offer employer-paid vision. LV falls into these categories, but this does not account for the out-of-pocket costs for dental/vision visits.

Retiree Health Insurance

56% offer a Retiree Health Savings Plan. LV falls into this category, contributing 2% of an employee's salary annually.

Retirement Savings

87% offer a Defined Contribution (DC) Plan. LV closed its pension program back in 2013. One active employee qualifies for the Defined Benefit (pension) plan, and everyone else falls under the DC plan*.

Max Employer Contribution	% of Respondents	LV Offering	NOTE
0%	10%		
1.0 – 3.0%	12%		
3.1 – 6.0%	22%	5%	Admin Employees
6.1 – 8.0%	16%		
8.1 – 10%	24%	10%	LVPD*
Over 10%	16%		

*As of January 1, 2026.

Salaries

For visual information, enclosed in your packet is the data from the MML yearly Wage & Hour Survey, specifically for City Managers/Administrators, as a discussion starter. The data has been filtered to include only SEMCOG region communities for comparison purposes, as these are the basic communities the City would be competing against to fill vacancies.

When discussing wages, as many of you know, it has gotten much more competitive over the past few years. For example, here are some currently (as of 11/25) open City Manager positions in the SEMCOG region with their posted salary range:

- South Lyon - \$125,000 - \$140,000
- Scio Township - \$125,000 - \$135,000
- Hamtramck - \$160,000 - \$180,000
- Chelsea - \$160,000 - \$180,000

Summary

As you can see, the City is either in line with other communities or on the lower end of the bell curve when it comes to benefit offerings for administrative employees. If the City wants to attract/retain staffing, further reduction in benefits should be one of the last items to be considered.

Bruce Kantor
Mayor

Kelly Garrett
Mayor Pro-Tem

Jalen Jennings
Council Member

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Council Member



2025

Municipal Benefits Summary

Michigan Municipal League

2025 MUNICIPAL BENEFITS SURVEY RESULTS & STRATEGIC INSIGHTS

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Acknowledgment

On behalf of the League and Michigan Planners, we would like to extend our deepest gratitude for your participation in the 2025 Municipal Benefits Survey. This year, 232 communities shared their current benefit offerings, enabling us to identify important trends that will inform and empower local government leaders throughout the state.

These survey results offer useful and practical ideas to guide planning, negotiation, and market alignment. These insights are instrumental for communities in designing sustainable, equitable, and responsible benefit strategies that meet the needs of our municipal employees.

The following report provides trending insight and benchmark data on current benefit offerings across Michigan communities, along with guidance aimed at supporting informed decisions and robust benefit frameworks for the future.

Thank you once again for your participation and commitment to advancing municipal excellence in Michigan!

TRENDING INSIGHTS

The 2025 results closely mirror the trends we saw in the 2023/2024 benefits data, but they also reveal areas where municipalities are starting to make thoughtful adjustments. These trends show that while many practices remain steady, there is a growing interest in increasing flexibility, improving funding strategies, and enhancing retirement readiness.

Municipalities are beginning to explore changes to how they approach plan design, cost-sharing, and employee benefits. This implies they are becoming more goal-oriented, aiming to manage costs more effectively while attracting and retaining talented employees.

- **Time Off Structure:**

Around 17 percent of municipalities now use a combined paid time off (PTO) bank (up from 15 percent), while most continue to separate sick, vacation, and personal time.

A combined PTO system is a progressive approach to paid time off and is one technique for controlling banked time off and corresponding cash-outs upon separation, while also providing more discretion to employees in how they use their PTO days.

- **Employee Contributions:**

Average employee contribution to health insurance premiums remains around 13–14 percent, with approximately 43 percent of employers still covering 100 percent of single coverage premiums.

- **Retiree Health Benefits:**

Still common at 61 percent, though increasingly limited to grandfathered employees.

