

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
FROM: TIA GRONLUND-FOX, HR DIRECTOR
SUBJECT: COLLECTIVE BARGAINING AGREEMENT NEGOTIATIONS
WITH POLICE OFFICER LABOR COUNCIL (POLC)
DATE: MARCH 6, 2025

CONFIDENTIAL COMMUNICATION

The Collective Bargaining Agreement (CBA) between the City of Novi and the Police Officers Labor Council (POLC) expires on June 30, 2025. The Human Resources Department has received correspondence from POLC with their desire to begin negotiations. The bargaining unit includes 44 road patrol officers and 12 officers assigned to the investigations division. As part of our standard negotiation process, we have initiated internal discussions and gathered relevant data to guide the upcoming negotiations. The goal of this memo is to outline the preliminary information we've gathered regarding the POLC's potential proposals and how it compares to surrounding communities.

Background on the Negotiations Process

Negotiating labor contracts involves multiple steps, including preliminary discussions, data gathering, and formal negotiations. Once the union submits its proposals, both sides will engage in conversations to reach a mutually agreeable contract. As we move forward with these negotiations, we are committed to transparency and fair consideration of all requests while ensuring that any contract changes are sustainable for the City.

Current Understanding of Potential POLC Proposals

From discussions with Chief Zinser, we understand that, in addition to a wage increase, the POLC may be seeking the following changes to their contract:

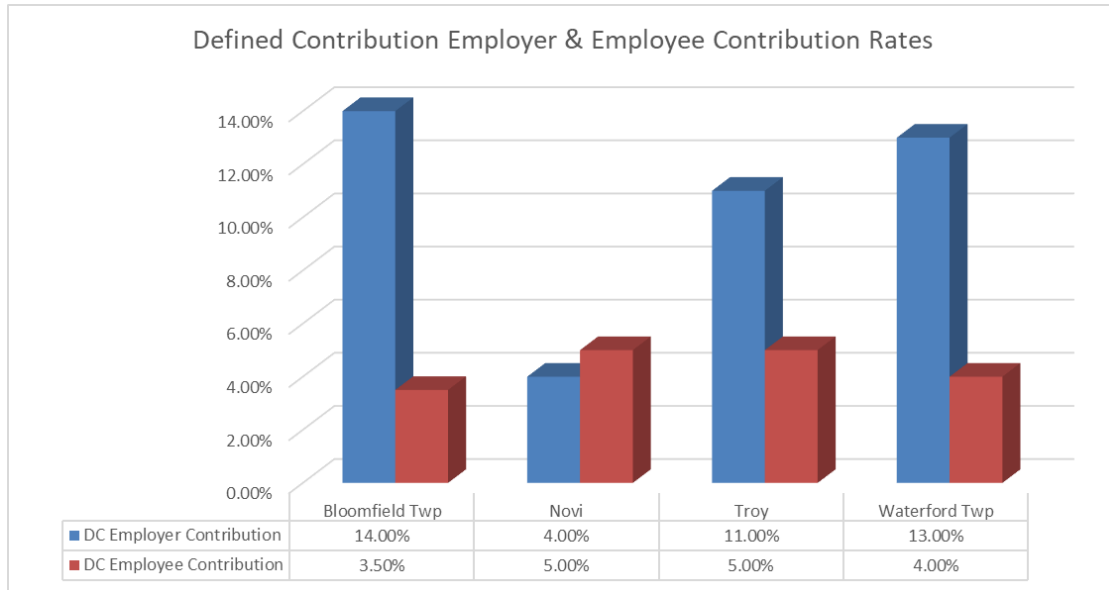
- A larger City contribution to the Defined Contribution portion of the officers' retirement plan
- A retention/years of service bonus
- A higher shift differential
- Lower healthcare contributions

We expect to receive more concrete proposals when we meet formally, but these areas appear to be the main focus.

Survey of Surrounding Communities

To better inform the negotiations, we have conducted a survey of 10 surrounding municipalities regarding their police officers' wages and benefits. Below is a snapshot of the findings:

- **Retirement:** Novi's Hybrid Retirement Plan combines defined benefit and defined contribution, with a 5% employee and 4% employer contribution. In comparison, other communities mostly offer traditional Defined Benefit plans or Defined Contribution plans with varying employer contributions.

