

Resolution No.: 18-118
Introduced: April 14, 2015
Adopted: April 28, 2015

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Government Operations and Fiscal Policy Committee

SUBJECT: Collective Bargaining Agreements with Municipal & County Government
Employees Organization

Background

1. Section 511 of the County Charter authorizes the County Council to provide by law for collective bargaining, with arbitration or other impasse resolution procedures, with authorized representatives of County Government employees.
2. Chapter 33, Article VII of the County Code implements Section 511 of the Charter and provides for collective bargaining by the County Executive with the certified representatives of County employees and for review of the resulting contract by the County Council.
3. On April 1, 2015, the County Executive submitted to the Council 2 collective bargaining agreements between the County government and Municipal and County Government Employees Organization effective July 1, 2015 through June 30, 2016. A copy of the Agreements is attached to this Resolution.
4. The Executive has submitted to the Council the terms and conditions of the Agreements that require or may require an appropriation of funds or changes in any County law or regulation.
5. The Government Operations and Fiscal Policy Committee considered the Agreements and made recommendations on April 23, 2015.
6. The County Council has considered these terms and conditions and is required by law to indicate on or before May 1 its intention regarding the appropriation of funds or any legislation or regulations required to implement the agreements.

Action

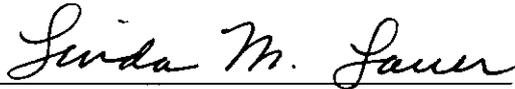
The County Council for Montgomery County, Maryland approves the following resolution:

The County Council intends to approve the following provisions for FY16:

1. 2% general wage adjustment payable on the first pay period after July 1, 2015.
2. 3.5% service increments for all eligible bargaining unit members.
3. 3% longevity increment for eligible bargaining unit members.
4. Tuition Assistance up to \$150,000.
5. Deferred Retirement Option Plan for Deputy Sheriffs.
6. Deferred Retirement Option Plan for Uniformed Correctional Officers.
7. Change the default option for new employees from RSP to GRIP.
8. Add an annuity option for the RSP.

The Council intends to approve the group insurance provisions as they were included in the Executive's Recommended FY16 operating budget, including a Medicare Part D Employer Group Waiver Prescription Drug Plan for Medicare-eligible retirees. To the extent that this approval is inconsistent with any provision of the collective bargaining agreement, that provision is disapproved. The Council intends to approve all other provisions of the Agreement subject to Council review.

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council

**MEMORANDUM OF AGREEMENT
BETWEEN
THE MONTGOMERY COUNTY GOVERNMENT
AND THE
MUNICIPAL & COUNTY GOVERNMENT EMPLOYEES ORGANIZATION, UFCW, LOCAL 1994**

The Montgomery County Government (Employer) and the United Food and Commercial Workers, Local 1994, Municipal & County Government Employees Organization (Union), conducted negotiations for the reopener for the third year of the parties' Collective Bargaining Agreement pursuant to Article 41.10 of the Collective Bargaining Agreement, effective July 1, 2013 through June 30, 2016. This Agreement is the product of an Interest Arbitration Decision in favor of the Employer. The Employer and the Union agree that the Collective Bargaining Agreement shall be amended according to the terms set forth below.

Please use the following key when reading this agreement:

Underlining

Added to existing agreement.

[Single boldface brackets]

Deleted from existing agreement.

* * *

Existing language unchanged by parties.

The parties agree to amend the contract as follows:

* * *

Article 44

NON-PUBLIC SAFETY RETIREMENT PLANS

SECTION 44.10

The parties will submit legislation to the County Council that would amend the Montgomery County Code to provide for the following revisions affecting bargaining unit employees:

The County shall offer an annuity distribution option for Retirement Savings Plan ("RSP") members. This annuity distribution is subject to the county receiving a favorable private letter ruling from the IRS.

Upon the election of the RSP annuity option, the employee's RSP account balance will be transferred to the Employees Retirement System (ERS) to provide a monthly annuity as provided in the Montgomery County Code section 33-44 (g)(2) (the GRIP annuity provisions).

