

## SUBJECT

FY21 Operating Budget: Office of Labor Relations (OLR) and Labor Relations Management Committee (LRMC) Non-Departmental Account (NDA)

## EXPECTED ATTENDEES

- Steve Sluchansky, Chief Labor Relations Officer
- Corey Orlosky, Office of Management and Budget

## EXECUTIVE RECOMMENDATION

### OFFICE OF LABOR RELATIONS

FY21 Executive Recommendation	<b>\$1,608,397</b>	<b>9.00 FTE</b>
Increase (Decrease) from FY20 after Shifts from Other Departments	\$103,083 6.8%	1.00 FTE 12.5%

- FY21 funding for Office of Labor Relations is contingent on the Council approving Expedited Bill 19-20 to establish the Office.

### LABOR RELATIONS MANAGEMENT COMMITTEE NDA

FY21 Executive Recommendation	<b>\$150,000</b>	<b>0.00 FTE</b>
Increase (Decrease) from FY20 after Shifts from Other Departments	\$50,000 50.0%	0.00 FTE --

## COUNCIL STAFF RECOMMENDATION – CONTINUITY OF SERVICES BUDGET

### OFFICE OF LABOR RELATIONS

FY21 Council Staff Recommendation	<b>\$1,504,608</b>	<b>8.00 FTE</b>
Increase (Decrease) from FY20 after Shifts from Other Departments	(\$706) (0.05%)	0.00 FTE --
Increase (Decrease) from CE FY21 Rec	(\$103,789) (-6.5%)	(1.00 FTE) (11.1%)

### LABOR RELATIONS MANAGEMENT COMMITTEE NDA

FY21 Council Staff Recommendation	<b>\$100,000</b>	<b>0.00 FTE</b>
Increase (Decrease) from FY20 after Shifts from Other Departments	\$0 --	0.00 FTE --
Increase (Decrease) from CE FY21 Rec	(\$50,000) (33.3%)	0.00 FTE --

## EXECUTIVE RECOMMENDED ITEMS NOT INCLUDED IN CONTINUITY OF SERVICES

### OFFICE OF LABOR RELATIONS

- This budget included FY21 compensation adjustments of \$20,412. The Council will review and discuss compensation and benefits for all the County Government separately.
- Increase of \$83,377 and 1.0 FTE a new Labor Management Relations Committee Support position. OMB staff note that are several items in the negotiated agreement with MCGEO that will require enhanced work by OLR, and this position is intended to assist with that additional work. If the position is not approved, they may unable to fulfill these additional duties.

### LABOR RELATIONS MANAGEMENT COMMITTEE NDA

- Increase of \$50,000 for additional funding for the LRMC. The Executive notes that this committee was established to foster cooperative labor relations between the County and employees in the MCGEO union. The Committee attempts to resolve matters that affect bargaining unit employees, both County-wide and department specific.

## CONTINUITY OF SERVICES FROM FY20

### OFFICE OF LABOR RELATIONS

- Shifts of \$161,949 and 1.0 FTE for the Chief Labor Relations Officer from the County Executive's Office; \$1,036,255 and 5.0 FTE for the Labor and Employee Relations Team from OHR; and \$307,140 and 2.0 FTE for the Labor and Relations Team from the Police Department. Each of the proposed shifts is budget neutral, as the increases on the OLR budget have corresponding decreases in the County Executive, OHR, and Police budgets.
- Decrease of \$706 from annualization of FY20 personnel costs.

### LABOR RELATIONS MANAGEMENT COMMITTEE NDA

- Shift of \$100,000 to the NDA from the OHR budget, equivalent to the FY20 funding level.

## POTENTIAL REDUCTIONS

- None identified.

## POTENTIAL ITEMS RELATED TO COVID-19

- None identified.

### This report contains:

County Executive's FY21 Recommended Operating Budget: Office of Labor Relations	©1-11
County Executive's FY21 Recommended Operating Budget: LMRC NDA	©12

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# Labor Relations

## RECOMMENDED FY21 BUDGET

\$1,608,397

## FULL TIME EQUIVALENTS

9.00

 STEVEN SLUCHANSKY, 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 FY21 Operating Budget for the Office of Labor Relations is \$1,608,397. Personnel Costs comprise 76.50 percent of the budget for nine full-time position(s) and no part-time position(s), and a total of 9.00 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 23.50 percent of the FY21 budget.

