

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
DANIELLE MAHONEY, ASSISTANT CITY MANAGER
FROM: TIA GRONLUND-FOX, DIRECTOR OF HUMAN RESOURCES
SUBJECT: UPCOMING NEGOTIATIONS
DATE: JANUARY 28, 2026

Mayor and Council –

In preparation for a discussion at your 2/9 council meeting, please see the following memo as we begin to initiate labor negotiations.

- Victor

CONFIDENTIAL

This memo is intended to provide Council with early visibility into the upcoming labor negotiations, the assumptions already incorporated into the budget, and the issues we anticipate will be raised, so there are no surprises as we move forward. We look forward to discussing this further and receiving the Council's direction during the upcoming Executive Session.

The Collective Bargaining Agreements (CBA) between the City of Novi and the Michigan Association of Public Employees (MAPE) and the Command Officers Association of Michigan (COAM) both expire on June 30, 2026. The Human Resources Department has received correspondence from both the MAPE and COAM groups indicating their desire to begin negotiations.

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.

Michigan Association of Public Employees (MAPE) Background:

This bargaining group consists of 68 employees and is the City's largest union group. The membership includes employees from multiple classifications, including the Department of Public Works (DPW), parks maintenance, inspectors, code compliance, GIS, and all clerical employees. This group does not have access to binding arbitration available to them. If no agreement is reached, one or both parties may request the assistance of a State-appointed mediator to assist in resolving the issues. If mediation is not successful, the parties enter into Fact-Finding, which is a form of arbitration, in that both parties present their offers and supporting evidence to a third party. The third party then issues a non-binding recommendation. The parties are then required to go back to the bargaining table and attempt to reach a mutual agreement. If that is not possible, the employer has the ability to implement their last best offer.

Payroll for this group for the 2025 calendar year was \$4.7M. The allocations

for DPW employees' time (road funds) equates to an estimated \$1.8M. Water and Sewer wages for this same period were \$969,000. Therefore, the **General Fund expenditures for the 2025 calendar year for this group were \$1.9M**. More than half of the MAPE group's salaries and benefits are not charged to the General Fund or are paid back to the General Fund by the above allocations.

Prior to any contract negotiation, we conduct an external wage and benefit benchmark survey. Below, I have indicated those positions that fall outside of the "average" wage data received, if over three percent.

Title	<u>City of Novi Salary (Start)</u>	<u>City of Novi Salary (Top)</u>	AVERAGE SALARY (START)	AVERAGE SALARY (TOP)	Novi's Percentage Difference of the Average Start Salary	Novi's Percentage Difference of the Average Top Salary
ASSESSING COORDINATOR	\$ 56,184	\$ 65,546	\$48,402.91	\$81,247.00	15%	-6%
HR COORDINATOR	\$ 56,184	\$ 65,546	\$55,065.54	\$73,854.39	2%	-24%
BENEFITS COORDINATOR	\$ 63,345	\$ 65,546	\$61,567.60	\$79,745.81	3%	-20%
PROJECT COORDINATOR	\$ 63,345	\$ 65,546	\$63,370.26	\$79,735.51	0%	-20%
EQUIPMENT OPERATOR	\$ 59,942	\$ 60,942	\$60,115.03	\$67,806.51	0%	-10%
SIGN TECHNIQIAN	\$ 63,765	\$ 64,779	\$64,427.67	\$74,314.55	-1%	-14%
GIS/NEAMS TECHNICIAN	\$ 63,765	\$ 64,779	\$67,514.39	\$81,783.89	-6%	-23%

Current potential MAPE Proposals

While we have not begun negotiations, I have received some preliminary information from the union group's business agent. From those discussions, we understand that in addition to wage increases that mirror the Police Officers Labor Council (POLC) recent contract, the group may be seeking the following changes to their contract:

- Additional wage adjustments for several positions;
- A larger City contribution to employees' Defined Contribution retirement plan, or adopting the Hybrid Retirement plan (same as police officers);
- Lower health insurance contributions;
- Classification changes for both the DPW field employees, as well as other employees within the bargaining group;
- New positions within the Community Development Department;
- Longevity

I expect to receive additional proposals from the group once negotiations begin.

