



Committee: PS
Committee Review: N/A
Staff: Robert H. Drummer, Senior Legislative Attorney
Purpose: To receive testimony/final action - vote expected
Keywords: #FRSVolunteerBenefits

AGENDA ITEMS 5 & 18B
 June 15, 2021
Public Hearing/Action

SUBJECT

Expedited Bill 21-21, Fire and Rescue Services - Length of Service Awards Program For Volunteers - Amendments
 Lead Sponsor: Council President Hucker at the request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Public Hearing and Action – roll call vote after motion expected.
- This Bill did not go to Committee. The Council indicated its intent to approve funding for the MCVFRA Agreement on May 4, 2021.

DESCRIPTION/ISSUE

- Expedited Bill 21-21 would increase the amount of the length of service benefits to certain local fire and rescue department volunteers and provide points for activities cancelled due to COVID-19 in the length of service benefits to certain local fire and rescue department volunteers.

SUMMARY OF KEY DISCUSSION POINTS

NA

This report contains:

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May 2020 Agreement with the MCVFRA	©6
Fiscal Impact Statement	©17
OCA Bill Review	©20
Economic Impact Statement	©21
Racial Equity and Social Justice Impact Statement	©25

F:\LAW\BILLS\2121 Fire - Volunteers - LOSAP - Amendments\PH-Action Cover Sheet.Docx

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MEMORANDUM

June 10, 2021

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: Expedited Bill 21-21, Fire and Rescue Services – Length of Service Awards Program for Volunteers – Amendments

PURPOSE: Public Hearing/Action – Council roll call vote expected

Expedited Bill 21-21, Fire and Rescue Services – Length of Service Awards Program for Volunteers – Amendments, sponsored by Lead Sponsor Council President at the request of the County Executive, was introduced on May 18, 2021. A public hearing and action are scheduled for June 15, 2021.¹ Bill 21-21 did not go to Committee and it requires a motion to enact it.

Expedited Bill 21-21 would increase the amount of the length of service benefits to certain local fire and rescue department volunteers and provide points for activities cancelled due to COVID-19 in the length of service benefits to certain local fire and rescue department volunteers.

Background

History of the Volunteers' Representation. 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 (LFRDs) 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 LFRDs 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 LFRDs selected the Montgomery County Volunteer Fire and Rescue Association (MCVFRA) as their representative. On January 30, 2007, the Council approved the first agreement between the County Government and MCVFRA.

¹ #FRSVolunteerBenefits

Discussion

On April 16, 2021, the Executive submitted a negotiated agreement between the Executive and the MCVFRA, effective July 1, 2020 through June 30, 2023, for Council review and action. The Council must review and act on each provision that requires an appropriation of funds in FY22 or a change in law. One of the provisions subject to Council review in the Agreement is an increase in the benefits paid to volunteers under the Length of Service Awards Program (LOSAP). Last May, the Council rejected the provisions that would have increased the nominal fee, increased the benefits under the LOSAP, and increased the Association Funding in FY21 as part of the Council's same services budget. The Executive submitted Expedited Bill 21-21 to the Council on April 30, 2021 to implement the changes in the LOSAP Agreement. **On May 4, 2021, the Council adopted Resolution No. 19-824 indicating its intent to approve the LOSAP increases for FY22.**

The LOSAP provides a monthly pension for members of a Local Fire and Rescue Department who have provided volunteer fire and rescue service for a certain number of years. It is similar to the defined benefit pension for career fire and rescue employees, although the amount of the pension is significantly lower. The County pays for these benefits in an annual appropriation instead of establishing a trust fund. The total cost in FY22 to pay these benefits with the increases is estimated to be \$1.447 million.

The Bill, as introduced, includes payment for LOSAP benefit increases beginning on June 20, 2021 of 3% for all participants and an additional 2.5% for certain active participants that was originally rejected by the Council in May 2020. The Council would have to approve a supplemental appropriation for FY21 to pay the increases on June 20, 2021. The Bill would also increase the benefits by an additional 2.5% for certain participants on July 1, 2021. Finally, the Bill would permit a volunteer to earn additional service credits in calendar year 2021 for canceled meetings, drills, standbys, or other collateral duties during the pandemic.

