MAYOR AND COUNCIL

MEETING NO. 33-20
Monday, October 26, 2020 – 7:00 PM

AGENDA

Agenda item times are estimates only. Items may be considered at times other than those indicated.

Any person who requires assistance in order to attend a city meeting should call the ADA Coordinator at 240-314-8108.

Rockville City Hall is closed due to the state directives for slowing down the spread of the coronavirus COVID-19 and continue practicing safe social distancing.

Viewing Mayor and Council Meetings
To support social distancing, the Mayor and Council are conducting meetings virtually. The virtual meetings can be viewed on Rockville 11, channel 11 on county cable, livestreamed at www.rockvillemd.gov/rockville11, and available a day after each meeting at www.rockvillemd.gov/videoondemand.

Participating in Community Forum & Public Hearings:

If you wish to submit comments in writing for Community Forum or Public Hearings:
• Please email the comments to mayorandcouncil@rockvillemd.gov by no later than 10:00 a.m. on the date of the meeting.
• All comments will be acknowledged by the Mayor and Council at the meeting and added to the agenda for public viewing on the website.

If you wish to participate virtually in Community Forum or Public Hearings during the live Mayor and Council meeting:
1. Send your Name, Phone number, the Community Forum or Public Hearing Topic and Expected Method of Joining the Meeting (computer or phone) to mayorandcouncil@rockvillemd.gov no later than 9:00 am on the day of the meeting.
2. On the day of the meeting, you will receive a confirmation email with further details, and two Webex invitations: 1) Optional Webex Orientation Question and Answer Session and 2) Mayor & Council Meeting Invitation.
3. Plan to join the meeting no later than 5:40 p.m. (approximately 20 minutes before the actual meeting start time).
4. Read for https://www.rockvillemd.gov/DocumentCenter/View/38725/Public-Meetings-on-Webex meeting tips and instructions on joining a Webex meeting (either by computer or phone).
5. If joining by computer, Conduct a WebEx test: https://www.webex.com/test-meeting.html prior to signing up to join the meeting to ensure your equipment will work as expected.
6. Participate (by phone or computer) in the optional Webex Orientation Question and Answer Session at 3 p.m. the day of the meeting, for an overview of the Webex tool, or to ask general process questions.

Participating in Mayor and Council Drop-In (Mayor Newton and Councilmember Feinberg)
Drop-In Sessions will be held by phone on Monday, November 9, from 5:30-6:30 p.m. Please sign up by 2 p.m. on the meeting day using the form at: https://www.rockvillemd.gov/formcenter/city-clerk-11/sign-up-for-dropin-meetings-227
6:00 PM  1. Convene in Open Session to vote on motion to go into Closed Session pursuant to Section 3-305(b)(10) of the General Provisions Article of the Annotated Code of Maryland to discuss public security.

2. Closed Session

7:00 PM  3. Reconvene into Open Session

4. Pledge of Allegiance

5. Agenda Review

7:05 PM  6. City Manager's Report

7:15 PM  7. COVID-19 Update

7:30 PM  8. Proclamation

   A. Great American Smokeout Proclamation (CM Myles)

7:35 PM  9. Community Forum

Any member of the community may address the Mayor and Council for 3 minutes during Community Forum. Unless otherwise indicated, Community Forum is included on the agenda for every regular Mayor and Council meeting, generally between 7:00 and 7:30 pm. Call the City Clerk/Director of Council Operation's Office at 240-314-8280 to sign up to speak in advance or sign up in the Mayor and Council Chamber the night of the meeting.

10. Mayor and Council's Response to Community Forum

7:55 PM  11. Consent

   A. 457 Plan Approval
B. Pension Plan Restatement

C. Vehicle Safety Policy for COVID-19 Pandemic

8:00 PM 12. FY 2022 Budget Public Hearing

8:20 PM 13. Discussion, Instructions and Possible Adoption of Resolution to Establish the Scope of Review, Topics and Subject Matter for the Charter Review Commission to Review and Make Recommendations to the Mayor and Council Regarding Provisions Contained in the City of Rockville Charter

8:35 PM 14. The F. Scott Fitzgerald Theatre Resident Companies Present Their Business Plans to Mayor and Council

9:05 PM 15. Proposed County Growth Policy – Update and Feedback


9:20 PM 17. FY 2021 Budget Amendment (Amendment #1)


10:40 PM 19. Discussion and Instructions on DEIS for I-495 and I-270 Managed Lanes Project

11:40 PM 20. Review and Comment - Mayor and Council Action Report

A. Action Report

21. Review and Comment - Future Agendas

A. Future Agendas

22. Old/New Business
12:00 AM  23.  Adjournment

The Mayor and Council Rules and Procedures and Operating Guidelines establish procedures and practices for Mayor and Council meetings, including public hearing procedures. They are available at: http://www.rockvillemd.gov/mcguidelines.
Subject
Great American Smokeout Proclamation

Recommendation
Staff recommends the Mayor and Council read, approve, and present proclamation.

Discussion
Rockville has been a leader in enacting regulations to curb smoking and vaping for many years. In March 2016, the City expanded its smoke-free area rules to include all City property, City facilities, and City parks. Under an ordinance passed in May 2017, owners, managers or employees of restaurants and bars cannot knowingly allow smoking or vaping on patios, decks, porches or at other outdoor serving areas, and food service facilities are required to post conspicuous signs announcing the vaping/smoking prohibition.

Smoking remains the leading cause of preventable death in the U.S. About 32.4 million American adults still smoke cigarettes. Smoking causes an estimated 480,000 deaths every year, or about 1 in 5 deaths. More than 16 million Americans live with a smoking-related disease, such as heart and lung disease, which may increase risk for serious complications from COVID-19.

Rockville will take part in the American Cancer Society’s Great American Smokeout on Thursday, November 19 to encourage smokers and vapers to drop the habit and take their first step to becoming healthier. The Great American Smokeout is a national campaign that takes place annually on the third Thursday in November and encourages those who use tobacco to quit for just one day to start their journey to a tobacco-free life.

Throughout the month of November, the City will conduct an information campaign describing the dangers of tobacco use and educating the Rockville community about where they can expect smoke-free environments, and what steps to take to be healthy and smoke-free.

Find out more about the Great American Smokeout, and tools and resources to quit smoking and vaping, at www.cancer.org/healthy/stay-away-from-tobacco/great-american-smokeout.html.

Mayor and Council History
This is the first time the Mayor and Council have recognized The Great American Smokeout.
Attachments
Attachment 8.A.a: 2020 Great American Smokeout Day (PDF)

Rob DiSpirito, City Manager 10/21/2020
WHEREAS, Rockville prides itself on being a healthy community; and

WHEREAS, smoking remains the leading cause of preventable death in the United States; and

WHEREAS, lung cancer is the number one cause of cancer deaths for men and women, and smokers die an average of 10 years earlier than nonsmokers; and

WHEREAS, second-hand smoke is responsible for three thousand lung cancer deaths annually and another thirty-five to forty-five thousand deaths from heart disease in nonsmokers; and

WHEREAS, each day, about 3,300 people younger than 18 years smoke their first cigarette and over 300 people younger than 18 years become daily cigarette smokers; and

WHEREAS, smoking cigarettes is known to cause heart and lung disease, and people with underlying heart and lung problems may have increased risk for serious complications from COVID-19; and

WHEREAS, Rockville has been a leader in enacting no-smoking and vaping laws. In March 2016, the City expanded its smoke-free area rules to include all City property, City facilities and City parks. In 2017, Rockville became one of the first jurisdictions in the region to enact an ordinance banning smoking and vaping in outdoor dining facilities; and

WHEREAS, comprehensive smoke-free policies not only protect workers and patrons from exposure to toxic smoke, but also empower smokers to quit; and

NOW, THEREFORE, the Mayor and Council of the City of Rockville, do hereby proclaim November 19, 2020, the third Thursday in November, as “THE GREAT AMERICAN SMOKEOUT” in Rockville, Maryland, and urge all who smoke, vape or use other forms of tobacco to demonstrate to themselves and to their children that they can quit using tobacco.

October 26, 2020
Subject
457 Plan Approval

Recommendation
Staff recommends that the Mayor and Council approve the City's 457 Plan Document

Discussion
Through a competitive bid process, the Retirement Board selected Lincoln Financial (Lincoln) as the new service provider for all of the City’s retirement programs, including the 457(b) voluntary deferred compensation savings program. As part of the transition to Lincoln, the City will be utilizing the Lincoln 457(b) Plan document effective with the transition date of December the 1st, 2020. This plan document is a standard form plan document. The document was reviewed by staff and the City’s benefit attorney, Harry Atlas, from Venable LLP, to ensure that all prior plan provisions transferred appropriately and to its legal sufficiency and compliance with the IRS code.

Mayor and Council History
The Mayor and Council has provided this benefit to City employees since 1974. The last 457(b) plan review took place in 2016 when the City transitioned the plan from ICMA to Mass Mutual.

Boards and Commissions Review
The 457(b) plan document was presented to the Retirement Board at its meeting held on October 16, 2020. The Board had no comments.

Fiscal Impact
There is no fiscal impact to the City for providing the 457(b) plan. Participants pay investment fees which are deducted from their accounts depending on their investment selection, and pay a $85 a year fee for all the recordkeeping, educational and technological services available to them.
Next Steps
The City is on track to transition all retirement plans to Lincoln financial effective December 1, 2020.

Attachments
Attachment 11.A.a: ROMD-002_Cover Letter (PDF)
Attachment 11.A.b: ROMD-002_457 Plan Doc eff 12-01-20 v2 (PDF)

[Signature]
Rob DiSpirito, City Manager 10/21/2020
October 8, 2020

Gavin Cohen
Mayor and Council of Rockville
Finance Department
111 Maryland Avenue
Rockville, MD 20850

RE: Plan name: The City of Rockville 457(b) Plan
    Plan ID#: ROMD-002
    Plan document for signature

Dear Mr. Cohen:

Lincoln is pleased to support you in the administration of your retirement plan document. We want to assure you that we’re committed to providing you with excellent service.

Accompanying this letter are important documents that are specific to your plan. Please carefully review all of the documents listed to ensure that they accurately reflect the intended plan design and that you understand your roles and responsibilities for the administration of your plan. We recommend that you consult with your legal counsel or tax advisor, as these documents have significant legal and tax ramifications.

Additionally, we recommend keeping a copy of the proper authorization for adopting the plan document, along with the executed documents, in your files. Proper authorization may be a board resolution, an officer directive, or any other format you and your legal counsel decide is appropriate.

<table>
<thead>
<tr>
<th>Document</th>
<th>Action required</th>
</tr>
</thead>
<tbody>
<tr>
<td>457(b) Governmental Deferred Compensation Plan Document</td>
<td>Important note: Do not sign the plan document if the document does not accurately reflect your understanding of the plan provisions. Please contact me to discuss any necessary changes.</td>
</tr>
<tr>
<td></td>
<td>□ The plan document must be signed and dated PRIOR to December 1, 2020.</td>
</tr>
<tr>
<td></td>
<td>□ After reviewing the plan document, an authorized representative of the employer must sign and date on page 38, and the signature must be properly witnessed. This page must be fully executed in order to implement the provisions under the plan document.</td>
</tr>
<tr>
<td></td>
<td>□ Return one signed copy of the entire plan document to Lincoln via email at <a href="mailto:Alice.Dawicki@lfg.com">Alice.Dawicki@lfg.com</a>.</td>
</tr>
<tr>
<td></td>
<td>□ Keep a copy of the signed plan document with your plan records.</td>
</tr>
</tbody>
</table>

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.
Lincoln is committed to providing you the highest quality retirement plan services. Your prompt attention to this material enhances our ability to service your plan. If you have any questions regarding the information presented, please contact your implementation partner by phone at 260-455-3427 or via email at Alice.Dawicki@LFG.com.

Sincerely,
Kellie Albertson, QKA
Plan Document Consultant
RPS Operations
Retirement Plan Services

Enclosures

cc: Tatiana Hersh
Segal Marco
Steve McInally
Alice Dawicki
City of Rockville 457(b) Plan

Effective Date of This Document December 1, 2020

The Lincoln National Life Insurance Company
1300 South Clinton Street
PO Box 2340
Fort Wayne, Indiana 46802
Phone 800-4LINCOLN

Specimen 457(b) Plan Document
Deferred Compensation Plan
# TABLE OF CONTENTS

**PREAMBLE** ...................................................................................................................................1

**SECTION I DEFINITIONS** .........................................................................................................2

  1.1 Plan Definitions ..................................................................................................................2

**SECTION II PARTICIPATION AND CONTRIBUTIONS** .............................................................6

  2.1 Eligibility ..........................................................................................................................6

  2.2 Election ...........................................................................................................................6

  2.3 Commencement of Participation .....................................................................................6

  2.4 Amendment of Annual Deferral Election, Investment Direction, or Beneficiary Designation ...............................................................................................7

  2.5 Information Provided by the Participant ..................................................................7

  2.6 Contributions Made Promptly ....................................................................................7

  2.7 Employer Contributions ..............................................................................................7

  2.8 Leave of Absence ..........................................................................................................7

  2.9 Disability .......................................................................................................................7

  2.10 Protection of Persons Who Serve in a Uniformed Service .......................................8

  2.11 Corrective Measures ....................................................................................................8

  2.12 Vesting of Account Balance .........................................................................................8

**SECTION III LIMITATIONS ON AMOUNTS DEFERRED** ..................................................9

  3.1 Basic Annual Limitation .............................................................................................9

  3.2 Age 50 Catch-up Annual Deferral Contributions .....................................................9

  3.3 Special Section 457 Catch-up Limitation...................................................................9

  3.4 Special Rules...............................................................................................................10

  3.5 Correction of Excess Deferrals .................................................................................11

**SECTION IV INVESTMENT RESPONSIBILITIES** .............................................................12

  4.1 Investment of Deferred Amount ...............................................................................12

  4.2 Investment Election for Future Contributions........................................................12

  4.3 Investment Changes for an Existing Account Balance ...........................................12

  4.4 Investment Responsibility .........................................................................................12

  4.5 Default Investment Fund...........................................................................................12

  4.6 Statements...................................................................................................................12

**SECTION V LOANS** .................................................................................................................13

  5.1 No Loans .....................................................................................................................13

**SECTION VI DISTRIBUTIONS** ...............................................................................................14

  6.1 Distributions from the Plan.......................................................................................14

  6.2 Benefit Distributions Upon Severance from Employment.......................................14

  6.3 Distributions on Account of Participant's Death ....................................................15

  6.4 Distribution of Small Account Balances Without Participant's Consent .............15

  6.5 Forms of Distribution ................................................................................................16

  6.6 Minimum Distribution Requirements......................................................................16
6.7 Payments to Minors and Incompetents ................................................................. 22
6.8 Procedure When Distributtee Cannot Be Located .................................................. 22
6.9 Direct Rollover ........................................................................................................... 22
6.10 Inservice Distributions ............................................................................................ 24
6.11 Qualified Distributions for Retired Public Safety Officers .................................... 26

SECTION VII ROLLOVERS AND PLAN TRANSFERS .................................................. 27
7.1 Eligible Rollover Contributions to the Plan ............................................................ 27
7.2 Plan-to-Plan Transfers to the Plan ........................................................................... 27
7.3 Plan-to-Plan Transfers from the Plan ...................................................................... 28
7.4 Permissive Service Credit Transfers ........................................................................ 29

SECTION VIII BENEFICIARY .......................................................................................... 30
8.1 Beneficiary Designation ............................................................................................ 30

SECTION IX ADMINISTRATION AND ACCOUNTING ................................................... 31
9.1 Administrator ............................................................................................................. 31
9.2 Administrative Costs ................................................................................................. 31
9.3 Paperless Administration .......................................................................................... 31

SECTION X AMENDMENTS ............................................................................................ 33
10.1 Amendment ............................................................................................................. 33
10.2 Conformation ............................................................................................................ 33
10.3 Plan Termination ..................................................................................................... 33

SECTION XI TRUST FUND .............................................................................................. 34
11.1 Trust Fund ............................................................................................................... 34

SECTION XII MISCELLANEOUS ..................................................................................... 35
12.1 Non-Assignability .................................................................................................... 35
12.2 Domestic Relation Orders ....................................................................................... 35
12.3 IRS Levy ................................................................................................................... 35
12.4 Mistaken Contributions .......................................................................................... 35
12.5 Employment ............................................................................................................ 36
12.6 Successors and Assigns ......................................................................................... 36
12.7 Written Notice ........................................................................................................ 36
12.8 Total Agreement .................................................................................................... 36
12.9 Gender ................................................................................................................... 36
12.10 Controlling Law .................................................................................................... 36
457(b) PLAN DOCUMENT
DEFERRED COMPENSATION PLAN

PREAMBLE

Adoption of Plan

The City of Rockville 457(b) Plan (hereinafter "the Plan"), an eligible deferred compensation plan within the meaning of Section 457(b) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code"), of a State or local government as described in Code Section 457(e)(1)(A), that meets the requirements of Code Section 401(a)(37), originally adopted by Mayor and Council of Rockville (hereinafter the "Employer") effective February 4, 1974 and hereby amended effective as of December 1, 2020.

Purpose of Plan

The primary purpose of this Plan is to permit Employees of the Employer to enter into an agreement which will provide for deferral of payment of a portion of his or her current compensation until death, retirement, Severance from Employment, or other event, in accordance with the provisions of the Code Section 457(b), with other applicable provisions of the Code, and in accordance with the General Statutes of the State.

Status of Plan

It is intended that the Plan shall qualify as an eligible deferred compensation plan within the meaning of Code Section 457(b) sponsored by an eligible employer within the meaning of Code Section 457(e)(1)(A), i.e., a State, political subdivision of a State, or agency or instrumentality of a State or political subdivision of a State.

Tax Consequences of Plan

The Employer does not and cannot represent or guarantee that any particular federal or State income, payroll, or other tax consequence will occur by reason of participation in this Plan. A Participant should consult with his or her own counsel or other representative regarding all tax or other consequences of participation in this Plan.
SECTION I
DEFINITIONS

1.1 Plan Definitions

For purposes of this Plan, the following words and phrases have the meaning set forth below, unless a different meaning is plainly required by the context:

An "Account Balance" means the bookkeeping account maintained with respect to each Participant which reflects the value of the deferred Compensation credited to the Participant, including the Participant’s Annual Deferrals, the earnings or loss of the Trust Fund (net of Trust Fund expenses) allocable to the Participant, any transfers for the Participant’s benefit, and any distribution made to the Participant or the Participant’s Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant’s death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section VII for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant’s death, and any account or accounts established for an alternate payee (as defined in Code Section 414(p)(8)).

The "Administrator" means the Employer. The term Administrator includes any person or persons, committee, or organization appointed by the Employer to administer the Plan.

An "Annual Deferral" means the amount of Compensation deferred in any calendar year.

The "Beneficiary" of a Participant means the person or persons (or, if none, the Participant's surviving spouse, or if the Participant has no surviving spouse, the Participant’s surviving children in equal shares, or if there are no surviving children, the Participant’s estate) who is entitled under the provisions of the Plan to receive a distribution in the event the Participant dies before receiving distribution of his or her entire interest under the Plan. If a married Participant designates his or her spouse as Beneficiary under the Plan, such designation shall automatically become null and void as of the date of any final divorce or similar decree or order; except that the Participant may re-designate such former spouse as his or her Beneficiary after the date of the final decree or order.

The "Code" means the Internal Revenue Code of 1986, as now in effect or as hereafter amended from time to time. Reference to a Code Section includes such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section.

The "Compensation" of a Participant means all cash compensation for services to the Employer that is includible in the Employee's gross income for the calendar year, including, as applicable, compensation attributable to services as an independent contractor, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to defer compensation under Section II). Notwithstanding the foregoing, Compensation shall not include imputed compensation.
Any payments described below made to a Participant after a Severance from Employment shall qualify as Compensation for purposes of the Plan, but only if the payments are made by the later of (a) the end of the calendar year in which the Severance from Employment occurred or (b) within 2 ½ months of such Severance from Employment:

(a) Compensation that, absent a Severance from Employment, would have been paid to the Participant while the Participant continued in employment with the Employer, but only if such payments constitute regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or a shift differential), commissions, bonuses or other similar payments that would otherwise be included in determining Compensation under the Plan.

(b) Payments for accrued bona fide sick, vacation or other leave, but only if the Participant would have been able to use the leave if employment had continued.

Any payment that is not described above shall not be considered Compensation if it is paid after the date of the Participant's Severance from Employment, even if it is paid within 2 ½ months of such date. Thus, for example, Compensation does not include severance pay.

For years beginning after December 31, 2008, (a) a Participant receiving a differential wage payment, as defined by Code Section 3401(h)(2), by reason of qualified military service (within the meaning of Code Section 414(u)), is treated as an Employee of the Employer making the payment and (b) the differential wage payment is treated as Compensation.

An "Employee" means each natural person who is employed by the Employer as a common law employee on a full time basis; provided, however, that the term Employee shall not include a leased employee or any employee who is included in a unit of employees covered by a collective bargaining agreement that does not specifically provide for participation in the Plan. Notwithstanding the foregoing, the term Employee shall only include the following specific individuals or persons in the following specified job classes: All Employees who are Benefit Eligible. A Benefit Eligible Employee is any individual in the employ of the City, other than a temporary or seasonal employee, whose customary employment is for at least twenty (20) hours a week.

Any individual who is not treated by the Employer as a common law employee of the Employer shall be excluded from Plan participation even if a court or administrative agency determines that such individual is a common law employee of the Employer, unless the Employer has included the individual in Plan participation as an independent contractor.

An "Employer" means the eligible employer (within the meaning of Code Section 457(e)(1)) that has adopted the Plan. In the case of an eligible employer that is an agency or instrumentality of a political subdivision of a State within the meaning of Code Section 457(e)(1)(A), the term Employer shall include any other agency or instrumentality of the same political subdivision that has adopted the Plan.
An "Employer Contribution" means Annual Deferrals made to the Account Balance of a Participant by the Employer on a non-elective basis.

"Includible Compensation" means, with respect to a taxable year, the Participant’s compensation as defined in Code Section 415(c)(3) and the regulations thereunder, for services performed for the Employer. The amount of Includible Compensation is determined without regard to any community property laws.

"Normal Retirement Age" means age 70 ½, unless the Participant has elected an alternate Normal Retirement Age and delivered such election to the Administrator. Such date shall be no earlier than the earliest date that the Participant will become eligible to retire and receive, under the basic defined benefit pension plan of the Employer (or a money purchase plan in which the Participant also participates if the Participant is not eligible to participate in a defined benefit plan) immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, but not greater than age 70 ½. If a Participant continues employment after attaining age 70 ½, not having previously elected an alternate Normal Retirement Age, the Participant’s alternate Normal Retirement Age shall not be later than the mandatory retirement age, if any, established by the Employer, or any age at which the Participant actually has a Severance from Employment if the Employer has no mandatory retirement age. If the Participant will not become eligible to receive benefits under a basic defined benefit pension plan (or money purchase pension plan, if applicable) maintained by the Employer, the Participant’s alternate Normal Retirement Age may not be earlier than age 65 and may not be later than age 70 ½.

In the event a Participant is a qualified police or firefighter (as defined under Code Section 415(b)(2)(H)(ii)(I)) Normal Retirement Age means age 70 ½, unless the Participant has elected an alternate Normal Retirement Age and delivered such election to the Administrator, which may not be earlier than age 40 and may not be later than age 70 ½.

A Participant’s Normal Retirement Age must be the same as his or her Normal Retirement Age under any other eligible deferred compensation plan or plans sponsored by the Employer. The designation of a Normal Retirement Age under the Plan does not compel retirement with the Employer.

The "Participant" means an individual who is currently deferring Compensation, or who has previously deferred Compensation under the Plan by salary reduction and who has not received a distribution of his or her entire benefit under the Plan. Only individuals who perform services for the Employer as an Employee may defer Compensation under the Plan.

A "Plan Year" means the calendar year.

"Roth Contributions" means the amount of any Annual Deferral elected by a Participant that is irrevocably designated by the Participant as being made pursuant to, and intended to comply with, Code Section 402A. Roth Contributions are includable in the Participant’s taxable gross income at the time they are contributed to the Plan and have been irrevocably designated as Roth Annual Deferrals by the Participant in their deferral agreement. The Administrator shall establish and maintain for the Employee a separate account for any Roth Contributions made to the Plan,
to which only Roth Contributions and the income attributable thereto shall be allocated. Roth Contributions also include any contributions made to another eligible retirement plan that are rolled over to the Plan in accordance with the provisions of Section 7.1 and that the Participant designated as Roth contributions at the time they were contributed to such other plan.

"Severance from Employment" means the date that the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Administrator (and taking into account guidance issued under the Code). Solely for the purpose of determining whether the Participant is entitled to receive a distribution of his or her Account Balance pursuant to Section 6.2, a Participant shall be treated as having incurred a Severance from Employment during any period the Participant is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days.

The "State" means the State that is the Employer or of which the Employer is a political subdivision, agency, or instrumentality, including any agency or instrumentality of a political subdivision of the State, or the State in which the Employer is located.

The "Trust Fund" means the trust fund created under and subject to a trust agreement or a custodial account or contract described in Code Section 401(f) held on behalf of the Plan.

The "Valuation Date" means each business day.
SECTION II
PARTICIPATION AND CONTRIBUTIONS

2.1 Eligibility

Each Employee shall be eligible to participate in the Plan and defer Compensation hereunder immediately upon becoming employed by the Employer.

2.2 Election

An Employee may elect to become a Participant by executing an election to defer a portion of his or her Compensation (and to have that amount contributed as an Annual Deferral on his or her behalf) and filing such election with the Administrator. This participation election shall be made on the deferral agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. Any such election shall remain in effect until a new election is filed. The Administrator may establish a minimum deferral amount, and may change such minimums from time to time. The deferral agreement shall also include designation of investment funds and a designation of Beneficiary. The deferral agreement may also include a Participant's designation that all or a portion of the Annual Deferral elected by the Participant shall be treated as Roth Contributions.

(a) Special Deferral Election of Sick, Vacation, or Back Pay: A Participant who has not had a Severance from Employment may authorize a special election to defer accumulated sick pay, accumulated vacation pay, and back pay for any calendar month if an election to defer is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available. For this purpose, Compensation that would otherwise be paid for a payroll period that begins before Severance from Employment is treated as an amount that would otherwise be paid or made available before an Employee has a Severance from Employment. In addition, a Participant who is a former Employee may elect to defer accumulated sick pay, accumulated vacation pay, and back pay that is paid by the later of 2 ½ months following the date of the Participant's Severance from Employment or the end of the calendar year in which the Severance from Employment occurred, provided that the special election to defer is entered into before the amount is currently available.

2.3 Commencement of Participation

An Employee shall become a Participant as soon as administratively practicable following the date the Employee files an election pursuant to Section 2.2. Such election shall become effective no earlier than the calendar month following the month in which the election is made. A new Employee may defer Compensation payable in the calendar month during which the Participant first becomes an Employee if an agreement providing for the deferral is entered into on or before the first day on which the Participant performs services for the Employer.
2.4 Amendment of Annual Deferral Election, Investment Direction, or Beneficiary Designation

Subject to other provisions of the Plan, a Participant may at any time revise his or her participation election, including a change of the amount of his or her Annual Deferrals, his or her investment direction and his or her designated Beneficiary. The revised participation election may also include a change in the Participant's designation of the amount of the Annual Deferral elected by the Participant that is to be treated as Roth Contributions. Unless the election specifies a later effective date, a change in the amount of the Annual Deferrals shall take effect as of the first day of the next following month or as soon as administratively practicable if later. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Administrator.

2.5 Information Provided by the Participant

Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including, without limitation, whether the Employee is a participant in any other eligible plan under Code Section 457(b).

2.6 Contributions Made Promptly

Annual Deferrals by the Participant under the Plan shall be transferred to the Trust Fund within a period that is not longer than is reasonable for the proper administration of the Participant's Account Balance. For this purpose, Annual Deferrals shall be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust Fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, or earlier if required by law.

2.7 Employer Contributions

Nothing in this Plan prohibits the Employer from making Employer Contributions to the Account Balance of a Participant on a non-elective basis, including but not limited to Employer matching contributions, subject to the Participant's contribution limits in Section III.

2.8 Leave of Absence

Unless an election is otherwise revised, if a Participant is absent from work by leave of absence, Annual Deferrals under the Plan shall continue to the extent that Compensation continues.

2.9 Disability

A disabled Participant (as determined by the Administrator) may elect Annual Deferrals during any portion of the period of his or her disability to the extent that he or she has actual Compensation (not imputed Compensation and not disability benefits) from which to make contributions to the Plan and has not had a Severance from Employment.
2.10 Protection of Persons Who Serve in a Uniformed Service

An Employee whose employment is interrupted by qualified military service under Code Section 414(u) or who is on a leave of absence for qualified military service under Code Section 414(u) may elect to make additional Annual Deferrals upon resumption of employment with the Employer equal to the maximum Annual Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Annual Deferrals, if any, actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

A reemployed Employee shall also be entitled to an allocation of any additional Employer Contributions, if applicable, that such Employee would have received under the Plan had the Employee continued to be employed as an eligible Employee during the period of qualified military service. Such restorative Employer Contributions (without interest), if applicable, shall be remitted by the Employer to the Plan on behalf of the Employee within 90 days after the date of the Employee's reemployment or, if later, as of the date the contributions are otherwise due for the year in which the applicable qualified military service was performed.

2.11 Corrective Measures

In the event that an otherwise eligible Employee is erroneously omitted from Plan participation, or an otherwise ineligible individual is erroneously included in the Plan, the Employer shall take such corrective measures as may be permitted by applicable law. Such measures may include, in the case of an erroneously omitted Employee, contributions made by the Employer to the Plan on behalf of such Employee equal to the missed deferral opportunity, subject to the Participant's contribution limits in Section III, and, in the case of an erroneously included individual, a payment by the Employer to such individual of additional Compensation in an amount equal to the amount of the individual's elective deferrals under the Plan.

2.12 Vesting of Account Balance

A Participant’s vested interest in his Account Balance shall be at all times 100%.
SECTION III
LIMITATIONS ON AMOUNTS DEFERRED

3.1 Basic Annual Limitation

(a) The maximum amount of the Annual Deferral and, if applicable, Employer Contributions under the Plan for any calendar year shall not exceed the lesser of:

(i) The "applicable dollar amount" (as defined in paragraph (b) below); or

(ii) The Participant’s Includible Compensation (as defined in Code Section 415(c)(3)) for the calendar year.