The legacy costs associated with retiree healthcare are creating a trend in the municipal sector that is moving away from 100-percent employer-paid retiree healthcare. Given the relatively low retirement age in the public sector (some allow retirement as early as age 50, many at age 55 or 60) and the uncontrolled increases in cost of healthcare premiums, costs for this benefit are considerable.

To better control budgets, long-range financial plans, and future liabilities, many municipal employers are moving toward a flat dollar cap that they will cover for a retiree healthcare premium; others are implementing a “defined contribution” style savings program (i.e., Retiree Health Savings Plan), which allows employees to save for the cost of healthcare in retirement, with or without employer contribution.

Many retiree health savings plans allow for the conversion of unused paid time off, which is advantageous to both the employee and the employer, saving the payroll tax that would otherwise be incurred through paying out time-off banks.

- **Retirement Plans:**

Defined benefit plans continue to decline in favor of defined contribution and hybrid models, which grew slightly (from 25 to 27 percent).

- **Plan Design Opportunities:**

Many municipalities continue to offer expensive, low-deductible plans (often under \$1,000) with minimal employee contributions. Transitioning to a High-Deductible Health Plan (HDHP) / Health Savings Account (HSA) model, and applying premium savings toward employee HSA accounts, remains a significant opportunity for cost control and modernization.

2025 BENCHMARK DATA

PAID TIME OFF (IN DAYS)

- **Combined Paid Time Off (PTO) Approach:** 17% of employee groups use a combined PTO bank.
- **Separate Banks (Sick, Vacation, Personal):** 83% of groups offer separate time banks.

PAID TIME OFF Averages (rounded, based on available responses):

Category	# of Days
Holidays	11.9
Personal Days	3.5
Sick Days	11.1
Vacation Days Earned @ 1 year	9.2
Vacation Days Earned @ 5 years	14.6
Vacation Days Earned @ 10 years	18.9
Vacation Days Earned @ 15 years	24.3
Vacation Days Earned @ 20 years	25.4
PTO Days Earned @ 1 year	17.8
PTO Days Earned @ 5 years	23.4
PTO Days Earned @ 10 years	27.6
PTO Days Earned @ 15 years	30.5
PTO Days Earned @ 20 years	32.1

INSURANCES BENEFITS

Required Employee Contribution to Premiums:

- 40% of municipalities require a 20% employee contribution (PA 152 80/20).
- 43% of groups offer 100% employer-paid premiums for single coverage.
- Overall average employee contribution is 13.6%.

Payment in Lieu of Health Insurance:

- Average opt-out payment: \$3,120 annually (slightly up from \$3,080 in 2023).
- Some municipalities offer more than \$4,000.

Dental / Vision:

- 94% offer employer-paid dental coverage.
- 84% offer employer-paid vision coverage.

Retiree Health Insurance:

- 61% of groups report offering retiree healthcare.
- Of those, 68% are on a grandfathered basis.
- 22% cover 100% of retiree premiums.
- 56% offer a Retiree Health Savings Plan (RHSP)/ Health Care Savings Plan (HCSP) for retiree costs.

RETIREMENT SAVINGS

Defined Benefits:

- 53% of municipalities offer DB plans (mostly grandfathered).
- Pension multiplier breakdown:

Pension Multiplier	% of Respondents
Under 2.0%	14%
2.0–2.24%	19%
2.25–2.49%	18%
2.5%	33%
Over 2.5%	16%

Defined Contribution Plan:

- 87% offer DC plans.
- Employer contributions:

Max Employer Contribution	% of Respondents
0%	10%
1.0–3.0%	12%
3.1–6.0%	22%
6.1–8.0%	16%
8.1–10%	24%
Over 10%	16%

Hybrid Plans:

- 27% report using a hybrid plan, up from 25% in 2024.

GUIDANCE FOR BENEFIT DECISION MAKERS

Based on the data collected, we have prepared this guidance to help benefit decision makers navigate their choices with confidence. These insights are meant to offer benchmarks and recommendations to help members make informed, sustainable decisions that align both with organizational goals and employee needs.

