



# CITY of NOVI CITY COUNCIL

**Agenda Item 1  
September 14, 2011**

**SUBJECT:** Approval of the Settlement Agreement with the Novi Clerks & Dispatchers Association of the Police Officers Association of Michigan – Police Clerks expiring June 30, 2013.

**SUBMITTING DEPARTMENT:** Human Resources

**CITY MANAGER APPROVAL:**

**BACKGROUND INFORMATION:** The contract between the City of Novi and The Novi Clerks & Dispatchers Association of the POAM expired June 30, 2009 and was negotiated until both parties were unable to reach a mutual agreement. Both parties filed for Act 312 Arbitration and an award for only the Dispatchers was granted August 23, 2011. Police Clerks are not eligible for Act 312 Arbitration and therefore the award was not applied to the Police Clerks. The City then had the right to renegotiate with the Police Clerks and has reached a mutual agreement.

The major points of the Settlement Agreement are as follows:

- 0% wage increases until June 30, 2013
- Eliminate BCBS PPO Master Medical Plan for active and retirees as of September 14, 2011.
- Implement Medicare supplemental plan once a retiree becomes Medicare eligible at age 65.
- 10% of medical insurance premiums will be paid by active employees as of January 1, 2012 and 20% as of January 1, 2013.

**RECOMMENDED ACTION:** Approval of the Settlement Agreement between the City of Novi and the Novi Clerks & Dispatchers Association of the Police Officers Association of Michigan – Police Clerks

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Fischer				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Staudt				
Council Member Wrobel				

**City of Novi Counter Offer to Settle to the Police Officers Association (POAM)**

**Representing the Novi Police Clerical Employees**

**Counter not to be used for Mediation or Fact Finding proceedings**

Contract Duration – July 1, 2009 through June 30, 2013

Article 10: Combined Time Off – Holidays -

This section does not apply to the Police Clerical employees and there shall be no change to the time off or Holidays as currently provided.

Article 19: Retirement – Final Average Calculation (FAC) calculation – *status quo* – no cap on overtime

Article 19: Retirement – Retiree healthcare at Medicare age –

Employees who retire on or after the date of this Agreement, who are eligible for retiree healthcare, who reach age 65 shall receive healthcare through Medicare, requiring the retiree (and spouse) to be enrolled in, and pay for 100% of the premium for Medicare Parts A and B. Secondary coverage will be provided through a supplemental plan. As set forth in Section 19.4 and 19.6 the City shall pay 80% and the retiree and spouse if applicable shall pay 20% of the premium for the supplemental plan.

Article 19: Retirement – Pension Plan

Employees who are hired on or after the date of this Agreement shall be enrolled in a Defined Contribution plan. The City shall contribute 8% of the employees' eligible earnings and the employee shall contribute 6% of their eligible earnings. The plan shall have the following vesting schedule: 25% after 3 years of service, 50% after 5 years of service and 100% after 7 years of service.

Article 19: Retirement – Retiree Health Care Savings Account

Employees who are hired on or after the date of this Agreement shall be enrolled in a Retiree Health Care Savings Account in lieu of retiree healthcare. The City shall contribute \$50 per pay period into the employee's Health Care Savings Account. The plan shall have the following vesting schedule for the employers' contributions: 50% after 8 years of service, 75% after 15 years of service and 100% after 20 years of service.

Article 22: Insurance –

As of the date of this Agreement the City shall no longer be required to provide Blue Cross Blue Shield Master Medical insurance to active or retirees. The City shall provide for active and retirees Blue Cross Blue Shield Community Blue Option 2 with \$20 office visit or comparable coverage. The City may also provide other provider options for the employees' choice at Open Enrollment. The City shall have the right to change carriers, so long as the coverage is comparable to the items of coverage comparable to the BCBS Community Blue Option 2. The City shall strive to maintain consistency in providers so much as financial and service provisions allow.

Article 22: Insurance –

As of January 1, 2012, the employees' prescription drug rider shall increase to \$10 for generics, \$20 for formulary and \$40 for non-formulary.

Article 22: Insurance –

As of January 1, 2012 employees shall contribute 10% of the premium for their healthcare through monthly payroll deductions on a pre-taxed basis. As of January 1, 2013, the employees' contribution shall increase to 20% of the premium.

New Article:

Effective the date of this Agreement Police Clerks shall assume the duties and responsibilities of the Evidence and Property Room.

Wages:

2009 – 0%

2010 – 0%

2011 – 0%

2012 – 0%

June 30, 2013 – 1.5% Wage Increase for Clerical employees.

City of Novi

Police Officers Association of Michigan (POAM)

By: \_\_\_\_\_


David B. Landry, Mayor

By:  \_\_\_\_\_

Jerry Radovic, Business Agent

By: \_\_\_\_\_

Maryanne Cornelius, City Clerk

By:  \_\_\_\_\_

Susan Hein NPOPA Vice-President

Dated: 9/13/2011