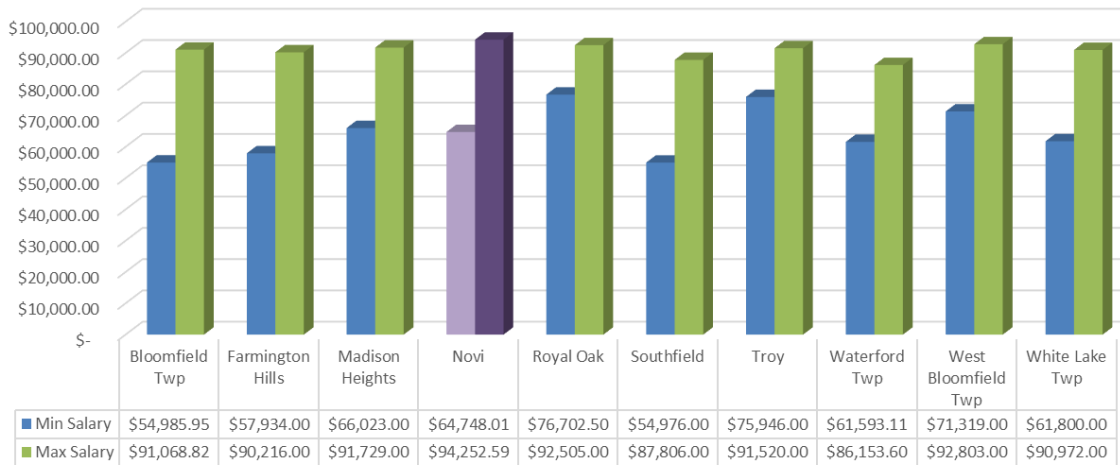


- **Retention/Longevity Bonus:** Four of the surveyed communities offer retention or longevity bonuses, typically either as a percentage of salary or an annual lump sum.
- **Shift Differential:** Three communities offer higher shift differentials than Novi's \$0.50.
- **Healthcare Costs:** Novi officers contribute more toward healthcare costs than officers in surrounding communities. Nearly half of the other communities offer family medical plans at \$250/month or less, while Novi officers pay a minimum of \$300/month for similar coverage.
- **Post-retirement Healthcare:** Novi offers a Retiree Health Savings (RHS) Account, with a contribution of 3% for officers with 1-5 years of service, and 5% for those with 6 or more years. Other communities provide similar RHS plans but with varying contributions.
- **Hourly Pay Rates:** Novi's starting pay rate for officers is \$29.65/hour, which is within the top 27% of surveyed communities. However, communities such as Troy, Royal Oak, and West Bloomfield offer higher starting pay. Novi's top pay is also competitive, although slightly below that of nearby communities.

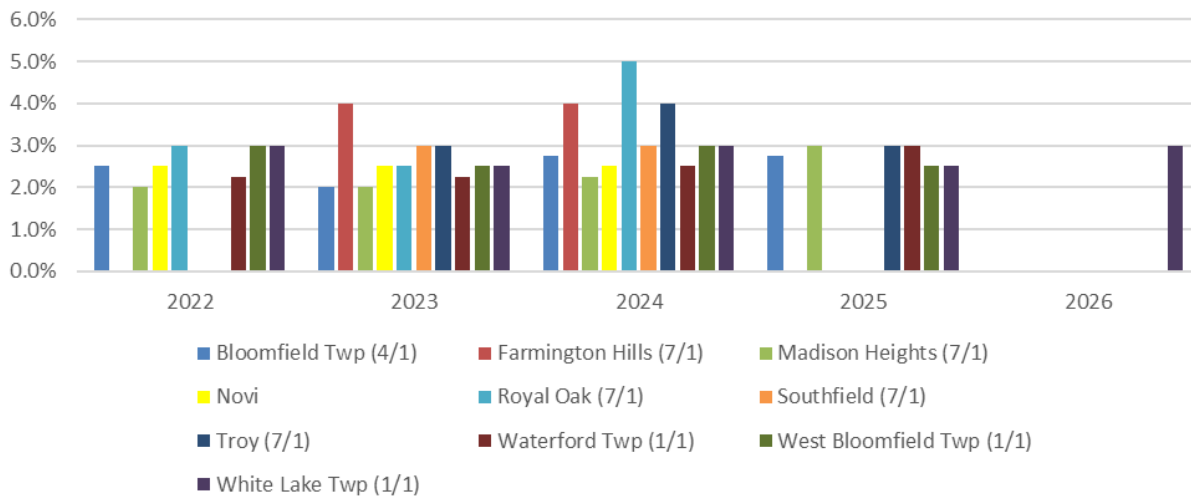
Hourly Rates



Salary



Percentage Increase by Contract Year



Additional Considerations

Northville Township, though not typically considered a comparable community due to its location and size, has notable salary figures: \$32.97/hour for starting pay and \$47.03/hour for top pay, which may be relevant given its proximity.

Next Steps

We will be seeking direction from the Council during the upcoming meeting on March 10th regarding the negotiation approach. This will include identifying priorities, key negotiation points, and next steps in the bargaining process. Please feel free to reach out if you have any questions in the meantime. I look forward to discussing this in greater detail on March 10th.