- *Life Annuity.* The employee's account balance is calculated as a life annuity which is a monthly benefit paid over the employee's lifetime with no benefits payable after death.
- *Joint and Survivor Annuity.* The employee's account balance is calculated as a joint and survivor life annuity which is a monthly benefit paid over your lifetime. At the employee's death, the employee's surviving joint annuitant, who must be the employee's spouse, child or eligible domestic partner, will receive a percentage of the benefit for the rest of his or her life. Generally, the larger the percentage the employee's joint annuitant receives, the less the amount that will be paid to the employee during the employee's lifetime. The employee may choose any percentage but not less than 10%. Typically percentages elected are 100%, 70%, 50%, 30% or 20%. Benefits end when both the employee and the employee's joint annuitant die.
- Note: any benefits due to a joint annuitant who is a minor will be paid in accordance with applicable State law. Under most State laws, minors cannot receive pension payments directly.

The County shall change the default option from the RSP to the Guaranteed Retirement Income Plan ("GRIP") for all new employee members as follows:

Eligible full-time employees are required to participate in either the RSP or the Guaranteed Retirement Income Plan (GRIP). Employees cannot participate in both Plans, nor can they change Plans. Bargaining employees hired after July 1, 2015 will be automatically enrolled in the GRIP, unless they complete an election form to participate in the RSP. To enroll in the GRIP, employees do not need to complete an election form. GRIP membership will begin the first full pay period 180 days after the date of hire.

For part-time employees, participation will continue to be optional. Therefore, no default option is necessary.

This default option for members shall become effective (subject to legislative approval) on July 1, 2015.

The parties further agree that the County pension plan will not be subject to the upcoming collective bargaining reopener in Fall of 2014.

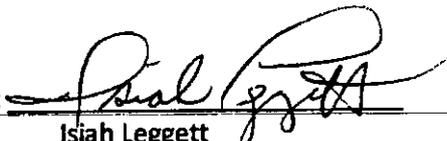
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IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives this ____ day of March 2015.

United Food and Commercial Workers,
Local 1994, Municipal & County Government
Employees Organization

Montgomery County Government
Montgomery County, Maryland

By: 
Gino Renne
President

By: 
Isiah Leggett
County Executive


Approved for form and legality
County Attorney

**MEMORANDUM OF AGREEMENT
BETWEEN
THE MONTGOMERY COUNTY GOVERNMENT
AND THE
MUNICIPAL & COUNTY GOVERNMENT EMPLOYEES ORGANIZATION, UFCW, LOCAL 1994**

The Montgomery County Government (Employer) and the United Food and Commercial Workers, Local 1994, Municipal & County Government Employees Organization (Union), conducted negotiations for the reopener for the third-year of the parties' Collective Bargaining Agreement pursuant to Article 49 of the Collective Bargaining Agreement, effective July 1, 2013 through June 30, 2016. As a result of those negotiations, the Employer and the Union agree that the Collective Bargaining Agreement shall be amended according to the terms set forth below.

Please use the following key when reading this agreement:

Underlining

Added to existing agreement.

[Single boldface brackets]

Deleted from existing agreement.

* * *

Existing language unchanged by parties.

The parties agree to amend the contract as follows:

* * *

**ARTICLE 5
WAGES, SALARY, AND EMPLOYEE COMPENSATION**

5.1 Fiscal Year Salary Schedules

Bargaining unit members are eligible for service increments of 3½ percent each. A service increment may be granted only to the extent that an employee's salary does not exceed the maximum salary for the assigned grade. Receipt of a service increment shall be conditioned upon the provisions of Article 6, Service Increments. [Beginning July 1, 2013, and continuing through June 30, 2015, the] The salary schedule shall contain a longevity increment for bargaining unit members who are at the maximum of their pay grade and have completed 20 years of service (beginning of year 21) equal to a 3 percent increase to be paid the first full pay period following their 20 year service anniversary. (See Appendix VII).[.]

5.2 Wages

* * *

(e) All previously postponed general wage adjustments will not be paid in [FY 2014 or FY 2015] FY 2016.

(f) Effective the first full pay period following July 1, 2015, each unit member shall receive a 2.0 percent general wage adjustment (GWA). Bargaining unit employees shall be paid a base salary pursuant to the uniform pay plan, which appears in Appendix VII of this agreement.

* * *

**ARTICLE 6
SERVICE INCREMENTS**

* * *

6.8 Effective July 1, 2013, eligible bargaining unit employees shall receive an annual service increment of 3.5 percent the first full pay period following their anniversary date as described in this Article.

Effective July 1, 2014, eligible bargaining unit employees shall receive an annual service increment of 3.5 percent the first full pay period following their anniversary date as described in this Article.

Effective July 1, 2015, eligible bargaining unit employees shall receive an annual service increment of 3.5 percent the first full pay period following their anniversary date as described in this Article.