(b) The "applicable dollar amount" means the amount established under Code Section 457(e)(15), as indexed.

(c) Rollover amounts received by the Plan under Treasury Regulation Section 1.457-10(e) and any plan-to-plan transfer into the Plan made pursuant to Section 7.2 shall not be applied against the Annual Deferral limit.

3.2 Age 50 Catch-up Annual Deferral Contributions

A Participant who will attain age 50 or more by the end of a calendar year is permitted to elect an additional amount of Annual Deferral for the calendar year, up to the maximum age 50 catch-up Annual Deferral limit under §414(v)(2), as indexed.

The amount of the age 50 catch-up Annual Deferral for any calendar year cannot exceed the amount of the Participant's Compensation, reduced by the amount of the elective deferred compensation, or other elective deferrals, made by the Participant under the Plan.

The age 50 catch-up Annual Deferral limit is not available to a Participant for any calendar year for which the Special Section 457 Catch-up Limitation described in Section 3.3 is available and applied.

3.3 Special Section 457 Catch-up Limitation

Notwithstanding the provisions of Sections 3.1 and 3.2, with respect to a year that is one of a Participant's last three (3) calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this Section 3.3 exceeds the amount computed under Sections 3.1 and 3.2, then the Annual Deferral limit under this Section 3.3 shall be the lesser of:

(a) An amount equal to two (2) times the Section 3.1 Applicable Dollar Amount for such year; or

(b) The sum of:
(i) An amount equal to (A) the aggregate Section 3.1 limit for the current year plus each prior calendar year beginning after December 31, 2001, during which the Participant was an Employee under the Plan, minus (B) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus

(ii) An amount equal to (A) the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978, and before January 1, 2002, during which the Participant was an Employee (determined without regard to Sections 3.2 and 3.3, minus (B) the aggregate contributions to Pre-2002 Coordination Plans (as defined in Section 3.4(c)) made by or on behalf of the Participant for such years.

However, in no event can the deferred amount be more than the Participant's Compensation for the year.

3.4 Special Rules

For purposes of this Section III, the following rules shall apply:

(a) Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section III. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

(b) Pre-Participation Years. In applying Section 3.3, a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the Basic Annual Limitation described in Section 3.1 or any other plan ceiling required by Code Section 457(b).

(c) Pre-2002 Coordination Years. For purposes of Section 3.3(b)(ii)(B), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 3.3(b)(ii)(B) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.
(d) **Disregard Excess Deferral.** For purposes of Sections 3.1, 3.2, and 3.3, an individual is treated as not having deferred compensation under a plan for a prior taxable year if excess deferrals under the plan are distributed, as described in Section 3.5. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.

### 3.5 Correction of Excess Deferrals

If the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Annual Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant as soon as administratively practicable after the Administrator determines that the amount is an excess deferral. If a Participant to whom distribution must be made in accordance with the preceding sentence has made Roth Contributions for the year, the amount distributed as an excess deferral shall be made first from pre-tax Annual Deferrals, then from Roth Contributions for the year unless otherwise specified.
SECTION IV
INVESTMENT RESPONSIBILITIES

4.1 Investment of Deferred Amount

Each Participant or Beneficiary shall direct the investment of amounts held in his or her Account Balance under the Plan among the investment options of the Trust Fund. The investment of amounts segregated on behalf of an alternate payee pursuant to a Plan qualified domestic relations order (as defined under Code Section 414(p)) may be directed by such alternate payee to the extent provided in such order. In the absence of such direction, such amounts shall be invested in the same manner as they were immediately before such segregation was made on account of such order. Each Account Balance shall share in any gains or losses of the investment(s) in which such account is invested.

4.2 Investment Election for Future Contributions

A Participant may amend his or her investment election at such times and by such manner and form as prescribed by the Administrator. Such election will, unless specifically stated otherwise, apply only to future amounts contributed under the Plan.

4.3 Investment Changes for an Existing Account Balance

The Participant, Beneficiary, alternate payee, or Administrator may elect to transfer amounts in his Account Balance among and between those investments available under the Trust Fund at such times and by such manner and form prescribed by the Administrator, subject further to any restrictions or limitations placed on any investment by the Administrator to be uniformly applied to all Participants.

4.4 Investment Responsibility

To the extent that a Participant, Beneficiary, or alternate payee exercises control over the investment of amounts credited to his Account Balance, the Employer, the Administrator, and any other fiduciary of the Plan shall not be liable for any losses that are the direct and necessary result of investment instructions given by a Participant, Beneficiary or an alternate payee.

4.5 Default Investment Fund

The Employer may designate a default investment fund. Any Participant who does not make an investment election on the deferral agreement provided by the Administrator will have his contributions invested in the default investment fund until such time he provides investment direction under Sections 4.2 and 4.3.

4.6 Statements

The Administrator will cause statements to be issued periodically to reflect the contributions and actual earnings posted to the Account Balances.
SECTION V
LOANS

5.1 No Loans

There shall be no loans made to Participants from the Plan.
SECTION VI
DISTRIBUTIONS

6.1 Distributions from the Plan

(a) Earliest Distribution Date. Payments from a Participant’s Account Balance shall not be made earlier than:

(i) the Participant’s Severance from Employment pursuant to Section 6.2
(ii) the Participant’s death pursuant to Section 6.3
(iii) Plan termination under Section 10.3
(iv) an unforeseeable emergency withdrawal pursuant to Section 6.10(a), if permitted under the Plan
(v) a de minimis Account Balance distribution pursuant to Section 6.10(b), if permitted under the Plan
(vi) a rollover account withdrawal pursuant to Section 6.10(c), if permitted under the Plan
(vii) attainment of age 70 ½ withdrawal pursuant to Section 6.10(d), if permitted under the Plan
(viii) Qualified Military Service Deemed Severance withdrawal pursuant to Section 6.10(e), if permitted under the Plan
(ix) Qualified Distributions for Retired Public Safety Officers pursuant to Section 6.11, if permitted under the Plan

(b) Latest Distribution Date. In no event shall any distribution under this Section VI begin later than the Participant’s "required beginning date". Such required minimum distributions must be made in accordance with Section 6.6.

(c) Amount of Account Balance. Except as provided in Section 6.3, the amount of any payment under this Section VI shall be based on the amount of the Account Balance as of the Valuation Date.

6.2 Benefit Distributions Upon Severance from Employment

Distributions required to commence under this section shall be made in the form of benefit provided under Section 6.5. Distributions postponed until the Participant’s "required beginning date" will be made in a manner that meets the requirements of Section 6.6.
6.3 Distributions on Account of Participant's Death

Upon receipt of satisfactory proof of the Participant’s death, the designated Beneficiary may file a request with the Administrator to elect a form of benefit provided under Section 6.5 and made in a manner that meets the requirements of Section 6.6.

(a) **Death of Participant Before Distributions Begin.** If the Participant dies before his or her distributions begin, the designated Beneficiary may elect to have distributions to be made (i) in full within 5 years of the Participant’s death (5-year rule) or (ii) in installments over the designated Beneficiary’s "life expectancy" (life expectancy rule).

If the designated Beneficiary does not make an election by September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death or if the Participant’s spouse is the sole designated Beneficiary by December 31 of the year the Participant would have attained age 70½.

(b) **Death of Participant On or After Date Distributions Begin.** If the Participant dies on or after his or her distributions began, the Participant's Account Balance shall be paid to the Beneficiary at least as rapidly as under the payment option used before the Participant's death.

For purposes of this Section, a Participant who dies on or after January 1, 2007, while performing qualified military service (as defined in Code Section 414(u)) will be deemed to have resumed employment in accordance with the Participant's reemployment rights under chapter 43 of title 38, United States Code, on the day preceding death and to have terminated employment on the actual date of death for purposes of determining the entitlement of the Participant’s survivors to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan, in accordance with the provisions of Code Sections 401(a)(37), 414(u)(9), and 457(g)(4).

6.4 Distribution of Small Account Balances Without Participant's Consent

Notwithstanding any other provision of the Plan to the contrary, if the amount of a Participant’s or Beneficiary’s Account Balance is not in excess of the amount specified below on the date that payments commence under Section 6.2 or on the date the Administrator is notified of the Participant's death, the Administrator may direct payment without the Participant’s or Beneficiary’s consent as soon as practicable following the Participant's retirement, death, or other Severance from Employment.

(a) If the Participant's or Beneficiary’s Account Balance (excluding the rollover contribution separate account) does not exceed $5,000 (or the dollar limit under Code Section 411(a)(11), if greater), distribution shall be made through a direct rollover to an individual retirement account selected by the Administrator, unless the Participant or Beneficiary affirmatively elects rollover to a different "eligible retirement plan" (as defined under Section 6.9(b)) or distribution in a lump sum payment.
6.5 Forms of Distribution

In an election to commence benefits under Section 6.2, a Participant entitled to a distribution of benefits under this Section VI may elect to receive payment in any of the forms of distribution offered under the Plan. Such election may be made or modified by the date 30 days prior to commencement of payment. If the Participant fails to elect a distribution option then the benefit shall be paid in the form of a lump sum payment to the Participant or Beneficiary. The forms of distribution available under the Plan are as follows:

(a) a lump sum payment of the Participant’s total Account Balance.

(b) partial distribution of the Participant’s Account Balance in a lump sum payment.

(c) in a series of installments over a period of years (payable on a monthly, quarterly, semi-annual or annual basis) which extends no longer than the life expectancy of the Participant as permitted under Code Section 401(a)(9).

(d) a purchase of a single premium nontransferable annuity contract for such term and in such form as the Participant selects that provides for payments in the form of an irrevocable annuity each calendar year of amounts not less than the amount required under Code Section 401(a)(9); including any annuity distribution options under a guaranteed income product, that are consistent with the Code and Regulations.

6.6 Minimum Distribution Requirements

(a) General Rules.

Notwithstanding anything in this Plan to the contrary, distributions from this Plan shall commence and be made in accordance with Code Section 401(a)(9) and the regulations promulgated thereunder. Additionally, the requirements of this Section 6.6 will take precedence over any inconsistent provisions of the Plan.

(b) Time and Manner of Distribution.

(i) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's "required beginning date".

(ii) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 ½, if later.
(B) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), then distributions to the "designated Beneficiaries" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(C) If the Participant's sole "designated Beneficiary" is not the Participant's spouse, then distributions to the "designated Beneficiary" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(D) If there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(E) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary" and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subparagraph (b)(ii), other than subsection (b)(ii)(A), will apply as if the surviving spouse were the Participant.

For purposes of this subparagraph (ii) and paragraph (d), unless subsection (b)(ii)(D) applies, distributions are considered to begin on the Participant's "required beginning date". If subsection (b)(ii)(E) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's "required beginning date" (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A)), the date distributions are considered to begin is the date distributions actually commence.

(iii) Death of Participant On or After Distributions Begin. If the Participant dies on or after distributions begin and before depleting his or her Account Balance, distributions must commence to the "designated Beneficiary" by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(iv) Forms of Distribution. Unless the Participant's Account Balance is distributed in the form of an annuity contract or in a lump sum on or before the Participant's "required beginning date", as of the first distribution calendar year, distributions will be made in accordance with paragraphs (c) and (d). If the Participant's interest is distributed in the form of an annuity contract, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9).

(c) Required Minimum Distributions During the Participant's Lifetime.
(i) **Amount of Required Minimum Distribution For Each "Distribution Calendar Year".** During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(A) The quotient obtained by dividing the "Participant's Account Balance" by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-2 using the Participant's age as of the Participant's birthday in the "distribution calendar year"; or

(B) if the Participant's sole "designated Beneficiary" for the "distribution calendar year" is the Participant's spouse and the spouse is more than 10 years younger than the Participant, the quotient obtained by dividing the "Participant's Account Balance" by the distribution period in the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-3 using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the "distribution calendar year".

(ii) **Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.** Required minimum distributions will be determined under this paragraph (c) beginning with the first "distribution calendar year" and up to and including the "distribution calendar year" that includes the Participant's date of death.

(d) **Required Minimum Distributions After Participant's Death.**

For purposes of this Section 6.6(d), the Participant's and Beneficiary’s "life expectancy" determination will use the Single Life Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-1.

(i) **Death On or After Date Distributions Begin.**

(A) **Participant Survived by Designated Beneficiary.**

If the Participant dies on or after the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's Account Balance" by the longer of the remaining "life expectancy" of the Participant or the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

(1) The Participant's remaining "life expectancy" is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the
surviving spouse is calculated for each "distribution calendar year" after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For "distribution calendar years" after the year of the surviving spouse's death, the remaining "life expectancy" of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(4) If the Participant's sole "designated Beneficiary" is not the Participant's spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's Account Balance" by the Participant's remaining "life expectancy" calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) Death Before Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary.

Except as provided in this Section, if the Participant dies before the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's Account Balance" by the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

(1) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year"
after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year.

(2) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(3) If the Participant's sole "designated beneficiary" is not the Participant’s spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies before the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.

If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole "designated Beneficiary", and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection (b)(ii)(A), this subparagraph (d)(ii) will apply as if the surviving spouse were the Participant.

(e) Definitions.

(i) A Participant’s "required beginning date" is April 1 of the year that follows the later of (1) the calendar year the Participant attains age 70 ½ or (2) retires due to Severance from Employment. If the Participant postpones the required distribution due in calendar year he or she attains age 70 ½ or severs employment, to the "required beginning date", the second required minimum distribution must be taken by the end of that year.

(ii) Participant’s "designated Beneficiary" means the individual who is designated as the Beneficiary under Section 8.1 and is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-4.
(iii) A "distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first "distribution calendar year" is the calendar year the Participant attains age 70 ½ or retires, if later. For distributions beginning after the Participant's death, the first "distribution calendar year" is the calendar year in which distributions are required to begin under subparagraph (b)(ii).

The required minimum distribution for the Participant's first "distribution calendar year" will be made on or before the Participant's "required beginning date". The required minimum distribution for other "distribution calendar years", including the required minimum distribution for the "distribution calendar year" in which the Participant's "required beginning date" occurs, will be made on or before December 31 of that "distribution calendar year".

(iv) A married Participant’s "life expectancy", whose spouse is the sole Beneficiary and is more than 10 years younger than the Participant, means the Participant’s and spouse Beneficiary’s life expectancy as computed by use of the Joint and Last Survivor Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 3. All other Participants will have his or her life expectancy computed by use of the Uniform Lifetime Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 2. A deceased Participant’s or Beneficiary’s "life expectancy" means his or her life expectancy as computed by use of the Single Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 1.

(v) A "Participant's Account Balance" means the Account Balance as of the last Valuation Date in the calendar year immediately preceding the "distribution calendar year" (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account Balance as of dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the "distribution calendar year" if distributed or transferred in the valuation calendar year.

(f) Special Provision Applicable to 2009 Required Minimum Distributions.

A Participant who would otherwise be required to receive a minimum distribution from the Plan in accordance with Code Section 401(a)(9) for the 2009 "distribution calendar year" will not receive any such distribution that is payable with respect to the 2009 "distribution calendar year" unless the Participant elects otherwise.

Notwithstanding the provisions of Section 6.9(b)(iii), the Administrator may permit a Participant who receives a minimum distribution from the Plan for the 2009 "distribution calendar year" to make a direct rollover of such distribution to an "eligible retirement plan" in accordance with the provisions of Section 6.9.
The Administrator may also permit a Participant or former Participant who has received a minimum distribution for the 2009 "distribution calendar year" to roll over such distribution back into the Plan, provided the requirements of Code Section 402(c), as modified by Notice 2009-82, extending the 60-day rollover deadline, and the requirements of Section 7.1 are otherwise satisfied. If the distribution received by the Participant included amounts in addition to the minimum required under Code Section 401(a)(9), the Administrator may allow the Participant to include a portion or all of the amount that was not a minimum distribution in the Rollover Contribution made to the Plan in accordance with this paragraph.

The provisions of this Section 6.6(f) are effective for minimum payments made for the 2009 "distribution calendar year" and do not include any minimum payment that is made in 2009, but is attributable to a different year (i.e., the Participant reached his required beginning date in 2008, but payment of the 2008 minimum is not made until 2009).

6.7 Payments to Minors and Incompetents

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator or a court of competent jurisdiction may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

6.8 Procedure When Distributee Cannot Be Located

The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown in the Administrator's records; (b) use of a commercial locator service, the internet or other general search method; (c) use such other methods as the Administrator believes prudent.

If the Participant or Beneficiary has not responded within 6 months, the Plan shall continue to hold the benefits due such person until, in the Administrator's discretion, the Plan is required to take other action under applicable law.

Notwithstanding the foregoing, if the Administrator is unable to locate a person entitled to benefits hereunder after applying the search methods set forth above, then the Administrator, in its sole discretion, may pay an amount that is immediately distributable to such person in a direct rollover to an individual retirement plan designated by the Administrator.

6.9 Direct Rollover

(a) A Participant or spouse Beneficiary (or a Participant's spouse or former spouse who is the alternate payee under a domestic relations order, as defined in Code Section 414(p)) who is entitled to an "eligible rollover distribution" may elect, at the time and in the manner prescribed by the Administrator, to have all or any portion of the distribution paid

Specimen 457(b) Plan Document
Deferred Compensation Plan
directly to an "eligible retirement plan" specified by the Participant or spouse Beneficiary in a direct rollover.

(b) For purposes of this Section 6.9, an “eligible rollover distribution” means any distribution of all or any portion of a Participant’s Account Balance, except that an eligible rollover distribution does not include (i) any distribution that is one of a series of substantially equal periodic payments made not less frequently than annually for the life or life expectancy of the Participant or the joint lives or life expectancies of the Participant and the Participant’s designated Beneficiary, or for a specified period of ten years or more (ii) any distribution made as a result of an unforeseeable emergency, or (iii) any distribution that is a required minimum distribution under Code Section 401(a)(9).

In addition, an "eligible retirement plan" with respect to the Participant, the Participant’s spouse, or the Participant’s spouse or former spouse who is an alternate payee under a domestic relations order as defined in Code Section 414(p) means any of the following: (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b), (iii) an annuity plan described in Code Section 403(a), (iv) a qualified defined contribution plan described in Code Section 401(a), (v) an annuity contract described in Code Section 403(b), (vi) an eligible deferred compensation plan described in Code Section 457(b) that is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State, or (vii) effective for distributions made on or after January 1, 2008, a Roth IRA, as described in Code Section 408A, provided, that for distributions made before January 1, 2010, such rollover shall be subject to the limitations contained in Code Section 408A(c)(3)(B).

Notwithstanding any other provision of this Section 6.9(b), a plan or contract described in clause (iii), (iv), (v), or (vi) above shall not constitute an "eligible retirement plan" with respect to a distribution of Roth Contributions unless such plan or contract separately accounts for such distribution, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(c) A Beneficiary who is not the spouse of the deceased Participant may elect a direct rollover of a distribution to an individual retirement account described in Code Section 408(b) or to a Roth individual retirement account described in Code Section 408A(b) ("IRA"), provided that the distributed amount satisfies all the requirements to be an eligible rollover distribution. The direct rollover must be made to an IRA established on behalf of the designated nonspouse Beneficiary that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). The IRA must be established in a manner that identifies it as an IRA with respect to a deceased Participant and also identifies the deceased Participant and the nonspouse Beneficiary. This Section applies to distributions made on or after January 1, 2007.
6.10 Inservice Distributions

(a) Unforeseeable Emergency Distributions. If the Participant who has not incurred a Severance from Employment or Beneficiary has an unforeseeable emergency, the Administrator may approve a single sum distribution of the amount requested or, if less, the maximum amount determined by the Administrator to be permitted to be distributed under this Section 6.10(a), Treasury Regulation Section 1.457-6(c) or other regulatory guidance. The Administrator shall determine whether an unforeseeable emergency exists based on relevant facts and circumstances, and Treasury Regulation Section 1.457-6(c) or other regulatory guidance.

(i) An unforeseeable emergency is defined as a severe financial hardship resulting from the following:

(A) an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary’s spouse, or the Participant’s or Beneficiary’s dependent or the Participant’s "primary Beneficiary";

(B) loss of the Participant's or Beneficiary’s property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster);

(C) the need to pay for the funeral expenses of a Participant’s or Beneficiary’s spouse, Participant’s or Beneficiary’s dependent or "primary Beneficiary" of the Participant;

(D) the need to pay for medical expenses of the Participant or Beneficiary, the Participant's or Beneficiary’s spouse, Participant's or Beneficiary’s dependent or the Participant's "primary Beneficiary" which are not reimbursed or compensated by insurance or otherwise, including non-refundable deductibles, as well as for the cost of prescription drug medication;

(E) the imminent foreclosure of or eviction from the Participant's or Beneficiary’s primary residence; or

(F) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. However, except as otherwise specifically provided in this Section 6.10(a), certain circumstances are not considered an unforeseen emergency such as the purchase of a home or the payment of college tuition or credit card debt.

For purposes of this paragraph, if the Participant is not deceased, a "primary Beneficiary" shall be limited to a primary Beneficiary under the Plan, which is an individual who is named as a Beneficiary pursuant to Section 8.1 and has an
unconditional right to all or a portion of the Participant's Account Balance upon the death of the Participant, and which shall not include a contingent Beneficiary. Additionally, dependent shall be limited to the definition under Code Section 152(a), and, for taxable years beginning on or after January 1, 2005, without regard to Code Sections 152(b)(1), (b)(2) and (d)(1)(B).

(ii) Unforeseeable emergency distribution standard. A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise; by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or by cessation of deferrals under the Plan if the cessation of deferrals would alleviate the financial need.

(iii) Distribution necessary to satisfy emergency need. Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, State, or local income taxes or penalties reasonably anticipated to result from the distribution).

(b) De minimis Account Balance Distributions. The Plan does not permit de minimis Account Balance distributions.

(c) Rollover Account Distributions. If a Participant has a separate account attributable to rollover contributions under the Plan, the Participant before Severance of Employment may at any time elect to receive an in-service distribution of all or any portion of the amount held in the rollover separate account. Any designated Roth contributions rolled over to the Plan are treated as Roth Contributions and not rollover contributions for Plan purposes.

(d) Age 70 ½ Distributions. Prior to Severance from Employment, a Participant may withdraw all or a portion of his or her Account Balance on or after the first day of the calendar year in which the Participant shall attain age 70½.

(e) Qualified Military Service Deemed Severance Distributions. Notwithstanding any other provision of the Plan to the contrary, a Participant before Severance of Employment who is absent from employment because of service with the uniformed services (as described in United Stated Code, Title 38, Chapter 43) for more than 30 days shall be treated as if he or she had incurred a Severance from Employment for purposes of receiving a distribution. A Participant who is deemed to have incurred a Severance from Employment hereunder may elect to receive a withdrawal from his or her Annual Deferrals.

If a Participant receives a distribution in accordance with this Section 6.10(e) and would not otherwise be entitled to receive a distribution under the Plan other than pursuant to this section, his or her Annual Deferrals shall be suspended for at least 6 months after receipt of the withdrawal.
(f) **Inservice Distribution of Roth Contributions.** Roth Contributions are eligible for all inservice distributions and withdrawals.

6.11 **Qualified Distributions for Retired Public Safety Officers**

A Participant who is an "eligible retired public safety officer" may elect to have qualified health insurance premiums deducted from amounts to be distributed to the Participant from the Plan, and to have such amounts paid directly to the insurer or group health plan, subject to the provisions of this Section 6.11. "Qualified health insurance premiums" include premiums for accident and health insurance (including under a self-insured plan) or qualified long-term care insurance contracts for the Participant and the Participant's spouse and dependents. It is intended that, pursuant to Code Section 402(l), the distribution shall be excluded from the Participant's gross income to the extent that the aggregate amount of the distributions does not exceed the amount used to pay the qualified health insurance premiums of the Participant and the Participant's spouse and dependents.

(a) A Participant shall qualify as an "eligible retired public safety officer" for purposes of this Section 6.11 only if the Participant is an individual who separated from service, either by reason of disability (as determined by the Administrator) or after attainment of Normal Retirement Age, as a public safety officer with the Employer. Consequently, a public safety officer who retires before the attainment of Normal Retirement Age is not an eligible retired public safety officer unless the public safety officer retires by reason of disability (as determined by the Administrator).

(b) For purposes of this Section 6.11, the term "public safety officer" means an individual serving the Employer in an official capacity, with or without compensation, as a law enforcement officer, a firefighter, a chaplain, or as a member of a rescue squad or ambulance crew.

(c) In order to avoid unintended taxation, the aggregate amount that a Participant elects to have directly distributed to an insurer or group health plan pursuant to this Section 6.11 for any calendar year shall be limited to $3,000. Moreover, for purposes of applying this $3,000 limitation, distributions with respect to the Participant that are used to pay for qualified health insurance premiums from all qualified retirement plans of the Employer shall be aggregated.
SECTIONS VII
ROLLOVERS AND PLAN TRANSFERS

7.1 Eligible Rollover Contributions to the Plan

(a) A Participant who is an Employee or a Participant who has separated from service and has an Account Balance and who is entitled to receive an eligible rollover distribution from another "eligible retirement plan", as defined in 6.9(b) excluding the direct rollover of after-tax contributions, may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code Section 402 and to confirm that such plan is an "eligible retirement plan" within the meaning of Code Section 402(c)(8)(B).

(b) If an Employee makes a rollover contribution to the Plan of amounts that have previously been distributed to him or her, the Employee must deliver to the Administrator the cash that constitutes his or her rollover contribution within 60 days of receipt of the distribution from the distributing "eligible retirement plan”. Such delivery must be made in the manner prescribed by the Administrator.

(c) The Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is an eligible governmental plan under Code Section 457(b). In addition, the Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is not an eligible governmental plan under Code Section 457(b).

(d) To the extent that the Plan accepts rollover contributions attributable to Roth Contributions, the Administrator shall account for such contributions separately from other rollover contributions. In administering rollover contributions attributable to Roth Contributions, the Administrator shall be entitled to rely on a statement from the distributing plan's administrator identifying (i) the Participant's basis in the rolled over amounts and (ii) the date on which the Participant's 5-taxable-year period of participation (as required under Code Section 402A(d)(2) for a qualified distribution of Roth Contributions) started under the distributing plan. If the 5-taxable-year period of participation under the distributing plan would end sooner than the Participant's 5-taxable-year period of participation under the Plan, the 5-taxable-year period of participation applicable under the distributing plan shall continue to apply with respect to the Roth Contributions included in the rollover contribution. Roth Contributions that are rolled over to the Plan shall be subject to the provisions of the Plan applicable to Roth Contributions rather than the provisions of the Plan applicable to rollover contributions.

7.2 Plan-to-Plan Transfers to the Plan

At the direction of the Employer, the Administrator may permit Participants or Beneficiaries who are participants or Beneficiaries in another eligible governmental plan under Code Section
457(b) to transfer assets to the Plan as provided in this Section 7.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's or Beneficiary's interest therein to the Plan. The Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Administrator. The Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Code Section 457(e)(10) and Treasury Regulation Section 1.457-10(b) and to confirm that the other plan is an eligible governmental plan as defined in Treasury Regulation Section 1.457-2(f). The amount so transferred shall be credited to the Participant's Account Balance and shall be held, accounted for, administered and otherwise treated in the same manner as an Annual Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Annual Deferral under the Plan in determining the maximum deferral under Section III.

7.3 Plan-to-Plan Transfers from the Plan

(a) At the direction of the Employer, the Administrator may permit Participants or Beneficiaries to elect to have his or her Account Balance transferred to another eligible governmental plan within the meaning of Treasury Regulation Section 1.457-2(f), if the other eligible governmental plan provides for the receipt of transfers, the Participant or Beneficiary whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer, and the conditions of subparagraph (i), (ii), or (iii) are met.

(i) A transfer from the Plan to another eligible governmental plan is permitted in the case of a transfer for a Participant if the Participant has had a Severance from Employment with the Employer and is performing services for the entity maintaining the other eligible governmental plan.

(ii) A transfer from the Plan to another eligible governmental plan is permitted if:

(A) The transfer is to another eligible governmental plan within the same State as the Plan;

(B) All the assets held by the Plan are transferred; and

(C) A Participant or Beneficiary whose amounts deferred are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.

(iii) A transfer from the Plan to another eligible governmental plan of the Employer is permitted if:

(A) The transfer is to another eligible governmental plan of the Employer (and, for this purpose, an employer is not treated as the Employer if the Participant's compensation is paid by a different entity); and
(B) A Participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.

(b) Upon the transfer of assets under this Section 7.3(b), the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 7.3(b) (for example, to confirm that the receiving plan is an eligible governmental plan under paragraph (a) of this Section 7.3(b), and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulation Section 1.457-10(b).

7.4 Permissive Service Credit Transfers

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 7.4(a) may be made before the Participant has had a Severance from Employment and without regard to whether the defined benefit governmental plan is maintained by the Employer. The distribution rules applicable to the defined benefit governmental plan to which any amounts are transferred under this Section 7.4(a) shall apply to the transferred amounts and any benefits attributable to the transferred amounts.

(b) A transfer may be made under Section 7.4(a) only if the transfer is either for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under the receiving defined benefit governmental plan, including service credit for periods for which there is no performance of services, service credited in order to provide an increased benefit for service credit which a participant is receiving under the plan, and service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in Code Section 415(n)(3)(C)(i)) of an educational organization described in Code Section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12) or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed, without application of the limitations of Code Section 415(n)(3)(B) in determining whether the transfer is for the purchase of permissive service credit, or a repayment to which Code Section 415 does not apply by reason of Code Section 415(k)(3).
SECTION VIII
BENEFICIARY

8.1 Beneficiary Designation

A Participant has the right, by written notice filed with the Administrator, to designate one or more Beneficiaries to receive any benefits payable under the Plan in the event of the Participant’s death prior to the complete distribution of benefits. The Participant accepts and acknowledges that he or she has the burden for executing and filing, with the Administrator, a proper Beneficiary designation form.

The form for this purpose shall be provided by the Administrator. The form is not valid until it is signed, filed with the Administrator by the Participant, and accepted by the Administrator. Upon the Participant filing the form and acceptance by the Administrator, the form revokes all Beneficiary designations filed prior to that date by the Participant. If a married Participant designates his or her spouse a Beneficiary under the Plan, such designation shall automatically become null and void as of the date of any final divorce or similar decree or order; except that the Participant may re-designate such former spouse or his or her Beneficiary after the date of the final decree or order.

