



Committee: GO
Committee Review: Completed
Staff: Craig Howard, Deputy Director
Purpose: To make preliminary decisions – straw vote expected

AGENDA ITEM #23
 May 11, 2022
Worksession

SUBJECT

Office of Labor Relations and Labor Management Relations Committee Non-Departmental Account (NDA) FY23 Operating Budget

EXPECTED ATTENDEES

None

FY23 COUNTY EXECUTIVE RECOMMENDATION

Office of Labor Relations	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$1,605,890	\$1,625,831	1.2%
Personnel Costs	\$1,222,692 8.0 FTEs	\$1,242,492 8.0 FTEs	1.6% --
Operating Costs	\$383,198	\$383,339	--

Labor Management Relations Committee NDA	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund			
Operating Costs	\$100,000	\$100,000	--

COMMITTEE RECOMMENDATIONS

- The GO Committee recommends approval (2-0, Councilmember Navarro absent) of the FY23 budget for the Office of Labor Relations and the Labor Management Relations Committee NDA as proposed by the County Executive.

This report contains:

GO Committee Staff Report (5/4/22)
 Staff Report Attachments

Pages 1-2
 ©1-5

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M E M O R A N D U M

April 29, 2022

TO: Government Operations and Fiscal Policy Committee

FROM: Craig Howard, Deputy Director

SUBJECT: **Office of Labor Relations and Labor Management Relations Committee
 NDA FY23 Operating Budget**

PURPOSE: Make Committee recommendations for Council Consideration

Expected Participants:

- Jennifer Harling, Chief Labor Relations Officer
- Ed Haenftling, Office of County Attorney
- Corey Orlosky, Office of Management and Budget

Summary of FY23 Recommended Budget and Key Discussion Issues

Office of Labor Relations	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$1,605,890	\$1,625,831	1.2%
Personnel Costs	\$1,222,692 8.0 FTEs	\$1,242,492 8.0 FTEs	1.6% --
Operating Costs	\$383,198	\$383,339	--

Labor Management Relations Committee NDA	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund			
Operating Costs	\$100,000	\$100,000	--

Council staff recommendation:

- **Approve the FY23 budget for the Office of Labor Relations (OLR) and the Labor Management Relations Committee NDA as proposed by the County Executive.**

A. Office of Labor Relations (©1-4)

The County Executive's FY23 recommendation for OLR is \$1,625,831, an increase of 1.2% over FY22. The Executive recommends no changes in total FTE's for OLR. The increase in OLR's expenditures primarily relate to annualization of FY22 compensation and personnel adjustments as well as FY23 pay increases.

OLR staffing. While the OLR staffing complement is unchanged, OLR does plan to fill two vacancies by hiring a Deputy Chief Labor Relations Officer as well as an additional labor specialist position. The deputy position was created through reclassifying an existing vacant position. OLR notes that they have also engaged the assistance of a consultant to assist with a strategic planning initiative to further establish the Office.

B. Labor Management Relations Committee (LMRC) NDA (©5)

The LMRC NDA was established to "foster cooperative labor relations between the County and employees in the Municipal and County Government Employees Organization (MGEO) union. The committee attempts to resolve matters that affect bargaining unit employees, both County-wide and department specific. This NDA provides funds to implement the recommendations of the LMRC."

The Executive recommends \$100,000 for this NDA, unchanged from FY22. OLR staff provided the following update on the status of the LMRC, noting that activities have been limited to date but are expected to expand moving forward.

Since the pandemic began, the activities of the LMRC were paused and the parties are just now resuming a regular meeting schedule. Before doing so, the County and MCGEO committed to mandatory LMRC training for all committee participants. In FY 22, we spent \$3852.73 on two days of training for Department Directors, OLR staff, and our MCGEO partners. LMRC meetings as set forth under the CBA will resume this year. We do not yet know if/how much additional moneys will be spent from the fund in FY 22.



Labor Relations

RECOMMENDED FY23 BUDGET

\$1,625,831

FULL TIME EQUIVALENTS

8.00

JENNIFER HARLING, CHIEF LABOR RELATIONS OFFICER

MISSION STATEMENT

Fostering high-performing labor-management relationships through the use of collaborative and interest-based methods that demonstrate the possibilities of effective labor-management partnership and confirm the value of the County's workforce.

BUDGET OVERVIEW

The total recommended FY23 Operating Budget for the Office of Labor Relations is \$1,625,831, an increase of \$19,941 or 1.24 percent from the FY22 Approved Budget of \$1,605,890. Personnel Costs comprise 76.42 percent of the budget for eight full-time position(s) and no part-time position(s), and a total of 8.00 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 23.58 percent of the FY23 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following is emphasized:

Effective, Sustainable Government

PROGRAM CONTACTS

Contact Jennifer Harling of the Office of Labor Relations at 240.777.5073 or Corey Orlosky of the Office of Management and Budget at 240.777.2762 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). The FY22 estimates reflect funding based on the FY22 Approved Budget. The FY23 and FY24 figures are performance targets based on the FY23 Recommended Budget and funding for comparable service levels in FY24.

Measure	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Program Measures					
Number of trainings on labor relations offered to County employees	N/A	11	22	27	27
Number of County employees that attended trainings on labor relations ¹	N/A	295	540	590	590

Measure	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Total number of Labor Management Relations Committee (LMRC) meetings held with the three County employee unions (MCGEO, FOP, and IAFF)	N/A	34	52	55	56
Percent of Labor Management Relations Committee (LMRC) meetings attended by an Office of Labor Relations representative	N/A	71%	87%	87%	88%
Percent of grievances by a bargaining unit resolved without the intervention of a third party	N/A	96%	90%	90%	90%

¹ This Office was established with new performance measures in FY21. Data prior to FY21 is not available.

