

**M E M O R A N D U M**

April 15, 2021

TO: Public Safety Committee

FROM: Christine Wellons, Senior Legislative Attorney

SUBJECT: Resolution to indicate Council's intention regarding the actions necessary to implement the Collective Bargaining Agreement with the Montgomery County Volunteer Fire and Rescue Association (MCVFRA)

PURPOSE: Worksession – Committee recommendations expected

The purpose of the worksession is for the Committee to review and make recommendations on items of the collective bargaining agreement (the "Agreement") between the Executive and the MCVFRA that are subject to Council review for FY23.

County Code §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 1, 2022, the Executive submitted amendments to the Agreement that are subject to Council review and approval. The following provisions are subject to Council review for FY23:

- *Length of Service Awards (LOSAP)*. The Executive agreed to submit to the Council legislation to increase the amount of LOSAP benefits provided to certain local fire and rescue department volunteers by 2.5 percent. The Executive submitted this legislation to the Council on April 1, 2022. The expected increase in LOSAP expenditures for FY23 over FY22 is \$1,612.
- *Nominal Fee*. Article 12 of the Agreement was amended to raise the nominal fee payable to each eligible volunteer in FY23 to \$550 for tier 1 and to \$1,000 for tier 2. OMB has estimated the fiscal impact of the increase is \$74,250 for FY23.
- *Association Operating Funds*. The Agreement requires the County to transfer \$281,178 to the MCVFRA to serve as the LFRD's authorized representative on July 1, 2022. This is an increase of \$14,059 over FY22.

The following provisions, while subject to Council approval for FY23, were approved by the Council for FY22. The Executive considers these provisions to be part of the base budget, and their anticipated fiscal impacts for FY23 are unchanged from FY22.

- *Training.* The Agreement requires the County to provide \$10,000 for training and \$5,000 for Pro-Board certification in FY23, for a total of \$15,000. This is the same as the FY22 cost.
- *Volunteer Basic Orientation Course.* Article 22 of the Agreement requires the County to fund a volunteer basic orientation course in FY23 at a total cost of \$21,000. This is the same as the FY22 cost.

In total, the FY23 budget includes a total fiscal impact of \$89,921 in County funding under the Agreement over the FY22 budget.

### **Background**

**MCFRA Structure.** 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 like collective bargaining with career employees.

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

**Other sources of funding.** The LFRDs have two significant sources of publicly funded revenue: the EMST funding and the State Senator Amoss Grant funds. The Amoss Grant funding for FY21 was \$2,041,846. EMST funding dedicated to LFRDs and other volunteers is estimated at \$3 million for FY23. In addition to these designated funds, County general funds support station operations, such as fuel, utilities, vehicle maintenance, and basic personal gear and equipment needs, regardless of personnel status.

**Next step:** Committee recommendation on whether to approve or reject certain terms of the MCFVRA Agreement for FY23. *See* the enclosed draft resolution.

<b><u>This packet contains:</u></b>	<b><u>Circle #</u></b>
MCFVRA Proposed Resolution	1
MCFVRA Submission from County Executive	3

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: Public Safety Committee

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Subject: **Collective Bargaining Agreement with Montgomery County Volunteer Fire and Rescue Association (MCVFRA) – Fiscal Year 2023**

**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 1, 2022, the Executive submitted to the Council a fully executed Memorandum of Agreement (“MOA”) between Montgomery County Government and MCVFRA dated March 30, 2022. The MOA modified the three-year collective bargaining agreement (the “Agreement”), for the period from July 1, 2020, until June 30, 2023, entered into by the parties on March 12, 2020.
4. County Code Section 21-6(p) requires the Executive to submit to the Council any element of a collective bargaining 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.

**Action**

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

For FY2023, the County Council **approves or rejects** the following provisions of the Agreement, which require a change in law or have an increased fiscal impact for FY2023 over FY2022:

1. *Length of Service Awards (LOSAP)*. The Executive agreed to submit legislation to increase the amount of LOSAP benefits provided to certain local fire and rescue department volunteers by 2.5 percent. The Executive submitted this legislation to the Council on April 1, 2022. The increase in LOSAP expenditures for FY2023 over FY2022 is \$1,612.
2. *Association Operating Funds*. The Agreement requires the County to transfer \$281,178 to the MCVFRA to serve as the LFRD's authorized representative on July 1, 2022. This is an increase of \$14,059 over FY2022.
3. *Nominal Fee*. Article 12 of the Agreement was amended to raise the nominal fee payable to each eligible volunteer in FY23 to \$550 for tier 1 and to \$1,000 for year 2. OMB estimated that the fiscal impact of the increase is \$74,250 for FY2023 over FY2022.

For FY2023, the County Council **approves or rejects** the following provisions of the Agreement, which were approved by the Council for prior fiscal year(s) and have no increased fiscal impact for FY2023 over FY2022:

4. *Training*. The Agreement requires the County to fund certain training and certification costs.
5. *Volunteer Basic Orientation Course*. The Agreement requires the County to fund a volunteer basic orientation course.

This is a correct copy of Council action.