If no such designation is in effect upon the Participant’s death, or if no designated Beneficiary survives the Participant, the Beneficiary shall be the Participant’s surviving spouse, or if the Participant has no surviving spouse, the Participant’s surviving children in equal shares, or if there are no surviving children, the Participant’s estate. If a Beneficiary dies after becoming entitled to receive a distribution under the Plan but before distribution is made to him or her in full, the estate of the deceased Beneficiary shall be the Beneficiary as to the balance of the distribution.
SECTION IX
ADMINISTRATION AND ACCOUNTING

9.1 Administrator

The Administrator shall have the responsibility and authority to control the operation and administration of the Plan in accordance with the terms of the Plan, the Code and regulations thereunder, and any State law as applicable.

The Administrator may contract with a financially responsible independent contractor to administer and coordinate the Plan under the direction of the Administrator. The Administrator shall have the right to designate a plan coordinator or other party of its choice to perform such services under this agreement as may be mutually agreed to between the Administrator and the plan coordinator or other party.

The Administrator has full and complete discretionary authority to determine all questions of Plan interpretation, policy, participation, or benefit eligibility in a manner consistent with the Plan’s documents; such determinations shall be conclusive and binding on all persons except as otherwise provided by law.

9.2 Administrative Costs

All reasonable expenses of administration may be paid out of the Plan assets unless paid (or reimbursed) by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by the Administrator or the Employer incident to the exercise of his or her duties under the Plan, including, but not limited to, fees of accountants, counsel, investment managers, agents (including nonfiduciary agents) appointed for the purpose of assisting the Administrator in carrying out the instructions of Participants as to the directed investment of his or her accounts and other specialists and his or her agents, and other costs of administering the Plan. In addition, unless specifically prohibited under statute, regulation or other guidance of general applicability, the Administrator may charge to the Account Balance of an individual a reasonable charge to offset the cost of making a distribution to the Participant, Beneficiary, or alternate payee. If liquid assets of the Plan are insufficient to cover the fees of the Administrator, then Plan assets shall be liquidated to the extent necessary for such fees. In the event any part of the Plan assets becomes subject to tax, all taxes incurred will be paid from the Plan assets. Until paid, the expenses shall constitute a liability of the Trust Fund described in Section 11.1.

9.3 Paperless Administration

The Administrator may use telephonic or electronic media to satisfy any notice requirements required by this Plan, to the extent permissible under regulations (or other generally applicable guidance). In addition, a Participant’s consent to immediate distribution may be provided through telephonic or electronic means, to the extent permissible under regulations (or other generally applicable guidance). The Administrator also may use telephonic or electronic media to conduct plan transactions such as enrolling Participants, making (and changing) salary reduction
elections, electing (and changing) investment allocations, and other transactions, to the extent permissible under regulations (or other generally applicable guidance).
SECTION X
AMENDMENTS

10.1 Amendment

The Employer may at any time either prospectively or retroactively amend the Plan. The Employer shall not have the right to reduce or affect the value of any Participant’s Account Balance or any rights accrued under the Plan prior to amendment.

10.2 Conformation

The Employer shall amend and interpret the Plan to the extent necessary to conform to the requirements of Code Section 457 and any other applicable law, regulation or ruling, including amendments that are retroactive. In the event the Plan is deemed by the Internal Revenue Service to be administered in a manner inconsistent with Code Section 457, the Employer shall correct such inconsistency within the period provided in Code Section 457(b).

10.3 Plan Termination

In the event of the termination of the Plan, all Account Balances shall be disposed to or for the benefit of each Participant or Beneficiary in accordance with the provisions of Section VI or Section VII as soon as reasonably practicable following the Plan’s termination. The Employer shall not have the right to reduce or affect the value of any Participant’s account or any rights accrued under the Plan prior to termination of the Plan. The Participant’s or Beneficiary’s written consent to the commencement of distribution shall not be required regardless of the value of his or her Account Balance.

The distribution in the event of termination of the Plan may, at the discretion of the Employer, be made in the form of a lump sum payment of the Participant’s total Account Balance, without regard to the form of distribution elected by the Participant.
SECTION XI
TRUST FUND

11.1 Trust Fund

All amounts in a Participant’s or Beneficiary’s Account Balance, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund in accordance with this Plan. The Trust Fund, and any subtrust established under the Plan, shall be established pursuant to a written agreement that constitutes a valid trust, custodial agreement, annuity contract, or similar agreement under the laws of the State of residence of the Employer, to the extent not superseded by federal law. All investments, amounts, property, and rights held under the Trust Fund shall be held in trust for the exclusive benefit of Participants and their Beneficiaries and defraying reasonable expenses of the Plan and of the Trust Fund. Prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, no part of the assets and income of the Trust Fund may be used for, or diverted to, for purposes other than for the exclusive benefit of Participants and their Beneficiaries. The Employer has no beneficial interest in the Trust Fund and no part of the Trust Fund shall ever revert to the Employer, directly or indirectly, provided, however, that a contribution or any portion thereof made by the Employer through a mistake of fact under Section 12.4 shall upon written request of the Employer, reduced by losses attributable thereto, shall be returned to the Employer.
SECTION XII
MISCELLANEOUS

12.1 Non-Assignability

Except as provided in Sections 12.2 and 12.3, no benefit under the Plan at any time shall be subject in any manner to anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have power in any manner to anticipate, transfer, assign (either law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so shall be void except to such extent as may be required by law.

12.2 Domestic Relation Orders

The Employer shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which are deemed to be qualified orders. Such procedures shall be in writing and shall comply with the provisions of Code Section 414(p) and regulations issued thereunder.

Notwithstanding Section 12.1, the Administrator may affect a Participant's Account Balance for a "qualified domestic relations order" as defined in Code Section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the qualified domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan.

12.3 IRS Levy

Notwithstanding Section 12.1, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service to the Plan with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

12.4 Mistaken Contributions

Notwithstanding any other provision of the Plan or the Trust Fund to the contrary, in the event any contribution of an Employer is made under a mistake of fact (and not a Plan operational error), such contribution may be returned to the Employer within one year after the payment of the contribution. Earnings attributable to the excess contribution may not be returned to the Employer (and instead shall be applied otherwise as determined by the Administrator), but losses attributable thereto must reduce the amount to be so returned.
12.5 Employment

Neither the establishment of the Plan nor any modification thereof, nor the establishment of any account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer except as herein provided; and, in no event, shall the terms or employment of any Employee be modified or in any way affected hereby.

12.6 Successors and Assigns

The Plan shall be binding upon and shall inure to the benefit of the Employer, its successors and assigns, all Participants and Beneficiaries and their heirs and legal representatives.

12.7 Written Notice

Any notice or other communication required or permitted under the Plan shall be in writing, and if directed to the Administrator shall be sent to the designated office of the Administrator, and, if directed to a Participant or to a Beneficiary, shall be sent to such Participant or Beneficiary at his or her last known address as it appears on the Administrator’s record. To the extent permitted by law, regulation or other guidance from an appropriate regulatory agency, the Administrator, Employer or any other party may provide any notice or disclosure, obtain any authorization or consent, or satisfy any other obligation under the Plan through the use of any other medium acceptable to the Administrator. Such other medium may include, but is not necessarily limited to, electronic or telephonic medium. In addition, any communication or disclosure to or from Participants or Beneficiaries that is required under the terms of the Plan to be made in writing may be provided in any other medium (electronic, telephonic, or otherwise) that is acceptable to the Administrator and permitted under applicable law. The Administrator shall be entitled to reliance on any such communication from a Participant or Beneficiary, including any data or consent included in such communication, provided in any such manner.

12.8 Total Agreement

This Plan and Participant deferral election, and any subsequently adopted Plan amendment thereof, shall constitute the total agreement or contract between the Employer and the Participant regarding the Plan. No oral statement regarding the Plan may be relied upon by the Participant.

12.9 Gender

As used herein the masculine shall include the neuter and the feminine where appropriate.

12.10 Controlling Law

This Plan is created and shall be construed, administered and interpreted in accordance with Code Section 457 and the regulations thereunder, and under laws of the State of residence of the Employer, to the extent not superseded by federal law as the same shall be at the time any dispute or issue is raised. If any portion of this Plan is held illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder shall be unaffected.
IN WITNESS WHEREOF, the Employer has executed this Plan document this ______ day of __________________________.

Mayor and Council of Rockville

SEAL

By ______________________________________
Name____________________________________
Title_____________________________________

Attest:___________________________________
_________________________________________
Title (Witness)

Employer Address: Finance Department
111 Maryland Avenue
Rockville, MD 20850

Employer EIN: 52-6001573

Contract Number: ROMD-002

This plan document is a specimen plan document only. Unlike 401(a)/(k) and 403(b) plans, the Internal Revenue Service does not offer a preapproved program for 457(b) plan documents and does not generally provide any determination or advisory letter regarding a 457(b) plan’s compliance in form with applicable rules. As such, this plan document has not been reviewed by the Internal Revenue Service for compliance with applicable sections of the Internal Revenue Code of 1986, as amended. The Lincoln National Life Insurance Company and its affiliates (Lincoln) make no guarantees or warranties, expressed or implied, regarding the tax effects of the specimen plan document. Employers are strongly encouraged to consult with their legal and/or tax advisor regarding the adoption of this plan document.

Specimen 457(b) Plan Document
Deferred Compensation Plan
SUPERSEDING PROVISIONS ADDENDUM

The following provisions supersede other provisions in this Plan in the manner described below:

The last sentence in Section 3.5 Correction of Excess Deferrals is replaced with the following: If a Participant to whom a distribution must be made in accordance with the preceding sentence has made Roth Contributions for the year, the amount distributed as an excess deferral shall be made first from Roth Contributions, then from pre-tax Annual Deferrals for the year unless otherwise specified.

Section 6.10(a): Inservice Distributions shall to be further clarified to include the following: Any account balance resulting from the "Prior Transfer Contribution" source may not be requested for an inservice withdrawal.
Subject
Pension Plan Restatement

Recommendation
Staff recommends that the Mayor and Council approve the City’s Restated Pension Plan effective December 1, 2020.

Change in Law or Policy
The City’s Pension Plan will operate with some new provisions as described below.

Discussion
The impetus for the restatement of the Pension Plan is the transition of all recordkeeping services from Prudential Retirement and Mass Mutual to Lincoln Financial. For the new recordkeeper to be able to be responsive to plan participants and to be able to provide the needed services, the current Plan document gets reviewed thoroughly to ensure the new recordkeeper can provide the needed services accurately.

When it became clear that there were several areas of clarification/changes being recommended, we decided to restate the Plan document. Changes include increasing the Required Minimum Distribution Age, being consistent when spousal consent is required, clarification of how forfeitures are handled, and requiring a force out IRA for terminated employees with balances under $5,000.

Summary of Proposed Changes:

- **Effective Dates.** The amending restatement is effective as of December 1, 2020, the effective date of the conversion to Lincoln.
- **Applicability to Former Employees.** The existing preamble language reflects that usually, plan amendments apply only to current employees. However, most of the changes being made now also apply to former employees. This is called out in the last sentence of the preamble.
• **Beneficiary Definition.** The definition of “beneficiary” in Section 1.3 is updated to reflect that spousal consent is required for a married participant to designate a non-spousal beneficiary. Section 1.3 also now includes language clarifying that separate beneficiary designations apply to the defined benefit portion of the pension plan, and to the Thrift Plan.

• **Contingent Annuitant.** The definition of “contingent annuitant” in Section 1.6 is updated to reflect that spousal consent is required for a married participant to designate a non-spousal contingent annuitant, for defined benefit annuity payments beginning during the participant’s lifetime. (Note that as the terms “contingent annuitant” and “beneficiary” are used by the Plan, “contingent annuitant” is limited to the person who is designated to receive a survivor annuity following the death of a participant who begins a pension annuity during the participant’s lifetime. Other post-death payments, including the remainder of the 120 monthly payments under the default form of pension benefit, are paid to the “beneficiary”).

• **Age 72 Required Beginning Date.** Section 7.4(c) is updated to reflect that under the SECURE Act, the required beginning date is keyed to age 72 for participants who have not reached age 70-1/2 as of December 31, 2019.

• **$5,000 Cash out/Automatic IRA Rollover.** Sections 8.8, 9.4 and 15.6 are amended to reflect the cash out level of $5,000 rather than $1,000. A new Section 7.6(c) is added reflecting that if a participant does not elect the manner in which to receive a cash out distribution, the distribution will be rolled over to an IRA.

• **Thrift Plan Supplement.** The Thrift Plan Supplement is no longer reflected in a separate Article XVI, but rather, is incorporated into Article XV.
  
  o In general, the Plan’s terminology relating to the Defined Benefit (DB) and Defined Contribution (DC) portions of the Plan is somewhat confusing. The updated plan uses revised terminology to reflect to a Defined Benefit-Only Option and a Defined Benefit/Thrift Plan Option. The definition of Plan now references a defined benefit subplan and a defined contribution (Thrift Plan) subplan.
  
  o Section 15.2 has been revised to remove the sentence relating to participant investment elections, because they are covered in Section 15.5.
  
  o Section 15.6 now provides that forfeiture of non-vested City Thrift Plan Contributions occurs upon termination of employment, with restoration of the forfeited amount if reemployment occurs within one year.

**Interest Crediting Provision**
Staff recommended a change to the Board that was not approved by the majority of the Board. The Plan currently pays participants 6% interest on employee contributions. Staff recommended that this rate be lowered to 3% to be more reflective of the current low interest rate environment, and to track closer to what a participant can earn in the Thrift plan’s stable
value account guaranteed by Lincoln at 2.5%. Staff also recommended that this interest not be paid to non-vested employees once they terminate employment with the City.

**Mayor and Council History**
The last Pension Plan Restatement was effective July 1, 2015. The most recent amendment was the second amendment effective January 1, 2019.

**Boards and Commissions Review**
The City’s Retirement Board discussed the Plan Restatement at their meeting held on October the 16th 2020. The Board is recommending the changes as presented be approved by the Mayor and Council.

**Fiscal Impact**
There is no direct fiscal impact to the City by approving the Pension Plan Restatement.

**Next Steps**
The City is on track to transition all retirement plans to Lincoln financial effective December 1, 2020.

**Attachments**
Attachment 11.B.a: COR Pension Plan (12_1_2020 Amending Restatement) Clean Copy (PDF)
Attachment 11.B.b: 20201016 - REDLINE - Rockville Pension All Changes(PDF)

Rob DiSpirito, City Manager 10/21/2020
CITY OF ROCKVILLE
PENSION PLAN

As Amended and Restated

Effective as of December 1, 2020
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ARTICLE</th>
<th>DESCRIPTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>DEFINITIONS</td>
<td>1</td>
</tr>
<tr>
<td>II</td>
<td>ELIGIBILITY</td>
<td>7</td>
</tr>
<tr>
<td>III</td>
<td>EMPLOYEE CONTRIBUTIONS</td>
<td>8</td>
</tr>
<tr>
<td>IV</td>
<td>CREDITED SERVICE</td>
<td>10</td>
</tr>
<tr>
<td>V</td>
<td>RETIREMENT BENEFITS</td>
<td>21</td>
</tr>
<tr>
<td>VI</td>
<td>RETIREMENT DATE</td>
<td>25</td>
</tr>
<tr>
<td>VII</td>
<td>FORM AND PAYMENT OF BENEFITS</td>
<td>27</td>
</tr>
<tr>
<td>VIII</td>
<td>DEATH BENEFITS</td>
<td>33</td>
</tr>
<tr>
<td>IX</td>
<td>TERMINATION OF EMPLOYMENT</td>
<td>35</td>
</tr>
<tr>
<td>X</td>
<td>FUNDING</td>
<td>37</td>
</tr>
<tr>
<td>XI</td>
<td>ADMINISTRATION</td>
<td>38</td>
</tr>
<tr>
<td>XII</td>
<td>AMENDMENT AND TERMINATION</td>
<td>39</td>
</tr>
<tr>
<td>XIII</td>
<td>DISCONTINUANCE OF THE PLAN</td>
<td>40</td>
</tr>
<tr>
<td>XIV</td>
<td>MISCELLANEOUS</td>
<td>42</td>
</tr>
<tr>
<td>XV</td>
<td>THRIFT PLAN</td>
<td>53</td>
</tr>
<tr>
<td>A</td>
<td>COST OF LIVING ADJUSTMENTS</td>
<td>57</td>
</tr>
</tbody>
</table>

APPENDIX A: COST OF LIVING ADJUSTMENTS
PREAMBLE

The City of Rockville, Maryland established the City of Rockville Pension Plan effective July 1, 1969, which Plan was amended from time to time thereafter. The Plan was most recently amended and restated effective as of July 1, 2015, and is now being amended and restated effective as of December 1, 2020. Unless otherwise provided herein, the provisions of the amended and restated Plan shall apply only to individuals who are employed by the City on or after December 1, 2020. Notwithstanding the foregoing, Sections 1.3, 1.6, 1.7, 7.4(c), 7.6(c), 8.8, 9.4, 15.5 and 15.6 shall apply to all Employees, whether or not employed by the City on or after December 1, 2020.
ARTICLE I
DEFINITIONS

As used in this Plan the following shall have the meaning set forth below:

1.1 "Actuarial Equivalent" means a benefit which has a value equal to the benefit otherwise payable under the Plan determined using the RP-2000 Combined Mortality Table Male and Female projected to 2005 using Scale AA, and assuming a rate of interest of 7.5% compounded annually.

1.2 "Administrative Personnel" means the group of Employees who are not Union or Police Employees.

1.3 "Beneficiary" means the Employee's designated beneficiary under the Plan or, in the absence of an effective designation, the estate of the Employee. The Beneficiary shall be the Employee’s surviving spouse unless such surviving spouse has consented in writing to another Beneficiary. Separate Beneficiary designations shall be made with respect to the defined benefit portion of the Pension Plan and the Thrift Plan.

1.4 "City" means the City of Rockville, Maryland.

1.5 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.6 "Contingent Annuitant" means the person designated by an Employee under the Plan to receive a life income in the event of the Employee's death after retirement. The Contingent Annuitant shall be the Employee’s surviving spouse unless such surviving spouse has consented in writing to another Contingent Annuitant.

1.7 "Credited Interest" means the interest that shall be credited with respect to Employee contributions and the Credited Interest thereon. On and after July 1, 1969, interest shall be credited as provided in the Group Annuity Contract.

Administrative Personnel
For Administrative Personnel, interest on Employee contributions made on or after January 1, 1986, shall be credited at the rate of 6% per year, compounded annually.

Union Employees
For Union Employees, interest on Employee contributions made on or after January 1, 1987, shall be credited at the rate of 6% per year, compounded annually.
For Police Employees, interest on Employee contributions made on or after January 1, 1988, shall be credited at the rate of 6% per year, compounded annually.

Interest credited after December 31, 1989 and until December 31, 2012 shall be credited as follows:

Interest shall be credited for the number of full months from the January 1 following date of contribution to the date of withdrawal or benefit commencement.

(a) Except as provided in (c) below, Employee contributions made for a calendar year shall be credited as of December 31 of that calendar year with 3% simple interest.

(b) Except as provided in (c) below, Employee contributions and Credited Interest thereon which has accumulated as of December 31 shall be credited as of the following December 31 with 6% simple interest.

(c) For the calendar year that Employee contributions and Credited Interest thereon are withdrawn or that benefits commence:

(1) Employee contributions made for that calendar year shall be credited as of the date of withdrawal or commencement with simple interest of 0.25% times the number of full calendar months completed during that calendar year prior to the date of withdrawal or commencement, and

(2) Employee contributions and Credited Interest thereon which has accumulated as of the December 31 prior to such calendar year shall be credited as of the date of withdrawal or commencement with simple interest of 0.5% times the number of full calendar months completed during that calendar year prior to the date of withdrawal or commencement.

Interest credited after December 31, 2012 shall be credited as follows:

Interest shall be credited for the number of full months from the January 1 following the date of contribution to the date of withdrawal or benefit commencement. Notwithstanding the foregoing, effective for contributions made on and after July 1, 2013, interest shall be credited for the number of full months from the July 1 following the date of contribution to the date of withdrawal or benefit commencement.
(d) Except as provided in (f) below, Employee contributions made between January 1, 2013 and June 30, 2013 shall be credited as of June 30, 2013 for that six (6)-month period with 1.5% simple interest. Thereafter, Employee contributions made for a Plan Year shall be credited as of June 30 of that Plan Year with 3% simple interest.

(e) Except as provided in (f) below, Employee contributions and Credited Interest thereon which has accumulated as of December 31, 2012 shall be credited as of June 30, 2013 with 3% simple interest. Thereafter, Employee contributions and Credited Interest thereon which has accumulated as of June 30 (starting with June 30, 2013) shall be credited as of the following June 30 with 6% simple interest.

(f) For the period that Employee contributions and Credited Interest thereon are withdrawn or that benefits commence:

(1) For withdrawal or benefit commencement dates between January 1, 2013 and June 30, 2013, Employee contributions made between January 1, 2013 and June 30, 2013 shall be credited as of the date of withdrawal or commencement with simple interest of 0.25% times the number of full calendar months completed during that six (6)-month period prior to the date of withdrawal or commencement. Thereafter, Employee contributions made for a Plan Year shall be credited as of the date of withdrawal or commencement with simple interest of 0.25% times the number of full calendar months completed during that Plan Year prior to the date of withdrawal or commencement.

(2) For withdrawal or benefit commencement dates between January 1, 2013 and June 30, 2013, Employee contributions and Credited Interest thereon which has accumulated as of the December 31 prior to such six (6)-month period shall be credited as of the date of withdrawal or commencement with simple interest of 0.5% times the number of full calendar months completed during that (6)-month period prior to the date of withdrawal or commencement. Thereafter, Employee contributions and Credited Interest thereon which has accumulated as of the June 30 prior to the Plan Year of withdrawal or commencement shall be credited as of the date of withdrawal or commencement with simple interest of 0.5% times the number of full calendar months completed during that Plan Year prior to the date of withdrawal or commencement.

(g) The Retirement Board may, in its discretion, amend the Plan to increase or decrease the interest crediting rate or otherwise change the interest
crediting provisions set forth in this Section 1.7, to the extent permissible under applicable law.

1.8 "Credited Service" is defined in Article IV.

1.9 "Deferred Retirement Date" is defined in Section 6.3.

1.10 "Defined Benefit-Only Option" means one of the two retirement packages under the Plan. The Defined Benefit-Only Option is available only to (a) Administrative Personnel both participating in the Plan and employed by the City as of April 14, 1986, and (b) Union Employees both participating in the Plan and employed by the City as of December 1, 1986. Police Employees shall be eligible only for the Defined Benefit-Only Option. The Defined Benefit-Only Option consists of only the defined benefit subplan (described in the definition of "Plan"), not the Thrift Plan.

1.11 "Defined Benefit/Thrift Plan Option" means one of the two retirement packages under the Plan. The Defined Benefit/Thrift Plan Option is available to (a) Administrative Personnel both participating in the Plan and employed as of April 14, 1986 and (b) Union Employees both participating in the Plan and employed as of December 1, 1986. Administrative Personnel hired before April 15, 1986 and not participating in the Plan or hired on or after April 15, 1986 and Union Employees hired before December 2, 1986 and not participating in the Plan or hired on or after December 2, 1986 shall be eligible only for the Defined Benefit/Thrift Plan Option. The Defined Benefit/Thrift Plan Option is two-tiered and consists of the defined benefit and defined contribution (Thrift Plan) subplans (described in the definition of "Plan").

1.12 "Early Retirement Date" is defined in Section 6.2.

1.13 "Earnings" means an Employee's salary or wage at his/her basic rate of pay, including longevity pay, but exclusive of all overtime pay, bonuses, commissions and extra or additional remuneration in any form.

1.14 "Employee" means any individual in the employ of the City, other than a temporary or seasonal employee, whose customary employment is for at least twenty (20) hours a week. Employees shall be divided into three (3) groups: "Union Employees", "Police Employees", and "Administrative Personnel."

1.15 "Final Average Earnings" means the following:

Administrative Personnel and Union Employees:
For Administrative Personnel and Union Employees, Final Average Earnings means the average annual Earnings during the thirty-six (36) consecutive months (or, if shorter, the Employee's actual period of employment) of the last one hundred twenty (120) months of City employment which produce the highest average.

Police Employees:
For Police Employees, Final Average Earnings means the average annual Earnings during the final sixty (60) months (or, if shorter, the Employee's actual period of employment) of the Employee's employment with the City.

The annual earnings taken into account in determining benefit accruals in any Plan Year and allocations for Plan Years beginning on or after July 1, 2020 shall not exceed $285,000, as adjusted to reflect changes in cost of living as provided in Section 401(1)(17)(B) of the Code. Annual Earnings means Earnings during the Plan Year or such other consecutive twelve (12)-month period over which Earnings are otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual Earnings for the determination period that begins with or within such calendar year. Notwithstanding the foregoing, the Section 401(a)(17) limit (as it may be adjusted from time to time) described above shall be prorated to 25% of the otherwise applicable annual limit for the short Plan Year beginning on April 1, 2013 and ending on June 30, 2013.

1.16 "Group Annuity Contract" means a group annuity contract issued to the City with respect to the Plan, or to the Plan, by an Insurance Company.

1.17 "Insurance Company" means an insurance company issuing one or more Group Annuity Contracts.

1.18 "Normal Retirement Date" is defined in Section 6.1.

1.19 "Plan" means the City of Rockville Pension Plan as set forth in this plan document. The Plan is comprised of a defined benefit subplan and a defined contribution subplan, each of which are funded through separate Trust Funds, the assets of which are available only to the subplan to which the Trust Fund relates. The defined contribution subplan is referred to as the Thrift Plan.

1.20 “Plan Year” means the twelve (12)-month period beginning on July 1, 2013, and each July 1 thereafter; provided, however, that there was a short Plan Year beginning on April 1, 2013 and ending on June 30, 2013, and before such short Plan Year, the Plan Year began each April 1.
1.21 "Police Employees" means the group of Employees serving as sworn police officers.

1.22 "Retired Employee" means any person formerly an Employee who is receiving Retirement Benefits.

1.23 "Retirement Benefits" means any amount payable to a Retired Employee, Contingent Annuitant or Beneficiary in accordance with the provisions of the Plan.

1.24 "Retirement Board" means the Retirement Board as described in Article XI.

1.25 "Thrift Plan Contribution" means the Thrift Plan matching contribution described in Section 15.3.

1.25 "Thrift Plan Supplemental Contribution" means the Thrift Plan supplemental contribution described in Section 15.4.

1.26 "Trust Agreement" means an agreement or agreements of trust between the City of Rockville and Trustee established for the purpose of holding and distributing the Trust fund under the provisions of the Plan. The Trust Agreement may provide for the investment of all or any portion of the Trust Fund in any investment arrangement as directed by the City and agreed to by the Trustee. Separate Trust Agreements are maintained for the defined benefit and defined contribution (Thrift Plan) subplans (described in the definition of "Plan").

1.27 "Trust Fund" means the total funds held under an applicable Trust Agreement. The term Trust Fund when used within a Trust Agreement shall mean only the funds held under that Trust Agreement.

1.28 "Trustee" means the party or parties named in the applicable Trust Agreement. The term Trustee, as it is used in this Plan, is deemed to include the plural unless the context clearly indicates the singular is meant.

1.29 "Union Employees" means the group of Employees who are paid according to the Union salary schedule.
ARTICLE II
ELIGIBILITY

2.1 Each Employee of the City shall be eligible to participate in the Plan on his/her first day of employment.

2.2 A contract Employee who is in a highly-paid or managerial position may be excluded from the Plan under the terms of his/her employment contract with the City. Effective April 1, 1989, a contract Employee who does not join the Plan when first employed, but subsequently joins the Plan, shall be treated as though his/her date of employment were the date he/she begins participation in the Plan and no Credited Service shall be given for prior service. Notwithstanding the foregoing, all non-appointed at-will contract employees of the City whose contracts contain provisions authorizing Thrift Plan Supplemental Contributions shall receive such contributions under the Thrift Plan.

2.3 Each eligible Employee shall be included in the Plan on the date he/she becomes eligible as set forth above, provided that he/she completes such forms as the Retirement Board prescribes, authorizes payroll deductions, designates a Beneficiary to receive any death benefits hereunder and furnishes satisfactory evidence of his/her date of birth or such other data as the Retirement Board deems necessary or desirable.

2.4 An Employee will not receive Credited Service during any period for which he/she is eligible to participate if he/she does not contribute to the Plan in accordance with Section 3.1.

2.5 Administrative Personnel, other than contract Employees described in Section 2.2, hired on or after April 15, 1986 shall become participants in the Defined Benefit/Thrift Plan Option upon their participation date as outlined above.

2.6 Union Employees hired on or after December 2, 1986 shall become participants in the Defined Benefit/Thrift Plan Option upon their participation date as outlined above.

2.7 Police Employees shall only be eligible to join under the Defined Benefit-Only Option, and shall become participants in the Defined Benefit-Only Option upon their participation date as outlined above.
ARTICLE III
EMPLOYEE CONTRIBUTIONS

3.1 Administrative Personnel---Defined Benefit-Only Option Only
From and after April 1, 1996, each eligible Administrative Employee who elects to participate in the Defined Benefit-Only Option of the Plan, and who has not retired, shall make contributions under the Plan each pay period through payroll deductions at a rate equal to 5.2% of his/her biweekly earnings.

Administrative Personnel---Defined Benefit/Thrift Plan Option
From and after April 1, 1996, each eligible Administrative Employee who participates in the Defined Benefit/Thrift Plan Option, and who has not retired, shall make contributions under the Plan each pay period through payroll deductions for the purpose of contributing to the defined benefit component of his/her retirement package. Such contribution shall be at a rate equal to 1.0% of his/her biweekly earnings.

Union Employees---Defined Benefit-Only Option Only
From and after July 1, 1975, each eligible Union Employee who elects to participate in the Defined Benefit-Only Option of the Plan, and who has not retired, shall make contributions under the Plan each pay period through payroll deductions at a rate equal to 4.2% of his/her biweekly earnings.