6.9 All previously postponed service increments will not be paid in [FY 2014 or FY 2015] FY2016.

* * *

**ARTICLE 17
DISABILITY LEAVE**

* * *

17.2 Eligibility

An employee who is temporarily disabled in the line of duty and unable to perform normal duties or an alternate duty assignment must be paid [the difference between normal County salary and the amount received under the Workers' Compensation law] full salary continuation in the form of disability leave for a maximum period of 18 months of the temporary disability provided that the employee participates in cost-savings programs administered by the Montgomery County Division of Risk Management. [During the covered period of temporary disability, the Employer will adjust the employee's gross salary to account for the favorable tax treatment of the Workers' Compensation disability pay. Under no circumstances will the employee's adjusted net pay be less than 100 percent of the net pay that he or she received prior to the disability designation.] After 18 months, if the employee remains temporarily disabled he/she may use accrued sick, annual or compensatory leave to make up the difference between Workers' Compensation benefits and full salary. When incapacitated for regular work assignments, the employee must be required to accept other work assignments for the period of recuperation if found physically capable or be ineligible for disability leave in accordance with Article 33 of this agreement. The ability of the employee to work will be determined in accordance with the provision of the Executive Regulations on Disability as required by Section 33-100 of the Montgomery County Code.

* * *

**ARTICLE 41
RETIREMENT**

* * *

41.11. Deferred Retirement Option Plan (DROP). The Employer shall seek the introduction of legislation to the County Council, on or before April 1, 2015, to amend the Montgomery County Code, Chapter 33, Article III to provide for a Deferred Retirement Option Plan (DROP) for sworn deputy sheriffs and uniformed correctional officers under a new Section 33-38A(c), established as follows, with an effective date of July 1, 2015:

Any employee who is a sworn deputy sheriff or uniformed correctional officer (as defined in (a)) who meets the eligibility requirements may elect to retire but continue to work and have pension payments contributed to a DROP account. Pension payments must not be paid to the employee while the employee participates in the DROP. When the employee's participation in the DROP ends, the employee must stop working for the county, begin receiving pension benefits based on the employee's credited service and earnings as of the date that the employee began to participate in the DROP, and receive the DROP account balance.

(a) "Deferred Retirement Option Plan" or "DROP" means the DROP program for sworn deputy sheriffs and uniformed correctional officers. Uniformed Correctional Officer includes only the following positions: Correctional Officer I, Correctional Officer II, Correctional Officer III, Correctional Dietary Officer I, Correctional Dietary Officer II, and Correctional Supervisor-Sergeant.

(1) Eligibility. A sworn deputy sheriff or uniformed correctional officer who is at least age 55 years old and has at least 15 years of credited service or is at least 46 years old and has at least 25 years of credited service may participate in the DROP.

(2) Application requirements. An eligible employee must apply at least 60 days before the employee becomes a participant. An employee may withdraw a pending application within 2 weeks of submitting the application.

(3) Employee participation and termination. The employee's participation in the DROP must begin on the first day of a month that begins at least 60 days, but not more than 90 days, after the employee applied and must end 3 years after the employee begins to participate or at an earlier date chosen by the employee. When the employee's participation in the program ends, the employee must stop working for the County and receive pension benefits.

(4) Employment status. An employee who participates in DROP must continue to be a member of the retirement system, earn sick and annual leave, and remain eligible to participate in health and life insurance programs.

(5) Retirement date, retirement contributions and credited service. The retirement date of a employee who participates in the program is the date when the employee begins to participate in DROP, and the employee will not make retirement contributions after that date. An employee who wished to purchase prior service must do so before the employee's participation in the program begins. Sick leave in excess of 80 hours will be credited towards retirement at the beginning of the employee's participation.

(6) Pension benefits.

(A) Before an employee's participation begins, the employee must select a:

- (i) pension payment option under Section 33-44 for the regular pension benefits; and
- (ii) pension payment distribution option for the distribution of the employee's DROP account balance.

(B) Pension benefits will not be paid to the employee while the employee participates in DROP, but will be deposited in a DROP account established for the employee by the County. The employee must receive the account balance and the County must close the account within 60 days after the employee's participation in the program ends.

Subject to the IRC, IRS regulations and other law, the employee may direct that account balance be rolled over into any eligible retirement plan.

(C) An employee must direct the Board of Investment Trustees to contribute pension benefits to the employee's DROP, account to be invested in one or more of the investment options selected by the Board. An employee's selection of investment options remain in effect until the employee changes the investment selection. An employee must select investment options in order to participate in DROP.