OMB estimated the increased benefits in the Bill to be \$4652 in FY21 and \$60,047 in FY22 (©7). The increased benefits are projected to increase slightly each year beyond FY22. The 6-year cost of the increases is projected to be \$317,210. The total cost of LOSAP benefits in FY22 would be \$1.44 million. OLO concluded that the Bill would have a small positive benefit to the volunteers receiving the benefits (©11). The County Attorney's Office found no legal issues with the Bill (©10). OLO concluded that Bill 21-21 would have a minimal impact on racial equity and social justice (©25).

This packet contains:

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Expedited Bill No. 21-21
Concerning: Fire and Rescue Services -
Length of Service Awards Program
For Volunteers - Amendments
Revised: 5-4-2021 Draft No. 2
Introduced: _____
Expires: _____
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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

AN EXPEDITED ACT to:

- (1) increase the amount of the length of service benefits to certain local fire and rescue department volunteers;
- (2) provide points for activities cancelled due to COVID-19 in the length of service benefits to certain local fire and rescue department volunteers; and
- (3) generally amend the length of service benefits program for certain local fire and rescue department volunteers.

By amending

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

Boldface	<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.*

(1) Volunteers Who Qualified Before 1985. Effective January 1, 1985, any volunteer who qualified for a monthly award payment before January 1, 1985, must receive monthly award payments equal to 150 percent of the pre-1985 monthly award payment. Effective June 20, 2021, any volunteer who receives a monthly award payment under this subsection must receive a 3% increase in the amount of the monthly award.

(2) Volunteers Who Qualify in 1985 or Later – 25 Years of Service.

* * *

(B) A volunteer who qualifies under this paragraph must receive an award payment of:

(i) \$240 [~~\$233~~] per month for life; and

(ii) \$12.05 [~~\$11.70~~] per month for life for each year of service as an active volunteer over 25 years (up to \$120.51 [~~\$117~~] per month). The maximum total benefit is \$360.51 [~~\$350~~] per month.

(3) Volunteers Who Qualify in 1985 or Later – 15 Years of Service.

* * *

(B) A volunteer who qualifies under this paragraph must receive an award payment of \$9.60 [~~\$9.32~~] per month for life for each year of service as an active volunteer.

(4) Volunteers who Qualify in 1985 or Later – 10 Years of Service.

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(B) A volunteer who qualifies under this paragraph must receive an award payment of \$9.60 [\$9.32] per month for life for each year of service as an active volunteer.

* * *

(6) A volunteer must receive a [3.5%] 2.5% increase, for a maximum benefit of no more than [\$362.00] \$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 if he or she:

(A) received LOSAP benefit payments as of December 31, 2015; 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 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.

* * *

(k) *Point system.* To qualify as an active volunteer under subsection (a), a volunteer accumulates points under this subsection during each calendar year that are not transferable to another year. An individual

52 must not receive points for any activity performed as a County
53 employee.

54 * * *

55 (9) A volunteer who does not accumulate 50 LOSAP points for
56 calendar year 2021 may submit a list consisting of canceled
57 meetings, drills, standbys or other collateral duties during 2021
58 that the volunteer was not able to attend or complete. The
59 volunteer's President and the Division Chief of Volunteer
60 Services must certify this list and award points.

61 **Sec. 2. Expedited Effective Date.**

62 The Council declares that this legislation is necessary for the immediate
63 protection of the public interest. This Act takes effect on the date on which it
64 becomes law.

65 *Approved:*

66
67 _____
68 Tom Hucker, President, County Council Date

69 *Approved:*

70
71 _____
72 Marc Elrich, County Executive Date

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

74
75 _____
76 Selena Mendy Singleton, Esq., Clerk of the Council Date

LEGISLATIVE REQUEST REPORT

Expedited Bill XX-21

Fire and Rescue Services – Length of Service Awards Program for Volunteers - Amendments

DESCRIPTION: Expedited Bill XX-21 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: Changes to LOSAP require legislation to take effect.