Union Employees---Defined Benefit/Thrift Plan Option
From and after December 2, 1986, each eligible Union Employee who participates in the Defined Benefit/Thrift Plan Option shall not be required to make contributions to the defined benefit component of his/her retirement package.

Police Employees---Defined Benefit-Only Option Only
From and after May 1, 1993, each eligible Police Employee who participates in the Defined Benefit-Only Option of the Plan, and who has not retired, shall make contributions under the Plan each pay period through payroll deductions at a rate equal to 8.5% of his/her biweekly earnings.

As of any July 1, if the City contribution to the Defined Benefit-Only Option of the Plan exceeds 6.5% of the Earnings of the Employees who are participating under the Defined Benefit-Only Option as of such July 1, the City, in its discretion, reserves the right to impose a “Supplemental Employee Contribution” for the applicable fiscal year. This Supplemental Employee Contribution shall be no more than 50% of the excess of such City contribution over 6.5% of such Earnings and shall be treated as a contribution to the Defined Benefit-Only Option.
3.2 An Employee may, with the consent of the City, suspend Employee contributions during absence from work on account of temporary layoff or leave of absence. Credited Service shall not be credited to such an Employee during such absence, but he/she will not be considered a terminated Employee for purposes of this Plan.

3.3 The amount of interest to be credited to Employee contributions shall be calculated in accordance with Section 1.7.
ARTICLE IV
CREDITED SERVICE

4.1 Credited Service Generally; Unused Leave.

(a) An Employee will receive Credited Service for each full year of continuous service and fraction thereof, to the nearest full month, from the date he/she is first included in the Plan, to the date he/she terminates his/her employment or retires, whichever first occurs, provided that he/she has made the required contributions under the Plan as in effect from time to time.

(b) Unused Sick Leave - Employees Commencing Employment Prior to July 1, 2015. This Section 4.1(b) shall apply to Employees commencing employment with the City prior to July 1, 2015 (or otherwise to the extent provided in Section 4.1(d)). An Employee shall, within thirty (30) days of his/her employment by the City, make an irrevocable written election to receive any unused sick leave upon his/her retirement either (1) as additional Credited Service under this Plan, or (2) as a cash payment in accordance with the City’s personnel policies; provided, however, that such additional Credited Service or cash payment shall be available under the Plan only if such Employee has reached the earlier of his/her Early or Normal Retirement Date upon termination of employment with the City. If an Employee retires on his/her Early, Normal or Deferred Retirement Date and has elected to receive unused sick leave in the form of a cash payment, such payment shall be made at retirement in accordance with the City’s personnel policies. If an Employee retires on his/her Early, Normal or Deferred Retirement Date and has elected to receive unused sick leave in the form of additional Credited Service under this Plan, each twenty-two (22) days of unused sick leave will be credited as one additional month of Credited Service. Any days of sick leave in excess of a multiple of twenty-two (22) days shall be converted to a cash payment at retirement in accordance with the City’s personnel policies. If an Employee has not timely made an election under this Section 4.1(b), he/she shall receive additional Credited Service as provided herein with respect to his/her unused sick leave.

(c) Unused Sick Leave - Employees Commencing Employment On or After July 1, 2015. This Section 4.1(c) shall apply to Employees commencing employment with the City on or after July 1, 2015 (or otherwise to the extent provided in Section 4.1(d)). If an Employee retires on his/her Early, Normal or Deferred Retirement Date, each twenty-two (22) days of unused sick leave will be credited as one additional month of Credited Service. Any days
of sick leave in excess of a multiple of twenty-two (22) days shall be rounded (up or down) to the nearest full month. Notwithstanding the foregoing, the maximum number of months of Credited Service that may be credited under this Section 4.1(c) is 12. No cash payment shall be made with respect to unused sick leave, either at the election of the Employee, or in respect of unused leave in excess of that which produces 12 months of Credited Service.

(d) Unused Sick Leave – Employees Returning from Absences On or After July 1, 2015. In the case of an Employee who was employed by the City before July 1, 2015, and who incurred an absence from employment that started before July 1, 2015 and ended on or after July 1, 2015, if the Employee retains Credited Service accrued for the period prior to the absence under Sections 4.2, 4.3 or 4.4, then the Employee shall be subject to Section 4.1(b) when his/her absence ends on or after July 1, 2015. By contrast, if the Employee does not retain Credited Service accrued for the period prior to the absence under Sections 4.2, 4.3 or 4.4, then the Employee shall be subject to Section 4.1(c) when his/her absence ends on or after July 1, 2015.

4.2 Service in the Armed Forces of the United States

(a) Except as otherwise provided in Section 4.2(b), to the extent that an Employee is required as a condition of employment with the City to participate in the Plan, the Employee shall receive Credited Service, not to exceed five (5) years, for a period of absence from employment with the City while in Military Service if the Employee is thereafter reinstated as a regular Employee on a leave of absence or is actively reemployed by the City within one (1) year after leaving Military Service. The Employee must formally apply for service credit in writing within one (1) year of leaving Military Service. Effective July 1, 2007, Credited Service that an Employee receives under this Section 4.2 shall be applied to such Employee’s Normal Retirement benefit using the accrual rate in effect at the time of his/her retirement from the City.

“Military Service” shall have the meaning given to that term in the Annotated Code of Maryland, State Personnel and Pensions § 38-101(d), as amended from time to time.

This section 4.2(a) shall be administered, in the discretion of the Retirement Board, in accordance with the Annotated Code of Maryland, State Personnel and Pensions § 38-101, et. seq., as amended from time to time.
(b) Notwithstanding any provision of this Plan to the contrary, effective on and after December 12, 1994, minimum contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with and to the extent required by Sections 414(u) and 401(a)(37) of the Code, as set forth in this Section 4.2(b) and as otherwise may be provided by law. However, in the event the provisions of the Plan provide for contributions, benefits and service credit which are more generous than those required in this Section 4.2(b), such provisions shall apply.

(1) If an individual dies on or after January 1, 2007, while performing Qualified Military Service, the Employee’s Beneficiaries are entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under the Plan as if such Employee resumed and then terminated employment on account of death.

(2) With respect to individuals reemployed by the City after performing Qualified Military Service, and while reemployment rights are guaranteed by Chapter 43 of Title 38 of the United States Code, the following provisions shall apply:

(i) Such individual will be treated as not having incurred a break in Continuous Service or Credited Service by reason of his or her Qualified Military Service.

(ii) Each period of Qualified Military Service completed by an individual shall count for purposes of determining the individual’s accrual of benefits under the Plan, as well as the nonforfeitability of such accrued benefits.

(iii) A reemployed individual is entitled to accrued benefits that are contingent on the making of, or derived from, employee contributions, only to the extent the individual makes payment to the Plan with respect to such contributions. No such payment may exceed the amount that the individual would have been required to contribute had he or she remained
continuously employed by the City throughout the period of Qualified Military Service. Any payment to the Plan shall be made beginning with the date of reemployment and whose duration is three times the period of the Qualified Military Service (but not greater than five years).

(3) Effective on and after January 1, 2009, the following provisions shall apply to Differential Wage Payments that may be paid by the City:

(i) To the extent that an individual receives a Differential Wage Payment, such individual will be treated as an Employee of the City.

(ii) In the event that an individual receives Differential Wage Payments under the policies that may be established from time to time by the City, such Differential Wage Payments will be treated as Compensation, to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the City rather than entering Qualified Military Service. Further, the Plan will not be treated as failing to meet the requirements of any provision described in Section 414(u)(1)(C) of the Code by reason of any contribution or benefit that is based on such Differential Wage Payments, but only if all Employees of the City performing service in the uniformed services are entitled to receive Differential Wage Payments on reasonably equivalent terms.

(4) The following definitions shall apply for purposes of this Section 4.2(b).

(i) **Differential Wage Payment.** Any payment which is made by the City with respect to any period during which the individual is performing service in the Uniformed Services while on active duty for a period of more than 30 days,
and which represents all or a portion of the wages the individual would have received from the City if the individual were performing service for the City, all within the meaning of Section 3401(h)(2) of the Code.

(ii) **Qualified Military Service.** Any military service in the Uniformed Services by an individual, if such individual is entitled to reemployment rights with respect to such military service, all within the meaning of Section 414(u)(5) of the Code.

(iii) **Uniformed Services.** The uniformed services as defined in Chapter 43 of Title 38 of the United States Code.

4.3 Any Employee who is absent because of an authorized leave of absence or layoff, and who shall return to the service of the City on or before the date such leave of absence terminates, or in the case of layoff within one (1) year and at the date he/she is first recalled, shall not receive Credited Service with respect to that period of absence, but he/she shall retain any Credited Service accrued prior to such absence, which shall be aggregated with the Credited Service such Employee receives after his/her re-employment for purposes of calculating such Employee’s retirement benefit.

Notwithstanding the foregoing, the Plan shall be administered so as to comply in all respects with the applicable provisions of the Family and Medical Leave Act of 1993.

4.4 The following rules shall govern the status, including the retirement calculation, of any Employee who has an absence not described in Section 4.2 or 4.3, and who is re-employed by the City:

(a) If the Employee (1) does not receive a refund of his/her contributions plus Credited Interest under the defined benefit subplan or a lump sum payment of his/her account under the defined contribution subplan (Thrift Plan) (as described in the definition of “Plan”), and (2) returns to the service of the City within one (1) year of the date on which his/her absence began, then he/she shall not receive Credited Service with respect to that period of absence, but he/she shall retain any Credited Service accrued prior to such absence, which shall be aggregated with the Credited Service such Employee
receives after his/her re-employment for purposes of calculating such Employee's retirement benefit.

(b) If an Employee described in subsection (a) does not return to the service of the City within one (1) year of the date on which his/her absence began, and if such Employee had at least ten (10) years of Credited Service at the time the absence began, such Employee’s retirement benefit shall be calculated as the sum of his/her retirement benefit separately determined during each period in which he/she is not absent. Upon re-employment, Administrative Personnel and Union Employees shall automatically become participants in the Defined Benefit/Thrift Plan Option.

(c) Any Employee absence, other than those described in Sections 4.2, 4.3 and subsections (a) and (b) above, shall be considered a termination of employment. If an Employee is deemed to have terminated his/her employment, then upon re-employment, he/she shall be considered to be a new Employee for all purposes of the Plan.

(d) Upon re-employment, Administrative Personnel and Union Employees shall automatically become participants in the Defined Benefit/Thrift Plan Option.

4.5 Purchase of Prior Service

(a) Upon retirement on his/her Early, Normal or Deferred Retirement Date on or after July 1, 1986, each Employee hired before January 10, 1984 may elect to purchase Credited Service, up to a maximum of six (6) months, for previous service for the period between his/her date of hire by the City and the date he/she became a participant in the Plan. Such an election, once made, is irrevocable.

An Employee electing to purchase Credited Service must pay to the Plan in a single sum at the time of such retirement the following amount: 2.3% of his/her annual rate of Earnings as of his/her date of hire with simple interest of 7.59% for the first full year and simple interest of 6% for each additional full year and fraction thereof between his/her date of hire and the time of such retirement.

(b) Each Employee may elect to purchase Credited Service, up to a maximum of thirty-six (36) months, for any previous service with a Federal, State, County or Municipal agency during which Employee was covered by a tax-qualified defined benefit pension plan, except as otherwise provided by
Section 4.6 of the Plan. In order to purchase Credited Service under this Section, an Employee must formally notify the City in writing on a form provided by the City, within 6 months following his/her date of hire by the City of his/her desire to purchase Credited Service, and must provide the City with a definitive written election, in good order (as determined by the City), within 12 months following his/her date of hire by the City, (or within such other period as the Retirement Board may determine from time to time). Such definitive written election, once made, is irrevocable.

An Employee electing to purchase Credited Service must agree to pay to the Plan the full actuarial cost of the Credited Service. The cost of the purchase equals the present value of the Employee’s projected accrued benefit including the Credited Service purchased hereunder and calculated on the basis that the Employee retires on the earliest date that the Employee could retire with an unreduced benefit (including the purchased Credited Service when determining eligibility for retirement), less the present value of the Employee’s projected accrued benefit without the Credited Service purchased hereunder as of the earliest date the Employee could retire with an unreduced benefit (not including the Credited Service purchased hereunder). The present values will be determined using the interest, post-retirement mortality, post-retirement benefit increase and pay increase assumptions used by the enrolled actuary to perform the most recent actuarial valuation of the Plan. No pre-retirement mortality or other pre-retirement decrements are assumed when determining the present values.

An Employee shall pay for the purchase of Credited Service exclusively by one of the following methods:

(1) paying a pre-tax lump sum amount at any time within one (1) year of his/her date of hire by the City, with such lump sum amount to be funded through a direct trustee-to-trustee transfer from another plan described in Sections 401(a) or 403(b) of the Code, a plan described in Section 457(b) of the Code maintained by a governmental employer (but not a non-governmental, tax-exempt employer), or a traditional individual retirement account described in Section 408 of the Code; or

(2) through biweekly payroll deduction commencing within one (1) year of his/her date of hire by the City, over a period of one (1) or three (3) years, as elected by the Employee, without interest.
The amount of each biweekly contribution shall be determined by multiplying the total amount due by a percentage as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of Biweekly Payments</th>
<th>Each Biweekly Payment is this Percentage of the Total Amount Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>26</td>
<td>3.846%</td>
</tr>
<tr>
<td>3</td>
<td>78</td>
<td>1.282%</td>
</tr>
</tbody>
</table>

The bi-weekly payroll deductions shall be treated as “picked-up” by the City and made on a pre-tax basis (for income tax purposes), but shall be subject to FICA when made in accordance with Section 3121(v)(1)(B) of the Code. An Employee who terminates employment and receives a refund of his/her contributions plus Credited Interest shall not be entitled to receive any Credited Service or City contribution under Section 9.3 or Credited Service under Section 15.5 attributable to the purchased Credited Service. In addition, if an Employee was making payments through bi-weekly payroll deductions and terminates employment before making payment in full, the Employee shall receive a refund of such payments plus Credited Interest, and shall not receive the purchased Credited Service.

4.6 (a) Transfer of Prior Service Credit to the Defined Benefit Subplan

This Section 4.6 is intended to reflect the requirements of Maryland law codified in the Annotated Code of Maryland, State Personnel and Pensions Article (“MD SPP”) § 37-201, et seq., shall be construed accordingly, and shall not provide greater or lesser rights to Employees than are provided by Maryland law.

(1) Each Employee participating in the defined benefit subplan (as described in the definition of “Plan”) shall have the right to transfer service credit that has accrued pursuant to any other State of Maryland (“State”) retirement or pension system, or local retirement or pension system within the State of Maryland (“local system”), that is operated on an actuarial basis, regardless of whether that previous system required employee contributions, but only if the Employee incurred no "break in employment," as that phrase is used in the Annotated Code of Maryland, State Personnel and Pensions § 37-201, et seq., between his/her employment with the prior State of Maryland or local employer and with the City. Once the transfer is effected, the Employee shall no longer be entitled to a benefit from...
the previous State or local system with respect to the transferred service credit.

(2) In order to effect a transfer of service credit under this Section 4.6(a), the Employee must formally elect, in writing, transfer of the service credit within one (1) year of becoming a participant in the Plan. Any Employee transferring service credit, pursuant to this Section 4.6(a), from a contributory system to the defined benefit subplan (as described in the definition of “Plan”) must deposit with the Plan the total accumulated contributions, including any accrued interest thereon, to the Employee's credit in the previous plan within one (1) year of becoming a participant in the Plan.

(3) All Employees Except for Police Employees who Transfer to the City on or after July 1, 1990

Except for Police Employees who transfer to the City on or after July 1, 1990, an Employee who transfers service credit shall receive the same amount of service credit under the defined benefit subplan (as described in the definition of “Plan”) as had accumulated under the previous system, applicable for the purposes of determining the amount of benefits, eligibility for retirement under the Plan and for meeting vesting requirements. Once service credits are transferred, the Employee must pay the rate of contribution applicable under the Plan, and the Employee becomes eligible for a pension in accordance with the Plan, taking into account the transferred service credits.

Except for Police Employees who transfer to the City on or after July 1, 1990, if an Employee transfers from a noncontributory system to the defined benefit subplan (as described in the definition of “Plan”), the Employee's pension shall, upon retirement, be reduced by the Actuarial Equivalent of the accumulated contributions, including interest thereon, that would have been deducted if the Employee had earned the transferred service credit under the Plan.

For purposes of this section 4.6(a)(3), the Employee’s pension will be reduced in accordance with the following actuarial method: Contributions that would have been made under the Plan's terms during the period of past service credit, with interest thereon at the rate credited by the Plan, shall be accumulated to the Normal Retirement Date. The Actuarial Equivalent of the accumulated
contributions shall be based on the Plan's definition of actuarial equivalence. This amount shall be calculated at the time of transfer and shall not be changed thereafter.

(4) Police Employees who Transfer to the City on or after July 1, 1990

A Police Employee who transfers to the City on or after July 1, 1990 and who transfers service credit shall receive service credit under the Defined Benefit-Only Option of the Plan based on the actuarial equivalent value of the accumulated contributions (and interest thereon) transferred to the Plan, for purposes of determining the amount of benefits, retirement eligibility and vesting. For this purpose, (a) actuarial equivalence shall be determined using the interest, post-retirement mortality, post-retirement benefit increase and pay increase assumptions used by the enrolled actuary to perform the most recent actuarial valuation of the Plan; (b) no pre-retirement mortality or other pre-retirement decrements are assumed when determining actuarial equivalence for this purpose; (c) only the actuarial cost of the benefit accrual service shall be charged; no actuarial charge shall apply for purposes of eligibility or vesting service.

Once service credit is transferred, the Police Employee must pay the rate of contribution applicable under the Plan, and the Police Employee becomes eligible for a pension in accordance with the Plan, taking into account the transferred service credits.

(5) Upon the Employee’s request, the Plan shall refund the total accumulated contributions of an Employee who is transferring, pursuant to the provisions of the Annotated Code of Maryland, State Personnel and Pension § 37-203, from the Plan to another State or local government retirement or pension system.

(6) If an Employee retires within five (5) years after transferring to the Plan, the benefits payable with respect to the transferred service credit may not be greater than the benefits that would have been payable by the previous system with respect to that service if the Employee had remained in the previous system.

(7) Employees who transfer service credit from a prior system pursuant to this Section 4.6(a) may not also purchase service credit with
respect to the same prior service, or with respect to other service from the prior system, under Section 4.5 of the Plan.

(b) This Section 4.6 shall be administered in the discretion of the Retirement Board (and shall include the discretion to extend the time deadlines with respect to elections and contribution transfers in the event any Employee is unfairly prejudiced due to circumstances outside of his control) and in accordance with the Annotated Code of Maryland, State Personnel and Pensions §37-201, et. seq., as it may from time to time be amended.
ARTICLE V
RETIREMENT BENEFITS

5.1 Normal Retirement Benefit

Police Employees
The annual amount of Normal Retirement Benefit payable to a Police Employee who retires on or after April 1, 1993, on his/her Normal Retirement Date shall be equal to the lesser of (a) 2.0% of Final Average Earnings multiplied by years of Credited Service prior to April 1, 2004, plus 2.25% of Final Average Earnings multiplied by years of Credited Service on or after April 1, 2004, or (b) 67.5% of Final Average Earnings.

Administrative Personnel—Defined Benefit-Only Option
For Administrative Personnel in the Defined Benefit-Only Option, the annual amount of Normal Retirement Benefit payable to an Administrative Employee who retires on his/her Normal Retirement Date shall be equal to 1.8% of Final Average Earnings multiplied by years of Credited Service prior to April 1, 1996, plus 2.0% of Final Average Earnings multiplied by years of Credited Service on or after April 1, 1996.

Union Employees—Defined Benefit-Only Option
For Union Employees in the Defined Benefit-Only Option, the annual amount of Normal Retirement Benefit payable to a Union Employee who retires on his/her Normal Retirement Date shall be equal to 1.8% of Final Average Earnings multiplied by years of Credited Service.

Administrative Personnel—Defined Benefit/Thrift Plan Option
For Administrative Personnel in the Defined Benefit/Thrift Plan Option, the annual amount of Normal Retirement Benefit payable to an Administrative Employee who retires on his/her Normal Retirement Date shall be equal to (a) 1.8% of Final Average Earnings multiplied by years of Credited Service prior to May 31, 1986, plus (b) 1.0% of Final Average Earnings multiplied by years of Credited Service after May 30, 1986, and before April 1, 1996, plus (c) 1.2% of Final Average Earnings multiplied by years of Credited Service after March 31, 1996.

Union Employees—Defined Benefit/Thrift Plan Option
For Union Employees in the Defined Benefit/Thrift Plan Option, the annual amount of Normal Retirement Benefit payable to a Union Employee who retires on his/her Normal Retirement Date shall be equal to 1.8% of Final Average Earnings multiplied by years of Credited Service prior to January 1, 1987, plus 1.0% of Final Average Earnings multiplied by years of Credited Service after December 31, 1986.
Employees in Multiple Classifications
For Employees earning some Credited Service in one classification and some
Credited Service in another classification, the annual amount of Normal Retirement
Benefit payable to such Employee who retires on his/her Normal Retirement Date
shall be computed in hybrid fashion based on the formulas applicable to the time
served in each classification.

5.2 Early Retirement Benefit

Police Employees
The annual amount of Early Retirement Benefit payable to a Police Employee who
retires on his/her Early Retirement Date and elects to begin receiving Retirement
Benefits shall be equal to his/her benefit under Section 5.1, accrued to his/her Early
Retirement Date. Such Early Retirement Benefit shall be decreased by 6/10 of 1%
for each month during the first five (5) years in which an Employee retires early, and
3/10 of 1% for each month during the second five (5) years in which an Employee
retires early.

Administrative Personnel and Union Employees
For retirements of Administrative Personnel commencing on or after May 31, 1986,
and retirements of Union Employees commencing on or after January 1, 1987,
the annual amount of Early Retirement Benefit payable to each such Employee who
retires on his/her Early Retirement Date and elects to begin receiving Retirement
Benefits shall be equal to his/her benefit under Section 5.1, accrued to his/her Early
Retirement Date. For Administrative Personnel and Union Employees hired before
July 1, 2011, such Early Retirement Benefit shall be decreased by 1/4 of 1% for
each month the Employee retires early. For Administrative Personnel and Union
Employees hired on or after July 1, 2011, such Early Retirement Benefit shall be
decreased by 3/8 of 1% for each month the Employee retires early.

5.3 Deferred Retirement Benefit

The annual amount of Deferred Retirement Benefit payable to an Employee who
retires on his/her Deferred Retirement Date shall be equal to his/her benefit under
Section 5.1 accrued to his/her Deferred Retirement Date.
5.4 Medical Insurance Premiums

For eligible Employees who stay with the City's policy group, the City shall pay the City's share of a Retired Employee's medical insurance premium from retirement until age sixty-five (65).

Administrative Personnel and Union Employees

For Administrative Personnel and Union Employees, eligible Employees shall be those Employees:

(a) Who retire, having both attained age sixty (60) while employed with the City, and completed at least ten (10) years of Credited Service prior to retirement,

(b) Who elect early retirement, having both attained age fifty (50) while employed with the City, and completed ten (10) years of Credited Service prior to retirement, and, additionally, are deemed to be permanently and totally disabled in accordance with the Federal Social Security Act, or

(c) Who elect early retirement when their age plus Credited Service equals or exceeds eighty-five (85).

Police Employees

For Police Employees, eligible Employees shall be those Police Employees who meet the conditions stated above, or who have attained their Normal Retirement Date while in the service of the City.

The City's share of the retiree medical insurance premium shall be the same amount the City would have paid for the Employee and the Employee's family had the Employee remained in the employment of the City. In the event the Employee is not eligible for coverage from the City's group health insurance policy due to the fact that the Employee lives outside of the coverage area, the City will reimburse the Employee for health insurance coverage up to the prevailing two-person coverage employer rate granted to current Employees.

This provision shall be considered as separate from the other provisions of the Plan for purposes of the Code. The assets used for this provision shall not be commingled with the assets used for the other provisions of the Plan.
5.5 **Cost-of-Living Adjustments**

From time to time a Retired Employee’s pension may be increased by a cost-of-living factor. The increase in such Retired Employee’s Retirement Benefit shall commence as of the first day of the month specified in the Plan amendment approving the increase. Cost-of-living adjustments since January 1, 1988 are reflected on Appendix A to the Plan; future adjustments, if any, will be reflected on such Appendix A when approved through a Plan amendment.

No such ad hoc cost-of-living increases shall indicate or establish a City policy of providing any increased Retirement Benefits to any present or future Retired Employees, other than increased benefits solely on an ad hoc basis. Ad hoc cost-of-living increases shall be in the sole discretion of the City Council.
ARTICLE VI
RETIREMENT DATE

6.1 Normal Retirement Date

Administrative Personnel and Union Employees
For Administrative Personnel and Union Employees hired before July 1, 2011, the Normal Retirement Date shall be the first day of the month coincident with or next following the Employee’s 60th birthday. For Administrative Personnel and Union Employees hired on or after July 1, 2011, the Normal Retirement Date shall be the first day of the month coincident with or next following the later of (a) the Employee’s 65th birthday, and (b) the completion of ten (10) years of Credited Service.

Police Employees
Effective May 1, 1993, for Police Employees, the Normal Retirement Date shall be the first day of the month coincident with or next following the earlier of (a) the Employee’s 60th birthday, or (b) the completion of twenty-five (25) years of Credited Service as a City Police Employee.

6.2 Early Retirement Date

Administrative Personnel and Union Employees hired before July 1, 2011 and all Police Employees

For Administrative Personnel and Union Employees hired before July 1, 2011, and for all Police Employees, Early Retirement Date shall be the first day of any month prior to such Employee’s Normal Retirement Date, but not before the later of (a) the Employee’s 50th birthday, and (b) the completion of ten (10) years of Credited Service.

Administrative Personnel and Union Employees hired on or after July 1, 2011

For Administrative Personnel and Union Employees hired on or after July 1, 2011, Early Retirement Date shall be the first day of any month prior to such Employee’s Normal Retirement Date, but not before the later of (a) the Employee’s 58th birthday, and (b) the completion of ten (10) years of Credited Service.
6.3 **Deferred Retirement Date**

An Employee’s Deferred Retirement Date shall be the first day of any month subsequent to his/her Normal Retirement Date.
ARTICLE VII
FORM AND PAYMENT OF BENEFITS

7.1 A Retired Employee's Retirement Benefit shall be payable in the form of a monthly life annuity commencing on his/her Normal, Early or Deferred Retirement Date and shall cease with the last payment due immediately preceding the Retired Employee's death; provided, however, that if the Retired Employee shall die prior to receiving at least one hundred twenty (120) monthly payments, the remainder of such one hundred twenty (120) monthly payments will be made to the Retired Employee's Beneficiary until a total of one hundred twenty (120) monthly payments has been made to the Retired Employee and his/her Beneficiary.

In the event the Beneficiary is the Retired Employee's estate, the balance of the one hundred twenty (120) guaranteed monthly payments which would otherwise have become payable shall be paid to the Retired Employee's estate in a single sum which is the Actuarial Equivalent of the remaining guaranteed payments.

If a Beneficiary of a deceased Retired Employee who is not the Retired Employee's estate should die prior to receiving the balance of the one hundred twenty (120) guaranteed monthly payments, the balance of the one hundred twenty (120) guaranteed monthly payments which would otherwise have become payable to the Retired Employee's Beneficiary shall be paid to the Beneficiary's estate in a single sum which is the Actuarial Equivalent of the remaining guaranteed payment.

If an Employee should die after his/her Normal Retirement Date and prior to his/her Deferred Retirement Date, his/her Beneficiary shall be entitled to benefits payable for one hundred twenty (120) months in an amount equal to the amount which would have been payable to the Beneficiary had the Employee retired on the date of his/her death.

7.2 In lieu of the normal form of Retirement Benefit described in Section 7.1, an Employee, who was (a) an Administrative Personnel or Union Employee in the Defined Benefit-Only Option, or (b) effective January 1, 1988, a Police Employee, may elect to receive the City's contributions and a refund of his/her contributions, plus Credited Interest.

For purposes of making this calculation, City contributions are deemed to be 150% of the Employee's contributions plus Credited Interest.

The single sum shall be paid as of the first day of the month following the month in which the Employee retires.
7.3 In lieu of the normal form of Retirement Benefit described in Section 7.1, an Employee may elect to receive a Contingent Annuitant option, which is of Actuarial Equivalent value. The joint and contingent annuity shall provide for an actuarially adjusted Retirement Benefit payable for the lifetime of the Retired Employee with the provision that following the Retired Employee's death, such adjusted pension shall continue to be paid to the Retired Employee's Contingent Annuitant at the same rate, at the rate of 2/3 or 1/2 the Retired Employee's adjusted pension. Under the Contingent Annuitant option, one hundred twenty (120) monthly payments at the rate payable while the Retired Employee is alive will be guaranteed.

The monthly payments to the Contingent Annuitant shall commence on the first day of the month following the month in which the Retired Employee dies, if the Contingent Annuitant is then living, and shall continue monthly with the last payment due for the month in which the Contingent Annuitant's death occurs.

If a Contingent Annuitant dies before the Employee commences to receive Retirement Benefits, the normal form of pension will automatically become payable as if a Contingent Annuitant option had not been elected. Except as provided in the following sentence, if the Contingent Annuitant predeceases the Retired Employee after retirement, the pension payments will cease upon the Retired Employee's death. If the death of the Retired Employee and the Contingent Annuitant occur before one hundred twenty (120) monthly payments shall have been made, the remainder of the one hundred twenty (120) monthly payments shall be payable as they become due to the Retired Employee's Beneficiary. If an Employee who has elected this option should die after his/her Normal Retirement Date and prior to his/her Deferred Retirement Date, the Contingent Annuitant, if living, shall be entitled to benefits payable for such Contingent Annuitant's further lifetime in a monthly amount equal to the amount which would have been payable to the Contingent Annuitant had the Employee retired on the date of his/her death with the Contingent Annuitant option operative.

