



Committee: PHED
Committee Review: At a future date
Staff: Christine Wellons, Senior Legislative Attorney
Purpose: To introduce agenda item – no vote expected
Keywords: #MCEDC

AGENDA ITEM# 12A
March 15, 2022
Introduction

SUBJECT

Bill 5-22, Economic Development Corporation – Board of Directors - Membership

Lead Sponsors: Council President at the Request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

Council Bill 5-22 would alter and expand the membership of the Board of Directors of the Montgomery County Economic Development Corporation.

SUMMARY OF KEY DISCUSSION POINTS

- N/A

This report contains:

Staff Report	Pages 1-2
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County Executive Memorandum	© 3
Legislative Request Report	© 4
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MEMORANDUM

March 9, 2022

TO: County Council

FROM: Christine Wellons, Senior Legislative Attorney

SUBJECT: Bill 5-22, Economic Development Corporation – Board of Directors – Membership

PURPOSE: Introduction – no Council votes required

Bill 5-22, Economic Development Corporation – Board of Directors - Membership, sponsored by the Council President at the Request of the County Executive, is scheduled to be introduced on March 15, 2022, 2022. A public hearing is tentatively scheduled for April 19, 2022 at 1:30PM.¹

The bill would:

- (1) expand and alter the membership of the Board of Directors of the Montgomery County Economic Development Corporation (MCEDC); and
- (2) generally amend the law regarding the Montgomery County Economic Development Corporation.

BACKGROUND

In his transmittal memorandum, the County Executive has provided the following background regarding Bill 5-22:

MCEDC is facing a critical juncture as six Board members are term limited and soon to depart. MCEDC is justly concerned that the loss of institutional knowledge from the Board all at once could set the Corporation back in their crucial mission of spearheading economic development for the County. This legislation will allow some overlap for two new Board members, as well as ensure that the current Board chair can remain on the board as a non-voting, ex-officio member to share his knowledge with and provide guidance to the new Board. Finally, the legislation reflects the past precedent by designating the CEO of Worksource Montgomery to the Board. The Workforce Development Board has been sending the CEO of Worksource Montgomery to represent them at MCEDC. This Bill codifies this practice.

¹ MCEDC

BILL SPECIFICS

Bill 5-22 would increase the number of County Executive-appointed voting members of the MCEDC Board of Directors from 11 to 13. In addition, the bill would require that the immediate past chair of the Board, as well as the chief executive officer of the County's Workforce Development Organization, be included as ex-officio, non-voting members of the Board.

This packet contains:

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Bill No. 5-22
Concerning: Economic Development
Corporation – Board of Directors -
Membership
Revised: 3/2/2022 Draft No. 1
Introduced: March 15, 2022
Expires: September 15, 2023
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Council President at the Request of the County Executive

AN ACT to:

- (1) expand and alter the membership of the Board of Directors of the Montgomery County Economic Development Corporation; and
- (2) generally amend the law regarding the Montgomery County Economic Development Corporation.

By amending

Montgomery County Code
Chapter 15A, Economic Development
Section 15A-3

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 15A-3 is amended as follows:

15A-3. Board of Directors.

(a) To qualify as the Montgomery County Economic Development Corporation, the Corporation’s Board of Directors must have [11] 13 voting members appointed by the County Executive and confirmed by the County Council. [The County Executive should appoint a member of the Workforce Development Board as one of the members of the Corporation’s Board of Directors.] The immediate past chair of the Corporation’s Board of Directors and the chief executive officer of the County’s Workforce Development Organization must be ex-officio, non-voting members of the Corporation’s Board of Directors. The Corporation’s Board of Directors must [also] include one [officio] non-voting member appointed by the County Executive; and one non-voting member appointed by the County Council; and should have one non-voting member appointed by the Maryland Secretary of Commerce.

(b) Each voting member serves a 3-year term. The individual terms of the voting members must be staggered. Of the voting members first appointed, four must be appointed for a 1-year term, four must be appointed for a 2-year term, and three must be appointed for a 3-year term. The Executive may extend the term of a voting member first appointed for an additional 6 months or less to coincide with the end of a fiscal year. A voting member appointed to fill a vacancy serves the rest of the unexpired term. A voting member continues in office until his or her successor is appointed and confirmed.

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

February 7, 2022

TO: Gabe Albornoz, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Introduction of Bill XX-22; Montgomery County Economic Development Corporation Board of Directors

I am submitting the attached legislation on behalf of the Montgomery County Economic Development Corporation (MCEDC). This will expand and amend the MCEDC Board of Directors by (1) increasing the number of voting Board members from 11 to 13; (2) adding the Immediate Past Chair of the MCEDC Board as a non-voting, ex-officio Board member; (3) removing a member of the County's Workforce Development Board as a non-voting, ex-officio Board Member; and (4) designating the CEO of the County's Workforce Development Organization as a non-voting, ex-officio member of the Board.

