



**Committee:** Directly to Council  
**Committee Review:** N/A  
**Staff:** Craig Howard, Deputy Director  
Robert H. Drummer, Senior Legislative Attorney  
**Purpose:** To introduce agenda item – no vote expected  
**Keywords:** Compensation

AGENDA ITEM #17  
February 23, 2021  
**Introduction**

## SUBJECT

Supplemental Appropriation to the FY21 Operating Budget, Montgomery County Government, Compensation and Employee Benefits Non-Departmental Account, \$3,752,889 (Source of Funds: General Fund Reserves)

## EXPECTED ATTENDEES

None

## DESCRIPTION/ISSUE

The County Council will introduce a supplemental appropriation to fund agreements for FY21 pay adjustments with the County's three employee bargaining units and non-represented employees. The Council is scheduled to hold a public hearing and consider action on this supplemental appropriation on March 9, 2021.

## SUMMARY OF KEY DISCUSSION POINTS

- On February 17, the County Executive submitted a supplemental appropriation request for \$3,752,889 to fund new FY21 compensation agreements the Executive has reached with the County's three employee bargaining units. The Executive also proposes to pass through the same pay adjustments to most non-represented employees.
- The agreements between the Executive and the unions call for a service increment and longevity steps for all eligible employees effective April 11, 2021 (estimated FY21 cost of \$3.3 million), and a General Wage Adjustment of 1.5% for all employees effective June 20, 2021 (estimated FY21 cost of \$452,889).
- The agreements would also end the COVID pay differential effective February 14, 2021. The Executive estimates that this will reduce projected FY21 expenditures by \$35 million compared to continuing the pay differential unchanged through the end of the fiscal year.
- **As part of the staff report for the March 9 public hearing/action, Council staff will prepare more detailed information and analysis on the proposed pay adjustments and ending the pay differential (including the annualized costs for FY22).**

### This report contains:

County Executive Transmittal Memo (February 17, 2021)	©1-3
Draft Supplemental Appropriation Resolution	©2-3
Memorandum of Agreement with Bargaining Units (February 17, 2021)	©4-5

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
County Executive

MEMORANDUM

February 17, 2021

TO: Tom Hucker, President, County Council Marc

FROM: Elrich, County Executive *Marc Elrich*

SUBJECT: Supplemental Appropriation #21-513 to the FY21 Operating Budget  
Montgomery County Government  
Non-Departmental Accounts, \$3,752,889

I am recommending a supplemental appropriation to the FY21 Operating Budget of the Non-Departmental Account Compensation and Employee Benefit Adjustments in the amount of \$3,752,889. This increase is needed to support the County's agreements reached with the County's three employee bargaining units, as well as the pass-through to non-represented employees, to restore some of the compensation agreements not approved in the original FY21 Operating Budget. The agreement, if adopted by the Council, would end all COVID pay effective the current pay period.

These personnel cost dollars will support a service increment and longevity step for all eligible employees, effective April 11, 2021 (\$3,300,000), and a General Wage Adjustment of 1.5% for all employees, effective June 20, 2021 (\$452,889).

I recommend that the County Council approve this supplemental appropriation in the amount of \$3,752,889 and specify the source of funds as General Fund Undesignated Reserves. This supplemental will reduce County General Government Fund Reserves by \$3,752,889 and is consistent with the fund balance policy for tax supported reserves. However, we estimate the adoption of this agreement will reduce other anticipated FY21 expenses by \$35 million.

I appreciate your prompt consideration of this action.

ME:cbo

Attachments: Supplemental Appropriation #21-51  
Memorandum of Agreement with bargaining units

c: Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive  
Jennifer Bryant, Director, Office of Management and Budget

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

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President at the Request of the County Executive

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SUBJECT: Supplemental Appropriation #21-513 to the FY21 Operating Budget  
Montgomery County Government  
Non-Departmental Account Compensation and Employee Benefit Adjustments,  
\$3,752,889

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY21 Operating Budget appropriation increases for the Non-Departmental Account Compensation and Employee Benefit Adjustments:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$3,752,889	\$0	\$0	\$3,752,889	General Fund Undesignated Reserves

3. This increase is to support the County's agreements reached with the County's three employee bargaining units, as well as the pass-through to non-represented employees, to restore some of the compensation agreements not approved in the original FY21 Operating Budget. The personnel dollars will support a service increment and longevity step for all eligible employees, effective April 11, 2021 (\$3,300,000), and a General Wage Adjustment of 1.5% for all employees, effective June 20, 2021 (\$452,889).
4. The County Executive recommends a supplemental appropriation to the FY21 Operating Budget in the amount of \$3,752,889 for the Non-Departmental Account Compensation and Employee Benefit Adjustments and specifies the source of funds as General Fund Undesignated Reserves.
5. Notice of public hearing was given, and a public hearing was held.