If the Retired Employee dies after payments under this option have commenced but before he/she has received a total of one hundred twenty (120) monthly payments, monthly payments in the same amount previously paid to the Retired Employee shall continue to the Contingent Annuitant until a total of one hundred twenty (120) monthly payments have been made. After that time the Contingent Annuitant shall begin to receive monthly payments in an amount equal to the percentage specified by the Retired Employee under this option. Such payments shall cease with the last monthly payment due immediately preceding the Contingent Annuitant's death.
7.4 Notwithstanding any other provision of the Plan to the contrary:

(a) Subject to Section 7.4(b) below, in the event a participant applies for a benefit as of his/her applicable retirement date and the benefit does not commence until sometime after such retirement date due to administrative delay, the first monthly payment made to the participant shall include any payments that would have been made to the participant (without interest on such payments) had benefits commenced as of his/her applicable retirement date.

(b) If a participant fails to apply for a benefit within six (6) months following attainment of Normal Retirement Date (or if the participant actively works after Normal Retirement Date, his/her Deferred Retirement Date), benefits will automatically commence to the participant, in the normal form of benefit described in Section 7.1, on the first day of the month immediately following the date that is six (6) months after attainment of Normal Retirement Date (or Deferred Retirement Date, if applicable). The first monthly payment made to the Employee shall include any payments that would have been made to the participant (without interest on such payments) had benefits commenced as of his/her Normal (or, if applicable, Deferred) Retirement Date.

(c) Distributions from this Plan will be made in accordance with Section 401(a)(9) of the Code (which is hereby incorporated herein) and regulations issued thereunder, including Section 1.401(a)(9)-1 et seq. Any Plan provision reflecting Section 401(a)(9) of the Code shall override any Plan provision inconsistent with Section 401(a)(9) of the Code. For a participant reaches age 70-1/2 after December 31, 2019, the required beginning date for lifetime distributions under Section 401(a)(9) is April 1 of the calendar year following the calendar year in which occurs the later of the participant reaching age 72 or terminating employment with the City.

7.5 If a Retired Employee is re-employed by the City, his/her Retirement Benefit payments shall cease with the last payment due prior to his/her re-employment. Retirement Benefit payments shall again become payable on the first day of the month following subsequent termination of employment.

7.6 Direct Rollover Option:
Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee’s election under this Section, a distributee may elect, at the time and in the manner prescribed by the Retirement Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover in accordance with Section 401(a)(31) of the Code.
(a) **Definitions:**

1. **Eligible Rollover Distribution:**
   
   An “eligible rollover distribution” is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

   (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated Beneficiary, or for a specified period of ten (10) years or more,

   (ii) any hardship distribution, or

   (iii) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code.

   A distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code or to a qualified trust or annuity plan described in Section 401(a) or 403(a) of the Code or an annuity contract described in Section 403(b) of the Code if such trust or annuity plan or contract provides for separate accounting for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

2. **Eligible Retirement Plan:**

   An “eligible retirement plan” is:

   (i) an individual retirement account described in Section 408(a) of the Code, including a Roth IRA described in Section 408A of the Code,

   (ii) an individual retirement annuity described in Section 408(b) of the Code, including a Roth IRA described in Section 408A of the Code,
(iii) a qualified trust described in Section 401(a) of the Code or an annuity plan described in Section 403(a) of the Code, that accepts the distributee’s eligible rollover distribution,

(iv) an annuity contract described in Section 403(b) of the Code that accepts the distributee’s eligible rollover distribution, and

(v) an eligible plan described in Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, that accepts the distributee’s eligible rollover distribution and agrees to account separately for amounts transferred into such plan from this Plan.

The foregoing definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a domestic relations order.

(3) **Distributee:**

A “distributee” includes a participant or former participant. In addition, the participant’s or former participant’s surviving spouse is a distributee with regard to the interest of the spouse or former spouse.

(4) **Direct Rollover:**

A “direct rollover” is a payment by the Plan to the eligible retirement plan specified by the distributee.

(b) **Nonspouse Beneficiary:**

A nonspouse Beneficiary of a deceased participant is also a distributee for purposes of this Section 7.6; provided, however, in the case of a nonspouse Beneficiary, the direct rollover may be made only to an individual retirement account or annuity under Section 408 of the Code that is established on behalf of the nonspouse Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Section 402(c)(11) of the Code. The determination of the extent to which a distribution to a nonspouse Beneficiary is required under Section 401(a)(9) of the Code shall be made in accordance with applicable IRS guidance.
(c) IRA Rollover of Small Benefits and Account Balances Involuntarily Distributed from the Plan.

If the benefit or account balance of a participant valued at $5,000 or less is involuntarily distributed under Sections 8.8, 9.4 or 15.6, unless the participant makes an affirmative election regarding the manner of distribution, the distribution shall be rolled over to an individual retirement account with a custodian selected from time to time by the City.
ARTICLE VIII
DEATH BENEFITS

8.1 In the event an Employee dies prior to his/her Normal Retirement Date and if, as of the date of his/her death, he/she has completed at least ten (10) years of Credited Service, a death benefit will become payable to the Beneficiary of such Employee.

Unless otherwise elected by the deceased Employee’s Beneficiary pursuant to Section 8.7, such death benefit will be in the form of a monthly payment, to commence as of the first day of the month following the death of the Employee, and continuing until the first day of the month preceding the date of death of the Beneficiary.

The monthly amount of such death benefit payable to the Beneficiary shall be equal to 50% of the monthly amount that would have been payable to the Employee, determined in accordance with Section 5.1 and based on his/her years of Credited Service up to the date of his/her death, but determined without regard to any actuarial reduction due to the fact that the Employee had not attained Normal Retirement Age.

8.2 In the event a death benefit becomes payable to the Beneficiary of an Employee under the provisions hereof, all provisions of the Plan applicable to a Retired Employee shall, insofar as consistent with Section 8.1 herein, be applicable with respect to such Beneficiary, and all references to pensions shall, insofar as consistent with Section 8.1, be applicable to benefits payable under Section 8.1. Payment of a death benefit under Section 8.1 herein shall render inoperative any election of an option under Article VII.

8.3 If an Employee dies before his/her Normal Retirement Date, and a death benefit is not payable under the provisions of Section 8.1 above because he/she had not completed at least ten (10) years of Credited Service, then, provided that he/she has not previously received a refund of his/her contributions, a death benefit will be payable in a single sum to the Employee's Beneficiary in an amount equal to (a) the contributions the Employee has made under the Plan, plus Credited Interest thereon, to the Employee’s date of death, plus (b) the vested portion, if any, of the City’s contributions plus Credited Interest (as described in Section 9.3).

8.4 In the event an Employee who has terminated his/her employment, as described in Section 9.1, should die before his/her Normal Retirement Date, and provided that he/she has not previously received a refund of his/her contributions, a death benefit will be payable in a single sum to the Employee’s Beneficiary in an amount equal to
(a) the contributions the Employee has made under the Plan, plus Credited Interest thereon, to the Employee's date of death, plus (b) the vested portion, if any, of the City's contributions plus Credited Interest (as described in Section 9.3).

8.5 If an Employee dies on or after his/her Normal Retirement Date, but before his/her Deferred Retirement Date, a death benefit will become payable to his/her Beneficiary in accordance with Section 7.1

8.6 If a Retired Employee dies, death benefits will be payable in accordance with Section 7.1 or 7.3, unless an optional form had been elected by the Employee. In such an event, death benefits will be made in accordance with the terms of the optional form of payment elected.

8.7 In the event a death benefit becomes payable under the provisions of this Article with respect to (a) an Administrative Employee who was an Employee on or after May 31, 1986, (b) a Union Employee who was an Employee on or after December 30, 1986, or (c) a Police Employee, then, provided that the Retirement Benefits of any such Employee had not commenced before the date of his/her death, the deceased Employee's Beneficiary may elect to receive, in lieu of any other benefit in this Article, a lump sum equal to that which the deceased Employee would have been entitled to receive under the provisions of Section 9.3 on the day prior to the Employee's death.

8.8 Notwithstanding any provision of the Plan to the contrary, if the value of any death benefit (including Employee contributions plus interest, as described in Article III) is $5,000 or less, distribution shall be made in an immediate lump sum payment, subject to Section 7.6(c).
ARTICLE IX
TERMINATION OF EMPLOYMENT

9.1 An Employee who has completed at least ten (10) years of Credited Service and who terminates his/her employment with the City prior to his/her Early or Normal Retirement Date shall be entitled to a Retirement Benefit to commence as of his/her Normal Retirement Date (or Early Retirement Date, if elected by such Employee). The amount of the Retirement Benefit will be determined in accordance with Section 5.1, but based on years of Credited Service to date of termination of employment.

Upon termination of employment, the City shall provide the Employee with a statement showing the Employee’s benefit payable at Normal Retirement Date. An Employee has thirty (30) days from the date of receipt of the statement to appeal the amount of his/her benefit.

9.2 In lieu of having a Retirement Benefit at Normal Retirement Date, an Employee described in Section 9.1 may elect to receive at any time prior to his/her Normal Retirement Date a refund of his/her contributions, plus Credited Interest thereon, payable in a single sum. For (a) Administrative Personnel and Union Employees in the Defined Benefit-Only Option or in the Defined Benefit/Thrift Plan Option with defined benefit Employee contributions, or (b) effective January 1, 1988, Police Employees, a terminating Employee shall, in addition to his/her contributions plus Credited Interest, receive a portion of the City’s contributions, as determined in Section 9.3.

9.3 An Employee who terminates his/her employment with the City prior to his/her Early or Normal Retirement Date, and who does not meet the Credited Service requirements set forth in Section 9.1, shall receive a refund of his/her contributions, plus Credited Interest, paid in a single sum as soon as administratively feasible following such termination. Administrative Personnel and Union Employees in the Defined Benefit-Only Option or in the Defined Benefit/Thrift Plan Option with defined benefit Employee contributions, or effective January 1, 1988, Police Employees, shall, in addition to his/her contributions plus Credited Interest, receive a portion of the City’s contributions plus Credited Interest upon separation from service according to the following table:

<table>
<thead>
<tr>
<th>Years of Credited Service</th>
<th>Percent of City Share Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5</td>
<td>None</td>
</tr>
<tr>
<td>5</td>
<td>50%</td>
</tr>
</tbody>
</table>

Page 35
For the purposes of making this calculation, City contributions are deemed to be 150% of the Employee's contributions plus Credited Interest. An Employee shall be 100% vested in the City's share upon attaining his/her Normal Retirement Date. For Defined Benefit/Thrift Plan Option employees with defined benefit Employee contributions made after March 31, 1986, City contributions are deemed to be zero.

9.4 Notwithstanding any provision of the Plan to the contrary, if the value of a participant's benefit (including Employee contributions plus interest, as described in Article III) is $5,000 or less, distribution shall be made in an immediate lump sum payment, subject to Section 7.6(c).
ARTICLE X

FUNDING

10.1 For the purposes of providing Retirement Benefits for Retired Employees during the continuance of this Plan, the City will make periodic payments to the Insurance Company or Trustee, determined on the basis of actuarial estimates as furnished by the Plan's actuary, subject to appropriation by the Mayor and City Council. The Plan's actuary shall be an individual who is enrolled with the Joint Board for the Enrollment of Actuaries as provided for in Section 7701(a)(35) of the Code. These payments shall be paid to the Insurance Company or Trustee and accumulated so that the accumulation and the Employee's contributions shall be sufficient to purchase at retirement for each Employee entitled thereto the Retirement Benefits described in the Plan. The Employee contribution will also be forwarded by the City to the Insurance Company or Trustee.

10.2 No part of the funds held by the Insurance Company or Trustee shall be used for, or diverted to, purposes other than for the exclusive benefit of Employees covered under this Plan and their Beneficiaries prior to the satisfaction of all liabilities thereunder with respect to them. No person shall have any interest in or right to any of the funds contributed to or held by the Insurance Company or contributed to the Trust and held in the Trust Fund under this Plan except as expressly provided in this Plan and the Group Annuity Contract and the Trust, and then only to the extent that such funds have been contributed by the City and the Employees to the Insurance Company or Trust Fund.

10.3 The City expressly reserves the right to change the method of funding at any time at its own selection and without the consent of any other person or organization of any kind.

10.4 Notwithstanding any contrary provision of the Plan, the principles incorporated in the Uniform Management of Public Employee Retirement Systems Act that address the investment and management of Plan assets shall be adhered to in connection with the investment and management of Plan assets, to the extent required under the Annotated Code of Maryland, State Personnel and Pensions §40-101, as those sections may from time to time be amended.
ARTICLE XI
ADMINISTRATION

11.1 There shall be a Retirement Board appointed by the City to administer the Plan.

11.2 The “Retirement Board” means the seven (7)-member body whose members, except for the City Manager, are appointed by the Mayor and confirmed by the Council. The members are composed of a member of the Mayor and Council, the City Manager, three (3) elected City employees (generally a Union, FOP, and Administrative representative) and two (2) Rockville residents, one who serves as Chairperson. The Councilperson and City Manager are permanent Board members. All others are appointed for two (2)-year terms.

11.3 The Retirement Board shall have complete control of the administration of this Plan at all times to the limitations and conditions specified in or imposed by this Plan, or the Group Annuity Contract or the Trust. The Retirement Board shall have the right to make such rules as may be necessary for such administration.

11.4 All decisions of the Retirement Board with respect to such administration shall be conclusive and shall be binding on all parties to this Plan, except as may be otherwise provided for herein.
ARTICLE XII
AMENDMENT AND TERMINATION

12.1 It is the intent of the City that this Plan shall be permanent and shall remain in effect for an indefinite period. The City, however, reserves the right to modify or discontinue the Plan at any time in the event unforeseen circumstances make such amendment or discontinuance necessary. The City expressly reserves the right to modify the Plan in order to take advantage of or conform the Plan to the provisions of any statute or ruling of the Federal or any State government, or of any duly constituted agency thereof.
ARTICLE XIII
DISCONTINUANCE OF THE PLAN

13.1 In the event this Plan shall be discontinued, no further City or Employee contributions shall be made to the Insurance Company or Trustee. At the date of discontinuance of the Plan, Employees who have not retired shall be entitled to the return of their contributions plus Credited Interest, or in lieu thereof may elect to have such contributions with Credited Interest applied to purchase paid-up deferred Retirement Benefits. In addition thereto, all Retirement Benefits for Employees, Retired Employees, Contingent Annuitants, Beneficiaries or surviving spouses under this Plan shall be nonforfeitable, to the extent funded, and shall be vested in such persons and the City payments available for the purchase of Retirement Benefits shall be allocated at the date of discontinuance in the manner hereinafter described.

(a) Any funds paid by the City to the Insurance Company or Trustee which shall be available for distribution upon discontinuance of the Plan shall be applied to purchase Retirement Benefits for Employees, Contingent Annuitants, Beneficiaries, or surviving spouses who are already receiving Retirement Benefits on the date of discontinuance or for Employees who have on that date attained their Normal or Deferred Retirement Date in amounts to which said Employees, or their Beneficiaries, shall be entitled under the Plan to the extent that sufficient funds thereof shall be available.

(b) Any funds paid by the City to the Insurance Company or Trustee which shall be available for distribution after the purchase of the Retirement Benefits described in Section 13.1(a) above shall be applied to purchase Retirement Benefits for Employees who have attained their Early Retirement Date at the date of discontinuance in amounts to which said Employees shall be entitled under the Plan to the extent that sufficient funds shall be available.

(c) Any funds paid by the City to the Insurance Company or Trustee which shall be available for distribution after the purchase of Retirement Benefits described in Section 13.1(a) or 13.1(b) above shall be applied to purchase Retirement Benefits at the date of such discontinuance for all other Employees in amounts to which said Employees shall be entitled under the Plan to the extent that sufficient funds shall be available.

13.2 Said available funds shall be used to completely purchase Retirement Benefits in any one class as described above before being used for subsequent classes. In the event the funds available for a class are insufficient to completely purchase the
Retirement Benefits for such class; they shall be applied pro rata within the class to purchase such benefits to the extent that such funds are sufficient.

13.3 Any funds paid by the City to the Insurance Company or Trustee which shall be available for distribution after the purchase in full of the Retirement Benefits described in Sections 13.1(a), 13.1(b), and 13.1(c) above shall be deemed to have become available as a result of actuarial error and shall be paid in cash to the City, provided, however, that no funds shall revert to the City prior to the satisfaction of all liabilities under the Plan.

13.4 The provision of this Article XIII shall not become operative nor shall the Plan be deemed to be discontinued merely because the City changes the method of funding or changes the agency through which the Plan is funded.
ARTICLE XIV
MISCELLANEOUS

14.1 Inclusion in the Plan shall not be construed as giving an Employee any right to be retained in the service of the City without its consent, nor shall it interfere with the right of the City to discharge the Employee, nor shall it give the Employee any right, claim or interest in any Retirement Benefits herein described except upon fulfillment of the provisions and requirements of this Plan.

14.2 Retirement Benefit payments shall be paid to any Retired Employee less frequently than monthly where the amount of monthly Retirement Benefit is less than $20.00 per month, or shall be paid in a lump sum payment to any Retired Employee in lieu of his/her monthly Retirement Benefit where such monthly benefit would be less than $10.00, such lump sum payment to be Actuarial Equivalent of such monthly Retirement Benefit.

14.3 No benefit payable at any time under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, garnishment or encumbrance of any kind unless so specifically provided in the terms of this Plan or applicable law. Any attempt to otherwise alienate, sell, transfer, assign, pledge or encumber any such benefits whether presently or thereafter payable shall be void.

This section 14.3 shall apply to the creation, assignment or recognition of a right to any benefit or other amount payable to an Employee pursuant to a domestic relations order, unless such order is determined by the Administrator to be a qualified domestic relations order, as defined in Code Sections 414(p)(1)(A)(i) and 414(p)(11), in which case such benefit or portion of that benefit shall be paid out in accordance with the terms of the court order directing the attachment of the benefit payment.

14.4 This Plan shall be construed and enforced under the laws of the State of Maryland and all of the provisions hereof shall be administered in accordance with the laws of that State.

14.5 Effective January 1, 1987, the City shall pick up under the provisions of Section 414(h)(2) of the Code the Employee contributions required by Sections 3.1 and 15.2 for Administrative Personnel and Union Employees for all Earnings earned after December 31, 1986. The City shall pick up, under the provisions of Section 414(h)(2) of the Code, the Employee contributions required by Section 3.1 for Police Employees for all Earnings after December 29, 1991. The City shall pick up, under the provisions of Section 414(h)(2) of the Code, the Employee contributions required by Section 4.5 (to the extent made through payroll deduction) and Section
4.6. The City hereby specifies that although these contributions are so designated as Employee contributions, said contributions are being paid by the City in lieu of contributions by the Employee. The Employee contributions picked up by the City are not subject to the option of the Employee receiving the picked up amounts directly and must be paid to the Plan. The contributions so picked up shall be treated as City contributions in determining tax treatment under the Code; however, the contributions so picked up shall be included in Earnings for purposes of this Plan. The City shall pay these Employee contributions from the same source of funds, which is used in paying Earnings to the Employee. Employee contributions, which are picked up, shall be treated, for all purposes of this Plan, in the same manner and to the same extent as Employee contributions made prior to the date picked up.

14.6 Limitation on Pension Benefits

Notwithstanding any Plan provisions to the contrary, effective for Plan Years beginning on or after July 1, 2007:

(a) Maximum Benefit and Contributions

   To the extent necessary to prevent disqualification under Section 415 of the Code, and subject to the remainder of this Section 14.6, the maximum annual benefit to which any Employee may be entitled in any Plan Year (hereafter referred to as the “maximum benefit”) shall not exceed the “Defined Benefit Dollar Limit” (adjusted as provided in Section 14.6(b)), which limit shall be determined in accordance with the following:

   (1) The Defined Benefit Dollar Limit shall be $230,000 as of July 1, 2020, as adjusted for future Plan Years under Section 415(d) of the Code.

   (2) The Defined Benefit Dollar Limit as set forth above is the annual amount payable in the form of a straight life annuity, beginning no earlier than age sixty-two (62) (except as provided in Section 14.6(b)(2)(i)) and no later than age sixty-five (65). In the case of a monthly amount payable in a form other than a straight life annuity, or beginning before age sixty-two (62) or after age sixty-five (65), the adjustments in Section 14.6(b) shall apply.

   The dollar limits in this Section shall be adjusted, effective January 1 of each year, under Section 415(d) of the Code, in such manner as the Secretary of the Treasury shall prescribe, for active Employees entitled to receive benefits, without any amendment to this Plan, to reflect cost of...
living increases announced by the Service pursuant to Section 415(d) of the Code and the increase which is effective as of the January 1st contained within the Plan Year shall be effective for the entire Plan Year.

(b) Actuarial Adjustments Relating to Defined Benefit Dollar Limit

(1) Adjustment for Benefit Payable in Form Other than Straight Life Annuity

(i) If a monthly benefit is payable in a form other than a straight life annuity, before applying the Defined Benefit Dollar Limit, the benefit shall be adjusted, in the manner described in Section 14.6(b)(1)(ii) or (iii), to the actuarially equivalent straight life annuity that begins at the same time. No actuarial adjustment to the benefit shall be made for (A) survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity (as defined for purposes of Section 415 of the Code) to the extent such benefits would not be payable if the Employee’s benefit were paid in another form, (B) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits), or (C) in the case of a form of benefit not subject to Section 417(e)(3) of the Code, the inclusion of a feature under which a benefit increases automatically to the extent permitted to reflect cost of living adjustments and the increase, if any, in the Defined Benefit Dollar Limit under Section 415(d) of the Code.

(ii) If the benefit of an Employee is paid in a form not subject to Section 417(e) of the Code, the actuarially equivalent straight life annuity (without regard to cost-of-living adjustments described in this Section 14.6 is equal to the greater of (A) the annual amount of the straight life annuity (if any) payable to the Employee under the Plan commencing at the same time, or (B) the annual amount of the straight life annuity commencing at the same time that has the same actuarial present value as the Employee’s form of benefit, computed using a 5% interest rate and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Section 417(e)(3) of the Code.
(iii) If the benefit of an Employee is paid in a form subject to Section 417(e) of the Code, the actuarially equivalent straight life annuity is equal to the greatest of: (A) the annual amount of the straight life annuity commencing at the benefit commencement date that has the same actuarial present value as the Employee’s form of benefit, computed using the interest rate and mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form, (B) the annual amount of the straight life annuity commencing at the time that has the same actuarial present value as the Employee’s form of benefit, computed using a 5.5% interest rate assumption and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Section 417(e)(3) of the Code, or (C) the annual amount of the straight life annuity commencing at the same time that has the same actuarial present value as the Employee’s form of benefit, computed using the applicable interest rate and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Section 417(e)(3) of the Code, divided by 1.05.

With respect to any benefit described in this Section 14.6(b)(1)(iii) which had a benefit commencement date in Plan Years commencing in 2004 or 2005, this Section 14.6(b)(1)(iii), with the exception of clause (C), shall apply to any required adjustment.

(iv) For purposes of this Section 14.6(b)(1), whether a form of benefit is subject to Section 417(e) of the Code is determined without regard to the status of the Plan as a governmental plan as described in Section 414(d) of the Code.

(2) Adjustment for Benefit Commencement before Age Sixty-Two (62) or after Age Sixty-Five (65)

(i) If the benefit of an Employee begins prior to age sixty-two (62), the Defined Benefit Dollar Limit applicable to the Employee at such earlier age is an annual benefit payable in the form of a straight life annuity beginning at the earlier age that is the actuarial equivalent of the Defined Benefit Dollar Limit applicable to the Employee at age sixty-two (62) (adjusted for participation of fewer than ten (10) years, if
applicable) computed using a 5% interest rate and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Section 417(e)(3) of the Code. However, if the Plan provides an immediately commencing straight life annuity payable at both age sixty-two (62) and the age of benefit commencement, the Defined Benefit Dollar Limit is the lesser of: (A) the limitation determined under the immediately preceding sentence, or (B) the Defined Benefit Dollar Limit (adjusted for participation of fewer than ten (10) years, if applicable) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the age of benefit commencement to the annual amount of the immediately commencing straight life annuity under the Plan at age sixty-two (62), both determined without applying the limitations of this Section. In addition, the adjustment in this Section 14.6(b)(2)(i) shall not apply as a result of benefits paid on account of disability or as a result of the death of an Employee.

The preceding paragraph (i) shall not apply for years beginning after December 31, 1996 to Police Employees who are “qualified participants,” as that term is herein defined. A “qualified participant” for purposes of Section 14.6(b)(2)(i) is an Employee with respect to whom the period of service taken into account in determining the amount of benefit under the Plan includes at least fifteen (15) years of service of the Police Employee as (A) a full time-Employee as a sworn police officer of the City, or (B) a member of the Armed Forces of the United States.

(ii) If the benefit of an Employee (including a Police Employee who is a “qualified participant”) begins after age sixty-five (65), the Defined Benefit Dollar Limit applicable to the Employee at the later age is the annual benefit payable in the form of a straight life annuity beginning at the later age that is actuarially equivalent to the Defined Benefit Dollar Limit applicable at age sixty-five (65) (adjusted for participation of fewer than ten (10) years, if applicable) computed using a 5% interest rate assumption and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Section 417(e)(3) of the Code. However, if the Plan provides an immediately
commencing straight life annuity payable at both age sixty-five (65) and the age of benefit commencement, the Defined Benefit Dollar Limit is the lesser of (A) the limitation determined under the immediately preceding sentence, or (B) the Defined Benefit Dollar Limit (adjusted for participation of less than ten (10) years if applicable) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the age of benefit commencement to the annual amount of the adjusted, immediately commencing straight life annuity under the Plan at age sixty-five (65), both determined without applying the limitations of this Section. For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the age of the benefit commencement date is the annual amount of such annuity payable to the Employee, computed disregarding the Employee’s accruals after age sixty-five (65) but including any actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted, immediately commencing straight life annuity under the Plan at age sixty-five (65) is the annual amount of such annuity that would be payable under the Plan to a hypothetical participant who is age sixty-five (65) and has the same accrued benefit as the Employee.

(iii) Mortality Adjustments. For purposes of this Section 14.6(b)(2), no adjustment shall be made to the Defined Benefit Dollar Limit to reflect the probability of an Employee’s death between the benefit commencement date and age sixty-two (62), or between age sixty-five (65) and the benefit commencement date, as applicable, if benefits are not forfeited upon the death of the Employee prior to the benefit commencement date. To the extent benefits are forfeited upon death before the benefit commencement date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the participant’s death if the Plan does not charge Employees for providing a qualified preretirement survivor annuity (as defined for purposes of Section 415 of the Code) upon the Employee’s death.
(c) Reducing Dollar Limit

If the Employee has fewer than ten (10) years of participation in the Plan (as determined under Section 415 of the Code and the regulations thereunder), the Defined Benefit Dollar Limit shall be multiplied by a fraction, the numerator of which is the number of years (or part thereof) of participation in the Plan and the denominator of which is ten (10). The adjustment in this Section 14.6(c) shall not apply to benefits paid on account of Disability or as a result of the death of an Employee.

(d) Other Reductions in Maximum Benefit

In addition to the foregoing, the maximum benefit shall be reduced, and the rate of benefit accrual shall be frozen or reduced accordingly, to the extent necessary to prevent disqualification of the Plan under Section 415 of the Code, with respect to any Employee who is also a participant in:

(1) any other tax-qualified defined benefit plan maintained by the City, and/or

(2) any tax-qualified defined benefit plan maintained by an affiliated or predecessor employer, as described in regulations under Section 415 of the Code, or otherwise required to be taken into account under such regulations.

(e) Multiple Benefit Commencement Dates

If an Employee has distributions commencing at more than one benefit commencement date (determined in accordance with Section 415 of the Code and the regulations thereunder), the benefits payable as of each such benefit commencement date shall satisfy the limitations of this Section 14.6 as of each such date, actuarially adjusting for past and future distributions of benefits commencing at the other benefit commencement dates.

(f) Grandfathered Benefits

The application of the provisions of this Section shall not cause the maximum permissible benefit for any Employee to be less than the Employee’s Normal Retirement Benefit under this Plan as of the end of
the last Plan Year beginning before July 1, 2007 under provisions of this Plan that were both adopted and in effect before April 5, 2007 and that satisfied the limitations under Section 415 of the Code as in effect as of the end of the last Plan Year beginning before July 1, 2007.

(g) Incorporation of Section 415 Limits

To the extent an Employee’s benefit is subject to provisions of Section 415 of the Code which have not been set forth in the Plan, such provisions are hereby incorporated by reference into this Plan and for all purposes shall be deemed a part of the Plan.

14.7 Special Rules Relating to Purchase of Permissive Service Credit

(a) If an Employee makes one or more contributions to the Plan to purchase Permissive Service Credit pursuant to Article IV or otherwise, then the requirements of Section 415 of the Code will be met with respect to these contributions only if:

(1) The requirements of Section 415(b) of the Code are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of such section (provided, however, that the Plan shall not fail to meet the reduced limit under Section 415(b)(2)(C) of the Code solely by reason of this Section 14.7(a)(1); or

(2) The requirements of Section 415(c) of the Code are met, determined by treating all such contributions as annual additions for purposes of such section (provided, however, that the Plan shall not fail to meet the percentage limitation under Section 415(c)(1)(B) of the Code solely by reason of this Section 14.7(a)(2).

(b) For purposes of this Section 14.7, "Permissive Service Credit" shall mean service credit which is:

(1) Recognized by the Plan for purposes of calculating an Employee’s benefit under the Plan;

(2) Which such Employee has not otherwise received under the Plan; and
(3) Which such Employee may receive only by making a voluntary additional contribution, in an amount determined under the Plan, which does not exceed the amount necessary to fund the benefit attributable to such service credit.

Permissive Service Credit may include service credit for periods for which there is no performance of service, and, notwithstanding clause (2) above, may include service credited in order to provide an increased benefit for service credit which a participant is receiving under the Plan.

(c) Anything contained herein to the contrary notwithstanding, no more than five (5) years of Nonqualified Service Credit may be taken into account under the Plan. Furthermore, no Nonqualified Service Credit may be taken into account under the Plan until the Employee has at least five (5) years of participation under the Plan.

(d) For purposes of this Section 14.7, "nonqualified service credit" shall mean Permissive Service Credit other than that allowed with respect to:

(1) Service (including parental, medical, sabbatical and similar leave) as an employee of the government of the United States, any state or a political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of a repayment described in Section 14.7(e) hereof);

(2) Service (including parental, medical, sabbatical and similar leave) as an employee (other than as an employee described in clause (i) of an educational organization described in Section 170(b)(1)(A)(ii) of the Code which is a public, private or sectarian school which provides elementary or secondary education (through grade twelve (12)), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed;

(3) Service as an employee of an association of employees who are described in Section 14.7(d)(1) above; or

(4) Military service (other than qualified military service under Section 414(u) of the Code) recognized by the Plan.
In the case of service described in Sections 14.7(d)(1), (2) or (3) above, such service shall be nonqualified service if recognition of such service would cause an Employee to receive a retirement benefit for the same service under more than one plan.