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Judy Rupp., Clerk of the Council




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
*County Executive*

**MEMORANDUM**

April 1, 2022

TO: Gabe Albornoz, President  
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Montgomery County Volunteer Fire Rescue Association (MCVFRA) Agreement

For your consideration, I am submitting a copy of the current Montgomery County Volunteer Fire Rescue Association (MCVFRA) agreement. It contains terms with associated costs that were included in the recommended budget. Accordingly, there was no reopener with respect to the direct bargained agreement with the MCVFRA. However, the terms agreed to during the last round of bargaining, applicable during FY23 that require funding must be submitted to the County Council. Specifically, the following terms have an economic impact or a potential economic impact:

Article 25 – Length of Service Awards Program (LOSAP)

Enclosure

cc: Richard S. Madaleno, Chief Administrative Officer  
Jennifer Bryant, Director, Office of Management and Budget  
Jennifer Harling, Chief Labor Relations Officer  
John Markovs, Acting County Attorney, Office of the County Attorney

## LEGISLATIVE REQUEST REPORT

Expedited BILL: XX-XX Fire and Rescue Services – Length of Service Awards Program for  
Volunteers

**DESCRIPTION:** Bill XX-22 would amend the County Code to increase the amount of the length of service awards program (LOSAP) benefits to certain local fire and rescue department volunteers.

**PROBLEM:** Making a change in Length of service awards program (LOSAP) require legislation to take effect.

**GOALS AND OBJECTIVES:** Provide the changes necessary in the Code to allow a certain provision in the negotiated settlement between the County and Montgomery County Volunteer Fire and Rescue Association to take effect.

**COORDINATION:** Office of Labor Relations  
Office of Management and Budget

**FISCAL IMPACT:** Office of Management and Budget

**ECONOMIC IMPACT:** Office of Management and Budget

**EVALUATION:** N/A

**EXPERIENCE ELSEWHERE:** N/A

**SOURCE OF INFORMATION:** Jennifer Harling, Esq., Office of Labor Relations  
Jennifer Bryant, Office of Management and Budget

**APPLICATION WITHIN MUNICIPALITIES:** N/A

**PENALTIES:** N/A

Bill No. \_\_\_\_\_  
Concerning: Fire and Rescue Services –  
Length of Service Awards Program  
For Volunteers - Amendments  
Revised: \_\_\_\_\_ Draft No. \_\_\_\_  
Introduced: \_\_\_\_\_  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## 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 ACT** to:

- (1) increase the amount of the length of service benefits to certain local fire and rescue department 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.*

\* \* \*

(6) A volunteer must receive a 2.5% increase, for a maximum benefit of no more than \$382.18 per month, to his or her LOSAP benefit payment effective June 20, 2021, [and] a 2.5% increase effective July 1, 2021, for a maximum LOSAP monthly benefit payment of no more than \$391.73, and a 2.5% increase effective July 1, 2022, for a maximum LOSAP monthly benefit payment of no more than \$401.52 if he or she:

(A) received LOSAP benefit payments as of December 31, [2015] 2019; 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] 2019 by:

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

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

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

\* \* \*

**Sec. 2. Effective Date.**

This Act takes effect on the date on which it becomes law.



*Approved:*

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Gabe Albornoz, President, County Council Date

*Approved:*

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Marc Elrich, County Executive Date

*This is a correct copy of Council action.*

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Selena Mendy Singleton, Esq., Clerk of the Council Date

Approved as to Form and Legality

 3/31/2022  
\_\_\_\_\_ date

**Fiscal Impact Statement**  
**Bill XX-22, Fire and Rescue Services – Length of Service Awards Program**  
**for Volunteers**

**1. Legislative Summary.**

The legislation increases the amount of Length of Service benefits provided to certain local fire and rescue department volunteers by 2.5 percent and updates the entitlement date.

**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.**

In FY22, expenditures increase by \$4,030 to provide retroactive payments to 25 certain local fire and rescue department volunteers who did not receive enhanced Length of Service benefit adjustments in FY21 and FY22 and qualify for additional benefits based on the updated entitlement date.

In FY23, County expenditures increase \$1,612 due to the proposed 2.5 percent increase in Length of Service benefits for certain local fire and rescue department volunteers. The analysis assumes that the proposed changes apply to all active, inactive, and retired members and that the benefit increases are attributable to both past and future service accruals. This estimate reflects expenditure changes projected by actuarial analysis, with a measurement date of June 30, 2018.

There is no anticipated impact on revenues.

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

The estimated change in County expenditures due to the proposed increase in Length of Service benefits as determined by actuarial analysis over the next six fiscal years from the FY22 approved budget is shown below. Over the six-year period, the proposed 2.5 percent Length of Service benefit adjustment for certain eligible volunteers is expected to total \$23,175. The proposed entitlement date change is not reflected in these estimates, as the actuarial analysis had a measurement date of June 30, 2018. However, the entitlement date change is not expected to have a significant impact on expenditures over the six-year period.