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

COORDINATION: Office of Labor Relations
Montgomery County Employee Retirement Plans

FISCAL IMPACT: Office of Management and Budget

ECONOMIC IMPACT: Office of Legislative Oversight

RACIAL EQUITY AND SOCIAL JUSTICE IMPACT: Office of Legislative Oversight

EVALUATION: N/A

EXPERIENCE ELSEWHERE: N/A

SOURCE OF INFORMATION: Steven Blivess, Office of Labor Relations
Linda Herman, Montgomery County Employee Retirement Plans

APPLICATION WITHIN MUNICIPALITIES: N/A

PENALTIES: N/A

**MEMORANDUM OF AGREEMENT
BETWEEN
THE MONTGOMERY COUNTY GOVERNMENT
AND THE
MONTGOMERY COUNTY VOLUNTEER FIRE-RESCUE ASSOCIATION**

The Montgomery County Government (County) and the Montgomery County Volunteer Fire-Rescue Association (Association) conducted negotiations pursuant to Chapter 21 of the Montgomery County Code for the term July 1, 2020 through June 30, 2023. As a result of those negotiations, the County and Association agree that the Agreement shall be amended according to the terms set forth below.

On May 5, 2020, the Montgomery County Council rejected all or part of Articles 12 and 25 and a side letter addressing operating funds of the submitted agreement. Pursuant to Section 21-6 and 33-153 of the Montgomery County Code, the parties returned to negotiations and have reached a subsequent Agreement.

Please use the key below when reading this document:

<u>Underlining</u>	<i>Added to the existing collective bargaining agreement</i>
[Single boldface brackets]	<i>Deleted from the existing collective bargaining agreement</i>
* * *	<i>Existing language unchanged by the parties</i>

The parties agree to amend the contract as follows:

PREAMBLE

On May 5, 2020, the County Council rejected three terms in the proposed agreement between the County and the Association. The parties agree that, if the County Council rejects the renegotiated agreement for FY21, the County Executive will timely submit a supplemental appropriation to the County Council under the following circumstances:

- The County's total revenue and revenue projections for FY21, as determined by the Montgomery County Department of Finance and Office of Management and Budget, are in excess of the FY21 Council approved revenue figures by at least \$20 million. The County will review the revenue and revenue projections at the end of each quarter for the conditions above. This review will be completed no later than one month after the conclusion of each quarter and the results will be shared with the Association;
- The County Executive submits a supplemental appropriation request for a general wage adjustment and/or differential pay adjustment increase to bargaining unit represented career fire fighters in FY21; or

- The Council approves tax-supported spending in excess of the approved FY21 tax-supported budget (excluding spending related to a response to COVID-19) by at least \$200,000.

Article 1 - RECOGNITION

* * *

Section Two. For the purpose of this Agreement, a volunteer means any person who is a member of an LFRD and has completed [a probationary period of at least one calendar year] the previous six (6) months as a member of any LFRD.

* * *

Article 5 - ORGANIZATIONAL SECURITY

Section One. The County agrees to provide [75] 100 copies of the contract in booklet form to be provided to the Association within ninety days of the effective date of this Agreement for each LFRD and the MCVFRA Office. An electronic copy shall also be maintained on the MCFRS and OHR website. The cover page of the Agreement shall be designed by mutual agreement between the parties.

* * *

Section Three. Semi-annually MCFRS will provide the MCVFRA with a word file with all the following information for all LFRD/MCFRS volunteers: name, address, telephone number, LFRD, date of membership, date of removal, current years of active (LOSAP) service, and status of nominal fee for the previous fiscal year. These semi-annual lists will be provided to the MCVFRA by approximately March 1 and September 1 each calendar year.

* * *

Article 7 - DISCIPLINARY ACTION PROCEDURES FOR LFRD VOLUNTEERS

* * *

Section Six. Immediate Removal of LFRD Volunteer

* * *

(a) Administrative Status: Administrative status is a non-punitive status to relieve a member from duty and participation in MCFRS activities, which the Fire Chief or designee and/or LFRD department head or designee may grant when there is an investigation of incidents or charges when immediate removal is necessary.

Administrative status is for allegations of serious violations only.

The parties recognize the importance of completing an investigation of a volunteer in as timely a manner as possible. This is especially true for investigations in which the volunteer has been placed in a non-punitive Administrative status. The member or their representative may request a reevaluation of the need to remain on Administrative status every 60 days or whenever there is a substantive change in the investigation.

While on administrative status, a member is prohibited from all MCFRS work sites and activities. At the discretion of the Fire Chief, a member may be permitted to attend training, attend meetings, and accumulate time in service, rank and LOSAP.

