

MEMORANDUM

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: **Introduction:** Bill 31-10, Board of Investment Trustees - Membership

Bill 31-10, Board of Investment Trustees - Membership, sponsored by the Council President at the request of the County Executive, is scheduled to be introduced on May 4, 2010. A public hearing is tentatively scheduled for June 15 at 1:30 p.m.

Bill 31-10 revises the composition of the Board of Investment Trustees by providing that the representative of the police bargaining unit serve on the Board indefinitely rather than for a fixed term. The Bill would implement the recently negotiated collective bargaining agreement between the Fraternal Order of Police and the County Executive. Bill 19-09, enacted on May 13, 2009, provided similar indefinite terms for the representatives designated by MCGEO and the IAFF.

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Bill No. 31-10
Concerning: Board of Investment
Trustees - Membership
Revised: April 23, 2010 Draft No. 1
Introduced: May 4, 2010
Expires: November 4, 2011
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) add an additional member of the Board of Trustees with an indefinite term of office and delete a member with a definite term of office;
- (2) amend the law establishing the Board of Investment Trustees; and
- (3) 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:

1 **Sec. 1. Section 33-59 is amended as follows:**

2 **33-59. Board of Investment Trustees**

3 * * *

4 (b) Membership.

5 * * *

6 (3) The County Executive must appoint [2] 3 voting certified
7 employee organization representatives, subject to County
8 Council confirmation, as members of the Board, who serve
9 indefinitely while each remains the designee of the certified
10 employee representative. These trustees must not vote on any
11 matter involving the County deferred compensation plan.

12 These trustees should be:

13 (A) one representative nominated by the employee
14 organizations certified as the representative of the Office,
15 Professional, and Technical (OPT) and Service, Labor
16 and Trades (SLT) bargaining units; [and]

17 (B) one representative nominated by the employee
18 organization certified as the representative for the fire
19 and rescue employee unit[.]; and

20 (C) one representative nominated by the employee
21 organization certified as the representative for the police
22 employee bargaining unit under Article V.

23 (4) The following [7] 6 trustees must be appointed by the
24 Executive and confirmed by the Council:

25 (A) [One active County employee who is a member of an
26 employee organization certified under Article V, and
27 who is a vested member of the retirement system, or an

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

41 An active County employee who is a vested member of
42 the retirement system and the Merit System, and not a
43 member of a collective bargaining unit. A 3-year term
44 for this trustee ends on March 1 of every third year after
45 the trustee is confirmed by the Council.

46 [(C)] (B) A retired County employee who is a member of
47 the retirement system. Before appointing this trustee, the
48 Executive must consider, and should select from, a list of
49 3 to 5 individuals recommended by the Montgomery
50 County Retired Employees' Association. The Executive
51 must notify the Council when nominating an individual
52 not recommended by the Association. A 3-year term for
53 this trustee ends on March 1 of every third year after the
54 trustee is confirmed by the Council.

55 ~~[(D)]~~(C) Two persons recommended by the Council who
 56 are knowledgeable in pensions, investments, or financial
 57 matters. A 3-year term for these trustees ends on March
 58 1 of every third year after each trustee is confirmed by
 59 the Council.

60 ~~[(E)]~~(D) Two individuals knowledgeable in pensions,
 61 investments, or financial matters. Before nominating
 62 these trustees, the Executive must consider, and should
 63 select from, individuals recommended by citizens or
 64 countywide citizens' groups. An individual
 65 recommended by a citizens' group need not be a member
 66 of the group. The Executive must notify the Council
 67 when nominating an individual not recommended by a
 68 citizens' group. A 3-year term for these trustees ends on
 69 March 1 of every third year after each trustee is
 70 confirmed by the Council.

71 ~~[(4)]~~ (5) A trustee appointed under paragraph (3) continues to
 72 serve after the trustee's term ends until the Council confirms a
 73 successor, but the term for each position is not affected by any
 74 holdover. A trustee who, after appointment and before the end
 75 of a term, is no longer qualified for the trustee's position is
 76 removed from the Board by operation of law.

77 ~~[(5)]~~ (6) The Executive must not appoint as a trustee any person
 78 who furnishes, or is employed by a firm that furnishes, to
 79 pension funds and other institutional investors the kind of
 80 investment services purchased by the Board.

81 * * *

LEGISLATIVE REQUEST REPORT

Bill 31-10

Personnel – Retirement – Board of Investment Trustees

DESCRIPTION: The requested legislation revises the composition of the Board of Investment Trustees by providing that the representative of the police bargaining unit serve on the Board indefinitely rather than for a fixed term.

PROBLEM: The recently negotiated collective bargaining agreement between the Fraternal Order of Police and the County provides that the police bargaining unit representative appointed by the County Executive to the Board of Investment Trustees serve indefinitely while remaining the designee of the FOP.

GOALS AND OBJECTIVES: To implement a provision of the collective bargaining agreement with the FOP.

COORDINATION: Office of Human Resources

FISCAL IMPACT: Office of Management and Budget

ECONOMIC IMPACT: fiscal impact statement to be provided at a later date

EVALUATION: n/a



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

April 19, 2010

TO: Nancy Floreen, President
Montgomery County Council

FROM: Isiah Leggett, County Executive

SUBJECT: Bill to Amend the Composition of the Board of Investment Trustees

I am attaching for Council introduction a Bill which would amend the law regarding the composition of the Board of Investment Trustees by providing that the police bargaining unit representative appointed by the County Executive to the Board of Investment Trustees, subject to County Council confirmation, serve indefinitely while remaining the designee of the certified employee organization rather than for a fixed term. This legislation does not change the size of the Board of Investment Trustees and places the representative of the police bargaining unit in parity with the representatives of the Office, Professional, and Technical (OPT), and the Service, Labor and Trades (SLT) bargaining units and the fire and rescue employee bargaining unit who serve on the Board indefinitely. This bill results from an agreement with the Fraternal Order of Police Montgomery County Lodge #35, Inc. during recent collective bargaining. A fiscal impact statement will be provided to the Council at a later date.

Attachments

IL: sw

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MONTGOMERY COUNTY
COUNCIL
2010 APR 19 PM 2:12