Description	FY23	FY24	FY25	FY26	FY27	FY28	Six-Yr Total
Provide a 2.5% increase for certain active members July 2, 2022.	1,612	2,742	3,597	4,371	5,101	5,752	23,175

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

The exhibit below displays the projected change in the Length of Service Award Program baseline benefit through calendar year 2037 as a result of the proposed benefit adjustments. Actuarial analysis was provided by Gabriel Roderer, Smith and Company. The actuarial assumptions used in the analysis are the same as those used in the actuarial

valuation of the Length of Service Award Program for Volunteers as of December 31, 2017, with a measurement date of June 30, 2018.

<b>Length of Service Award Program Projected Change in Benefit Payment</b>	
<b>Calendar Year</b>	<b>Change in Payment from Baseline Benefit</b>
2023	1,612
2024	2,742
2025	3,597
2026	4,371
2027	5,101
2028	5,752
2029	6,341
2030	6,647
2031	6,571
2032	6,564
2033	6,368
2034	5,970
2035	5,990
2036	5,532
2037	5,463

**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.**

The proposed legislation will require an increase in Length of Service Award Program benefit in FY23. Future legislation adjusting benefit levels for the program would impact future expenditures.

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

No additional staff time is anticipated as a result of implementing this Bill.

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

No change in staff responsibilities is expected as a result of implementing this Bill.

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

FY22 expenditure increases totaling \$4,030 can be accommodated within the Department’s existing appropriation authority. Appropriation to support the projected FY23 increase in the Length of Service Award Program is included in the County Executive’s FY23 Recommended Operating Budget.

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

Expenditures in the Length of Service Award Program vary based on the number, age, and longevity of active volunteers serving Montgomery County. Expenditures will also vary based on the number of active volunteers qualifying for the higher nominal fee by being on the Integrated Emergency Command Structure certified list, receiving the maximum allowable Length of Service Awards Program points for department or station responses, and receiving the maximum allowable Length of Service Awards Program points for sleep-in or stand-by service.

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

See Question #3.

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

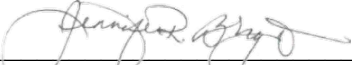
Not applicable.

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

Not applicable.

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

Rachel Silberman, Office of Management and Budget

  
\_\_\_\_\_  
Jennifer Bryant, Director  
Office of Management and Budget

3/28/22  
\_\_\_\_\_  
Date

# Memorandum of Agreement

This AGREEMENT ("Agreement") made this 30<sup>th</sup> day of March 2022, by and between Montgomery County, Maryland ("County"), and The Montgomery County Volunteer Fire and Rescue Association ("MCVFRA") modifies the three-year Agreement, 2021-2023, reached by the parties on March 12, 2020.

In the Agreement, the parties set forth the terms and conditions for eligible MCVFRA members to receive an increase in LOSAP Benefits Payments. As a result of that Agreement and the criteria established for said increased benefits, a list of eligible individuals was identified and agreed to by the parties.

After reaching an Agreement, the parties learned that the funding for the first year of the Agreement, FY 2021, was not approved by the Montgomery County Council. The County Council rejected the proposed amendments to the County Code, which would have provided for LOSAP benefits during the first year of the Agreement, FY 2021. Later, the County Council restored funding of LOSAP benefits, effective June 25, 2021, Expedited Bill 21-21. Subsequently, the Council also approved funding for the second year of the Agreement, FY 2022, which provided LOSAP eligible individuals a total of 5% (2.5% per year) for the first and second years of the current Agreement.

The parties have since become aware that the date referenced in the Agreement was December 31, 2015, and not the intended entitlement date of December 31, 2019. As a result, 25 individuals were unintentionally omitted from the list of eligible LOSAP individuals who were entitled to the agreed upon LOSAP benefits payments.

Therefore, the parties have agreed to modify the original Agreement to incorporate the additional 25 eligible individuals to the terms and conditions of the Agreement to provide for an increase to their LOSAP benefits. The entire list of eligible individuals is now identified, and the corrected date is incorporated herein into this modified Agreement as Attachment A. LOSAP members who were otherwise not entitled to the benefit but did receive it as a result of the oversight will have their LOSAP benefit returned to the correct monthly benefit calculation to exclude 2.5% enhancements awarded in FY 2021 and FY 2022 upon the effective date of the legislation approved by Council. It is understood by the parties that the County will not seek repayment of the enhancement dispersed in FY 21 and 22. The parties further agree that this modified Agreement represents the final eligibility list for increased LOSAP benefits provided under the original Agreement of March 12, 2020, and that no additional individuals will be added to it.

This Agreement is effective upon the date of the last signature of the Parties to this Agreement.


Signed:

For MCVFRA


By Stanley S. Sutton 3-30-22  
Stanley (Buddy) Sutton Date  
President

For Montgomery County, Maryland

By Marc Elrich 4/1/2022  
Marc Elrich Date  
County Executive

By  3-30-22  
Eric N. Bernard Date  
Chief Negotiator/  
Executive Director

By  3/31/2022  
Jennifer Harling Date  
Chief Labor Relations Officer

By  3-30-22  
William F. Scott Date  
Chief Negotiator

Approved for Form and Legality

By  3/31/2022  
Date  
Office of the County Attorney