In February 2020, the County Executive announced an update to the County Council related to ongoing efforts to identify no cost/low-cost reorganization efforts that will strengthen the delivery of priority outcomes, realign resources with policy objectives, and improve the efficiency and effectiveness of County government. As part of this plan, the Office of Labor Relations has been created. The Labor and Employee Relations program from the Office of Human Resources and the Chief Labor Relations Officer position within the Chief Administrative Officer's Office program in the County Executive's Office have been shifted to the new Office of Labor Relations.

## COUNTY PRIORITY OUTCOMES

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

 **Effective, Sustainable Government**

## INITIATIVES

 Foster and facilitate more high-performing Labor Management Relations Committees at both the department and County-wide level.

## PROGRAM CONTACTS

Contact Steven Sluchansky of the Office of Labor Relations at 240.777.5073 or Corey Orlosky of the Office of Management and

## PROGRAM DESCRIPTIONS

### ☀ Labor Relations

The Office of Labor Relations (OLR) administers the County's labor and employee relations programs. This includes conducting collective bargaining with the three County unions and volunteer Fire Fighters; 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 FY19	Budget FY20	Estimate FY20	Recommended FY21	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	984,276	—
Employee Benefits	0	0	0	246,091	—
<b>County General Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,230,367</b>	<b>—</b>
Operating Expenses	0	0	0	378,030	—
<b>County General Fund Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,608,397</b>	<b>—</b>
PERSONNEL					
Full-Time	0	0	0	9	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	9.00	—

### FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
<b>FY20 ORIGINAL APPROPRIATION</b>	<b>0</b>	<b>0.00</b>
<b>Changes (with service impacts)</b>		
Add: Labor Management Relations Committee Support [Labor Relations]	83,377	1.00
<b>Other Adjustments (with no service impacts)</b>		
Shift: Labor and Employee Relations Team from Office of Human Resources [Labor Relations]	1,036,225	5.00
Shift: Labor and Employee Relations Team from Department of Police [Labor Relations]	307,140	2.00
Shift: Chief Labor Relations Officer from County Executive's Office [Labor Relations]	161,949	1.00

## FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: FY21 Compensation Adjustment [Labor Relations]	20,412	0.00
Decrease Cost: Annualization of FY20 Personnel Costs	(706)	0.00
<b>FY21 RECOMMENDED</b>	<b>1,608,397</b>	<b>9.00</b>

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY21	FY22	FY23	FY24	FY25	FY26
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY21 Recommended</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>
<b>Annualization of Positions Recommended in FY21</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
New positions in the FY21 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>1,608</b>	<b>1,646</b>	<b>1,646</b>	<b>1,646</b>	<b>1,646</b>	<b>1,646</b>

## ANNUALIZATION OF FULL PERSONNEL COSTS

	FY21 Recommended		FY22 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Labor Management Relations Committee Support	83,377	1.00	111,169	1.00
<b>Total</b>	<b>83,377</b>	<b>1.00</b>	<b>111,169</b>	<b>1.00</b>

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>750,000</b>	<b>0.00</b>
Decrease Cost: Reduction of Operating Expenses	(750,000)	0.00
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

## Interagency Technology, Policy, and Coordination Commission

This NDA supports the operation of the Interagency Technology Policy and Coordination Committee (ITPCC). The ITPCC was chartered by the Montgomery County Council to promote strategic planning and coordination in the use of information technology across County agencies. The ITPCC reports biannually to the County Council. By regularly convening the agencies' chief executive and chief information officers, the ITPCC provides an effective forum for the coordinated implementation of technology policies and guidelines. Additionally, the ITPCC facilitates interagency communication, the evaluation and sharing of new technologies, and advises policy makers on the strategic uses of technology.

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>3,000</b>	<b>0.00</b>
<b>FY21 Recommended</b>	<b>3,000</b>	<b>0.00</b>

## 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.

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>0</b>	<b>0.00</b>
Shift: Labor Management Relations Committee Funding	100,000	0.00
Add: Additional LMRC Funding	50,000	0.00
<b>FY21 Recommended</b>	<b>150,000</b>	<b>0.00</b>

## 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 FY21, approximately 68 leased facilities are budgeted. The inventory of leases is constantly shifting as new leases are added and existing leases are terminated.

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>21,146,823</b>	<b>0.00</b>
Increase Cost: Existing Rent Increases	1,048,606	0.00
Add: New Lease and Operating Costs for Wheaton Office Building	230,371	0.00
Increase Cost: New Leases Added in FY21	201,400	0.00