

**MEMORANDUM**

April 28, 2017

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney



SUBJECT: **Introduction:** Expedited Bill 12-17, Fire and Rescue Services – Length of Service Awards Program for Volunteers – Amendments

Expedited Bill 12-17, Fire and Rescue Services – Length of Service Awards Program for Volunteers - Amendments, sponsored by Lead Sponsor Council President at the request of the County Executive, is scheduled to be introduced on May 2. A public hearing is tentatively scheduled for June 13 at 1:30 p.m.

**Background**

The current structure of the Montgomery County Fire and Rescue Association was established by Bill 36-03, which took effect on January 1, 2005. One of the most innovative changes in Bill 36-03 was the establishment of a process for Local Fire and Rescue Departments (LFRD's) to select an authorized representative to represent their interests, and a requirement for the Fire Chief to negotiate in good faith with the authorized representative on certain issues affecting LFRD's and their volunteers. The rules for the selection of the representative and the direct negotiation process are included in County Code Section 21-6. The process was intended to be similar to collective bargaining with career employees.

The LFRD's selected the Montgomery County Volunteer Fire and Rescue Association (MCVFRA) as their representative. On January 30, 2007, the Council approved the first Agreement between the County Government and MCVFRA.

**Council Review**

Code Section 21-6(p) requires the Executive to submit to the Council any element of an Agreement that requires an appropriation of funds, may have a future fiscal impact, is inconsistent with any County law or regulation, or requires the enactment or adoption of any County law or regulation. Section 21-6(q) directs the Council to notify the parties within 60 days if it disapproves an Agreement in whole or in part. The Council may by resolution extend the time for action.

On April 3, 2017, the Executive submitted a negotiated Agreement between the Executive and the MCVFRA, effective July 1, 2017 through June 30, 2020, for Council review and action. The Agreement includes a provision to recommend for Council approval legislation amending the Length of Service Awards Program for Volunteers (LOSAP). On April 25, 2017, the Council adopted Resolution No. 18-784 indicating its intent to approve the negotiated Agreement with the MCVFRA. See ©11-12.

### **Discussion**

LOSAP is an existing program that provides a small lifetime pension to a local fire and rescue department volunteer who completes a certain amount of service. LOSAP provides a retirement benefit, a service-connected disability benefit, a survivor benefit, and a death benefit to qualified volunteers. Bill 12-17 would increase the retirement benefits for qualified volunteers, clarify the conditions for earning credits for stand-by duty, and require all payments to be made by direct deposit. OMB estimated that the increased LOSAP retirement benefits would cost the County an additional \$23,385 in FY18 and \$150,722 over the next 6 years. The requirement to pay benefits by direct deposit would save the County \$25,200 over the next 6 years. See ©8.

This packet contains:	<u>Circle #</u>
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Expedited Bill No. 12-17  
Concerning: Fire and Rescue Services –  
Length of Service Awards Program for  
Volunteers - Amendments  
Revised: April 14, 2017 Draft No. 1  
Introduced: May 2, 2017  
Expires: November 2, 2018  
Enacted: [date]  
Executive: [date signed]  
Effective: [date takes effect]  
Sunset Date: [date expires]  
Ch. [#], Laws of Mont. Co. [year]

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: Council President at the request of the County Executive

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### AN EXPEDITED ACT to:

- (1) increase the amount of the length of service benefit to certain local fire and rescue department volunteers;
- (2) require benefits to be paid through direct deposit;
- (3) modify the requirements to earn credit for stand-by duty; and
- (4) generally amend the length of service award program for volunteers.

By amending

Montgomery County Code  
Chapter 21, Fire and Rescue Services  
Section 21-21

<b>Boldface</b>	<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:*

**Sec. 1. Section 21-21 is amended as follows:**

**21-21. Length of service award program for volunteers.**

\* \* \*

**(c) *Length of service benefits.***

(1) Volunteers Who Qualified Before 1985. Effective January 1, 1985, any volunteer who qualified for a monthly award payment before January 1, 1985, must receive monthly award payments equal to 150 percent of the pre-1985 monthly award payment.