(e) In the case of any repayment of a Employee's contributions (including interest thereon) to the Plan with respect to an amount previously refunded upon a forfeiture of Credited Service under this Plan or under any other governmental plan maintained by the State of Maryland or other local government employer within the State of Maryland, any such repayment shall not be taken into account for purposes of Section 415 of the Code.

(f) If an Employee elects to purchase Permissive Service Credit hereunder, as described in Section 4.6 of the Plan, or repay mandatory participant contributions plus interest, as described in Section 4.6(a)(2) of the Plan, the Employee may elect to have amounts credited to him under any tax-sheltered annuity under Section 403(b) of the Code or deferred compensation plan under Section 457(b) of the Code transferred directly from the trustee or custodian of such arrangement to the Trustee of this Plan in order to satisfy such purchase or repayment obligation.

In the case of a trustee-to-trustee transfer described in Section 14.7(f), the limitations on purchase of service credit set forth in subsection (c) above shall not apply in determining whether the transfer is for the purchase of Permissive Service Credit. Furthermore, the distribution rules otherwise applicable to this Plan shall apply to such transferred amounts and to any benefits attributable to such transferred amounts.

(g) This Section 14.7 shall be effective with respect to repayment contributions and Permissive Service Credit contributions made in years beginning no earlier than January 1, 1998. Notwithstanding the foregoing, in the case of an eligible Employee, the limitations of Section 415(c)(1) of the Code shall not be applied to reduce the amount of Permissive Service credit which may be purchased to an amount which is less than the amount which was allowed to be purchased under the terms of the Plan as in effect on August 5, 1997.
For purposes of this Section 14.7(f), an "eligible participant" is an individual who first became a participant in the Plan before January 1, 1998.

14.8 Any forfeitures arising under the Plan for any reason shall not be applied to increase the benefit of any person hereunder, but rather, shall be applied to pay administrative expenses of the Plan and Trust that funds the Plan if and as directed by the Retirement Board and/or be used to reduce the City's contribution under the Plan.

14.9 All rights and benefits (including, but not limited to, rights of election of payment form and designation of Beneficiary) afforded to an Employee or Beneficiary in this Plan shall be subject to the rights afforded to any alternate payee under a qualified domestic relations order, as those terms are defined in Sections 414(p)(1)(A)(i) and 414(p)(11) of the Code.

14.10 All provisions hereunder relating to the spouse of an Employee shall be construed and administered in accordance with IRS Revenue Ruling 2013-17, IRS Notice 2014-19, and any subsequent guidance relating to same-sex spouses.
ARTICLE XV
THRIFT PLAN

15.1 The Thrift Plan is available to (a) Administrative Personnel hired on or after April 15, 1986, (b) Administrative Personnel employed by the City as of April 14, 1986, who elect to be covered by the Defined Benefit/Thrift Plan Option, (c) Union Employees hired on or after December 2, 1986, and (d) Union Employees employed by the City as of December 1, 1986 who elect to be covered by the Defined Benefit/Thrift Plan Option. Participation in the Defined Benefit/Thrift Plan Option by Administrative Personnel hired on or after April 15, 1986 and Union Employees hired on or after December 2, 1986 is mandatory.

15.2 Each participant in the Thrift Plan shall elect, within thirty (30) calendar days of becoming an eligible participant, to reduce his/her Earnings by 1%, 2%, 3%, 4%, or 5% (in whole percentages only) in order to make periodic contributions to the Thrift Plan. Such election shall become effective with respect to any Earnings of the Employee attributable to service on and after the first day of the first pay period that begins after receipt by the City of the Employee's completed election form and shall be irrevocable for the tenure of such Employee’s employment. The Thrift Plan does not accept rollover contributions from any other plan.

15.3 The City shall make a matching Thrift Plan Contribution equal to $0.50 for each $1.00 contributed by an Employee.

15.4 The Thrift Plan Supplemental Contribution set forth in this Section 15.4 covers all charter-appointed employees, and all non-appointed at-will contract employees of the City whose contracts contain provisions authorizing this benefit. For each payroll period, the City shall provide an employer contribution equal to 10% of the amount of base salary paid for such payroll period for each Employee eligible therefor under this Section 15.4.

15.5 An individual bookkeeping account shall be maintained by the City (or by such recordkeeper as the City may designate) on behalf of each Employee until such account is used to provide an annuity or is otherwise distributed in accordance with the further terms of this Plan. Each Employee’s account will be maintained as to reflect the amount attributable to Employee contributions (as adjusted for investment experience), to Thrift Plan Contributions (as adjusted for investment experience), and to Thrift Plan Supplemental Contributions (as adjusted for investment experience). Each Employee’s account may, at the election of the Employee, be divided into several subaccounts, each invested in different types of investments, as may be provided in accordance with rules adopted by the Retirement Board. Each Employee may change how his/her account or
subaccounts are invested in accordance with rules adopted by the Retirement Board. Each Employee's account shall be valued each day and each day shall be credited with gains or losses in accordance with the investment medium in which such account or subaccount is invested.

15.6 An Employee shall be fully vested in his/her Employee contributions and Thrift Plan Supplemental Contributions (if any) (as adjusted for investment experience). An Employee shall also be vested in his/her Thrift Plan Contributions (as adjusted for investment experience) in accordance with the following table:

<table>
<thead>
<tr>
<th>Years of Credited Service</th>
<th>Percent of City's Share Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3</td>
<td>None</td>
</tr>
<tr>
<td>3 or more</td>
<td>100%</td>
</tr>
</tbody>
</table>

An Employee shall be 100% vested in the Thrift Plan Contributions (and earnings thereon) upon attaining his/her Normal Retirement Date. The Thrift Plan does not take into account any prior service with any other governmental entity for purposes of calculating Credited Service for vesting under the Thrift Plan.

Upon an Employee’s termination of employment with the City, any nonvested portion of the Employee’s Thrift Plan account shall be forfeited, and may be used by the City to pay administrative expenses of, or to fund City contributions to, the Thrift Plan. If an Employee who has incurred a forfeiture is rehired by the City within one year after the Employee’s termination of employment, the forfeited amount (unadjusted for earnings or losses) shall be restored to the Employee’s Thrift Plan account. If rehires occurs after more than one year, the forfeited amount shall not be restored.

15.7 Subject to Section 7.4 with respect to required minimum distributions and the last paragraph of this Section 15.7, an Employee who terminates employment with the City may elect to leave his/her Thrift Plan account in the Plan. His/her account, including the vested portion of the City’s contributions, will continue to be adjusted for investment experience until his/her account is fully distributed, as set forth in the following paragraphs:

An Employee who terminates employment with the City with no vested City Thrift Plan contributions may elect a distribution of his/her Employee Thrift Plan contributions in the form of a lump sum payment.

An Employee who terminates employment with the City with vested City Thrift Plan contributions may elect a distribution in one of the following forms of payment: (1)
lump sum payment of the Employee's account balance; (2) partial distribution of the Employee's account balance; (3) a series of installments over a period of years (payable on a monthly, quarterly, semi-annual or annual basis) which extends no longer than the life expectancy of the Employee as permitted under Section 401(a)(9) of the Code; or (4) a purchase of a single premium nontransferable annuity contract for such term and in such form as the Employee selects that provides for payments in the form of an irrevocable annuity each calendar year of amounts not less than the amount required under Section 401(a)(9) of the Code.

Notwithstanding any provision to the contrary, if the value of a participant's Thrift Plan account is $5,000 or less, distribution shall be made in an immediate lump sum payment, subject to Section 7.6(c).

15.8 In the event that all, or any portion, of the distribution payable to an Employee or his/her beneficiary hereunder shall, at the expiration of five (5) years after it shall become payable, remain unpaid solely by reason of the inability of the Retirement Board, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Employee or his/her beneficiary, the amount so distributable shall be forfeited and shall be used to reduce the cost of the Plan. However, the dollar amount of the Employee's vested benefit, unadjusted for gains or losses in the interim, shall be reinstated if a claim for the benefit is made by the Employee or his/her beneficiary to whom it was payable before it escheats pursuant to applicable law. Notwithstanding the foregoing, if a benefit payable to a missing person is subject to escheat pursuant to any applicable state law, then payment of such benefit may be made in accordance with such state law and such missing person shall not thereafter have any rights with respect to such benefit.

15.9 Upon the death of any Employee prior to complete distribution of his/her account in cash and/or by provisions of an annuity, his/her Beneficiary shall be entitled to a distribution of the vested portion of the Employee's account remaining undistributed.

15.10 Notwithstanding any other provision in this Article XV, contributions made pursuant to this Article XV constitute "annual additions," as defined in Section 415(c)(2) of the Code, to the Employee's account, and shall not exceed the lesser of (a) $57,000, as adjusted for increases in the cost of living under Section 415(d) of the Internal Revenue Code, or (b) 100% of the Employee's compensation, within the meaning of Section 415(c)(3) of the Code, for the Plan Year. The compensation limit referred to in (b) shall not apply to any contribution for medical benefits, after separation from service (within the meaning of Section 401(h) or 419A(f)(2) of the Code) which is otherwise treated as an annual addition.
The City of Rockville Pension Plan, as amended and restated herein as of December 1, 2020, is hereby ratified and confirmed in all other respects.

IN WITNESS WHEREOF, the City has caused this document to be executed this ___ day of ________________, 2020.

CITY OF ROCKVILLE

By: ____________________________
    Bridget Donnell Newton, Mayor
APPENDIX A
COST–OF-LIVING ADJUSTMENTS SINCE JANUARY 1, 1988

(a) Increase effective January 1, 1988:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 1987 shall receive a 2% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive a Retirement Benefit after December 31, 1986 but prior to January 1, 1988 shall receive a 1% increase in his/her Retirement Benefits.

(b) Increase effective July 1, 1989:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1988 shall receive a 4% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1989 but after June 30, 1988 shall receive a 3% increase in his/her Retirement Benefits.

(c) Increase effective July 1, 1990:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1989 shall receive a 4% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1990 but after June 30, 1989 shall receive a 3% increase in his/her Retirement Benefits.

(d) Increase effective July 1, 1991:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1990 shall receive a 4% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1991 but after June 30, 1990 shall receive a 3% increase in his/her Retirement Benefits.

(e) Increase effective July 1, 1993:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1992 shall receive a 2% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1993 but after June 30, 1992 shall receive a 1% increase in his/her Retirement Benefits.
(f) Increase effective July 1, 1994:
   (1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1993 shall receive a 2% increase in his/her Retirement Benefits.
   (2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1994 but after June 30, 1993 shall receive a 1% increase in his/her Retirement Benefits.

(g) Increase effective January 1, 1997:
   Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 1996 shall receive a 1.5% increase in his/her Retirement Benefits.

(h) Increase effective January 1, 1998:
   Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 1997, shall receive a 1.5% increase in his/her Retirement Benefits.

(i) Increase effective January 1, 2000:
   Each Retired Employee, who commenced to receive Retirement Benefits prior to January 1, 1999, shall receive a 2.0% increase in his/her Retirement Benefits.

(j) Increase effective January 1, 2001:
   Each Retired Employee, who commenced to receive Retirement Benefits prior to January 1, 2000, shall receive a 2.0% increase in his/her Retirement Benefits.

(k) Increase effective January 1, 2002:
   Each Retired Employee, who commenced to receive Retirement Benefits prior to January 1, 2001, shall receive a 1.5% increase in his/her Retirement Benefits.

(l) Increase effective January 1, 2004:
   Each Retired Employee, who commenced to receive Retirement Benefits prior to January 1, 2003, shall receive a 1.5% increase in his/her Retirement Benefits.
(m) **Increase Effective January 1, 2006:**
Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2005, shall receive a 1.5% increase in his/her Retirement Benefits.

(n) **Increase Effective January 1, 2007:**
Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2006, shall receive a 1.5% increase in his/her Retirement Benefits.

(o) **Increase Effective January 1, 2008:**
Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2007, shall receive a 1.0% increase in his/her Retirement Benefits.

(p) **Increase Effective January 1, 2019:**
Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2018, shall receive a 1.0% increase in his/her Retirement Benefits.
CITY OF ROCKVILLE

PENSION PLAN

As Amended and Restated

Effective as of July 1, 2020

Working Copy Reflects:

First Amendment to 2015 Restated Plan

Second Amendment to 2015 Restated Plan
# TABLE OF CONTENTS

<p>| ARTICLE I | DEFINITIONS | 1 |
| ARTICLE II | ELIGIBILITY | 7 |
| ARTICLE III | EMPLOYEE CONTRIBUTIONS | 8 |
| ARTICLE IV | CREDITED SERVICE | 10 |
| ARTICLE V | RETIREMENT BENEFITS | 21 |
| ARTICLE VI | RETIREMENT DATE | 25 |
| ARTICLE VII | FORM AND PAYMENT OF BENEFITS | 2627 |
| ARTICLE VIII | DEATH BENEFITS | 3133 |
| ARTICLE IX | TERMINATION OF EMPLOYMENT | 3335 |
| ARTICLE X | FUNDING | 3537 |
| ARTICLE XI | ADMINISTRATION | 3638 |
| ARTICLE XII | AMENDMENT AND TERMINATION | 3739 |
| ARTICLE XIII | DISCONTINUANCE OF THE PLAN | 3840 |
| ARTICLE XIV | MISCELLANEOUS | 4042 |
| ARTICLE XV | THRIFT PLAN | 5153 |
| ARTICLE XVI | THRIFT PLAN SUPPLEMENT | 54 |</p>
<table>
<thead>
<tr>
<th>APPENDIX A</th>
<th>INDEX OF PLAN AMENDMENTS</th>
<th>57</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPENDIX B</td>
<td>HISTORICAL PLAN PROVISIONS</td>
<td>59</td>
</tr>
<tr>
<td>APPENDIX C</td>
<td>COST OF LIVING ADJUSTMENTS</td>
<td>6757</td>
</tr>
</tbody>
</table>

PREAMBLE

The City of Rockville, Maryland established the City of Rockville Pension Plan effective July 1, 1969, which Plan was amended from time to time thereafter. The Plan was most recently amended and restated effective as of July 1, 2015, and is now being amended and restated effective as of December 1, 2020. Unless otherwise provided herein, the provisions of the amended and restated Plan shall apply only to individuals who are employed by the City on or after the effective date of this amended Plan December 1, 2020. Notwithstanding the foregoing, Sections 1.3, 1.6, 1.7, 7.4(c), 7.6(c), 8.8, 9.4, 15.5 and 15.6 shall apply to all Employees, whether or not employed by the City on or after December 1, 2020.
ARTICLE I
DEFINITIONS

As used in this Plan the following shall have the meaning set forth below:

1.1 "Actuarial Equivalent" means a benefit which has a value equal to the benefit otherwise payable under the Plan determined using the RP-2000 Combined Mortality Table Male and Female projected to 2005 using Scale AA, and assuming a rate of interest of 7.5% compounded annually.

1.2 "Administrative Personnel" means the group of Employees who are not Union or Police Employees.

1.3 "Beneficiary" means the Employee's designated beneficiary under the Plan or, in the absence of an effective designation, the estate of the Employee. The Beneficiary shall be the Employee's surviving spouse unless such surviving spouse has consented in writing to another Beneficiary. Separate Beneficiary designations shall be made with respect to the defined benefit portion of the Pension Plan and the Thrift Plan.

1.4 "City" means the City of Rockville, Maryland.

1.5 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.6 "Contingent Annuitant" means the person designated by an Employee under the Plan to receive a life income in the event of the Employee's death after retirement. The Contingent Annuitant shall be the Employee's surviving spouse unless such surviving spouse has consented in writing to another Contingent Annuitant.

1.7 "Credited Interest" means the interest that shall be credited with respect to Employee contributions and the Credited Interest thereon. On and after July 1, 1969, interest shall be credited as provided in the Group Annuity Contract.

Administrative Personnel
For Administrative Personnel, interest on Employee contributions made on or after January 1, 1986, shall be credited at the rate of 6% per year, compounded annually.

Union Employees
For Union Employees, interest on Employee contributions made on or after January 1, 1987, shall be credited at the rate of 6% per year, compounded annually.
Police Employees

For Police Employees, interest on Employee contributions made on or after January 1, 1988, shall be credited at the rate of 6% per year, compounded annually.

Interest credited after December 31, 1989 and until December 31, 2012 shall be credited as follows:

Interest shall be credited for the number of full months from the January 1 following date of contribution to the date of withdrawal or benefit commencement.

(a) Except as provided in (c) below, Employee contributions made for a calendar year shall be credited as of December 31 of that calendar year with 3% simple interest.

(b) Except as provided in (c) below, Employee contributions and Credited Interest thereon which has accumulated as of December 31 shall be credited as of the following December 31 with 6% simple interest.

(c) For the calendar year that Employee contributions and Credited Interest thereon are withdrawn or that benefits commence:

(1) Employee contributions made for that calendar year shall be credited as of the date of withdrawal or commencement with simple interest of 0.25% times the number of full calendar months completed during that calendar year prior to the date of withdrawal or commencement, and

(2) Employee contributions and Credited Interest thereon which has accumulated as of the December 31 prior to such calendar year shall be credited as of the date of withdrawal or commencement with simple interest of 0.5% times the number of full calendar months completed during that calendar year prior to the date of withdrawal or commencement.

Interest credited after December 31, 2012 shall be credited as follows:

Interest shall be credited for the number of full months from the January 1 following the date of contribution to the date of withdrawal or benefit commencement. Notwithstanding the foregoing, effective for contributions made on and after July 1, 2013, interest shall be credited for the number of full months from the July 1 following the date of contribution to the date of withdrawal or benefit commencement.
(d) Except as provided in (f) below, Employee contributions made between January 1, 2013 and June 30, 2013 shall be credited as of June 30, 2013 for that six (6)-month period with 1.5% simple interest. Thereafter, Employee contributions made for a Plan Year shall be credited as of June 30 of that Plan Year with 3% simple interest.

(e) Except as provided in (f) below, Employee contributions and Credited Interest thereon which has accumulated as of December 31, 2012 shall be credited as of June 30, 2013 with 3% simple interest. Thereafter, Employee contributions and Credited Interest thereon which has accumulated as of June 30 (starting with June 30, 2013) shall be credited as of the following June 30 with 6% simple interest.

(f) For the period that Employee contributions and Credited Interest thereon are withdrawn or that benefits commence:

1. For withdrawal or benefit commencement dates between January 1, 2013 and June 30, 2013, Employee contributions made between January 1, 2013 and June 30, 2013 shall be credited as of the date of withdrawal or commencement with simple interest of 0.25% times the number of full calendar months completed during that six (6)-month period prior to the date of withdrawal or commencement. Thereafter, Employee contributions made for a Plan Year shall be credited as of the date of withdrawal or commencement with simple interest of 0.25% times the number of full calendar months completed during that Plan Year prior to the date of withdrawal or commencement.

2. For withdrawal or benefit commencement dates between January 1, 2013 and June 30, 2013, Employee contributions and Credited Interest thereon which has accumulated as of the December 31 prior to such six (6)-month period shall be credited as of the date of withdrawal or commencement with simple interest of 0.5% times the number of full calendar months completed during that (6)-month period prior to the date of withdrawal or commencement. Thereafter, Employee contributions and Credited Interest thereon which has accumulated as of the June 30 prior to the Plan Year of withdrawal or commencement shall be credited as of the date of withdrawal or commencement with simple interest of 0.5% times the number of full calendar months completed during that Plan Year prior to the date of withdrawal or commencement.

(g) The Retirement Board may, in its discretion, amend the Plan to increase or decrease the interest crediting rate or otherwise change the interest
crediting provisions set forth in this Section 1.7, to the extent permissible under applicable law.

1.8 "Credited Service" is defined in Article IV.

1.9 "Deferred Retirement Date" is defined in Section 6.3.

1.10 "Defined Benefit-Only Option" means one of the two retirement packages under the Plan. The Defined Benefit-Only Option is available only to (a) Administrative Personnel both participating in the Plan and employed by the City as of April 14, 1986, and (b) Union Employees both participating in the Plan and employed by the City as of December 1, 1986. Police Employees shall be eligible only for the Defined Benefit-Only Option. The Defined Benefit-Only Option consists of only the provisions defined benefit subplan (described in the definition of this Plan as amended herein, excluding Article XV), not the Thrift Plan.

1.11 "Defined Benefit/Thrift Plan Option" means one of the two retirement packages under the Plan. The Defined Benefit/Thrift Plan Option is available to (a) Administrative Personnel both participating in the Plan and employed as of April 14, 1986 and (b) Union Employees both participating in the Plan and employed as of December 1, 1986. Administrative Personnel hired before April 15, 1986 and not participating in the Plan or hired on or after April 15, 1986 and Union Employees hired before December 2, 1986 and not participating in the Plan or hired on or after December 2, 1986 shall be eligible only for the Defined Benefit/Thrift Plan Option. The Defined Benefit/Thrift Plan Option is two-tiered and consists of the defined benefit and defined contribution (Thrift Plan) subplans (described in the definition of "Plan").

1.12 "Early Retirement Date" is defined in Section 6.2.

1.121.13 "Earnings" means an Employee's salary or wage at his/her basic rate of pay, including longevity pay, but exclusive of all overtime pay, bonuses, commissions and extra or additional remuneration in any form.

1.131.14 "Employee" means any individual in the employ of the City, other than a temporary or seasonal employee, whose customary employment is for at least twenty (20) hours a week. Employees shall be divided into three (3) groups: "Union Employees", "Police Employees", and "Administrative Personnel."

4.14-1.15 "Final Average Earnings" means the following:

Administrative Personnel and Union Employees:

For Administrative Personnel and Union Employees, Final Average Earnings means the average annual Earnings during the thirty-six (36) consecutive months (or, if shorter, the Employee's actual period of employment) of the last one hundred twenty (120) months of City employment which produce the highest average.

**Police Employees:**
For Police Employees, Final Average Earnings means the average annual Earnings during the final sixty (60) months (or, if shorter, the Employee’s actual period of employment) of the Employee's employment with the City.

The annual earnings taken into account in determining benefit accruals in any Plan Year and allocations for any Plan Years beginning on or after December 31, 2004 shall not exceed $200,000, as adjusted to reflect changes in cost of living as provided in Section 401(1)(17)(B) of the Code. Annual Earnings means Earnings during the Plan Year or such other consecutive twelve (12)-month period over which Earnings are otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual Earnings for the determination period that begins with or within such calendar year. Notwithstanding the foregoing, the $200,000 Section 401(a)(17) limit (as it may be adjusted from time to time) described above shall be prorated to 25% of the otherwise applicable annual limit for the short Plan Year beginning on April 1, 2013 and ending on June 30, 2013.

**Group Annuity Contract** means a group annuity contract issued to the City with respect to the Plan, or to the Plan, by an Insurance Company.

**Insurance Company** means an insurance company issuing one or more Group Annuity Contracts.

**Normal Retirement Date** is defined in Section 6.1.

**Plan** means the City of Rockville Pension Plan as set forth in this plan document. The Plan is comprised of a defined benefit subplan and a defined contribution subplan, each of which are funded through separate Trust Funds, the assets of which are available only to the subplan to which the Trust Fund relates. The defined contribution subplan is referred to as the Thrift Plan.

**Plan Year** means the twelve (12)-month period beginning on July 1, 2013, and each July 1 thereafter; provided, however, that there was a short Plan Year.
beginning on April 1, 2013 and ending on June 30, 2013, and before such short Plan Year, the Plan Year began each April 1.

1.20  "Police Employees" means the group of Employees serving as sworn police officers.

1.21  "Retired Employee" means any person formerly an Employee who is receiving Retirement Benefits.

1.22  "Retirement Benefits" means any amount payable to a Retired Employee, Contingent Annuitant or Beneficiary in accordance with the provisions of the Plan.

1.23  "Retirement Board" means the Retirement Board as described in Article XI.

1.24  "Thrift Plan Option" means one of the two retirement packages under the Plan. The Thrift Plan Option is available to (a) Administrative Personnel both participating in the Plan and employed as of April 14, 1986 and (b) Union Employees both participating in the Plan and employed as of December 1, 1986. Administrative Personnel hired before April 15, 1986 and not participating in the Plan or hired on or after April 15, 1986 and Union Employees hired before December 2, 1986 and not participating in the Plan or hired on or after December 2, 1986 shall be eligible only for the Thrift Plan Option. The Thrift Plan Option is two-tiered and consists of the defined benefit provisions of this Plan as amended herein and the Thrift Plan defined in Article XVI.

1.25  "Thrift Plan Contribution" means the Thrift Plan matching contribution described in Section 15.3.

1.25  "Thrift Plan Supplemental Contribution" means the Thrift Plan Supplement set forth in Article XVI supplemental contribution described in Section 15.4.

1.26  "Trust Agreement" means an agreement or agreements of trust between the City of Rockville and Trustee established for the purpose of holding and distributing the Trust fund under the provisions of the Plan. The Trust Agreement may provide for the investment of all or any portion of the Trust Fund in any investment arrangement as directed by the City and agreed to by the Trustee. Separate Trust Agreements are maintained for the defined benefit and defined contribution (Thrift Plan) subplans (described in the definition of "Plan").
1.27 **Trust Fund** means the total funds held under an applicable Trust Agreement. The term Trust Fund when used within a Trust Agreement shall mean only the funds held under that Trust Agreement.

1.28 **Trustee** means the party or parties named in the applicable Trust Agreement. The term Trustee, as it is used in this Plan, is deemed to include the plural unless the context clearly indicates the singular is meant.

1.29 **Union Employees** means the group of Employees who are paid according to the Union salary schedule.
ARTICLE II
ELIGIBILITY

2.1 Each Employee of the City shall be eligible to participate in the Plan on his/her first day of employment.

2.2 A contract Employee who is in a highly-paid or managerial position may be excluded from the Plan under the terms of his/her employment contract with the City. Effective April 1, 1989, a contract Employee who does not join the Plan when first employed, but subsequently joins the Plan, shall be treated as though his/her date of employment were the date he/she begins participation in the Plan and no Credited Service shall be given for prior service. Notwithstanding the foregoing, all non-appointed at-will contract employees shall participate in the City whose contracts contain provisions authorizing Thrift Plan Supplemental Contributions shall receive such contributions under the Thrift Plan Supplement.

2.3 Each eligible Employee shall be included in the Plan on the date he/she becomes eligible as set forth above, provided that he/she completes such forms as the Retirement Board prescribes, authorizes payroll deductions, designates a Beneficiary to receive any death benefits hereunder and furnishes satisfactory evidence of his/her date of birth or such other data as the Retirement Board deems necessary or desirable.

2.4 An Employee will not receive Credited Service during any period for which he/she is eligible to participate if he/she does not contribute to the Plan in accordance with Section 3.1.

2.5 Administrative Personnel, other than contract Employees described in Section 2.2, hired on or after April 15, 1986 shall become participants in the Defined Benefit/Thrift Plan Option upon their participation date as outlined above.

2.6 Union Employees hired on or after December 2, 1986 shall become participants in the Defined Benefit/Thrift Plan Option upon their participation date as outlined above.

2.7 Police Employees shall only be eligible to join under the Defined Benefit-Only Option, and shall become participants in the Defined Benefit-Only Option upon their participation date as outlined above.
ARTICLE III
EMPLOYEE CONTRIBUTIONS

3.1 Administrative Personnel---Defined Benefit-Only Option Only
From and after April 1, 1996, each eligible Administrative Employee who elects to participate in the Defined Benefit-Only Option of the Plan, and who has not retired, shall make contributions under the Plan each pay period through payroll deductions at a rate equal to 5.2% of his/her biweekly earnings.

Administrative Personnel---Defined Benefit/Thrift Plan Option
From and after April 1, 1996, each eligible Administrative Employee who participates in the Defined Benefit/Thrift Plan Option, and who has not retired, shall make contributions under the Plan each pay period through payroll deductions for the purpose of contributing to the defined benefit component of his/her retirement package. Such contribution shall be at a rate equal to 1.0% of his/her biweekly earnings.

Union Employees---Defined Benefit-Only Option Only
From and after July 1, 1975, each eligible Union Employee who elects to participate in the Defined Benefit-Only Option of the Plan, and who has not retired, shall make contributions under the Plan each pay period through payroll deductions at a rate equal to 4.2% of his/her biweekly earnings.

Union Employees---Defined Benefit/Thrift Plan Option
From and after December 2, 1986, each eligible Union Employee who participates in the Defined Benefit/Thrift Plan Option shall not be required to make contributions to the defined benefit component of his/her retirement package.

Police Employees---Defined Benefit-Only Option Only
From and after May 1, 1993, each eligible Police Employee who participates in the Defined Benefit-Only Option of the Plan, and who has not retired, shall make contributions under the Plan each pay period through payroll deductions at a rate equal to 8.5% of his/her biweekly earnings.

As of any July 1, if the City contribution to the Defined Benefit-Only Option of the Plan exceeds 6.5% of the Earnings of the Employees who are participating under the Defined Benefit-Only Option as of such July 1, the City, in its discretion, reserves the right to impose a “Supplemental Employee Contribution” for the applicable fiscal year. This Supplemental Employee Contribution shall be no more than 50% of the excess of such City contribution over 6.5% of such Earnings and shall be treated as a contribution to the Defined Benefit-Only Option.
3.2 An Employee may, with the consent of the City, suspend Employee contributions during absence from work on account of temporary layoff or leave of absence. Credited Service shall not be credited to such an Employee during such absence, but he/she will not be considered a terminated Employee for purposes of this Plan.

3.3 The amount of interest to be credited to Employee contributions shall be calculated in accordance with Section 1.7.
ARTICLE IV
CREDITED SERVICE

4.1 Credited Service Generally; Unused Leave.

(a) An Employee will receive Credited Service for each full year of continuous service and fraction thereof, to the nearest full month, from the date he/she is first included in the Plan, to the date he/she terminates his/her employment or retires, whichever first occurs, provided that he/she has made the required contributions under the Plan as in effect from time to time.