(D) After the employee's participation in DROP ends, the employee's pension benefit will be based on:

(i) the employee's credited service immediately prior to the beginning of the employee's participation in the program, adjusted to include credit for unused sick leave under Section 33-41;

(ii) the employee's average final earnings, excluding earnings during the period of participation in DROP; and

(iii) increases in the consumer price index during the period of the employee's participation that would have resulted in an increase in the employee's pension benefit if the employee had not been participating in the program.

(7) Disability Retirement. An employee may apply for disability retirement prior to the termination of the employee's participation in the program. An employee who receives a service connected disability retirement will receive either, as elected by the employee, the DROP account balance or the service connected disability benefit that would apply had the employee not entered DROP with no DROP account balance. An employee who receives a non-service connected disability retirement will receive the non-service connected disability retirement benefit calculated as of the member's DROP entry date and the DROP account balance. If an employee's participation in DROP ends before a final decision is made on the disability retirement application, the DROP account will not be distributed until a final decision is made.

(8) Death Benefit. If an employee dies during the employee's participation in the program, the employee's beneficiary will receive:

(A) the death benefit that the beneficiary would have received if the employee had retired on the date on which the employee began to participate in the program, adjusted under subsection (6)(D); and

(B) the balance of the employee's DROP account.

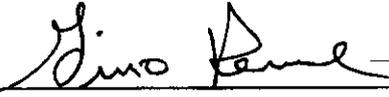
(9) DROP account distribution options. An employee may elect to have the DROP account distributed as a lump sum or an annuity, or to have some or all paid directly to an eligible retirement plan as a direct rollover distribution. If the employee dies before the balance of the DROP account is distributed, the beneficiary may elect to receive distribution of the balance according to any option described in this paragraph as allowed under the IRC and applicable regulations.

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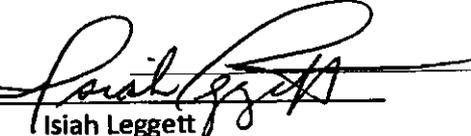
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IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their
duly authorized officers and representatives this ____ day of March 2015.

United Food and Commercial Workers,
Local 1994, Municipal & County Government
Employees Organization

By: 
Gino Renne
President

Montgomery County Government
Montgomery County, Maryland

By: 
Isiah Leggett
County Executive


Approved for form and legality
County Attorney

**Memorandum of Understanding between
UFCW Local 1994 MCGEO and
The Montgomery County Government
Montgomery County Maryland**

For July 1, 2015 to June 30, 2016

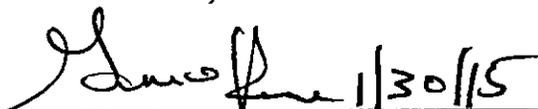
This Memorandum of Understanding between the Montgomery County Government (hereinafter, the "County") and UFCW Local 1994, MCGEO (hereinafter, "MCGEO") hereby memorializes the agreements between the parties, arising out of collective bargaining negotiations that occurred during November, 2014 through January, 2015.

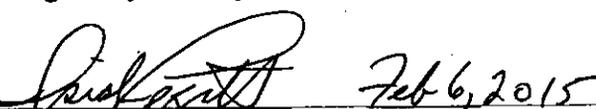
1. The parties acknowledge that the health, prescription and retirement benefits currently being provided by the Employer pursuant to previous County Council action are inconsistent with the provisions of the Collective Bargaining Agreement.
2. The parties agree that, notwithstanding the CBA language, the Employer will seek, for the FY 16 recommended budget, funding for those benefits at the level set by Montgomery County Council Resolution No.17-149, Bill 11-11, and Montgomery County Council Resolution No. 17-1111.
3. This agreement does not affect or alter the positions or rights of the parties in regards to these benefits. MCGEO agrees that they will not file a prohibited practice charge referencing the funding of these benefits, identified in paragraph one, in the FY 16 recommended budget.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed hereto by their duly authorized officer and representative this ____ day of January, 2015.

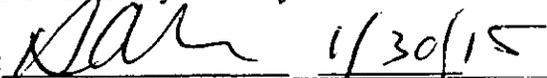
UFCW Local 1994, MCGEO:

Montgomery County, Maryland:

By:  1/30/15
Gino Renne, President Date

By:  Feb 6, 2015
Isiah Leggett, County Executive Date

Approved as to form and legality
Office of County Attorney

By:  1/30/15
Heather A. Mulloy Date

Attachment 2 to the MOA between Employer and Union dated 1/30/15