* * *

Section Eleven. MCFRS/Internal Affairs Division Investigations

Section 11 (b):

1. Where MCFRS and/or the Fire Chief request an investigation of an LFRD member, their LFRD department head must be notified of the investigation, reason, and receive a copy of the final report within 24 hours of submittal to requestor.
2. The LFRD Department Head shall be notified by the Fire Chief or designee within 24 hours of initiation of an investigation involving a member of their LFRD.
3. Any volunteer may have up to two (2) representatives present during any investigation interview, meeting, or exam at the members choice and in accordance with Section 9 of this Article.
4. The Fire Chief will annually submit a written report to the MCVFRA President of the number of investigations conducted by IAD involving volunteers. The report shall include time frame allegation was reported, type of allegation and findings, involving LFRD personnel.

If during the course of an investigation it is determined that an LFRD member who has been removed under MCC Section 21-3(g) did not committed a serious violation, the member must be placed back into service within 24 hours.

Any newly developed or revised forms pertaining to the investigatory and disciplinary process shall be developed in accordance with Article 20 of this Agreement.

At the conclusion of any administrative status, a member shall be made whole for any lost LOSAP points/categories if the findings are unfounded.

* * *

Article 8 - CONTRACT GRIEVANCE

* * *

Section One. A grievance is any complaint by the Association arising out of a misinterpretation, application or violation of this agreement, policies and procedures subsumed in this Agreement, changes to existing policies and procedures, and future policies and procedures that may violate this Agreement. However, Article 7, Disciplinary Action Procedures for Volunteers, is the exclusive procedure for any appeal of disciplinary action.

* * *

Section Three.

- a. Step 1: Except in circumstances involving LOSAP, a written grievance must be presented by the Association within thirty (30) calendar days of the date the aggrieved knew or, with reasonable diligence, should have known of the event giving rise to the grievance. The Fire Chief, or his designee, and representatives of the Association shall discuss the grievance within twenty (20) calendar days after it is presented to the Fire Chief. The Fire Chief shall respond in writing to the grievance within twenty (20) calendar days of the meeting.
 2. Both parties may agree to extend the written response of the Fire Chief not to exceed thirty (30) calendar days by mutual written agreement before the expiration of the initial twenty (20) calendar days.
- b. Step 2: The Association may appeal the decision of the Fire Chief to the Chief Administrative Officer (CAO) by presenting a written notice to the [Office of Human Resources (OHR)] CAO or his designee via the Chief Labor Relations Officer (CLRO) within twenty-one (21) calendar days of the Association's receipt of the Fire Chief's decision. Upon receipt of a written appeal from Step 2, OHR shall request the services of a Federal Mediation and Conciliation Service mediator. Such mediation services are provided at no cost to the parties. Any mediated resolution shall be reduced to writing. The CAO or designee and representatives of the MCVFRA shall meet and discuss the grievance within fourteen (14) calendar days after presentation of the appeal to the CAO. The CAO or designee shall respond, in writing, to the grievance within thirty (30) days of the meeting.

* * *

Article 9 - VOLUNTEER RECORDS

* * *

Section Two. MCFRS Operating Record

* * *

- b. The operating record may include records of a volunteer's training, including selection for training or apprenticeship, for the entire period of a volunteer's service for the County and must be kept for [6 months] 5 years after the volunteer separates from MCFRS volunteer service.
- c. The documents in the MCFRS operating record are limited to:
 - 1. home address and phone number.
 - 2. current volunteer assignment, which may include the assignment description and location.
 - 3. emergency contact information.
 - 4. training records.
 - 5. LOSAP records including beneficiary information.
 - 6. separation information.
 - 7. IECS history.
 - 8. background check information.
 - 9. I.D. Card information; and
 - 10. Maryland EMT and expiration information

* * *

Section 8 – Separation Information

- 1. A LFRD, or the Fire Chief or designee, shall make an entry into the PIMS data base explaining why or under what circumstances a volunteer separated from their LFRD.
- 2. Documentation as to what led to the separation must be kept on file at the LFRD or MCFRS and must be made available for inspection by a requesting LFRD if the separated member applies for or expresses interest in joining that LFRD as a volunteer member.