MEDICARE EDUCATION PLANS

Insight: Very few municipalities have a Medicare transition or education plan in place. Establishing such a strategy can reduce costs, move higher-risk individuals off the group plan, and provide employees with a stable, long-term solution into retirement.

Next Step: Start by identifying how many employees are aged 60 or older and estimate who may become Medicare eligible in the next few years. Then, work with a trusted advisor or Medicare specialist to develop a clear communication plan and educational materials. Host workshops or one-on-one meetings with employees nearing Medicare age to explain their options. This is a manageable first step that can deliver immediate savings and support employees through an important transition.

HSA PROGRAM ADOPTION

Insight: Many municipalities do not offer Health Savings Account (HSA)–qualified plans, despite the opportunity to save costs and engage employees in more consumer-driven healthcare decisions. Moving to a High-Deductible Health Plan (HDHP) with employer-funded HSA contributions can enhance both fiscal responsibility and employee benefits.

Next Step: Analyze current medical plan costs and employee out-of-pocket expenses. Review what percentage of employees are utilizing the rich benefits of your PPO plan compared to the premium costs.

Then, model what switching to an HDHP with an HSA would look like, including funding employees' HSAs with a portion of the premium savings. Your benefits advisor should be able to assist with this analysis. Piloting the change for one group or making it an option alongside your existing plan can help ease the transition. Changing benefits can be overwhelming, so be sure to communicate clearly with employees about how HSAs work, what the employer will contribute, and how it benefits them in the long term.

PTO STRUCTURE & PAYOUT

Insight: Understanding whether vacation or PTO is accrued throughout the year or awarded as a lump sum helps with employee satisfaction and budget planning. Similarly, knowing how unused PTO is paid out—at 100 percent, a reduced percentage, a flat amount, or capped—is critical to competitiveness and managing liability.

Next Step: Review your current PTO policy and look for opportunities to make your policy more transparent and equitable. If you are still using separate sick, vacation, and personal time banks, consider whether moving to a combined PTO bank could simplify administration and offer employees more flexibility. Meet with leadership to agree on whether to adjust accrual rates, payout rules, or caps. Clearly communicate any changes to employees and provide examples of how it benefits them and the organization.

MEDICAL PLAN TYPES & CONTRIBUTIONS

Insight: PPOs remain the most common plan type, followed by HMOs and POS plans. Benefit administrators can use these benchmarks to assess whether their offerings reflect market norms. Additionally, reviewing employer contributions toward Health Savings Accounts (HSA) where offered can strengthen recruitment and retention efforts.

Next Step: Benchmark your plan design and contribution levels against both peers and the market averages highlighted in this report. Identify areas where you may be paying significantly more than peers without additional value. Consider adjusting contribution strategies, particularly for dependent coverage, to better balance costs. Clearly communicate with your employees about the value of the benefits you offer and involve them in understanding the cost-sharing dynamic.

EAPS & WELLNESS PROGRAMS

Insight: Many municipalities offer employee assistance programs and wellness initiatives, though details vary. Common features include mental health support, fitness challenges, and preventive health screenings—all worth promoting and expanding to enhance employee well-being.

Next Step: Take inventory of your current wellness and EAP offerings and ask employees what they need and value. Low-cost additions like virtual mental health support, wellness challenges, and flu shot clinics can improve morale and health outcomes. Promote existing resources more effectively through newsletters, posters, and reminders during staff meetings. Set a goal to increase participation in these programs by a measurable percentage over the next year and celebrate successes along the way to keep momentum.