Current City considerations

I have met with all department directors whose team members are represented by the MAPE union. Their priorities are as follows:

DPW

- Eliminate Out-of-Class pay;
- Re-classification of Roads and W&S field staff (provide more movement within ranges to respond to external compensation deficiencies);
- Adjust and/or eliminate overtime bonus (incentive to plow snow);

Community Development

- Eliminate Out-of-Class pay for Inspectors;
- Re-classification of clerical staff (provide more movement within ranges to respond to internal compensation deficiencies);
- Adjust Inspector's pay ranges above 3% (for recruitment incentives)

A four percent (4%) increase has been incorporated into the FY 26/27 budget for the MAPE group. For fiscal years 27/28 and 28/29, the wage increase assumptions have been set at three percent (3%).

We have had discussions over the past couple of MAPE negotiations that, at some point, we may want to split the current MAPE bargaining group, carving out DPW from the rest of the employees. If this occurred, one scenario could be a DPW union group and a City Hall union group. While making this change initially would require additional time/work for the City's negotiation team, I believe it would be more efficient in the long run.

As mentioned above, the majority of DPW salaries and benefits are not covered by the General Fund. There are also unique challenges when negotiating concerns specific to the operations of the DPW that do not affect the rest of the bargaining group. For example, emergency operations (snow and water & sewer responses). By splitting this group into two bargaining groups, these issues can be addressed more deliberately and with greater focus.

The MAPE bargaining team has sent their correspondence requesting to begin bargaining in late February.

Command Officers Association of Michigan (COAM) background:

This bargaining group consists of 12 employees, 9 Sergeants, and 3 Lieutenants. These employees supervise the road patrol and general services divisions within the police department.

Payroll for this group is \$2.1M. Each one percent (1%) in a pay raise equates to roughly \$21,000

Potential COAM Proposals

While we have not begun negotiations, in speaking with Police Chief Erick Zinser, he has identified a few potential items this group may be seeking. Those include:

- Wage increase that mirrors the recent POLC contract;
- Retirement plan modifications;
- Work hours for the Lieutenants;
- Increased wage differentials between Sgt and top pay Police Officer, and Lt. and Sgt pay, and be incorporated into the contract

Wage and benefit benchmark information was also obtained for the COAM group. Those details can be found below.

	City of Novi Salary	Average Salary
Sergeant	\$108,987 \$49.902/hr	\$106,054.347 \$48.560/hr
Lieutenant	\$117,410 \$56.447/hr	\$119,863.887 \$57.627/hr

Average Wage Differential Between Police Personnel of our Comparables

	Police Officer	Police Sergeant	Police Lieutenant
Police Officer	0%	17.25%	26.01%
Police Sergeant	17.25%	0%	9.50%

Novi Wage Differentials Based on 07/01/2025 Wages*

	Police Officer	Police Sergeant	Police Lieutenant
Police Officer	0%	9.63%	17.04%
Police Sergeant	9.63%	0%	7.44%

*Based on top pay of each position

The wage differentials that are being looked at here reflect the difference of a top pay police officer's salary and a Sergeant's top pay, and a top pay police officer's salary and a Lieutenant's top pay. As you can see, these differentials are much higher in our comparable communities than those reflected in our current contract. These figures are based on the most recent Police contract, compared with current Command wages.

The 26/27 budget reflects a four percent (4%) wage increase for the COAM group. Fiscal years 27/28 and 28/29 also reflect four percent (4%) wage increases for this group. I do not have negotiation dates for this group at this time.

Next Steps

An Executive Session will be scheduled for the meeting of February 9th. If you have any questions before the meeting, please reach out to me.