* * *

Article 12 - NOMINAL FEE

(1) a nominal fee of: [four hundred thirty-five (\$435) dollars on July 1, 2017, four hundred forty-five (\$455) dollars on July 1, 2018, and four hundred fifty-five (\$455) dollars on July 1, 2019.] five hundred (\$500) dollars on July 1, 2020, five hundred and twenty-five (\$525) dollars on July 1, 2021, and five hundred and fifty (\$550) dollars on July 1, 2022.

OR

(2) a nominal fee of: [six hundred fifty (\$650) dollars on July 1, 2017, six hundred seventy-five (\$675) dollars on July 1, 2018, and seven hundred (\$700) dollars on July 1, 2019;] eight hundred

(\$800) dollars on July 1, 2020, and nine hundred (\$900) dollars on July 1, 2021, and one thousand (\$1000) dollars on July 1, 2022; if the active volunteer:

* * *

If an event described in the Preamble occurs, the County Executive shall submit a supplemental appropriation request to the County Council to fund the FY21 nominal fee increase described in this Agreement. If the County Council approves the supplemental appropriation for the FY21 nominal fee, it shall be paid within 45 days after the appropriation is approved, but not later than June 30, 2021.

* * *

Article 14 - DURATION OF AGREEMENT

The term of the agreement will be three (3) years from July 1, [2017] 2020 through June 30, [2020] 2023

* * *

Article 25 - LOSAP

1. Increase in LOSAP Benefits

Effective July 1, 2020 amend County Code Section 21-21 (c) to increase the dollar amount of the LOSAP benefit payments by 3 % for all members.

2. Increase for Certain Individuals Currently Receiving LOSAP Benefit Payments

Effective July 1, 2020, amend the County Code to add a new Section 21-21(c)(5) as follows:

a. An additional 2.5% increase for certain active members on July 1 of each year of the contract.

3. If an event described in the Preamble occurs, the County Executive shall submit a supplemental appropriation request to the County Council to fund the FY21 LOSAP benefit increase described in this Agreement. If the Council approves the supplemental appropriation for the LOSAP benefit increase, the increase shall be effective on a date to be negotiated with the Association before the supplemental appropriation is submitted for the Council's review.

* * *

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed hereto by their duly authorized officer and representatives, this ____ day of May, 2020.


Montgomery County Volunteer
Fire Rescue Association

Montgomery County Government
Montgomery County, Maryland



Marcine D. Goodloe Date
President 5-13-20

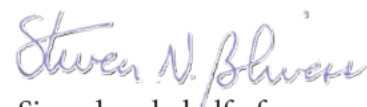
Marc Elrich Date
County Executive



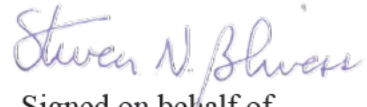
Eric Bernard Date
Executive Director 5-13-20



Scott Goldstein Date
Fire Chief 05/14/2020

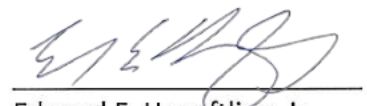


Signed on behalf of Date
William F. Scott 05/14/2020
Chief Negotiator Date



Signed on behalf of Date
Steven Sluchansky 05/14/2020
Chief Labor Relations Officer Date

Approved for form and legality by:



Edward E. Haenftling, Jr. Date
Associate County Attorney 05/14/2020

Side Letter - ASSOCIATION OPERATING FUNDS

To: President Goodloe
From: Chief Goldstein

The County agrees to transfer [235,000 to the MCVFRA on July 1, 2014] **\$312,789** to the MCVFRA on July 1, **2020**. On July 1, [2015] **2021**, the County agrees to fund **\$281,178** and July 1, [2016] **2022** the County agrees to fund \$295,237. ~~increase the funding to the MCVFRA by [1.75%]~~ **5% in 2023**. The MCVFRA agrees to utilize the funds in the payment of expenses related to the Association's fulfillment of its functions as the LFRD authorized representative. The Associations agree to continue to provide the Fire Chief or his designee with a quarterly accounting detailing the expenditure of said funds.

~~Additionally, funding for a new Association vehicle will not be paid during the length of this contract.~~

If an event described in the Preamble occurs, the County Executive shall submit a supplemental appropriation request to the County Council to fund the increased operational funds described in the this side letter. The supplemental appropriation will be limited to the prorated amount of the increase over the FY20 appropriation for the remainder of FY21. If the Council approves the supplemental appropriation for the increased operating funds, the funds shall be made available on a date to be negotiated with the Association before the supplemental appropriation is submitted for the Council's review.