(b) Unused Sick Leave - Employees Commencing Employment Prior to July 1, 2015. This Section 4.1(b) shall apply to Employees commencing employment with the City prior to July 1, 2015 (or otherwise to the extent provided in Section 4.1(d)). An Employee shall, within thirty (30) days of his/her employment by the City, make an irrevocable written election to receive any unused sick leave upon his/her retirement either (1) as additional Credited Service under this Plan, or (2) as a cash payment in accordance with the City's personnel policies; provided, however, that such additional Credited Service or cash payment shall be available under the Plan only if such Employee has reached the earlier of his/her Early or Normal Retirement Date upon termination of employment with the City. If an Employee retires on his/her Early, Normal or Deferred Retirement Date and has elected to receive unused sick leave in the form of a cash payment, such payment shall be made at retirement in accordance with the City's personnel policies. If an Employee retires on his/her Early, Normal or Deferred Retirement Date and has elected to receive unused sick leave in the form of additional Credited Service under this Plan, each twenty-two (22) days of unused sick leave will be credited as one additional month of Credited Service. Any days of sick leave in excess of a multiple of twenty-two (22) days shall be converted to a cash payment at retirement in accordance with the City's personnel policies. If an Employee has not timely made an election under this Section 4.1(b), he/she shall receive additional Credited Service as provided herein with respect to his/her unused sick leave.

(c) Unused Sick Leave - Employees Commencing Employment On or After July 1, 2015. This Section 4.1(c) shall apply to Employees commencing employment with the City on or after July 1, 2015 (or otherwise to the extent provided in Section 4.1(d)). If an Employee retires on his/her Early, Normal or Deferred Retirement Date, each twenty-two (22) days of unused sick
leave will be credited as one additional month of Credited Service. Any
days of sick leave in excess of a multiple of twenty-two (22) days shall be
rounded (up or down) to the nearest full month. Notwithstanding the
foregoing, the maximum number of months of Credited Service that may be
credited under this Section 4.1(c) is 12. No cash payment shall be made
with respect to unused sick leave, either at the election of the Employee, or
in respect of unused leave in excess of that which produces 12 months of
Credited Service.

(d) **Unused Sick Leave – Employees Returning from Absences On or After July 1, 2015.** In the case of an Employee who was employed by the City before
July 1, 2015, and who incurred an absence from employment that started
before July 1, 2015 and ended on or after July 1, 2015, if the Employee
retains Credited Service accrued for the period prior to the absence under
Sections 4.2, 4.3 or 4.4, then the Employee shall be subject to Section
4.1(b) when his/her absence ends on or after July 1, 2015. By contrast, if
the Employee does not retain Credited Service accrued for the period prior
to the absence under Sections 4.2, 4.3 or 4.4, then the Employee shall be
subject to Section 4.1(c) when his/her absence ends on or after July 1,
2015.

4.2 **Service in the Armed Forces of the United States**

(a) Except as otherwise provided in Section 4.2(b), to the extent that an
Employee is required as a condition of employment with the City to
participate in the Plan, the Employee shall receive Credited Service, not to
exceed five (5) years, for a period of absence from employment with the
City while in Military Service if the Employee is thereafter reinstated as a
regular Employee on a leave of absence or is actively reemployed by the
City within one (1) year after leaving Military Service. The Employee must
formally apply for service credit in writing within one (1) year of leaving
Military Service. Effective July 1, 2007, Credited Service that an Employee
receives under this Section 4.2 shall be applied to such Employee’s Normal
Retirement benefit using the accrual rate in effect at the time of his/her
retirement from the City.

“Military Service” shall have the meaning given to that term in the Annotated Code
of Maryland, State Personnel and Pensions § 38-101(d), as amended from time to
time.
This section 4.2(a) shall be administered, in the discretion of the Retirement Board, in accordance with the Annotated Code of Maryland, State Personnel and Pensions § 38-101, et. seq., as amended from time to time.

(b) Notwithstanding any provision of this Plan to the contrary, effective on and after December 12, 1994, minimum contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with and to the extent required by Sections 414(u) and 401(a)(37) of the Code, as set forth in this Section 4.2(b) and as otherwise may be provided by law. However, in the event the provisions of the Plan provide for contributions, benefits and service credit which are more generous than those required in this Section 4.2(b), such provisions shall apply.

(1) If an individual dies on or after January 1, 2007, while performing Qualified Military Service, the Participant Employee's Beneficiaries are entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under the Plan as if such Participant Employee resumed and then terminated employment on account of death.

(2) With respect to individuals reemployed by the City after performing Qualified Military Service, and while reemployment rights are guaranteed by Chapter 43 of Title 38 of the United States Code, the following provisions shall apply:

(i) Such individual will be treated as not having incurred a break in Continuous Service or Credited Service by reason of his or her Qualified Military Service.

(ii) Each period of Qualified Military Service completed by an individual shall count for purposes of determining the individual's accrual of benefits under the Plan, as well as the nonforfeitability of such accrued benefits.

(iii) A reemployed individual is entitled to accrued benefits that are contingent on the making of, or derived from, employee contributions, only to the extent the individual makes payment to the Plan with respect to
such contributions. No such payment may exceed the amount that the individual would have been required to contribute had he or she remained continuously employed by the City throughout the period of Qualified Military Service. Any payment to the Plan shall be made beginning with the date of reemployment and whose duration is three times the period of the Qualified Military Service (but not greater than five years).

(3) Effective on and after January 1, 2009, the following provisions shall apply to Differential Wage Payments that may be paid by the City:

(i) To the extent that an individual receives a Differential Wage Payment, such individual will be treated as an Employee of the City.

(ii) In the event that an individual receives Differential Wage Payments under the policies that may be established from time to time by the City, such Differential Wage Payments will be treated as Compensation, to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the City rather than entering Qualified Military Service. Further, the Plan will not be treated as failing to meet the requirements of any provision described in Section 414(u)(1)(C) of the Code by reason of any contribution or benefit that is based on such Differential Wage Payments, but only if all Employees of the City performing service in the uniformed services are entitled to receive Differential Wage Payments on reasonably equivalent terms.

(4) The following definitions shall apply for purposes of this Section 4.2(b).

(i) Differential Wage Payment. Any payment which is made by the City with respect to any
Any Employee who is absent because of an authorized leave of absence or layoff, and who shall return to the service of the City on or before the date such leave of absence terminates, or in the case of layoff within one (1) year and at the date he/she is first recalled, shall not receive Credited Service with respect to that period of absence, but he/she shall retain any Credited Service accrued prior to such absence, which shall be aggregated with the Credited Service such Employee receives after his/her re-employment for purposes of calculating such Employee’s retirement benefit.

Notwithstanding the foregoing, the Plan shall be administered so as to comply in all respects with the applicable provisions of the Family and Medical Leave Act of 1993.

The following rules shall govern the status, including the retirement calculation, of any Employee who has an absence not described in Section 4.2 or 4.3, and who is re-employed by the City:

(a) If the Employee (1) does not receive a refund of his/her contributions plus Credited Interest under the Defined Benefit Option defined benefit subplan or a lump sum payment of his/her account under the defined contribution subplan (Thrift Plan Option) (as described in the definition of “Plan”), and (2) returns to the service of the City within one (1) year of the date on which...
his/her absence began, then he/she shall not receive Credited Service with respect to that period of absence, but he/she shall retain any Credited Service accrued prior to such absence, which shall be aggregated with the Credited Service such Employee receives after his/her re-employment for purposes of calculating such Employee’s retirement benefit.

(b) If an Employee described in subsection (a) does not return to the service of the City within one (1) year of the date on which his/her absence began, and if such Employee had at least ten (10) years of Credited Service at the time the absence began, such Employee’s retirement benefit shall be calculated as the sum of his/her retirement benefit separately determined during each period in which he/she is not absent. Upon re-employment, Administrative Personnel and Union Employees shall automatically become participants in the Defined Benefit/Thrift Plan Option.

(c) Any Employee absence, other than those described in Sections 4.2, 4.3 and subsections (a) and (b) above, shall be considered a termination of employment. If an Employee is deemed to have terminated his/her employment, then upon re-employment, he/she shall be considered to be a new Employee for all purposes of the Plan.

(d) Upon re-employment, Administrative Personnel and Union Employees shall automatically become participants in the Defined Benefit/Thrift Plan Option.

4.5 Purchase of Prior Service

(a) Upon retirement on his/her Early, Normal or Deferred Retirement Date on or after July 1, 1986, each Employee hired before January 10, 1984 may elect to purchase Credited Service, up to a maximum of six (6) months, for previous service for the period between his/her date of hire by the City and the date he/she became a participant in the Plan. Such an election, once made, is irrevocable.

An Employee electing to purchase Credited Service must pay to the Plan in a single sum at the time of such retirement the following amount: 2.3% of his/her annual rate of Earnings as of his/her date of hire with simple interest of 7.59% for the first full year and simple interest of 6% for each additional full year and fraction thereof between his/her date of hire and the time of such retirement.
(b) Each Employee may elect to purchase Credited Service, up to a maximum of thirty-six (36) months, for any previous service with a Federal, State, County or Municipal agency during which Employee was covered by a tax-qualified defined benefit pension plan, except as otherwise provided by Section 4.6 of the Plan. In order to purchase Credited Service under this Section, an Employee must formally notify the City in writing on a form provided by the City, within 6 months following his/her date of hire by the City of his/her desire to purchase Credited Service, and must provide the City with a definitive written election, in good order (as determined by the City), within 12 months following his/her date of hire by the City, (or within such other period as the Retirement Board may determine from time to time). Such definitive written election, once made, is irrevocable.

An Employee electing to purchase Credited Service must agree to pay to the Plan the full actuarial cost of the Credited Service. The cost of the purchase equals the present value of the Employee’s projected accrued benefit including the Credited Service purchased hereunder and calculated on the basis that the Employee retires on the earliest date that the Employee could retire with an unreduced benefit (including the purchased Credited Service when determining eligibility for retirement), less the present value of the Employee’s projected accrued benefit without the Credited Service purchased hereunder as of the earliest date the Employee could retire with an unreduced benefit (not including the Credited Service purchased hereunder). The present values will be determined using the interest, post-retirement mortality, post-retirement benefit increase and pay increase assumptions used by the enrolled actuary to perform the most recent actuarial valuation of the Plan. No pre-retirement mortality or other pre-retirement decrements are assumed when determining the present values.

An Employee shall pay for the purchase of Credited Service exclusively by one of the following methods:

(1) paying a pre-tax lump sum amount at any time within one (1) year of his/her date of hire by the City, with such lump sum amount to be funded through a direct trustee-to-trustee transfer from another plan described in Sections 401(a) or 403(b) of the Code, a plan described in Section 457(b) of the Code, or a governmental employer (but not a non-governmental, tax-exempt employer), or a traditional individual retirement account described in Section 408 of the Code; or
(2) through biweekly payroll deduction commencing within one (1) year of his/her date of hire by the City, over a period of one (1) or three (3) years, as elected by the Employee, without interest.

The amount of each biweekly contribution shall be determined by multiplying the total amount due by a percentage as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of Biweekly Payments</th>
<th>Each Biweekly Payment is this Percentage of the Total Amount Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>26</td>
<td>3.846%</td>
</tr>
<tr>
<td>3</td>
<td>78</td>
<td>1.282%</td>
</tr>
</tbody>
</table>

The bi-weekly payroll deductions shall be treated as “picked-up” by the City and made on a pre-tax basis (for income tax purposes), but shall be subject to FICA when made in accordance with Section 3121(v)(1)(B) of the Code. An Employee who terminates employment and receives a refund of his/her contributions plus Credited Interest shall not be entitled to receive any Credited Service or City contribution under Section 9.3 or Credited Service under Section 15.5 attributable to the purchased Credited Service. In addition, if an Employee was making payments through bi-weekly payroll deductions and terminates employment before making payment in full, the Employee shall receive a refund of such payments plus Credited Interest, and shall not receive the purchased Credited Service.

4.6 (a) Transfer of Prior Service Credit to the Defined Benefit Option or the Defined Benefit Portion of the Thrift Plan Option Subplan

This Section 4.6 is intended to reflect the requirements of Maryland law codified in the Annotated Code of Maryland, State Personnel and Pensions Article ("MD SPP") § 37-201, et seq., shall be construed accordingly, and shall not provide greater or lesser rights to Employees than are provided by Maryland law.

(1) Each Employee participating in the Defined Benefit Option or the Defined Benefit Portion of the Thrift Plan Option Subplan (as described in the definition of the Thrift “Plan Option of the Plan”) shall have the right to transfer service credit that has accrued pursuant to any other State of Maryland (“State”) retirement or pension system, or local retirement or pension system within the State of Maryland (“local system”), that is operated on an actuarial basis, regardless of whether that previous system required
employee contributions, but only if the Employee incurred no "break in employment," as that phrase is used in the Annotated Code of Maryland, State Personnel and Pensions § 37-201, et seq., between his/her employment with the prior State of Maryland or local employer and with the City. Once the transfer is effected, the Employee shall no longer be entitled to a benefit from the previous State or local system with respect to the transferred service credit.

(2) In order to effect a transfer of service credit under this Section 4.6(a), the Employee must formally elect, in writing, transfer of the service credit within one (1) year of becoming a participant in the Plan. Any Employee transferring service credit, pursuant to this Section 4.6(a), from a contributory system to the Defined Benefit Option or the Defined Benefit Portion defined benefit subplan (as described in the definition of the Thrift "Plan Option of the Plan") must deposit with the Plan the total accumulated contributions, including any accrued interest thereon, to the Employee's credit in the previous plan within one (1) year of becoming a participant in the Plan.

(3) All Employees Except for Police Employees who Transfer to the City on or after July 1, 1990

Except for Police Employees who transfer to the City on or after July 1, 1990, an Employee who transfers service credit shall receive the same amount of service credit under the Defined Benefit Option or the Defined Benefit Portion defined benefit subplan (as described in the definition of the Thrift "Plan Option of the Plan") as had accumulated under the previous system, applicable for the purposes of determining the amount of benefits, eligibility for retirement under the Plan and for meeting vesting requirements. Once service credits are transferred, the Employee must pay the rate of contribution applicable under the Plan, and the Employee becomes eligible for a pension in accordance with the Plan, taking into account the transferred service credits.

Except for Police Employees who transfer to the City on or after July 1, 1990, if an Employee transfers from a noncontributory system to the Defined Benefit Option or the Defined Benefit Portion defined benefit subplan (as described in the definition of the Thrift "Plan Option of the Plan"), the Employee's pension shall, upon retirement, be reduced by the Actuarial Equivalent of the accumulated contributions, including interest thereon, that would have been
deducted if the Employee had earned the transferred service credit under the Plan.

For purposes of this section 4.6(a)(3), the Employee’s pension will be reduced in accordance with the following actuarial method: Contributions that would have been made under the Plan’s terms during the period of past service credit, with interest thereon at the rate credited by the Plan, shall be accumulated to the Normal Retirement Date. The Actuarial Equivalent of the accumulated contributions shall be based on the Plan’s definition of actuarial equivalence. This amount shall be calculated at the time of transfer and shall not be changed thereafter.

Police Employees who Transfer to the City on or after July 1, 1990

A Police Employee who transfers to the City on or after July 1, 1990 and who transfers service credit shall receive service credit under the Defined Benefit-Only Option of the Plan based on the actuarial equivalent value of the accumulated contributions (and interest thereon) transferred to the Plan, for purposes of determining the amount of benefits, retirement eligibility and vesting. For this purpose, (a) actuarial equivalence shall be determined using the interest, post-retirement mortality, post-retirement benefit increase and pay increase assumptions used by the enrolled actuary to perform the most recent actuarial valuation of the Plan; (b) no pre-retirement mortality or other pre-retirement decrements are assumed when determining actuarial equivalence for this purpose; (c) only the actuarial cost of the benefit accrual service shall be charged; no actuarial charge shall apply for purposes of eligibility or vesting service.

Once service credit is transferred, the Police Employee must pay the rate of contribution applicable under the Plan, and the Police Employee becomes eligible for a pension in accordance with the Plan, taking into account the transferred service credits.

Upon the Employee’s request, the Plan shall refund the total accumulated contributions of an Employee who is transferring, pursuant to the provisions of the Annotated Code of Maryland, State Personnel and Pension § 37-203, from the Plan to another State or local government retirement or pension system.
(6) If an Employee retires within five (5) years after transferring to the Plan, the benefits payable with respect to the transferred service credit may not be greater than the benefits that would have been payable by the previous system with respect to that service if the Employee had remained in the previous system.

(7) Employees who transfer service credit from a prior system pursuant to this Section 4.6(a) may not also purchase service credit with respect to the same prior service, or with respect to other service from the prior system, under Section 4.5 of the Plan.

(b) This Section 4.6 shall be administered in the discretion of the Retirement Board (and shall include the discretion to extend the time deadlines with respect to elections and contribution transfers in the event any Employee is unfairly prejudiced due to circumstances outside of his control) and in accordance with the Annotated Code of Maryland, State Personnel and Pensions §37-201, et. seq., as it may from time to time be amended.
ARTICLE V
RETIREMENT BENEFITS

5.1 Normal Retirement Benefit

Police Employees
The annual amount of Normal Retirement Benefit payable to a Police Employee who retires on or after April 1, 1993, on his/her Normal Retirement Date shall be equal to the lesser of (a) 2.0% of Final Average Earnings multiplied by years of Credited Service prior to April 1, 2004, plus 2.25% of Final Average Earnings multiplied by years of Credited Service on or after April 1, 2004, or (b) 67.5% of Final Average Earnings.

Administrative Personnel---Defined Benefit-Only Option
For Administrative Personnel in the Defined Benefit-Only Option, the annual amount of Normal Retirement Benefit payable to an Administrative Employee who retires on his/her Normal Retirement Date shall be equal to 1.8% of Final Average Earnings multiplied by years of Credited Service prior to April 1, 1996, plus 2.0% of Final Average Earnings multiplied by years of Credited Service on or after April 1, 1996.

Union Employees---Defined Benefit-Only Option
For Union Employees in the Defined Benefit-Only Option, the annual amount of Normal Retirement Benefit payable to a Union Employee who retires on his/her Normal Retirement Date shall be equal to 1.8% of Final Average Earnings multiplied by years of Credited Service.

Administrative Personnel---Defined Benefit/Thrift Plan Option
For Administrative Personnel in the Defined Benefit/Thrift Plan Option, the annual amount of Normal Retirement Benefit payable to an Administrative Employee who retires on his/her Normal Retirement Date shall be equal to (a) 1.8% of Final Average Earnings multiplied by years of Credited Service prior to May 31, 1986, plus (b) 1.0% of Final Average Earnings multiplied by years of Credited Service after May 30, 1986, and before April 1, 1996, plus (c) 1.2% of Final Average Earnings multiplied by years of Credited Service after March 31, 1996.

Union Employees---Defined Benefit/Thrift Plan Option
For Union Employees in the Defined Benefit/Thrift Plan Option, the annual amount of Normal Retirement Benefit payable to a Union Employee who retires on his/her Normal Retirement Date shall be equal to 1.8% of Final Average Earnings multiplied by years of Credited Service prior to January 1, 1987, plus 1.0% of Final Average Earnings.
Average Earnings multiplied by years of Credited Service after December 31, 1986.

Employees in Multiple Classifications
For Employees earning some Credited Service in one classification and some Credited Service in another classification, the annual amount of Normal Retirement Benefit payable to such Employee who retires on his/her Normal Retirement Date shall be computed in hybrid fashion based on the formulas applicable to the time served in each classification.

5.2 Early Retirement Benefit

Police Employees
The annual amount of Early Retirement Benefit payable to a Police Employee who retires on his/her Early Retirement Date and elects to begin receiving Retirement Benefits shall be equal to his/her benefit under Section 5.1, accrued to his/her Early Retirement Date. Such Early Retirement Benefit shall be decreased by 6/10 of 1% for each month during the first five (5) years in which an Employee retires early, and 3/10 of 1% for each month during the second five (5) years in which an Employee retires early.

Administrative Personnel and Union Employees
For retirements of Administrative Personnel commencing on or after May 31, 1986, and retirements of Union Employees commencing on or after January 1, 1987, the annual amount of Early Retirement Benefit payable to each such Employee who retires on his/her Early Retirement Date and elects to begin receiving Retirement Benefits shall be equal to his/her benefit under Section 5.1, accrued to his/her Early Retirement Date. For Administrative Personnel and Union Employees hired before July 1, 2011, such Early Retirement Benefit shall be decreased by 1/4 of 1% for each month the Employee retires early. For Administrative Personnel and Union Employees hired on or after July 1, 2011, such Early Retirement Benefit shall be decreased by 3/8 of 1% for each month the Employee retires early.

5.3 Deferred Retirement Benefit

The annual amount of Deferred Retirement Benefit payable to an Employee who retires on his/her Deferred Retirement Date shall be equal to his/her benefit under Section 5.1 accrued to his/her Deferred Retirement Date.
5.4 Medical Insurance Premiums

For eligible Employees who stay with the City's policy group, the City shall pay the City's share of a Retired Employee's medical insurance premium from retirement until age sixty-five (65).

Administrative Personnel and Union Employees
For Administrative Personnel and Union Employees, eligible Employees shall be those Employees:

(a) Who retire, having both attained age sixty (60) while employed with the City, and completed at least ten (10) years of Credited Service prior to retirement,

(b) Who elect early retirement, having both attained age fifty (50) while employed with the City, and completed ten (10) years of Credited Service prior to retirement, and, additionally, are deemed to be permanently and totally disabled in accordance with the Federal Social Security Act, or

(c) Who elect early retirement when their age plus Credited Service equals or exceeds eighty-five (85).

Police Employees
For Police Employees, eligible Employees shall be those Police Employees who meet the conditions stated above, or who have attained their Normal Retirement Date while in the service of the City.

The City's share of the retiree medical insurance premium shall be the same amount the City would have paid for the Employee and the Employee's family had the Employee remained in the employment of the City. In the event the Employee is not eligible for coverage from the City's group health insurance policy due to the fact that the Employee lives outside of the coverage area, the City will reimburse the Employee for health insurance coverage up to the prevailing two-person coverage employer rate granted to current Employees.

This provision shall be considered as separate from the other provisions of the Plan for purposes of the Code. The assets used for this provision shall not be commingled with the assets used for the other provisions of the Plan.
5.5 Cost-of-Living Adjustments

From time to time a Retired Employee's pension may be increased by a cost-of-living factor. The increase in such Retired Employee's Retirement Benefit shall commence as of the first day of the month specified in the Plan amendment approving the increase. Cost-of-living adjustments since January 1, 1988 are reflected on Appendix C to the Plan; future adjustments, if any, will be reflected on such Appendix C when approved through a Plan amendment.

No such ad hoc cost-of-living increases shall indicate or establish a City policy of providing any increased Retirement Benefits to any present or future Retired Employees, other than increased benefits solely on an ad hoc basis. Ad hoc cost-of-living increases shall be in the sole discretion of the City Council.
ARTICLE VI
RETIEMENT DATE

6.1 Normal Retirement Date

Administrative Personnel and Union Employees
For Administrative Personnel and Union Employees hired before July 1, 2011, the Normal Retirement Date shall be the first day of the month coincident with or next following the Employee's 60th birthday. For Administrative Personnel and Union Employees hired on or after July 1, 2011, the Normal Retirement Date shall be the first day of the month coincident with or next following the later of (a) the Employee's 65th birthday, and (b) the completion of ten (10) years of Credited Service.

Police Employees
Effective May 1, 1993, for Police Employees, the Normal Retirement Date shall be the first day of the month coincident with or next following the earlier of (a) the Employee's 60th birthday, or (b) the completion of twenty-five (25) years of Credited Service as a City Police Employee.

6.2 Early Retirement Date

Administrative Personnel and Union Employees hired before July 1, 2011 and all Police Employees
For Administrative Personnel and Union Employees hired before July 1, 2011, and for all Police Employees, Early Retirement Date shall be the first day of any month prior to such Employee's Normal Retirement Date, but not before the later of (a) the Employee's 50th birthday, and (b) the completion of ten (10) years of Credited Service.

Administrative Personnel and Union Employees hired on or after July 1, 2011
For Administrative Personnel and Union Employees hired on or after July 1, 2011, Early Retirement Date shall be the first day of any month prior to such Employee's Normal Retirement Date, but not before the later of (a) the Employee's 58th birthday, and (b) the completion of ten (10) years of Credited Service.
6.3 Deferred Retirement Date

An Employee’s Deferred Retirement Date shall be the first day of any month subsequent to his/her Normal Retirement Date.
ARTICLE VII
FORM AND PAYMENT OF BENEFITS

7.1 A Retired Employee's Retirement Benefit shall be payable in the form of a monthly life annuity commencing on his/her Normal, Early or Deferred Retirement Date and shall cease with the last payment due immediately preceding the Retired Employee's death; provided, however, that if the Retired Employee shall die prior to receiving at least one hundred twenty (120) monthly payments, the remainder of such one hundred twenty (120) monthly payments will be made to the Retired Employee's Beneficiary until a total of one hundred twenty (120) monthly payments has been made to the Retired Employee and his/her Beneficiary.

In the event the Beneficiary is the Retired Employee's estate, the balance of the one hundred twenty (120) guaranteed monthly payments which would otherwise have become payable shall be paid to the Retired Employee's estate in a single sum which is the Actuarial Equivalent of the remaining guaranteed payments.

If a Beneficiary of a deceased Retired Employee who is not the Retired Employee's estate should die prior to receiving the balance of the one hundred twenty (120) guaranteed monthly payments, the balance of the one hundred twenty (120) guaranteed monthly payments which would otherwise have become payable to the Retired Employee's Beneficiary shall be paid to the Beneficiary's estate in a single sum which is the Actuarial Equivalent of the remaining guaranteed payment.

If an Employee should die after his/her Normal Retirement Date and prior to his/her Deferred Retirement Date, his/her Beneficiary shall be entitled to benefits payable for one hundred twenty (120) months in an amount equal to the amount which would have been payable to the Beneficiary had the Employee retired on the date of his/her death.

7.2 In lieu of the normal form of Retirement Benefit described in Section 7.1, an Employee, who was (a) an Administrative Personnel or Union Employee in the Defined Benefit-Only Option, or (b) effective January 1, 1988, a Police Employee, may elect to receive the City's contributions and a refund of his/her contributions, plus Credited Interest.

For purposes of making this calculation, City contributions are deemed to be 150% of the Employee's contributions plus Credited Interest.

The single sum shall be paid as of the first day of the month following the month in which the Employee retires.
7.3 In lieu of the normal form of Retirement Benefit described in Section 7.1, an Employee may elect to receive a Contingent Annuitant option, which is of Actuarial Equivalent value. The joint and contingent annuity shall provide for an actuarially adjusted Retirement Benefit payable for the lifetime of the Retired Employee with the provision that following the Retired Employee's death, such adjusted pension shall continue to be paid to the Retired Employee's Contingent Annuitant at the same rate, at the rate of 2/3 or 1/2 the Retired Employee's adjusted pension. Under the Contingent Annuitant option, one hundred twenty (120) monthly payments at the rate payable while the Retired Employee is alive will be guaranteed.

The monthly payments to the Contingent Annuitant shall commence on the first day of the month following the month in which the Retired Employee dies, if the Contingent Annuitant is then living, and shall continue monthly with the last payment due for the month in which the Contingent Annuitant's death occurs.

If a Contingent Annuitant dies before the Employee commences to receive Retirement Benefits, the normal form of pension will automatically become payable as if a Contingent Annuitant option had not been elected. Except as provided in the following sentence, if the Contingent Annuitant predeceases the Retired Employee after retirement, the pension payments will cease upon the Retired Employee's death. If the death of the Retired Employee and the Contingent Annuitant occur before one hundred twenty (120) monthly payments shall have been made, the remainder of the one hundred twenty (120) monthly payments shall be payable as they become due to the Retired Employee's Beneficiary. If an Employee who has elected this option should die after his/her Normal Retirement Date and prior to his/her Deferred Retirement Date, the Contingent Annuitant, if living, shall be entitled to benefits payable for such Contingent Annuitant's further lifetime in a monthly amount equal to the amount which would have been payable to the Contingent Annuitant had the Employee retired on the date of his/her death with the Contingent Annuitant option operative.

If the Retired Employee dies after payments under this option have commenced but before he/she has received a total of one hundred twenty (120) monthly payments, monthly payments in the same amount previously paid to the Retired Employee shall continue to the Contingent Annuitant until a total of one hundred twenty (120) monthly payments have been made. After that time the Contingent Annuitant shall begin to receive monthly payments in an amount equal to the percentage specified by the Retired Employee under this option. Such payments shall cease with the last monthly payment due immediately preceding the Contingent Annuitant's death.
7.4 Notwithstanding any other provision of the Plan to the contrary:

(a) Subject to Section 7.4(b) below, in the event a participant applies for a benefit as of his/her applicable retirement date and the benefit does not commence until sometime after such retirement date due to administrative delay, the first monthly payment made to the participant shall include any payments that would have been made to the participant (without interest on such payments) had benefits commenced as of his/her applicable retirement date.

(b) If a participant fails to apply for a benefit within six (6) months following attainment of Normal Retirement Date (or if the participant actively works after Normal Retirement Date, his/her Deferred Retirement Date), benefits will automatically commence to the participant, in the normal form of benefit described in Section 7.1, on the first day of the month immediately following the date that is six (6) months after attainment of Normal Retirement Date (or Deferred Retirement Date, if applicable). The first monthly payment made to the Employee shall include any payments that would have been made to the participant (without interest on such payments) had benefits commenced as of his/her Normal (or, if applicable, Deferred) Retirement Date.

(c) Distributions from this Plan will be made in accordance with Section 401(a)(9) of the Code (which is hereby incorporated herein) and regulations issued thereunder, including Section 1.401(a)(9)-1 et seq. Any Plan provision reflecting Section 401(a)(9) of the Code shall override any Plan provision inconsistent with Section 401(a)(9) of the Code. For a participant reaches age 70-1/2 after December 31, 2019, the required beginning date for lifetime distributions under Section 401(a)(9) is April 1 of the calendar year following the calendar year in which occurs the later of the participant reaching age 72 or terminating employment with the City.

7.5 If a Retired Employee is re-employed by the City, his/her Retirement Benefit payments shall cease with the last payment due prior to his/her re-employment. Retirement Benefit payments shall again become payable on the first day of the month following subsequent termination of employment.

