

# **TESTIMONY ON BEHALF OF COUNTY EXECUTIVE ELRICH**

**regarding**

## **Bill 22-25, Labor Peace Agreements – Hotel Development Projects**

Dear President Stewart and members of the Council:

For the record, my name is Ken Hartman-Espada, Assistant Chief Administrative Officer. Thank you for this opportunity to testify on behalf of the County Executive on the matter before you.

Without question, the County Executive and County Council are committed to fostering a fair and equitable workplace for all employees, and as leaders firmly support the right of workers to organize and advocate for better wages, benefits, and working conditions. The County Executive supports Bill 22-25 to establish that future contractual relationships with the County for hotels and conference centers must include a Labor Peace agreement.

I led the County team that negotiated the updated management agreement with Marriott for the continued operation of the Montgomery County Conference Center. The negotiated agreement was the best contract for all parties. We entered the negotiations with a list of priorities, including unionization language, and we achieved most of our original goals.

Through the negotiations, the annual revenue the County receives from the Conference Center doubled to \$1 million/year and will increase to \$1.25 million after five years. County Days increased from six to eight days a year with a 20% discount for food and beverage. We strengthened our position on the management committee; clarified property interests; and improved partnerships with VisitMontgomery.

Furthermore, the County Executive directed us to ensure that employees' rights under the National Labor Relations Act (NLRA) were recognized and respected in the event of unionization. The management agreement could not include a Labor Peace Agreement. The only contracts covered in County law are contracts to provide residential solid waste, recycling, and yard waste collection.

But we made progress. Unlike the previous agreement, the new agreement includes language requiring the operator to adhere to Federal labor laws should employees wish to pursue collective bargaining. And we reached accommodation that in the event of unionization, there would be open dialogue with the County, and that the County would share the economic costs.

It's important to note here that the management agreement only applies to the Conference Center, the hotel building is owned by a third party which has a long-term ground lease. The owner in turn has an agreement with Marriott to manage the hotel.

We understand that a thriving workplace is key to the success of the Conference Center and to the economic well-being of Montgomery County. The County Executive has engaged with UNITE HERE Local 25 and Marriott to ensure that our commitment to workers' rights is upheld.

The County Executive will continue to sustain dialogue to work towards a resolution of this situation and stand with workers should they seek to organize.