Side Letter - CODE OF ETHICS AND ON-DUTY PERSONAL CONDUCT POLICY

TO: MCVFRA
FROM: Scott Goldstein, Fire Chief

The Department agrees to initiate a revision to MCFRS Policy #22-00 AM: Code of Ethics and On-Duty Personal Conduct not later than September 1, 2020. The revision shall be conducted in accordance with Chapter 21 of the County Code and Article 20, Section 3 of this Agreement.

Side Letter - REPAIR AND MAINTENANCE OF LFRD APPARATUS

To: President Goodloe
From: Chief Goldstein

The County agrees that issues pertaining to the repair and maintenance of LFRD-owned, apparatus are important to all parties. To ensure ongoing opportunities for input, the Fire Chief or designee and 3 members appointed by the MCVFRA will meet on a quarterly basis to discuss issues pertaining to apparatus repair and maintenance. Subjects of discussion shall include but not be limited to:

- A. Vehicle purchases, specifications, selections, contracts and weights:
- B. Noise levels.
- C. Testing procedures.
- D. Tire specifications.
- E. Contractor issues related to apparatus purchases and repairs; and
- F. Processes and repairs, scheduling and services at CMF.

Side Letter - EMERGENCY MEDICAL SERVICES QUALITY IMPROVEMENT

Dear Ms. Goodloe,

The County agrees to add appointment to the Medical Review Committee to the existing list of LOSAP-approved positions.

Sincerely,
Scott Goldstein

**Fiscal Impact Statement
Bill XX-21**

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 and provides points for activities cancelled due to COVID-19 in the Length of Service benefits to certain local fire and rescue department volunteers.

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.

The fiscal impact of providing Length of Service points for activities cancelled in 2021 due to COVID-19 is expected to be nominal.

The estimated change in County expenditures as a result of the proposed increase in Length of Service benefits in FY21, FY22, and FY23, as determined by actuarial analysis, is shown below. 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.

Expenditures increase by \$4,652 in FY21 over the current base, representing a single month of increased benefit (3% for all members and 2.5% for certain active members) in the Length of Service Award Program effective June 20, 2021. FY22 expenditures increase \$60,047 over the FY21 approved base, as increases provided in the last month of FY21 are annualized and an additional 2.5% adjustment is provided to certain active members. In FY23, the 2.5% increase for certain active members is reflected in the anticipated increase over the current approved base of \$61,660. Projections shown for FY24 through FY26 reflect expenditure changes projected by actuarial analysis.

There is no anticipated impact on revenues.

<u>Description</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>6-Year Total</u>
Provide 3% increase for all members June 20, 2021. An additional 2.5% increase for certain active members June 20, 2021, July 1, 2021, and July 1, 2022.	\$4,652	\$60,047	\$61,660	\$62,789	\$63,644	\$64,418	\$317,210

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

Please see above.

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.

Length of Service Award Program Projected Change in Benefit Payment	
Calendar Year	Change in Payment from Baseline Benefit
2021	4,652
2022	60,047
2023	61,660
2024	62,789
2025	63,644
2026	64,418
2027	65,149
2028	65,800
2029	66,388
2030	66,694
2031	66,618
2032	66,611
2033	66,415
2034	66,017
2035	66,037
2036	65,579
2037	65,511

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 FY21, FY22, and FY23. Subsequent legislation would be required to amend these changes in future fiscal years if adopted.

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.

An additional appropriation is needed beginning in FY21 to support the increase in Length of Service Award Program benefits for eligible members effective June 20, 2021. Appropriation to support the FY22 increase in Length of Service Award Program cost is included in the County Executive's FY22 Operating Budget amendments transmitted to the Council on April 21, 2021.

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.

Please see above.

12. If a bill is likely to have no fiscal impact, why that is the case.

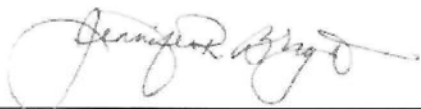
Not applicable.