MCEDC is facing a critical juncture as six Board members are term limited and soon to depart. MCEDC is justly concerned that the loss of institutional knowledge from the Board all at once could set the Corporation back in their crucial mission of spearheading economic development for the County. This legislation will allow some overlap for two new Board members, as well as ensure that the current Board chair can remain on the board as a non-voting, ex-officio member to share his knowledge with and provide guidance to the new Board. Finally, the legislation reflects the past precedent by designating the CEO of Worksource Montgomery to the Board. The Workforce Development Board has been sending the CEO of Worksource Montgomery to represent them at MCEDC. This Bill codifies this practice.

If you have any questions, please contact Benjamin Wu at MCEDC or Jake Weissmann in the County Executive's Office.

ME:yew

Enclosure: Proposed Bill

cc: Benjamin H. Wu, President & CEO, Montgomery County Economic Development Corporation

LEGISLATIVE REQUEST REPORT

Bill XX-22 MCEDC Board Expansion

DESCRIPTION: This Bill expands the Board of Directors of the Montgomery County Economic Development Corporation by two, increasing the number of Board members to 13. In addition, the bill adds both the immediate past chair of the Board, as well as the CEO of the County's Workforce Development Organization as non-voting ex-officio members of the Board of Directors. Lastly, the bill removes a member of the County's Workforce Development Board as a Board member.

PROBLEM: With the Board facing a wave of retirements due to term limits this summer, this bill will allow for some continuity on the Board, both with the new appointees, and with the ex-officio role of the immediate past Board Chair. Finally, the bill clarifies a seat at the Board for Worksource Montgomery by swapping the CEO of the organization for the member of the County's Workforce Development Board, who would often appoint the Worksource Montgomery CEO as their representative.

GOALS AND OBJECTIVES: Increase continuity of knowledge on the Board, and ensure the County's economic development arm can best function

COORDINATION: Montgomery County Economic Development Corporation, and Office of the County Executive

FISCAL IMPACT: Office of Management and Budget.

ECONOMIC IMPACT: Office of Legislative Oversight.

RACIAL EQUITY AND SOCIAL JUSTICE IMPACT: Office of Legislative Oversight

EVALUATION: To be done.

EXPERIENCE ELSEWHERE: Unknown

SOURCES OF INFORMATION: Montgomery County Economic Development Corporation

APPLICATION WITHIN MUNICIPALITIES: N/A

PENALTIES: N/A

Fiscal Impact Statement
Council Bill XX-22 & Montgomery County Economic Development Corporation
Board of Directors

1. Legislative Summary.

The attached Bill XX-22 serves to propose legislation that would expand and amend the Montgomery County Economic Development Corporation (MCEDC) Board of Directors by increasing the number of voting Board members from (11) to (13). The Bill also adds both the immediate past Chair of the Board, as well as the CEO of the County's Workforce Development Organization as non-voting ex-officio members of the Board of Directors. Lastly, the Bill removes a member of the County's Workforce Development Board as a non-voting member of the Board.

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.

There is no change in County revenues and expenditures related to Bill XX-22, Montgomery County Economic Development Corporation (MCEDC), as section 15A-3(d) indicates that a member of the MCEDC Board must not be compensated for service. However, members may be reimbursed for necessary travel expenses. These expenses are assumed to be reimbursed from MCEDC's operating budget funded by the County.

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

There is no impact to County expenditures or revenue over the next six fiscal years.

4. An actuarial analysis through the entire amortization period for each Bill that would affect retiree pension or group insurance costs.

Not Applicable

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.

This Bill does not authorize future spending.

7. An estimate of the staff time needed to implement the Bill.

Not Applicable.

8. An explanation of how the addition of new staff responsibilities would affect other duties.

Not Applicable

9. An estimate of costs when an additional appropriation is needed.

There are no additional appropriations required to implement Bill XX-22.

10. A description of any variable that could affect revenue and cost estimates.

Any variable cost estimates should be supported by the existing MCEDC budget allotment. Revenue variability is not applicable to Bill XX-22.

11. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not Applicable

12. If a Bill is likely to have no fiscal impact, why is this the case.

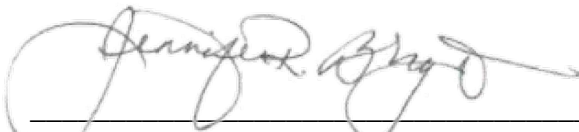
Bill XX-22 does not result in any additional expenses to be incurred by the County. Expenditures related to the travel reimbursement entitlement should be resolved through MCEDC's existing budget appropriation.

13. Other fiscal impacts or comments.

Not Applicable.

14. The following contributed to and concurred with this analysis:

- Jake Weissman, County Executive Office
- Montgomery County Economic Development Corporation
- Felicia Hyatt, Office of Management and Budget



Jennifer R. Bryant, Director
Office of Management and Budget

2-10-22

Date