

**MEMORANDUM**

TO: County Council

FROM: Robert H. Drummer, Legislative Attorney 

SUBJECT: **Public Hearing:** Bill 19-09, Board of Investment Trustees - Membership

Bill 19-09, Board of Investment Trustees - Membership, sponsored by the Council President at the request of the County Executive, was introduced on April 14, 2009. A Management and Fiscal Policy Committee worksession is tentatively scheduled for May 8 at 1:30 p.m.

Bill 19-09 results from the most recent collective bargaining agreement between the Executive and the Municipal & County Government Employees Organization/United Food and Commercial Workers Union, Local 1994 (MCGEO). The Bill would create an additional *ex officio* member and delete one member of the Board of Investment Trustees who is currently nominated by an employee organization. The Board of Investment Trustees is responsible for managing the investments in the Employees' Retirement System Trust Fund and the Retiree Health Benefits Trust Fund. The Board is also responsible for selecting the investment choices for employees in the Retirement Savings Plan.

The Board has 13 members. Under current law, the Executive appoints, subject to Council confirmation, 4 *ex officio* members who should be the Directors of Management and Budget, Finance, Human Resources, and the Council Staff Director. Current law also provides for one member nominated by each of the 3 certified employee organizations. The law also provides for one active unrepresented employee member, one retired employee member recommended by the County Retired Employees Association, and 4 public members. The 4 *ex officio* members serve indefinitely as long as they hold their office. The other 9 members serve a 3-year term, subject to the 2-term limit in Code §2-148.

Bill 19-09 would remove the member nominated by the employee organization certified to represent the Office, Professional, and Technical (OPT) and the Service, Labor, and Trades (SLT) bargaining units. Instead, the employee organization or organizations certified to represent these units would nominate an *ex officio* member for appointment by the Executive and confirmation by the Council who would serve indefinitely as long as that person remains the employee organization representative.

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Bill No. 19-09  
Concerning: Board of Investment  
Trustees - Membership  
Revised: April 8, 2009 Draft No. 2  
Introduced: April 14, 2009  
Expires: October 14, 2009  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President at the Request of the County Executive

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**AN ACT** to:

- (1) create an additional *ex officio* member and delete an employee member of the Board of Investment Trustees;
- (2) amend the law establishing the Board of Investment Trustees; and
- (2) generally amend the law regarding the employees' retirement system.

By amending

Montgomery County Code  
Chapter 33, Personnel and Human Resources  
Section 33-59

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<b>[Single boldface brackets]</b>	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
<b>[[Double boldface brackets]]</b>	<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 33-59 is amended as follows:**

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

\* \* \*

(b) Membership.

(1) The Board has 13 trustees.

(2) The County Executive must appoint [4] 5 voting, *ex officio* members of the Board, subject to County Council confirmation as members, who serve indefinitely while each holds the respective office. These *ex officio* trustees should be:

(A) the Director of Management and Budget;

(B) the Director of Finance;

(C) the Director of Human Resources; [and]

(D) the Staff Director of the County Council[.]; and

(E) one representative nominated by the employee organizations certified as the representative for the Office, Professional, and Technical (OPT) and Service, Labor and Trades (SLT) bargaining units. This trustee may not vote on any matter involving the County deferred compensation plan.

(3) The following [9]8 trustees must be appointed by the Executive and confirmed by the Council:

(A) [Three] Two active County employees, one [each] of whom is a member of [a different collective bargaining unit] an employee organization certified under Article V and one of whom is a member of an employee organization certified under Article X, and who are vested members of the retirement system, or individuals

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

\* \* \*

44 *Approved:*

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Philip M. Andrews, President, County Council Date

47 *Approved:*

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Isiah Leggett, County Executive Date

49 *This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council Date

## LEGISLATIVE REQUEST REPORT

Bill 19-09, Board of Investment Trustees

- DESCRIPTION:** The requested expedited legislation amends the law regarding the composition of the Board of Investment Trustees.
- PROBLEM:** The proposed legislation accomplishes the changes contained in the Memorandum of Agreement between the Montgomery County Government and the Municipal & County Government Employees Organization/United Food and Commercial Workers Union Local 1994 that was negotiated pursuant to concession agreements for the current collective bargaining agreement.
- GOALS AND OBJECTIVES:** To designate a representative of the UFCW Local 1994 as an *ex officio member* to the Board of Investment Trustees
- COORDINATION:** Office of Human Resources
- FISCAL IMPACT:** Office of Management and Budget
- ECONOMIC IMPACT:** n/a
- EVALUATION:** n/a



OFFICES OF THE COUNTY EXECUTIVE

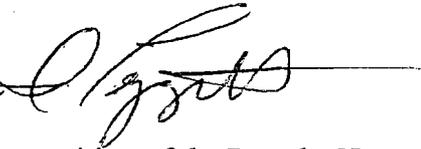
Isiah Leggett  
County Executive

Timothy L. Firestine  
Chief Administrative Officer

MEMORANDUM

April 1, 2009

TO: Philip M. Andrews President  
Montgomery County Council

FROM: Isiah Leggett, County Executive 

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

The attached expedited bill would establish a fifth *ex officio* member to the Board of Investment Trustees. This bill would allow for a representative to be selected by the Office, Professional, and Technical (OPT) and Service, Labor, and Trades (SLT) bargaining units to be designated as *ex officio*. This bill stems from a negotiated agreement with the Municipal & County Government Employees Organization/United Food and Commercial Workers Union Local 1994.

Attachments

IL: stc

APR 1 2009 10 40 AM  
MONTGOMERY COUNTY

BILL



OFFICE OF MANAGEMENT AND BUDGET

041545

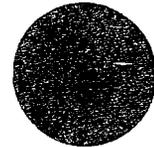
Isiah Leggett  
County Executive

Joseph F. Beach  
Director

NAN  
CC  
SBF  
LL  
BD  
MF  
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MEMORANDUM

April 7, 2009



APR 7 2009 7 01 AM '09

TO: Phil Andrews, President, County Council  
FROM: Joseph F. Beach, Director  
SUBJECT: Expedited Bill, Board of Investment Trustees

The purpose of this memorandum is to transmit a fiscal impact statement to the Council on the subject legislation.

**LEGISLATION SUMMARY**

The proposed legislation designates a representative of the Office, Professional, and Technical (OPT) and Service, Labor and Trades (SLT) bargaining units as an ex officio member of the Board of Investment Trustees. This trustee may not vote on any matter involving the County deferred compensation plan.

**FISCAL SUMMARY**

There is no fiscal impact due to the proposed legislation. Linda Herman, Board of Investment Trustees, contributed to and concurred with this analysis.

JFB:lob

- c: Kathleen Boucher, Assistant Chief Administrative Officer
- Dee Gonzalez, Office of the County Executive
- Linda Herman, Board of Investment Trustees
- Brady Goldsmith, Office of Management and Budget

Office of the Director

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