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

4-29-21

Date




OFFICE OF THE COUNTY ATTORNEY

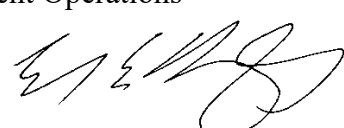
Marc Elrich
County Executive

Marc P. Hansen
County Attorney

MEMORANDUM

TO: Scott Goldstein
Fire Chief

VIA: Edward Lattner 
Chief, Division of Government Operations

FROM: Edward E. Haenftling, Jr. 
Associate County Attorney

DATE: June 8, 2021

RE: Expedited Bill 21-21, Fire and Rescue Services – Length of Service Awards Program for Volunteers – Amendments

The Office of the County Attorney has been tasked with providing comments regarding Expedited Bill 21-21, Fire and Rescue Services – Length of Service Awards Program for Volunteers – Amendments.

The purpose of the legislation is to effectuate the terms of the April 16, 2021 Memorandum of Agreement between Montgomery County, Maryland, and the Montgomery County Volunteer Fire Rescue Association. There are no legal issues associated with this legislation.

cc: Robert H. Drummer, Senior Legislative Attorney
Marc P. Hansen, County Attorney
Tammy Seymour, OCA
Dale Tibbitts, Special Assistant to the County Executive

Economic Impact Statement

Office of Legislative Oversight

Expedited Bill 21-21

Fire and Rescue Services – Length of Service Awards Program For Volunteers – Amendments

SUMMARY

The Office of Legislative Oversight (OLO) believes that enacting Expedited Bill 21-21 would benefit residents who are local fire and rescue department volunteers by increasing their income. OLO anticipates that the bill would have a positive, yet minor, impact on economic conditions in the County.

BACKGROUND

If enacted, Expedited Bill 21-21 would change the length of service benefits program for certain local fire and rescue department volunteers in the following ways: First, it would “increase the amount of the length of service benefits to certain local fire and rescue department volunteers.” Second, it would “provide points for activities cancelled due to COVID-19 in the length of service benefits to certain local fire and rescue department volunteers.”¹

METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

Enacting Expedited Bill 21-21 would involve an internal transfer from the County to local fire and rescue department volunteers in the form of increased length of service benefits. The internal transfer, however, would not entail a net increase in the amount of economic activity in the County. Ultimately, the total annual economic impact of Bill 21-21 would depend on:

- (a) the per year economic benefits of increased expenditures to local fire and rescue department volunteers; and
- (b) the per year economic opportunity cost of reduced County revenues.

Because OLO does not know how the County revenues would otherwise be used in the absence of enacting Bill 21-21, OLO limits the scope of the analysis below to the economic benefits of increased expenditures to local fire and rescue department volunteers. Thus, this analysis does not account for the economic impacts of alternative uses of government funds.

To assess the economic impacts of enacting Bill 21-21, OLO estimates the household multiplier effect of increasing expenditures to local fire and rescue department volunteers. The multiplier effect captures how changes in economic activity affect other rounds of spending, and how additional spending impacts certain economic indicators.

¹ Montgomery County Council, Expedited Bill 21-21, Fire and Rescue Services – Length of Service Awards Program For Volunteers – Amendments, introduced on May 18, 2021. See Introduction Staff Report, https://apps.montgomerycountymd.gov/ccllims/DownloadFilePage?FileName=2711_1_14444_Bill_21-21E_Introduction_20210518.pdf.

Economic Impact Statement

Office of Legislative Oversight

This analysis uses the Regional Input-Output Modeling System (RIMS II) “final-demand multipliers” for Montgomery County developed by the U.S. Bureau of Economic Analysis.² The multiplier effect of increased household income is estimated in terms of four economic measures:

- **Output (sales):** total market value of industry output,
- **Value-Added:** total value of income generated from production (equivalent to gross domestic product),
- **Earnings:** employee compensation plus net earnings of sole proprietors and partnerships, and
- **Employment:** number of full- and part-time employees.³

Table 1 presents the RIMS II household multipliers for Montgomery County. OLO uses these multipliers to estimate the multiplier effect for each economic measure.

Table 1. RIMS II Household Multipliers for Montgomery County

Output	Earnings	Employment	Value-Added
0.7951	0.1587	3.8028	0.4936

Data Source: U.S. Bureau of Economic Analysis

OMB projects that the increased benefits in Expedited Bill 21-21 would amount to \$317,210 over the next six years, with an average annual cost of \$52,868.⁴ Table 2 presents the multiplier effects for the average annual transfer from the County to local fire and rescue department volunteers.