municipality	county	population	position	actual	basis	region	govtype	taxablevalue	budgetedexpenses	budgetedrevenues
Sterling Heights	Macomb	134,346	City Manager or City Administrator	\$ 249,480.27	Year	1	HRC	\$ 6,069,454,511	\$ 133,000,000	\$ 131,700,000
Ann Arbor	Washtenaw	123,833	City Manager or City Administrator	\$ 280,000.00	Year	1	HRC	\$ 8,519,571,807	\$ 147,404,671	\$ 147,404,671
Troy	Oakland	87,294	City Manager or City Administrator	\$ 198,000.00	Year	1	HRC	\$ 6,959,891,440	\$ 77,978,331	\$ 75,649,137
Farmington Hills	Oakland	83,986	City Manager or City Administrator	\$ 208,000.00	Year	1	HRC	\$ 4,517,580,420	\$ 77,935,254	\$ 82,068,696
Novi	Oakland	66,243	City Manager or City Administrator	\$ 206,069.00	Year	1	HRC	\$ 5,222,819,180	\$ 45,444,288	\$ 46,520,926
Saint Clair Shores	Macomb	58,874	City Manager or City Administrator	\$ 163,293.00	Year	1	HRC	\$ 2,267,160,105	\$ 47,917,651	\$ 47,933,370
Royal Oak	Oakland	58,211	City Manager or City Administrator	\$ 201,983.18	Year	1	HRC	\$ 4,090,494,150	\$ 51,483,973	\$ 51,483,973
Southgate	Wayne	30,014	City Manager or City Administrator	\$ 120,000.00	Year	1	HRC	\$ 925,219,547	\$ 32,818,933	\$ 32,267,844
Allen Park	Wayne	28,638	City Manager or City Administrator	\$ 130,000.00	Year	1	HRC	\$ 1,054,498,765	\$ 27,752,943	\$ 27,752,943
Madison Heights	Oakland	28,468	City Manager or City Administrator	\$ 185,399.96	Year	1	HRC	\$ 1,171,000,000	\$ 42,259,313	\$ 41,822,792
Romulus	Wayne	25,178	City Manager or City Administrator	\$ 114,056.38	Year	1	HRC	\$ 1,500,965,429	\$ 27,797,749	\$ 21,449,680
Wyandotte	Wayne	25,058	City Manager or City Administrator	\$ 126,734.40	Year	1	HRC	\$ 784,971,852	\$ 28,763,735	\$ 27,073,268
Auburn Hills	Oakland	24,360	City Manager or City Administrator	\$ 207,000.00	Year	1	HRC	\$ 2,224,074,580	\$ 42,927,286	\$ 39,012,938
Birmingham	Oakland	21,813	City Manager or City Administrator	\$ 198,000.00	Year	1	HRC	\$ 3,382,520,940	\$ 50,413,900	\$ 47,414,380
Wayne	Wayne	17,713	City Manager or City Administrator	\$ 130,410.00	Year	1	HRC	\$ 460,684,169	\$ 23,139,285	\$ 21,246,978
Wixom	Oakland	17,193	City Manager or City Administrator	\$ 145,000.00	Year	1	HRC	\$ 1,104,240,220	\$ 17,789,848	\$ 17,789,848
Melvindale	Wayne	12,851	City Manager or City Administrator	\$ 180,000.00	Year	1	HRC	\$ 374,121,447	\$ 13,629,015	\$ 14,987,074
Riverview	Wayne	12,490	City Manager or City Administrator	\$ 138,848.00	Year	1	HRC	\$ 415,951,157	\$ 14,051,390	\$ 14,150,886
South Lyon	Oakland	11,746	City Manager or City Administrator	\$ 120,567.00	Year	1	HRC	\$ 569,101,360	\$ 10,997,002	\$ 10,376,704
Flat Rock	Wayne	10,541	City Manager or City Administrator	\$ 123,500.00	Year	1	HRC	\$ 414,553,455	\$ 12,967,500	\$ 13,103,800
Grosse Pointe Farms	Wayne	10,148	City Manager or City Administrator	\$ 172,033.00	Year	1	HRC	\$ 1,052,202,720	\$ 20,564,480	\$ 20,564,480