PROGRAM DESCRIPTIONS

Labor Relations

The Office of Labor Relations (OLR) administers the County's labor and employee relations programs. These include conducting collective bargaining with the three County unions and volunteer Firefighters; administering and ensuring compliance with collective bargaining agreements (CBAs) and other labor-management agreements and personnel regulations; managing collaborative labor-management programs and joint initiatives, including Labor-Management Relations Committees (LMRCs) and other joint committees; administering grievance and dispute procedures, including both negotiated and regulatory, including the Alternative Dispute Resolution and Conflict Facilitation processes, and facilitating the timely resolution of workplace disputes; advising County managers on CBA issues, personnel policies and procedures, and employee relations matters; conducting training for County managers and employees on labor-management and employee relations topics.

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	847,231	990,865	944,820	1,002,146	1.1 %
Employee Benefits	201,065	231,827	229,496	240,346	3.7 %
County General Fund Personnel Costs	1,048,296	1,222,692	1,174,316	1,242,492	1.6 %
Operating Expenses	367,873	383,198	387,140	383,339	—
County General Fund Expenditures	1,416,169	1,605,890	1,561,456	1,625,831	1.2 %
PERSONNEL					
Full-Time	8	8	8	8	—
Part-Time	0	0	0	0	—
FTEs	8.00	8.00	8.00	8.00	—
GRANT FUND - MCG					
EXPENDITURES					
Salaries and Wages	1,122	0	0	0	—
Employee Benefits	0	0	0	0	—

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
Grant Fund - MCG Personnel Costs	1,122	0	0	0	—
Grant Fund - MCG Expenditures	1,122	0	0	0	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Federal Grants	1,122	0	0	0	%
Grant Fund - MCG Revenues	1,122	0	0	0	—

DEPARTMENT TOTALS

Total Expenditures	1,417,291	1,605,890	1,561,456	1,625,831	1.2 %
Total Full-Time Positions	8	8	8	8	—
Total Part-Time Positions	0	0	0	0	—
Total FTEs	8.00	8.00	8.00	8.00	—
Total Revenues	1,122	0	0	0	—

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY22 ORIGINAL APPROPRIATION	1,605,890	8.00
Other Adjustments (with no service impacts)		
Increase Cost: Annualization of FY22 Compensation Increases	19,491	0.00
Increase Cost: FY22 Mid-Year Change - Reclassification of MIII to MII [Labor Relations]	12,841	0.00
Increase Cost: FY23 Compensation Adjustment	10,293	0.00
Increase Cost: Retirement Adjustment	2,654	0.00
Increase Cost: Printing and Mail Adjustment	141	0.00
Decrease Cost: Annualization of FY22 Personnel Costs	(25,479)	0.00
FY23 RECOMMENDED	1,625,831	8.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
COUNTY GENERAL FUND						
EXPENDITURES						
FY23 Recommended	1,626	1,626	1,626	1,626	1,626	1,626

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	34	34	34	34	34
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	1,626	1,660	1,660	1,660	1,660	1,660

Engineering, and Mathematics (STEM), and cultural learning for children and families in the region. In close collaboration with Montgomery County Public Schools (MCPS) and local youth development organizations, KID Museum has developed an innovative and highly effective array of educational programs to support youth of diverse backgrounds to gain critical academic and social-emotional skills, with a focus on STEM, multiculturalism, and the future of work. KID Museum's team of professional educators deliver programs directly to youth, and supports classroom teachers with curriculum and professional development to bring innovative approaches to teaching and learning into the classroom and out-of-school time settings.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	1,200,000	0.00
Increase Cost: Funding to Support KID Museum	372,000	0.00
FY23 Recommended	1,572,000	0.00

Labor Management Relations Committee

The Labor Management Relations Committee (LMRC) was established to foster cooperative labor relations between the County and employees in the Municipal and County Government Employees Organization (MCGEO) union. The committee attempts to resolve matters that affect bargaining unit employees, both County-wide and department-specific. This NDA provides funds to implement the recommendations of the LMRC.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	100,000	0.00
FY23 Recommended	100,000	0.00

Leases

This NDA provides the funds necessary to lease privately owned real estate to accommodate County programs. Real property leased by the County includes office, warehouse, and retail space; child care space in schools; parking spaces; and space for communication antennas. Leasing property allows the County the flexibility to locate programs in the communities they serve and provides space for programs to operate when there is no County-owned space available. Further, it is an economical way to procure highly specialized, location-sensitive, and/or temporary space. For FY23, approximately 75 leased facilities are budgeted. The inventory of leases is constantly shifting as new leases are added and existing leases are terminated.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	18,855,474	0.00
Increase Cost: New Leases Net Charges	782,491	0.00
Increase Cost: Maintenance for Additional Lease Space for Fire and Rescue Service Operations	67,520	0.00
Decrease Cost: Net Chargebacks of Facility Leases	(1,591,767)	0.00
Decrease Cost: FY23 Leases	(2,442,384)	0.00
FY23 Recommended	15,671,334	0.00

Legislative Branch Communications Outreach

This NDA provides funds to strengthen the capacity of five Legislative Branch offices (the Council Office, the Office of Legislative Oversight, the Board of Appeals, the Office of Zoning and Administrative Hearings, and the Office of the Inspector