Action

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

A supplemental appropriation to the FY21 Operating Budget of the Non-Departmental Account Compensation and Employee Benefit Adjustments is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$3,752,889	\$0	\$0	\$3,752,889	General Fund Undesignated Reserves

This is a correct copy of Council action.

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Selena Singleton, Esq., Clerk of the Council

**MEMORANDUM OF AGREEMENT  
BETWEEN  
MONTGOMERY COUNTY GOVERNMENT  
AND  
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1994, MUNICIPAL AND COUNTY  
GOVERNMENT EMPLOYEES ORGANIZATION  
AND  
THE MONTGOMERY COUNTY CAREER FIRE FIGHTERS ASSOCIATION, INTERNATIONAL  
ASSOCIATION OF FIRE FIGHTERS, LOCAL 1664, AFL-CIO  
AND  
THE FRATERNAL ORDER OF POLICE, MONTGOMERY COUNTY LODGE 35, INC.**

The following agreement is entered into between the Montgomery County Government (the "County") and the United Food and Commercial Workers, Local 1994, Municipal and County Government Employees Organization ("MCGEO"); the Montgomery County Career Fire Fighters Association, International Association of Fire Fighters, Local 1664, AFL-CIO ("IAFF"); and the Fraternal Order of Police, Montgomery County Lodge 35, Inc. ("FOP") (collectively, the "Parties") to modify the April 3, 2020 Memorandum of Agreement entered into with each of MCGEO, the IAFF, and the FOP.

1. **End of COVID Differential Pay.** Effective February 14, 2021, the COVID-19 differential pay described in the April 3, 2020 Memorandum of Agreement between the Parties shall expire, as will the October 8, 2020 Memorandum of Agreement between the County and MCGEO with respect to seasonal employees. Overnight shifts (midnight shifts and 24-hour shifts), which began on February 13, 2021 and ended on the day of February 14, 2021, will be paid the COVID-19 Differential until the end of the shift. This shall include regular hours worked and for overtime hours worked. The expiration of the COVID-19 differential pay is subject to the County Council's approval of a supplemental appropriation submitted by the County Executive for the service increment, longevity, and general wage adjustment terms in paragraphs 2 and 3 of this agreement.
2. **Service Increments and Longevity.** Effective the pay period beginning on April 11, 2021, employees in each bargaining unit shall be eligible to receive service increments and longevity in accordance with the applicable terms of the Parties' respective collective bargaining agreements. Service increments and longevity earned but not approved during Fiscal Year 2021 shall be issued effective April 11, 2021; shall not include any retroactive compensation; and shall not alter the date upon which future service increments shall be given.
3. **General Wage Adjustment.** Effective the pay period beginning on June 20, 2021, employees in each bargaining unit shall receive a general wage of adjustment of one-and-one-half percent (1.5%).

4. **Council Approval.** Implementation of this Agreement is subject to the County Council's approval of a supplemental appropriation submitted by the County Executive for the service increment, longevity, and general wage adjustment terms in paragraphs 2 and 3 of this agreement.

IN WITNESS WHEREOF, the Parties hereto have caused their names to be subscribed by their duly authorized officers and representatives as of the dates indicated below.

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

Gino Renne Feb 17, 2021  
Gino Renne Date  
President

**Montgomery County Government**

Marc Elrich Feb. 17, 2021  
Marc Elrich Date  
County Executive

**Montgomery County Career Fire  
Fighters Association, International  
Association of Fire Fighters, Local 1664,  
AFL-CIO**

Jeffrey Buddle Feb 17, 2021  
Jeffrey Buddle Date  
President

**For the Fraternal Order of Police, Lodge 35**

Torrie L. cooke Feb 17, 2021  
Torrie Cooke Date  
President

Signature: Gino Renne  
Gino Renne (Feb 17, 2021 21:30 EST)  
Email: grenne@mcgeo.org

Signature: Jeffrey Buddle  
Jeffrey Buddle (Feb 17, 2021 13:20 EST)  
Email: president@iafflocal1664.org

Signature: Torrie L. Cooke  
Torrie L. Cooke (Feb 17, 2021 21:28 EST)  
Email: tcooke@fop35.com