

MEMORANDUM

TO: County Council

FROM: Robert H. Drummer, Legislative Attorney 

SUBJECT: **Introduction:** Expedited Bill 18-09, Personnel – Retirement – Imputed Compensation

Expedited Bill 18-09, Personnel – Retirement – Imputed Compensation, sponsored by the Council President at the request of the County Executive, is scheduled to be introduced on April 14, 2009. A public hearing is tentatively scheduled for May 5, 2009 at 7:30 p.m.

Bill 18-09 would implement provisions of the most recent collective bargaining agreements negotiated by the Executive and the Municipal & County Government Employees Organization/United Food and Commercial Workers Union, Local 1994 (MCGEO) and the Fraternal Order of Police, Montgomery County Lodge 35 (FOP). The Bill would amend the definition of regular earnings to include certain imputed compensation under the Employees' Retirement System (ERS). Both of these collective bargaining agreements contain provisions that would "postpone" previously negotiated general wage adjustments (4.5% for MCGEO and 4.25% for FOP) during FY10 in recognition of the County's projected revenue shortfall.

The Bill would provide that the calculation of regular earnings used to determine an ERS retirement benefit for a Group A, E or H member, including those represented by MCGEO, must include the 4.5% general wage adjustment for FY10 as if the employee had received it on July 1, 2009. The Bill would not affect the retirement benefit for an employee represented by MCGEO who participates in the Retirement Savings Plan or the new Guaranteed Retirement Income Plan. The Bill would also make a similar 4.25% adjustment in the regular earnings used to calculate a retirement benefit for a Group F member, including those represented by the FOP. The Act would take effect on July 1, 2009.

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Expedited Bill No. 18-09
Concerning: Personnel - Retirement -
Imputed Compensation
Revised: April 10, 2009 Draft No. 3
Introduced: April 14, 2009
Expires: October 14, 2010
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

- (1) amend the definition of regular earnings to include certain imputed compensation under the employees' retirement system; and
- (2) generally amend the law regarding the employees' retirement system.

By amending

Montgomery County Code
Chapter 33, Personnel and Human Resources
Sections 33-35

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

27 **Sec. 4. Expedited Effective Date.** The Council declares that this Act is
28 necessary for the immediate protection of the public interest. This Act takes effect
29 on July 1, 2009.

30 *Approved:*

31

32

Philip M. Andrews, President, County Council

Date

33 *Approved:*

34

Isiah Leggett, County Executive

Date

35 *This is a correct copy of Council action.*

36

Linda M. Lauer, Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Expedited Bill 18-09, Personnel – Retirement – Imputed Compensation

- DESCRIPTION:** The requested expedited legislation provides that for retirement purposes certain employees will be treated as though they received the scheduled general wage adjustment which has been eliminated.
- PROBLEM:** The proposed legislation accomplishes the changes contained in the Memorandum of Agreement between the Montgomery County Government and the Municipal & County Government Employees Organization/United Food and Commercial Workers Union Local 1994 and the Fraternal Order of Police Montgomery County Lodge 35 that was negotiated pursuant to concession agreements for the current collective bargaining agreements.
- GOALS AND OBJECTIVES:** To implement provisions of negotiated concession agreement and pass through by treating employees in Groups A, E, F, and H as though they received scheduled general wage adjustments for retirement purposes.
- COORDINATION:** Office of Human Resources
- FISCAL IMPACT:** Office of Management and Budget
- ECONOMIC IMPACT:** See County Executive's Recommended FY10 Operating Budget
- EVALUATION:** n/a



OFFICES OF THE COUNTY EXECUTIVE

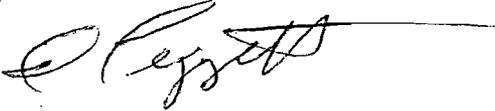
Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

April 1, 2009

TO: Philip M. Andrews President
Montgomery County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Expedited Bill to Amend the Employees' Retirement System

The attached expedited bill would provide that for retirement purposes, employees in Groups, A, E, F, and H will be treated as though they received the scheduled general wage adjustments which have been eliminated. This bill stems from the negotiated agreements with the Municipal & County Government Employees Organization/United Food and Commercial Workers Union Local 1994 and the Fraternal Order of Police Montgomery County Lodge 35.

Attachments

IL: stc

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