

MEMORANDUM

TO: County Council

FROM: Robert H. Drummer, Legislative Attorney 

SUBJECT: **Introduction:** Bill 19-09, Board of Investment Trustees - Membership

Bill 19-09, Board of Investment Trustees - Membership, 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 19-09 results from the most recent collective bargaining agreement between the Executive and the Municipal & County Government Employees Organization/United Food and Commercial Workers Union, Local 1994 (MCGEO). The Bill would create an additional *ex officio* member and delete an employee member of the Board of Investment Trustees. The Board of Investment Trustees is responsible for managing the investments in the Employees' Retirement System Trust Fund and the Retiree Health Benefits Trust Fund. The Board is also responsible for selecting the investment choices for employees in the Retirement Savings Plan.

The Board has 13 members. Under current law, the Executive appoints, subject to Council confirmation, 4 *ex officio* members who should be the Directors of Management and Budget, Finance, Human Resources, and the Council Staff Director. Current law also provides for one member nominated by each of the 3 certified employee organizations. The law also provides for one active unrepresented employee member, one retired employee member recommended by the County Retired Employees Association, and 4 public members. The 4 *ex officio* members serve indefinitely as long as they hold their office. The other 9 members serve a 3-year term, subject to the 2-term limit in Code §2-148.

Bill 19-09 would remove the employee member nominated by the employee organization certified to represent the Office, Professional, and Technical (OPT) and the Service, Labor, and Trades (SLT) bargaining units. Instead, the employee organization or organizations certified to represent these units would nominate an *ex officio* member for appointment by the Executive and confirmation by the Council who would serve indefinitely as long as that person remains the employee organization representative.

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Bill No. 19-09
Concerning: Board of Investment
Trustees - Membership
Revised: April 8, 2009 Draft No. 2
Introduced: April 14, 2009
Expires: October 14, 2009
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 ACT to:

- (1) create an additional *ex officio* member and delete an employee member of the Board of Investment Trustees;
- (2) amend the law establishing the Board of Investment Trustees; and
- (2) generally amend the law regarding the employees' retirement system.

By amending

Montgomery County Code
Chapter 33, Personnel and Human Resources
Section 33-59

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:

28 recommended by each employee organization certified
 29 under Articles V, [VII, or] and X. Each employee
 30 organization may recommend 3 to 5 individuals for the
 31 respective trustee position. Before appointing these
 32 trustees, the Executive must consider, and should select
 33 from, the individuals recommended by the employee
 34 organizations. The Executive must not appoint more
 35 than one person from each employee organization. The
 36 Executive must notify the Council when appointing an
 37 individual not recommended by an employee
 38 organization. A 3-year term for these trustees ends on
 39 March 1 of every third year after each trustee is
 40 confirmed by the Council. Any trustee appointed under
 41 this subparagraph must not vote on any matter involving
 42 the County deferred compensation plan.

* * *

44 *Approved:*

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Philip M. Andrews, President, County Council Date

47 *Approved:*

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Isiah Leggett, County Executive Date

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

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Linda M. Lauer, Clerk of the Council Date

LEGISLATIVE REQUEST REPORT

Bill 19-09, Board of Investment Trustees

- DESCRIPTION:** The requested expedited legislation amends the law regarding the composition of the Board of Investment Trustees.
- 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 that was negotiated pursuant to concession agreements for the current collective bargaining agreement.
- GOALS AND OBJECTIVES:** To designate a representative of the UFCW Local 1994 as an *ex officio member* to the Board of Investment Trustees
- COORDINATION:** Office of Human Resources
- FISCAL IMPACT:** Office of Management and Budget
- ECONOMIC IMPACT:** n/a
- EVALUATION:** n/a



OFFICES OF THE COUNTY EXECUTIVE

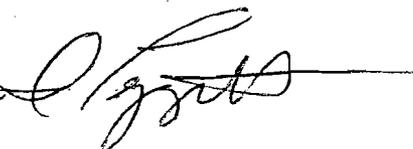
Isiah Leggett
County Executive

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 Composition of the Board of Investment Trustees

The attached expedited bill would establish a fifth *ex officio* member to the Board of Investment Trustees. This bill would allow for a representative to be selected by the Office, Professional, and Technical (OPT) and Service, Labor, and Trades (SLT) bargaining units to be designated as *ex officio*. This bill stems from a negotiated agreement with the Municipal & County Government Employees Organization/United Food and Commercial Workers Union Local 1994.

Attachments

IL: stc

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BILL



OFFICE OF MANAGEMENT AND BUDGET

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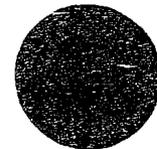
Isiah Leggett
County Executive

Joseph F. Beach
Director

NAN
CC
SBF
LL
BD
MF
AH

MEMORANDUM

April 7, 2009



APR 7 2009 11:30 AM

TO: Phil Andrews, President, County Council
FROM: Joseph F. Beach, Director
SUBJECT: Expedited Bill, Board of Investment Trustees

The purpose of this memorandum is to transmit a fiscal impact statement to the Council on the subject legislation.

LEGISLATION SUMMARY

The proposed legislation designates a representative of the Office, Professional, and Technical (OPT) and Service, Labor and Trades (SLT) bargaining units as an ex officio member of the Board of Investment Trustees. This trustee may not vote on any matter involving the County deferred compensation plan.

FISCAL SUMMARY

There is no fiscal impact due to the proposed legislation. Linda Herman, Board of Investment Trustees, contributed to and concurred with this analysis.

JFB:lob

- c: Kathleen Boucher, Assistant Chief Administrative Officer
- Dee Gonzalez, Office of the County Executive
- Linda Herman, Board of Investment Trustees
- Brady Goldsmith, Office of Management and Budget

Office of the Director

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