MEMORANDUM

TO: VICTOR CARDENAS, ACTING CITY MANAGER
FROM: TIA GRONLUND-FOX, DIRECTOR OF HUMAN RESOURCES
SUBJECT: POLICE CLERICAL AND DISPATCH LABOR UPDATE
DATE: MARCH 29, 2023

CONFIDENTIAL

The labor agreement between the City and the Police Clerical and Dispatch group will expire on June 30, 2023. This labor agreement has been in effect since July 1, 2019.

This labor group consists of six (6) budgeted clerical (1 vacant) and 14 budgeted dispatchers (2 vacant).

We have concluded our salary and benefit comparisons with other communities in our area. Those communities include:

Bloomfield Township	Farmington Hills	Madison Heights
Northville Twp. (Dispatch)	Royal Oak	Southfield
Troy	Waterford Twp.	West Bloomfield Twp.
White Lake Twp.		

Most communities do not combine police clerical and dispatchers in the same bargaining group. The topic of splitting the two groups, moving clerical into the general union group under MAPE (Michigan Association of Public Employees), and leaving the dispatchers in their own group has been addressed on several different occasions. There has been no desire by the clerical employees in this group to move unions.

DISPATCH

The data collected referencing pay and benefits are as follows:

- 5 out of 10 communities offer a defined contribution (DC) retirement plan, 5 offer a defined benefit (DB);
- The contributions for the DC plan ranged from 7%-12% (Novi contributes 10%);
- The majority (7 out of 10) of the communities pay less for healthcare, $70-$230/month (Novi $291 - $563/month;)
- Contributions to Retiree Health Savings plans vary from 2% of pay - $2,400/yr (Novi contributes $1,300/year);
- Starting pay ranges from $42,700 - $53,945/yr (Novi's starting pay is $50,378/yr);
- Top pay ranges from $48,929 - $71,369/yr (Novi pay $61,721)

POLICE CLERICAL

- All but one community offers a defined contribution (DC) retirement plan;
- The contributions for the DC plan mirror dispatch above 7%-12% (Novi contributes 8% for this group);
- The majority (7 out of 10) of the communities pay less for healthcare $70-$230/month (Novi $291 - $563/month);
- Contributions to Retiree Health Savings plans vary from 2% of pay - $2,400/yr (Novi contributes $1,300/year);
- Starting pay ranges from $34,735 - $47,493/yr (Novi's starting pay $43,776/yr)
- Top pay ranges from $39,605 - $58,441/yr (Novi pay $51,067/yr)

Our primary goal, especially during this unprecedented tight labor market, is recruitment and retention. All communities in this general geographical location, including Novi, are in direct competition with each other for a significantly shrinking pool of candidates.

I am unsure at this time what wage or benefit increases this group will be looking for; however, I am fairly confident they will be requesting for wage increases between 3.5% – 5%, and a higher retirement contribution.

In addition to the information we provided above, we also contacted several other communities across the state to find out what percentage increases they were providing their employees over the next two years.

We contacted 24 communities. The percentage increases ranged from 2% - 5%. Many of the labor agreements in these communities were established in 2020 and 2021; therefore, the increases that were locked in two to three years ago do not take into consideration the high inflation and overall tighter labor market trends we have seen over the past 12-18 months. In speaking with many of them, they indicated that they expected to see much higher increases during upcoming negotiations.

Over the past two years of negotiations with our police officers, police command, and general employee union group, we have started addressing some of the aforementioned discrepancies.

We have negotiated with each of these groups the 15% premium share for employees who are enrolled in HAP for their health insurance needs. Our employee healthcare costs remain high as compared with other communities; however, with City Council's support, we are narrowing the gap. We have also put into place a sliding scale for City contributions into employees' Retiree Healthcare Savings Plan based upon years of service. We will continue to address these issues during negotiations.

I welcome other suggestions, direction, and conversations regarding employee wages and benefits and this round of negotiations.