Howell	Livingston	10,068	City Manager or City Administrator	\$ 133,000.00	Year	1	HRC	\$ 449,873,345	\$ 9,501,555	\$ 9,632,292
Plymouth	Wayne	9,370	City Manager or City Administrator	\$ 184,745.00	Year	1	HRC	\$ 1,067,716,400	\$ 140,030,262	\$ 140,030,262
Ecorse	Wayne	9,305	City Manager or City Administrator	\$ 130,000.00	Year	1	HRC	\$ 118,199,766	\$ 18,232,582	\$ 15,874,921
Saline	Washtenaw	8,948	City Manager or City Administrator	\$ 164,985.00	Year	1	HRC	\$ 636,678,723	\$ 15,622,661	\$ 14,654,680
Center Line	Macomb	8,552	City Manager or City Administrator	\$ 111,120.00	Year	1	HRC	\$ 332,044,800	\$ 7,185,810	\$ 8,749,415
Milford	Oakland	6,520	City Manager or City Administrator	\$ 131,780.00	Year	1	HRV	\$ 402,967,930	\$ 2,368,700	\$ 2,368,700
Huntington Woods	Oakland	6,388	City Manager or City Administrator	\$ 135,264.00	Year	1	HRC	\$ 498,798,530	\$ 11,678,090	\$ 11,678,090
Northville	Wayne	6,119	City Manager or City Administrator	\$ 181,230.00	Year	1	HRC	\$ 576,020,118	\$ 10,229,704	\$ 10,229,704
Richmond	Macomb	5,878	City Manager or City Administrator	\$ 98,765.00	Year	1	HRC	\$ 269,355,494	\$ 5,609,082	\$ 5,410,061
Chelsea	Washtenaw	5,467	City Manager or City Administrator	\$ 150,000.00	Year	1	HRC	\$ 373,465,705	\$ 7,242,770	\$ 6,922,220
Gibraltar	Wayne	4,997	City Manager or City Administrator	\$ 114,000.00	Year	1	HRC	\$ 177,340,724	\$ 4,975,599	\$ 4,975,599
Wolverine Lake	Oakland	4,544	City Manager or City Administrator	\$ 94,758.00	Year	1	HRV	\$ 288,178,240	\$ 3,564,990	\$ 3,664,744
Lathrup Village	Oakland	4,088	City Manager or City Administrator	\$ 117,667.00	Year	1	HRC	\$ 197,065,790	\$ 5,314,407	\$ 5,451,452
Belleville	Wayne	4,008	City Manager or City Administrator	\$ 90,000.00	Year	1	HRC	\$ 135,790,746	\$ 4,347,476	\$ 3,357,476
Oxford	Oakland	3,492	City Manager or City Administrator	\$ 94,700.00	Year	1	HRV	\$ 155,137,000	\$ 3,075,689	\$ 3,045,146
Fowlerville	Livingston	2,951	City Manager or City Administrator	\$ 101,304.17	Year	1	GLV	\$ 122,748,845	\$ 2,873,151	\$ 2,818,836
Pleasant Ridge	Oakland	2,627	City Manager or City Administrator	\$ 151,550.00	Year	1	HRC	\$ 288,560,290	\$ 4,028,978	\$ 4,042,497
Orchard Lake Village	Oakland	2,238	City Manager or City Administrator	\$ 154,881.00	Year	1	HRC	\$ 652,316,080	\$ 4,853,013	\$ 4,853,013
Ortonville	Oakland	1,376	City Manager or City Administrator	\$ 76,003.00	Year	1	GLV	\$ 53,439,400	\$ 1,082,426	\$ 1,082,426
Bingham Farms	Oakland	1,124	City Manager or City Administrator	\$ 92,000.00	Year	1	HRV	\$ 227,622,040	\$ 3,357,451	\$ 3,221,996
Clarkston	Oakland	928	City Manager or City Administrator	\$ 58,225.00	Year	1	HRC	\$ 63,479,560	\$ 927,341	\$ 931,668
Southfield Township	Oakland	39	City Manager or City Administrator	\$ 26,200.00	Year	1	TA	\$ 1,528,321,100	\$ 357,362	\$ 1,242,750