Table 2. Annual Household Multiplier Effect of an Increase in Expenditures to Local Fire and Rescue Department Volunteers

Output	Earnings	Employment	Value-Added
\$42,035	\$8,390	0.2	\$26,096

It is important to note that the estimates in Table 2 assume that all volunteers are County residents.

VARIABLES

The primary variables that would affect the economic impacts of Expedited Bill 21-21 are:

- total annual transfer from the County to local fire and rescue department volunteers; and
- percentage of volunteers who receive length of service benefits who reside in the County.

² U.S. Bureau of Economic Analysis, *RIMS II: An Essential Tool for Regional Developers and Planners*, December 2013, https://apps.bea.gov/regional/rims/rimsii/rimsii_user_guide.pdf.

³ Ibid, 3 – 3 and 3 – 4.

⁴ Robert H. Drummer to Montgomery County Council, Memorandum, May 13, 2021. See Introduction Staff Report.

Economic Impact Statement

Office of Legislative Oversight

IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Businesses, Non-Profits, Other Private Organizations

OLO believes that Expedited Bill 21-21 would have a positive, yet modest, economic impact on private organizations in the County. Using the RIMS II multipliers, OLO estimates that transferring an average of \$52,868 from the County to local fire and rescue department volunteers on an annual basis would result in the following:

- \$42,035 in output (i.e., total market value of industry output),
- \$26,096 in value-added (i.e., total value of income generated from production),
- \$8,390 in earnings (i.e., employee compensation plus net earnings of sole proprietors and partnerships), and
- 0.2 new jobs (i.e., full- and part-time employees).

As previously stated, these estimates assume that all volunteers reside in the County.

The primary beneficiaries of Bill 21-21 would be local fire and rescue department volunteers who would receive the length of service benefits. The additional benefits would increase their net income. Businesses and private organizations may also benefit from higher demand for local goods and services due to increased household spending. However, the benefits to businesses would be negligible on an annual basis.

Residents

OLO believes that Expedited Bill 21-21 would benefit residents who volunteer for the local fire and rescue department and receive the length of service benefits. The bill would otherwise not significantly affect County residents in terms of the Council's priority indicators.

DISCUSSION ITEMS

Not applicable

WORKS CITED

Montgomery County Code. Sec. 2-81B. Economic Impact Statements.

Montgomery County Council, Expedited Bill 21-21, Fire and Rescue Services – Length of Service Awards Program For Volunteers - Amendments, introduced on May 18, 2021.

U.S. Bureau of Economic Analysis. *RIMS II: An Essential Tool for Regional Developers and Planner.*, December 2013.

Economic Impact Statement

Office of Legislative Oversight

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

EXPEDITED FIRE AND RESCUE SERVICES- LENGTH OF SERVICE BILL 21-21: AWARDS PROGRAM FOR VOLUNTEERS- AMENDMENTS

SUMMARY

The Office of Legislative Oversight (OLO) expects Expedited Bill 21-21 to have a minimal impact on racial equity and social justice among the County residents.

BACKGROUND

On May 18, 2021, the Council introduced Expedited Bill 21-21 to modify financial benefits and service requirements for certain fire and rescue department volunteers in the County. It is estimated to cost the County about \$1.5 million.¹ If implemented, Bill 21-21 would make the following modifications to County Law:

- Increase the amount of the length of service benefits to certain local fire and rescue department volunteers;
 - Provide points for activities cancelled due to COVID-19 in the length of service benefits to certain local fire and rescue department volunteers; and
 - Generally amend the length of service benefits program for certain local fire and rescue department volunteers.²
-

ANTICIPATED RESJ IMPACTS

OLO anticipates that Expedited Bill 21-21 will have little to no racial equity or social justice impact on the County Workforce or at-large in terms of modifying the benefits and service requirements for the local fire and rescue department volunteers.

CAVEATS

Two caveats to this RESJ impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging, analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

CONTRIBUTIONS

OLO staffer Dr. Theo Holt drafted this RESJ impact statement.

¹ Montgomery County Council, Bill 21-21, Fire and Rescue Services-Length of Service Awards Program for Volunteers-Amendments, **introduced** May 18, 2021, Montgomery County, Maryland.

RESJ Impact Statement

Bill 21-21

² Ibid