(2) Volunteers Who Qualify in 1985 or Later - 25 Years of Service.

(A) Effective January 1, 1985, a volunteer qualifies for a 25-year award payment when the volunteer:

- (i) is at least age 55, if the volunteer completed 25 years as an active volunteer before 1996, or
- (ii) is any age, if the volunteer completed 25 years as an active volunteer on or after January 1, 2004.

(B) A volunteer who qualifies under this paragraph must receive an award payment of:

- (i) \$233 [~~\$230~~] per month for life; and
- (ii) \$11.70 [~~\$11.50~~] per month for life for each year of service as an active volunteer over 25 years (up to \$117 [~~\$115~~] per month). The maximum total benefit is \$350 [~~\$345~~] per month.

(3) Volunteers Who Qualify in 1985 or Later - 15 years of Service.

(A) Effective January 1, 1985, a volunteer qualifies for a 15-year award payment when the volunteer:

- (i) has served 15 years as an active volunteer after January 1, 1955; and

(ii) is at least age 60.

(B) A volunteer who qualifies under this paragraph must receive an award payment of \$9.32 [\$9.20] per month for life for each year of service as an active volunteer.

(4) Volunteers Who Qualify in 1985 or Later - 10 Years of Service.

(A) Effective January 1, 1985, a volunteer qualifies for a 10-year award payment when the volunteer:

(i) has served 10 years as an active volunteer; and

(ii) is at least age 65.

(B) A volunteer who qualifies under this paragraph must receive an award payment of \$9.32 [\$9.20] per month for life for each year of service as an active volunteer.

(C) All years of service, including past years of service, must be included.

(5) A volunteer must receive a 3.5% increase, for a maximum total benefit of no more than \$362.00 per month, to his or her LOSAP benefit payment if he or she:

(A) received LOSAP benefit payments as of December 31, 2015; and

(B) qualified for the higher nominal fee, as described in Article 12 of the fire and rescue volunteers collective bargaining agreement, for calendar year 2015 by:

(i) being on the Integrated Emergency Command Structure (IECS) certified list;

(ii) receiving 30 LOSAP points for department or station responses; and

(iii) receiving 20 LOSAP points for sleep-in or stand-by service.

\* \* \*

(i) *Administration.*

(1) The County Executive or the Executive's designee must administer this Section under Executive Regulations adopted under method (3).

(2) The County must pay benefits under this section from the first day of the first month after the volunteer, surviving spouse or domestic partner, or volunteer's estate qualifies for the benefit, except that benefits must not be paid for any period before the application for the benefit is filed.

(3) All LOSAP payments must be made by direct deposit.

\* \* \*

(k) *Point System.*

\* \* \*

(3) [Sleep-in or] Stand-by - 20 points maximum. [Sleep-in service earns 1 point for each full night. Stand-by service earns 1 point for each period of on-duty activity of the fire department or rescue squad that lasts for at least 4 hours and does not fall under another category in this subsection.] Integrated Emergency Command Structure (IECS) certified personnel may earn stand-by LOSAP points for performing on-duty activity at the rate of:

(A) one quarter point for every hour of stand-by service a volunteer is assigned to a unit available for response; and

(B) one point for every 4 hours of stand-by service the volunteer is available for response in the station, but not assigned to a specific unit.

Stand-by service must be recorded in the data system provided by the County. A volunteer must not earn more than 3 points for stand-by service during any 24-hour period.

**Sec. 2. Expedited Effective Date.**

The Council declares that this legislation is necessary for the immediate protection of the public interest. The amendments in Section 1, except for the amendments to subsection (k), take effect on July 1, 2017. The amendments to subsection (k) in Section 1 take effect on January 1, 2018.

