AGENDA ITEM# 4B
April 19, 2022
Introduction

Montgomery County Council

Fire Committee: PS
Committee Review: At a future date
Staff: Christine Wellons, Senior Legislative Attorney
Purpose: To introduce agenda item – no vote expected

SUBJECT

Expedited Bill 8-22, Fire and Rescue Services – Length of Service Awards Programs for Volunteers – Amendments

Lead Sponsor: Council President Albornoz at the request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

• N/A

DESCRIPTION/ISSUE

Expedited Bill 8-22 would increase the amount of the length of service benefits to certain local fire and rescue department volunteers

SUMMARY OF KEY DISCUSSION POINTS

• N/A

This report contains:

Staff Report Page 1
Expedited Bill 8-22 © 1
County Executive Memo © 4
Legislative Request Report © 5
Fiscal Impact Statement © 6

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MEMORANDUM

April 14, 2022

TO: County Council

FROM: Christine Wellons, Senior Legislative Attorney

SUBJECT: Expedited Bill 8-22, Fire and Rescue Services – Length of Service Awards Program for Volunteers

PURPOSE: Introduction – no Council votes required

Expedited Bill 8-22, Fire and Rescue Services – Length of Service Awards Program for Volunteers, sponsored by Council President Albornoz at the request of the County Executive, is scheduled to be introduced on April 19, 2022. A public hearing is tentatively scheduled for May 10, 2022 at 1:30PM.

Expedited Bill 8-22 would increase the amount of the length of service benefits to certain local fire and rescue department volunteers, pursuant to an agreement collectively bargained between MCVFRA and the Executive.

BACKGROUND

On April 1, 2022, the Executive submitted amendments to a negotiated collective agreement between the Executive and the MCVFRA, effective July 1, 2020 through June 30, 2023, for Council review and action.

Under the amendments to the agreement, 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.

This packet contains:

<table>
<thead>
<tr>
<th>Item</th>
<th>Circle #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expedited Bill 8-22</td>
<td>1</td>
</tr>
<tr>
<td>County Executive Memo</td>
<td>4</td>
</tr>
<tr>
<td>Legislative Request Report</td>
<td>5</td>
</tr>
<tr>
<td>Fiscal Impact Statement</td>
<td>6</td>
</tr>
</tbody>
</table>
COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the request of the County Executive

AN EXPEDITED ACT to:
(1) expand eligibility for length of service benefits to certain local fire and rescue department volunteers;
(2) increase the amount of the length of service benefits to certain local fire and rescue department volunteers; and
(3) generally amend the law regarding local fire and rescue department volunteers.

By amending
Montgomery County Code
Chapter 21, Fire and Rescue Services
Section 21-21

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. Expedited Effective Date. The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.
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
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:

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
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.

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

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 Rodeder, 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.

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Change in Payment from Baseline Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>1,612</td>
</tr>
<tr>
<td>2024</td>
<td>2,742</td>
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<tr>
<td>2025</td>
<td>3,597</td>
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<td>5,101</td>
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<td>2028</td>
<td>5,752</td>
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<tr>
<td>2029</td>
<td>6,341</td>
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<tr>
<td>2030</td>
<td>6,647</td>
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<td>2031</td>
<td>6,571</td>
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<td>2034</td>
<td>5,970</td>
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<tr>
<td>2035</td>
<td>5,990</td>
</tr>
<tr>
<td>2036</td>
<td>5,532</td>
</tr>
<tr>
<td>2037</td>
<td>5,463</td>
</tr>
</tbody>
</table>

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

By amending

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(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:

__________________________________________________________________

Gabe Albornoz, President, County Council

Date

Approved:

__________________________________________________________________

Marc Elrich, County Executive

This is a correct copy of Council action.

__________________________________________________________________

Selena Mendy Singleton, Esq., Clerk of the Council

Date

Approved as to Form and Legality

3/31/2022

date
Memorandum of Agreement

This AGREEMENT ("Agreement") made this 30th 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 ____________________________ 3/30/2022
Stanley (Buddy) Sutton
President

For Montgomery County, Maryland

By ____________________________ 4/1/2022
Marc Elrich
County Executive
by

Eric N. Bernard
Chief Negotiator/
Executive Director

Date

3-30-22

by

Jennifer Harling
Chief Labor Relations Officer

Date

3/31/2022

by

William F. Scott
Chief Negotiator

Date

3-30-22

Approved for Form and Legality

By

3/31/2022

Office of the County Attorney

Date

3/31/2022

(13)