

## Bill 22-25 Labor Peace Testimony, July 8, 2025

### Gordie Brenne, Treasurer Montgomery County Taxpayers League

I'm a former Marriott Controller, but speak only for the Taxpayers League. We want more commercial economic development to shift the burden of supporting our increasingly expensive county government off resident's shoulders, and create more jobs. Labor Peace is an expensive, non-competitive distraction.

There are many hotels in the county that offer competitive conference services without the encumbrance of a labor peace agreement. Why then does the county own a conference center? Given the county's tight capital budget, is this the most cost-effective use of taxpayer money? Does the County know more about how to use a labor peace agreement to implement best practices and cost controls than Marriott? Are taxpayers unwittingly paying conference center capital costs which subsidizes non-county customers who only pay enough to offset Marriott operating costs?

Instead of this bill, sell the conference center to the highest bidder, and use the proceeds to pay down county debt. The new owner will **pay property taxes**, and increase utilization of the asset and the commercial tax base.

Governments and businesses outsource services to implement best practices, and improve cost controls so that they can focus on their core mission. Undermining a business partner's management role in labor negotiations reduces the partner's ability to deliver cost-effective services by adding work rules that will constrain best practices. Service employee union work rule standards can even reduce the number of employees a contractor can profitably hire. Labor peace contract terms produce the same outcomes as requiring businesses to hire only union labor: higher costs, and work rule constraints on performance.

It has been said that the Labor Peace bill is "clearly" needed to avoid disruption from labor strikes, picketing, and boycotts. But this is avoidable if management is free to offer competitive agreements that satisfy owners, suppliers and employees. Being "neutral" eliminates this management opportunity for balanced solutions.

Without productivity increases, a labor peace agreement will result in higher labor costs. Why should taxpayers subsidize conference center employees when there's a competitive market for this service? Similar disregard for productivity is why policy makers have failed to update the 2011 competitive salary survey to justify above market pay raises for county employees. Labor peace with the teacher's union is why we've had years of mediocre school proficiency results while now paying teachers an average of \$107,147 for 10 months of work. Labor peace is why County taxpayers are now paying 10% annual property tax increases, while our closest

competitors in Fairfax and Howard counties experience better economic development results, and offset soaring property assessment increases by decreasing property tax rates, or reducing costs to hold the line on taxes.

Labor peace is not a taxpayer priority, but economic development is.