*Approved:*

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Roger Berliner, President, County Council

Date

*Approved:*

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Isiah Leggett, County Executive

Date

*This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council

Date

## LEGISLATIVE REQUEST REPORT

Expedited Bill 12-17

### *Fire and Rescue Services – Length of Service Awards Program for Volunteers - Amendments*

- DESCRIPTION:** The legislation provides additional length of service benefits to local fire and rescue department volunteers.
- PROBLEM:** The recently negotiated agreement between the County and the Montgomery County Volunteer Fire and Rescue Services Association provides that legislative changes will be made to provide additional Length of Service Awards Program (LOSAP) benefits to local fire and rescue department volunteers covered under the agreement, that LOSAP payments be provided to local fire and rescue department volunteers through direct deposit, and that the statute be amended regarding stand-by duty for local fire and rescue department volunteers. This statutory change in eligibility for additional LOSAP benefits is effective on July 1, 2017. The statutory change in stand-by duty is effective on January 1, 2018.
- GOALS AND OBJECTIVES:** This amendment to Sec. 21-21 of the County Code implements the provision of the MCVFRA agreement.
- COORDINATION:** Office of Human Resources and Finance
- FISCAL IMPACT:** Office of Management and Budget
- ECONOMIC IMPACT:** Office of Management and Budget
- EVALUATION:** N/A
- EXPERIENCE ELSEWHERE:** N/A
- SOURCE OF INFORMATION:** Darryl Gorman, Office of Human Resources (x.75026)
- APPLICATION WITHIN MUNICIPALITIES:** N/A
- PENALTIES:** N/A





OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

## MEMORANDUM

April 14, 2017

TO: Roger Berliner, Council President

FROM: Isiah Leggett, County Executive

SUBJECT: Proposed Bill – To amend the length of service award program for local fire and rescue department volunteers.

The proposed Bill amends Chapter 21 of the Montgomery County Code based on a negotiated agreement between the County and the Montgomery County Volunteer Fire and Rescue Association.

These amendments make increases in the Length of Service Awards Program benefits for members of the Montgomery County Volunteer Fire and Rescue Association.

These amendments also clarify the conditions for earning credits for stand-by duty for members of the Montgomery County Volunteer Fire and Rescue Association.

Attachments

**Fiscal Impact Statement**  
**Bill XX-17 – Personnel – LOSAP Benefits – Volunteer Fire and Rescue Bargaining Unit**

**1. Legislative Summary**

This bill would provide an increase in the Length of Service Awards Program (LOSAP) available to volunteers who are members of a Local Fire and Rescue District (LFRD), provide for payment of these benefits through direct deposit only, and amend the law regarding stand-by duty for volunteers who are members of an LFRD.

**2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.**

This bill changes the award payments in LOSAP for qualifying volunteers. For FY18, the actuarially determined cost of these award increases is \$23,385, covering the additional amount required to meet the annual contribution.

This bill would also provide that payment of LOSAP benefits would be direct deposit only. It is estimated that this change will provide a savings of up to \$4,200 annually, through decreased administrative costs.

**3. Revenue and expenditure estimates covering at least the next 6 fiscal years.**

Over the next 6 fiscal years, the actuarially determined cost of these increased benefits is estimated to be \$150,722. Administrative cost savings over the next 6 fiscal years as a result of switching to direct deposit are estimated to be \$25,200.

**4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.**

Not applicable.

**5. An estimate of expenditures related to County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.**

Not applicable.

**6. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**

Not applicable.

**7. An estimate of the staff time needed to implement the bill.**

Not applicable.

**8. An explanation of how the addition of new staff responsibilities would affect other duties.**

Not applicable.

**9. An estimate of costs when an additional appropriation is needed.**

See response #2.

**10. A description of any variable that could affect revenue and cost estimates.**

Not applicable.

**11. Ranges of revenue or expenditures that are uncertain or difficult to project.**

Not applicable.

**12. If a bill is likely to have no fiscal impact, why that is the case.**


Not applicable.

**13. Other fiscal impacts or comments.**

Not applicable.

**14. The following contributed to and concurred with this analysis:**

Corey Orlosky, Office of Management and Budget  
Linda Herman, Executive Director, Montgomery County Employee Retirement Plans

  
\_\_\_\_\_  
Jennifer A. Hughes, Director  
Office of Management and Budget

4/10/17  
Date

**Economic Impact Statement**  
**Bill #-17, Personnel – LOSAP (Length of Service Award Program) Benefits –**  
**Volunteer Fire and Rescue Bargaining Unit**

**Background:**

This legislation would:

- provide an increase in length of service benefits to volunteers who are members of a Local Fire and Rescue District, and
- provide for payment of benefits through direct deposit, and
- amend the law regarding stand-by duty for volunteers in the volunteer fire and rescue services bargaining unit.

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**1. The sources of information, assumptions, and methodologies used.**

The assumption is that the Department of Finance (Finance) and the Office of Management Budget estimates a pay-go amount of \$23,835 in FY2018. Finance did not employ any methodologies in the preparation of the economic impact statement.

**2. A description of any variable that could affect the economic impact estimates.**

The only variables that could affect the economic impact estimate are changes to the amount of the increase and whether the individual received "Length of Service Award Program (LOSAP)" benefit payments as of December 31, 2015, as currently drafted in Bill #-17.

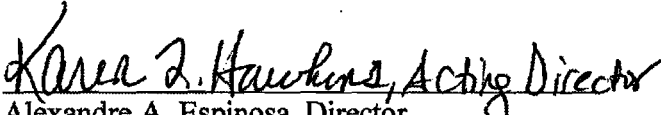
**3. The Bill's positive or negative effect, if any on employment, spending, savings, investment, incomes, and property values in the County.**

Based on the estimated pay-go amount in paragraph 1, Bill #-17 would have no significant impact on employment, spending, savings, investment, incomes, and property values in the County.

**4. If a Bill is likely to have no economic impact, why is that the case?**

Bill #-17 would have no significant economic impact. See paragraph 3.

**5. The following contributed to or concurred with this analysis: David Platt, Dennis Hetman, Finance; Corey Orlosky, Office of Management and Budget.**

  
Alexandre A. Espinosa, Director  
Department of Finance

4/12/17  
Date

Resolution No.: 18-784  
Introduced: April 18, 2017  
Adopted: April 25, 2017

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: Public Safety Committee

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**SUBJECT:** Memorandum of Agreement with Montgomery County Volunteer Fire and Rescue Association (MCVFRA)

**Background**

1. County Code Section 21-6 establishes a process for Local Fire and Rescue Departments (LFRD's) to select an authorized representative to represent their interests, and requires the Fire Chief to negotiate in good faith with the authorized representative on certain issues affecting LFRD's and their volunteers.
2. The LFRD's selected the Montgomery County Volunteer Fire and Rescue Association (MCVFRA) to be their authorized representative.
3. On April 3, 2017, the Council received from the County Executive the attached Memorandum of Agreement between Montgomery County Government and Montgomery County Volunteer Fire and Rescue Association for the period from July 1, 2017, until June 30, 2020.
4. Code Section 21-6(p) requires the Executive to submit to the Council any element of an agreement that requires an appropriation of funds, may have a future fiscal impact, is inconsistent with any County law or regulation, or requires the enactment or adoption of any County law or regulation. Section 21-6(q) directs the Council to notify the parties within 60 days if it disapproves an agreement in whole or in part. The Council may by resolution extend the time for action.
5. The Public Safety Committee reviewed and made recommendations on each of the portions of the Memorandum of Agreement requiring an appropriation of funds for FY18 on April 17.


**Action**

*The County Council for Montgomery County, Maryland approves the following resolution:*

The County Council approves the following provisions of the Agreement for FY2018:

1. 50 gear sets for active volunteers.
2. Article 12 – Option 1 nominal fee of \$435 and an Option 2 nominal fee of \$650 for active volunteers, effective July 1, 2017.
3. Funding for training up to \$15,000.
4. Volunteer Basic Orientation Course funding up to \$21,000.
5. Side letter/MOU - \$246,340 for MCVFRA operating expenses.
6. Length of Service Awards Program (LOSAP) law amendments in concept.
7. 75 printed copies of the Agreement.

This is a correct copy of Council action.

  
Linda M. Lauer, Clerk of the Council