7.6 Direct Rollover Option:
Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee’s election under this Section, a distributee may elect, at the time and in the manner prescribed by the Retirement Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by
the distributee in a direct rollover in accordance with Section 401(a)(31) of the Code.

(a) Definitions:

(1) Eligible Rollover Distribution:

An “eligible rollover distribution” is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

(i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancy) of the distributee and the distributee’s designated Beneficiary, or for a specified period of ten (10) years or more,

(ii) any hardship distribution, or

(iii) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code.

A distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code or to a qualified trust or annuity plan described in Section 401(a) or 403(a) of the Code or an annuity contract described in Section 403(b) of the Code if such trust or annuity plan or contract provides for separate accounting for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) Eligible Retirement Plan:

An “eligible retirement plan” is:

(i) an individual retirement account described in Section 408(a) of the Code, including a Roth IRA described in Section 408A of the Code,
(ii) an individual retirement annuity described in Section 408(b) of the Code, including a Roth IRA described in Section 408A of the Code,

(iii) a qualified trust described in Section 401(a) of the Code or an annuity plan described in Section 403(a) of the Code, that accepts the distributee’s eligible rollover distribution,

(iv) an annuity contract described in Section 403(b) of the Code that accepts the distributee’s eligible rollover distribution, and

(v) an eligible plan described in Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, that accepts the distributee’s eligible rollover distribution and agrees to account separately for amounts transferred into such plan from this Plan.

The foregoing definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a domestic relations order.

(3) Distributee:

A “distributee” includes a participant or former participant. In addition, the participant’s or former participant’s surviving spouse is a distributee with regard to the interest of the spouse or former spouse.

(4) Direct Rollover:

A “direct rollover” is a payment by the Plan to the eligible retirement plan specified by the distributee.

(b) Nonspouse Beneficiary:

A nonspouse Beneficiary of a deceased participant is also a distributee for purposes of this Section 7.6; provided, however, in the case of a nonspouse Beneficiary, the direct rollover may be made only to an individual retirement account or annuity under Section 408 of the Code that is established on behalf of the nonspouse Beneficiary and that will be
treated as an inherited IRA pursuant to the provisions of Section 402(c)(11) of the Code. The determination of the extent to which a distribution to a nonspouse Beneficiary is required under Section 401(a)(9) of the Code shall be made in accordance with applicable IRS guidance.

(c) IRA Rollover of Small Benefits and Account Balances Involuntarily Distributed from the Plan.

If the benefit or account balance of a participant valued at $5,000 or less is involuntarily distributed under Sections 8.8, 9.4 or 15.6, unless the participant makes an affirmative election regarding the manner of distribution, the distribution shall be rolled over to an individual retirement account with a custodian selected from time to time by the City.
ARTICLE VIII
DEATH BENEFITS

8.1 In the event an Employee dies prior to his/her Normal Retirement Date and if, as of the date of his/her death, he/she has completed at least ten (10) years of Credited Service, a death benefit will become payable to the Beneficiary of such Employee. Such Beneficiary shall be the Employee's surviving spouse unless such surviving spouse has consented in writing to another Beneficiary.

Unless otherwise elected by the deceased Employee’s Beneficiary pursuant to Section 8.7, such death benefit will be in the form of a monthly payment, to commence as of the first day of the month following the death of the Employee, and continuing until the first day of the month preceding the date of death of the Beneficiary.

The monthly amount of such death benefit payable to the Beneficiary shall be equal to 50% of the monthly amount that would have been payable to the Employee, determined in accordance with Section 5.1 and based on his/her years of Credited Service up to the date of his/her death, but determined without regard to any actuarial reduction due to the fact that the Employee had not attained Normal Retirement Age.

8.2 In the event a death benefit becomes payable to the Beneficiary of an Employee under the provisions hereof, all provisions of the Plan applicable to a Retired Employee shall, insofar as consistent with Section 8.1 herein, be applicable with respect to such Beneficiary, and all references to pensions shall, insofar as consistent with Section 8.1, be applicable to benefits payable under Section 8.1. Payment of a death benefit under Section 8.1 herein shall render inoperative any election of an option under Article VII.

8.3 If an Employee dies before his/her Normal Retirement Date, and a death benefit is not payable under the provisions of Section 8.1 above because he/she had not completed at least ten (10) years of Credited Service, then, provided that he/she has not previously received a refund of his/her contributions, a death benefit will be payable in a single sum to the Employee's Beneficiary in an amount equal to (a) the contributions the Employee has made under the Plan, plus Credited Interest thereon, to the Employee's date of death, plus (b) the vested portion, if any, of the City’s contributions plus Credited Interest (as described in Section 9.3).

8.4 In the event an Employee who has terminated his/her employment, as described in Section 9.1, should die before his/her Normal Retirement Date, and provided that...
he/she has not previously received a refund of his/her contributions, a death benefit will be payable in a single sum to the Employee’s Beneficiary in an amount equal to (a) the contributions the Employee has made under the Plan, plus Credited Interest thereon, to the Employee’s date of death, plus (b) the vested portion, if any, of the City’s contributions plus Credited Interest (as described in Section 9.3).

8.5 If an Employee dies on or after his/her Normal Retirement Date, but before his/her Deferred Retirement Date, a death benefit will become payable to his/her Beneficiary in accordance with Section 7.1.

8.6 If a Retired Employee dies, death benefits will be payable in accordance with Section 7.1 or 7.3, unless an optional form had been elected by the Employee. In such an event, death benefits will be made in accordance with the terms of the optional form of payment elected.

8.7 In the event a death benefit becomes payable under the provisions of this Article with respect to (a) an Administrative Employee who was an Employee on or after May 31, 1986, (b) a Union Employee who was an Employee on or after December 30, 1986, or (c) a Police Employee, then, provided that the Retirement Benefits of any such Employee had not commenced before the date of his/her death, the deceased Employee’s Beneficiary may elect to receive, in lieu of any other benefit in this Article, a lump sum equal to that which the deceased Employee would have been entitled to receive under the provisions of Section 9.3 on the day prior to the Employee’s death.

8.8 Notwithstanding any provision of the Plan to the contrary, if the value of any death benefit (including Employee contributions plus interest, as described in Article III) is $4,000,000 or less, distribution shall be made in an immediate lump sum payment, subject to Section 7.6(c).
ARTICLE IX
TERMINATION OF EMPLOYMENT

9.1 An Employee who has completed at least ten (10) years of Credited Service and who terminates his/her employment with the City prior to his/her Early or Normal Retirement Date shall be entitled to a Retirement Benefit to commence as of his/her Normal Retirement Date (or Early Retirement Date, if elected by such Employee). The amount of the Retirement Benefit will be determined in accordance with Section 5.1, but based on years of Credited Service to date of termination of employment.

Upon termination of employment, the City shall provide the Employee with a statement showing the Employee's benefit payable at Normal Retirement Date. An Employee has thirty (30) days from the date of receipt of the statement to appeal the amount of his/her benefit.

9.2 In lieu of having a Retirement Benefit at Normal Retirement Date, an Employee described in Section 9.1 may elect to receive at any time prior to his/her Normal Retirement Date a refund of his/her contributions, plus Credited Interest thereon, payable in a single sum. For (a) Administrative Personnel and Union Employees in the Defined Benefit-Only Option or in the Defined Benefit/Thrift Plan Option with defined benefit Employee contributions, or (b) effective January 1, 1988, Police Employees, a terminating Employee shall, in addition to his/her contributions plus Credited Interest, receive a portion of the City's contributions, as determined in Section 9.3.

9.3 An Employee who terminates his/her employment with the City prior to his/her Early or Normal Retirement Date, and who does not meet the Credited Service requirements set forth in Section 9.1, shall receive a refund of his/her contributions, plus Credited Interest, paid in a single sum as soon as administratively feasible following such termination. Administrative Personnel and Union Employees in the Defined Benefit-Only Option or in the Defined Benefit/Thrift Plan Option with defined benefit Employee contributions, or effective January 1, 1988, Police Employees, shall, in addition to his/her contributions plus Credited Interest, receive a portion of the City's contributions plus Credited Interest upon separation from service according to the following table:

<table>
<thead>
<tr>
<th>Years of Credited Service</th>
<th>Percent of City Share Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5</td>
<td>None</td>
</tr>
<tr>
<td>5</td>
<td>50%</td>
</tr>
</tbody>
</table>

For the purposes of making this calculation, City contributions are deemed to be 150% of the Employee's contributions plus Credited Interest. An Employee shall be 100% vested in the City's share upon attaining his/her Normal Retirement Date. For Defined Benefit/Thrift Plan Option employees with defined benefit Employee contributions made after March 31, 1986, City contributions are deemed to be zero.

9.4 Notwithstanding any provision of the Plan to the contrary, if the value of a participant's benefit (including Employee contributions plus interest, as described in Article III) is $4,000,000 or less, distribution shall be made in an immediate lump sum payment, subject to Section 7.6(c).
ARTICLE X
FUNDING

10.1 For the purposes of providing Retirement Benefits for Retired Employees during the continuance of this Plan, the City will make periodic payments to the Insurance Company or Trustee, determined on the basis of actuarial estimates as furnished by the Plan's actuary, subject to appropriation by the Mayor and City Council. The Plan's actuary shall be an individual who is enrolled with the Joint Board for the Enrollment of Actuaries as provided for in Section 7701(a)(35) of the Code. These payments shall be paid to the Insurance Company or Trustee and accumulated so that the accumulation and the Employee's contributions shall be sufficient to purchase at retirement for each Employee entitled thereto the Retirement Benefits described in Articles V and XVI of the Plan. The Employee contribution will also be forwarded by the City to the Insurance Company or Trustee.

10.2 No part of the funds held by the Insurance Company or Trustee shall be used for, or diverted to, purposes other than for the exclusive benefit of Employees covered under this Plan and their Beneficiaries prior to the satisfaction of all liabilities thereunder with respect to them. No person shall have any interest in or right to any of the funds contributed to or held by the Insurance Company or contributed to the Trust and held in the Trust Fund under this Plan except as expressly provided in this Plan and the Group Annuity Contract and the Trust, and then only to the extent that such funds have been contributed by the City and the Employees to the Insurance Company or Trust Fund.

10.3 The City expressly reserves the right to change the method of funding at any time at its own selection and without the consent of any other person or organization of any kind.

10.4 Notwithstanding any contrary provision of the Plan, the principles incorporated in the Uniform Management of Public Employee Retirement Systems Act that address the investment and management of Plan assets shall be adhered to in connection with the investment and management of Plan assets, to the extent required under the Annotated Code of Maryland, State Personnel and Pensions §40-101, as those sections may from time to time be amended.
ARTICLE XI
ADMINISTRATION

11.1 There shall be a Retirement Board appointed by the City to administer the Plan.

11.2 The "Retirement Board" means the seven (7)-member body whose members, except for the City Manager, are appointed by the Mayor and confirmed by the Council. The members are composed of a member of the Mayor and Council, the City Manager, three (3) elected City employees (generally a Union, FOP, and Administrative representative) and two (2) Rockville residents, one who serves as Chairperson. The Councilperson and City Manager are permanent Board members. All others are appointed for two (2)-year terms.

11.3 The Retirement Board shall have complete control of the administration of this Plan at all times to the limitations and conditions specified in or imposed by this Plan, or the Group Annuity Contract or the Trust. The Retirement Board shall have the right to make such rules as may be necessary for such administration.

11.4 All decisions of the Retirement Board with respect to such administration shall be conclusive and shall be binding on all parties to this Plan, except as may be otherwise provided for herein.

ARTICLE XII
AMENDMENT AND TERMINATION

12.1 It is the intent of the City that this Plan shall be permanent and shall remain in effect for an indefinite period. The City, however, reserves the right to modify or discontinue the Plan at any time in the event unforeseen circumstances make such amendment or discontinuance necessary. The City expressly reserves the right to modify the Plan in order to take advantage of or conform the Plan to the provisions of any statute or ruling of the Federal or any State government, or of any duly constituted agency thereof.
ARTICLE XIII
DISCONTINUANCE OF THE PLAN

13.1 In the event this Plan shall be discontinued, no further City or Employee contributions shall be made to the Insurance Company or Trustee. At the date of discontinuance of the Plan, Employees who have not retired shall be entitled to the return of their contributions plus Credited Interest, or in lieu thereof may elect to have such contributions with Credited Interest applied to purchase paid-up deferred Retirement Benefits. In addition thereto, all Retirement Benefits for Employees, Retired Employees, Contingent Annuitants, Beneficiaries or surviving spouses under this Plan shall be nonforfeitable, to the extent funded, and shall be vested in such persons and the City payments available for the purchase of Retirement Benefits shall be allocated at the date of discontinuance in the manner hereinafter described.

(a) Any funds paid by the City to the Insurance Company or Trustee which shall be available for distribution upon discontinuance of the Plan shall be applied to purchase Retirement Benefits for Employees, Contingent Annuitants, Beneficiaries, or surviving spouses who are already receiving Retirement Benefits on the date of discontinuance or for Employees who have on that date attained their Normal or Deferred Retirement Date in amounts to which said Employees, or their Beneficiaries, shall be entitled under the Plan to the extent that sufficient funds thereof shall be available.

(b) Any funds paid by the City to the Insurance Company or Trustee which shall be available for distribution after the purchase of the Retirement Benefits described in Section 13.1(a) above shall be applied to purchase Retirement Benefits for Employees who have attained their Early Retirement Date at the date of discontinuance in amounts to which said Employees shall be entitled under the Plan to the extent that sufficient funds shall be available.

(c) Any funds paid by the City to the Insurance Company or Trustee which shall be available for distribution after the purchase of Retirement Benefits described in Section 13.1(a) or 13.1(b) above shall be applied to purchase Retirement Benefits at the date of such discontinuance for all other Employees in amounts to which said Employees shall be entitled under the Plan to the extent that sufficient funds shall be available.

13.2 Said available funds shall be used to completely purchase Retirement Benefits in any one class as described above before being used for subsequent classes. In the event the funds available for a class are insufficient to completely purchase the

Retirement Benefits for such class; they shall be applied pro rata within the class to purchase such benefits to the extent that such funds are sufficient.

13.3 Any funds paid by the City to the Insurance Company or Trustee which shall be available for distribution after the purchase in full of the Retirement Benefits described in Sections 13.1(a), 13.1(b), and 13.1(c) above shall be deemed to have become available as a result of actuarial error and shall be paid in cash to the City, provided, however, that no funds shall revert to the City prior to the satisfaction of all liabilities under the Plan.

13.4 The provision of this Article XIII shall not become operative nor shall the Plan be deemed to be discontinued merely because the City changes the method of funding or changes the agency through which the Plan in funded.
ARTICLE XIV
MISCELLANEOUS

14.1 Inclusion in the Plan shall not be construed as giving an Employee any right to be retained in the service of the City without its consent, nor shall it interfere with the right of the City to discharge the Employee, nor shall it give the Employee any right, claim or interest in any Retirement Benefits herein described except upon fulfillment of the provisions and requirements of this Plan.

14.2 Retirement Benefit payments shall be paid to any Retired Employee less frequently than monthly where the amount of monthly Retirement Benefit is less than $20.00 per month, or shall be paid in a lump sum payment to any Retired Employee in lieu of his/her monthly Retirement Benefit where such monthly benefit would be less than $10.00, such lump sum payment to be Actuarial Equivalent of such monthly Retirement Benefit.

14.3 No benefit payable at any time under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, garnishment or encumbrance of any kind unless so specifically provided in the terms of this Plan or applicable law. Any attempt to otherwise alienate, sell, transfer, assign, pledge or encumber any such benefits whether presently or thereafter payable shall be void.

This section 14.3 shall apply to the creation, assignment or recognition of a right to any benefit or other amount payable to an Employee pursuant to a domestic relations order, unless such order is determined by the Administrator to be a qualified domestic relations order, as defined in Code Sections 414(p)(1)(A)(i) and 414(p)(11), in which case such benefit or portion of that benefit shall be paid out in accordance with the terms of the court order directing the attachment of the benefit payment.

14.4 This Plan shall be construed and enforced under the laws of the State of Maryland and all of the provisions hereof shall be administered in accordance with the laws of that State.

14.5 Effective January 1, 1987, the City shall pick up under the provisions of Section 414(h)(2) of the Code the Employee contributions required by Sections 3.1 and 15.2 for Administrative Personnel and Union Employees for all Earnings earned after December 31, 1986. The City shall pick up, under the provisions of Section 414(h)(2) of the Code, the Employee contributions required by Section 3.1 for Police Employees for all Earnings after December 29, 1991.

contributions required by Section 4.5 (to the extent made through payroll deduction) and Section 4.6. The City hereby specifies that although these contributions are so designated as Employee contributions, said contributions are being paid by the City in lieu of contributions by the Employee. The Employee contributions picked up by the City are not subject to the option of the Employee receiving the picked up amounts directly and must be paid to the Plan. The contributions so picked up shall be treated as City contributions in determining tax treatment under the Code; however, the contributions so picked up shall be included in Earnings for purposes of this Plan. The City shall pay these Employee contributions from the same source of funds, which is used in paying Earnings to the Employee. Employee contributions, which are picked up, shall be treated, for all purposes of this Plan, in the same manner and to the same extent as Employee contributions made prior to the date picked up.

14.6 Limitation on Pension Benefits

Notwithstanding any Plan provisions to the contrary, effective for Plan Years beginning on or after July 1, 2007:

(a) Maximum Benefit and Contributions

To the extent necessary to prevent disqualification under Section 415 of the Code, and subject to the remainder of this Section 14.6, the maximum annual benefit to which any Employee may be entitled in any Plan Year (hereafter referred to as the “maximum benefit”) shall not exceed the “Defined Benefit Dollar Limit” (adjusted as provided in Section 14.6(b)), which limit shall be determined in accordance with the following:

(1) The Defined Benefit Dollar Limit shall be $460,000 as of July 1, 2020, as adjusted for the future Plan Years under Section 415(d) of the Code.

(2) The Defined Benefit Dollar Limit as set forth above is the annual amount payable in the form of a straight life annuity, beginning no earlier than age sixty-two (62) (except as provided in Section 14.6(b)(2)(i)) and no later than age sixty-five (65). In the case of a monthly amount payable in a form other than a straight life annuity, or beginning before age sixty-two (62) or after age sixty-five (65), the adjustments in Section 14.6(b) shall apply.

The dollar limits in this Section shall be adjusted, effective January 1 of each year, under Section 415(d) of the Code, in such manner as the Secretary of the Treasury shall prescribe, for active Employees entitled to receive benefits, without any amendment to this Plan, to reflect cost of...
living increases announced by the Service pursuant to Section 415(d) of the Code and the increase which is effective as of the January 1st contained within the Plan Year shall be effective for the entire Plan Year.

(b) Actuarial Adjustments Relating to Defined Benefit Dollar Limit

(1) Adjustment for Benefit Payable in Form Other than Straight Life Annuity

(i) If a monthly benefit is payable in a form other than a straight life annuity, before applying the Defined Benefit Dollar Limit, the benefit shall be adjusted, in the manner described in Section 14.6(b)(1)(ii) or (iii), to the actuarially equivalent straight life annuity that begins at the same time. No actuarial adjustment to the benefit shall be made for (A) survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity (as defined for purposes of Section 415 of the Code) to the extent such benefits would not be payable if the Employee’s benefit were paid in another form, (B) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits), or (C) in the case of a form of benefit not subject to Section 417(e)(3) of the Code, the inclusion of a feature under which a benefit increases automatically to the extent permitted to reflect cost of living adjustments and the increase, if any, in the Defined Benefit Dollar Limit under Section 415(d) of the Code.

(ii) If the benefit of an Employee is paid in a form not subject to Section 417(e) of the Code, the actuarially equivalent straight life annuity (without regard to cost-of-living adjustments described in this Section 14.6 is equal to the greater of (A) the annual amount of the straight life annuity (if any) payable to the Employee under the Plan commencing at the same time, or (B) the annual amount of the straight life annuity commencing at the same time that has the same actuarial present value as the Employee’s form of benefit, computed using a 5% interest rate and the applicable mortality table designated by the Secretary of the
Treasury from time to time pursuant to Section 417(e)(3) of the Code.

(iii) If the benefit of a Employee is paid in a form subject to Section 417(e) of the Code, the actuarially equivalent straight life annuity is equal to the greatest of: (A) the annual amount of the straight life annuity commencing at the benefit commencement date that has the same actuarial present value as the Employee’s form of benefit, computed using the interest rate and mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form, (B) the annual amount of the straight life annuity commencing at the time that has the same actuarial present value as the Employee’s form of benefit, computed using a 5.5% interest rate assumption and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Section 417(e)(3) of the Code, or (C) the annual amount of the straight life annuity commencing at the same time that has the same actuarial present value as the Employee’s form of benefit, computed using the applicable interest rate and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Section 417(e)(3) of the Code, divided by 1.05. With respect to any benefit described in this Section 14.6(b)(1)(iii) which had a benefit commencement date in Plan Years commencing in 2004 or 2005, this Section 14.6(b)(1)(iii), with the exception of clause (C), shall apply to any required adjustment.

(iv) For purposes of this Section 14.6(b)(1), whether a form of benefit is subject to Section 417(e) of the Code is determined without regard to the status of the Plan as a governmental plan as described in Section 414(d) of the Code.

(2) Adjustment for Benefit Commencement before Age Sixty-Two (62) or after Age Sixty-Five (65)

(i) If the benefit of a Employee begins prior to age sixty-two (62), the Defined Benefit Dollar Limit applicable to the Employee at such earlier age is an annual benefit payable in the form of a straight life annuity beginning at the earlier age that is the actuarial equivalent of the Defined Benefit Dollar

---

Limit applicable to the Employee at age sixty-two (62) (adjusted for participation of fewer than ten (10) years, if applicable) computed using a 5% interest rate and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Section 417(e)(3) of the Code. However, if the Plan provides an immediately commencing straight life annuity payable at both age sixty-two (62) and the age of benefit commencement, the Defined Benefit Dollar Limit is the lesser of: (A) the limitation determined under the immediately preceding sentence, or (B) the Defined Benefit Dollar Limit (adjusted for participation of fewer than ten (10) years, if applicable) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the age of benefit commencement to the annual amount of the immediately commencing straight life annuity under the Plan at age sixty-two (62), both determined without applying the limitations of this Section. In addition, the adjustment in this Section 14.6(b)(2)(i) shall not apply as a result of benefits paid on account of disability or as a result of the death of an Employee.

The preceding paragraph (i) shall not apply for years beginning after December 31, 1996 to Police Employees who are “qualified participants,” as that term is herein defined. A “qualified participant” for purposes of Section 14.6(b)(2)(i) is an Employee with respect to whom the period of service taken into account in determining the amount of benefit under the Plan includes at least fifteen (15) years of service of the Police Employee as (A) a full time-Employee as a sworn police officer of the City, or (B) a member of the Armed Forces of the United States.

(ii) If the benefit of an Employee (including a Police Employee who is a “qualified participant”) begins after age sixty-five (65), the Defined Benefit Dollar Limit applicable to the Employee at the later age is the annual benefit payable in the form of a straight life annuity beginning at the later age that is actuarially equivalent to the Defined Benefit Dollar Limit applicable at age sixty-five (65) (adjusted for participation of fewer than ten (10) years, if applicable) computed using a 5% interest rate assumption and the applicable mortality table designated by the Secretary of the
Treasury from time to time pursuant to Section 417(e)(3) of the Code. However, if the Plan provides an immediately commencing straight life annuity payable at both age sixty-five (65) and the age of benefit commencement, the Defined Benefit Dollar Limit is the lesser of (A) the limitation determined under the immediately preceding sentence, or (B) the Defined Benefit Dollar Limit (adjusted for participation of less than ten (10) years if applicable) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the age of benefit commencement to the annual amount of the adjusted, immediately commencing straight life annuity under the Plan at age sixty-five (65), both determined without applying the limitations of this Section. For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the age of the benefit commencement date is the annual amount of such annuity payable to the Employee, computed disregarding the Employee’s accruals after age sixty-five (65) but including any actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted, immediately commencing straight life annuity under the Plan at age sixty-five (65) is the annual amount of such annuity that would be payable under the Plan to a hypothetical participant who is age sixty-five (65) and has the same accrued benefit as the Employee.

(iii) Mortality Adjustments. For purposes of this Section 14.6(b)(2), no adjustment shall be made to the Defined Benefit Dollar Limit to reflect the probability of an Employee’s death between the benefit commencement date and age sixty-two (62), or between age sixty-five (65) and the benefit commencement date, as applicable, if benefits are not forfeited upon the death of the Employee prior to the benefit commencement date. To the extent benefits are forfeited upon death before the benefit commencement date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the participant’s death if the Plan does not charge Employees for providing a qualified preretirement survivor annuity (as defined for purposes of Section 415 of the Code) upon the Employee’s death.
(c) Reducing Dollar Limit

If the Employee has fewer than ten (10) years of participation in the Plan (as determined under Section 415 of the Code and the regulations thereunder), the Defined Benefit Dollar Limit shall be multiplied by a fraction, the numerator of which is the number of years (or part thereof) of participation in the Plan and the denominator of which is ten (10). The adjustment in this Section 14.6(c) shall not apply to benefits paid on account of Disability or as a result of the death of an Employee.

(d) Other Reductions in Maximum Benefit

In addition to the foregoing, the maximum benefit shall be reduced, and the rate of benefit accrual shall be frozen or reduced accordingly, to the extent necessary to prevent disqualification of the Plan under Section 415 of the Code, with respect to any Employee who is also a participant in:

1. any other tax-qualified defined benefit plan maintained by the City, and/or
2. any tax-qualified defined benefit plan maintained by an affiliated or predecessor employer, as described in regulations under Section 415 of the Code, or otherwise required to be taken into account under such regulations.

(e) Multiple Benefit Commencement Dates

If an Employee has distributions commencing at more than one benefit commencement date (determined in accordance with Section 415 of the Code and the regulations thereunder), the benefits payable as of each such benefit commencement date shall satisfy the limitations of this Section 14.6 as of each such date, actuarially adjusting for past and future distributions of benefits commencing at the other benefit commencement dates.

(f) Grandfathered Benefits

The application of the provisions of this Section shall not cause the maximum permissible benefit for any Employee to be less than the Employee’s Normal Retirement Benefit under this Plan as of the end of
the last Plan Year beginning before July 1, 2007 under provisions of this Plan that were both adopted and in effect before April 5, 2007 and that satisfied the limitations under Section 415 of the Code as in effect as of the end of the last Plan Year beginning before July 1, 2007.

(g) Incorporation of Section 415 Limits

To the extent an Employee's benefit is subject to provisions of Section 415 of the Code which have not been set forth in the Plan, such provisions are hereby incorporated by reference into this Plan and for all purposes shall be deemed a part of the Plan.

14.6A 14.7 Special Rules Relating to Purchase of Permissive Service Credit

(a) If an Employee makes one or more contributions to the Plan to purchase Permissive Service Credit pursuant to Article IV or otherwise, then the requirements of Section 415 of the Code will be met with respect to these contributions only if:

(1) The requirements of Section 415(b) of the Code are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of such section (provided, however, that the Plan shall not fail to meet the reduced limit under Section 415(b)(2)(C) of the Code solely by reason of this Section 14.6A 14.7(a)(1); or

(2) The requirements of Section 415(c) of the Code are met, determined by treating all such contributions as annual additions for purposes of such section (provided, however, that the Plan shall not fail to meet the percentage limitation under Section 415(c)(1)(B) of the Code solely by reason of this Section 14.6A 14.7(a)(2).

(b) For purposes of this Section 14.6A 14.7, "Permissive Service Credit" shall mean service credit which is:

(1) Recognized by the Plan for purposes of calculating an Employee’s benefit under the Plan;

(2) Which such Employee has not otherwise received under the Plan; and
Which such Employee may receive only by making a voluntary additional contribution, in an amount determined under the Plan, which does not exceed the amount necessary to fund the benefit attributable to such service credit.

Permissive Service Credit may include service credit for periods for which there is no performance of service, and, notwithstanding clause (2) above, may include service credited in order to provide an increased benefit for service credit which a participant is receiving under the Plan.

Anything contained herein to the contrary notwithstanding, no more than five (5) years of Nonqualified Service Credit may be taken into account under the Plan. Furthermore, no Nonqualified Service Credit may be taken into account under the Plan until the Employee has at least five (5) years of participation under the Plan.

For purposes of this Section 14.6A 14.7, "nonqualified service credit" shall mean Permissive Service Credit other than that allowed with respect to:

1. Service (including parental, medical, sabbatical and similar leave) as an employee of the government of the United States, any state or a political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of a repayment described in Section 14.6A 14.7(e) hereof);

2. Service (including parental, medical, sabbatical and similar leave) as an employee (other than as an employee described in clause (i) of an educational organization described in Section 170(b)(1)(A)(ii) of the Code which is a public, private or sectarian school which provides elementary or secondary education (through grade twelve (12)), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed;

3. Service as an employee of an association of employees who are described in Section 14.6A 14.7(d)(1) above; or
Military service (other than qualified military service under Section 414(u) of the Code) recognized by the Plan.

In the case of service described in Sections 14.6A 14.7(d)(1), (2) or (3) above, such service shall be nonqualified service if recognition of such service would cause an Employee to receive a retirement benefit for the same service under more than one plan.

In the case of any repayment of a Employee’s contributions (including interest thereon) to the Plan with respect to an amount previously refunded upon a forfeiture of Credited Service under this Plan or under any other governmental plan maintained by the State of Maryland or other local government employer within the State of Maryland, any such repayment shall not be taken into account for purposes of Section 415 of the Code.

If an Employee elects to purchase Permissive Service Credit hereunder, as described in Section 4.6 of the Plan, or repay mandatory participant contributions plus interest, as described in Section 4.6(a)(2) of the Plan, the Employee may elect to have amounts credited to him under any tax-sheltered annuity under Section 403(b) of the Code or deferred compensation plan under Section 457(b) of the Code transferred directly from the trustee or custodian of such arrangement to the Trustee of this Plan in order to satisfy such purchase or repayment obligation.

In the case of a trustee-to-trustee transfer described in Section 14.6A 14.7(f), the limitations on purchase of service credit set forth in subsection (c) above shall not apply in determining whether the transfer is for the purchase of Permissive Service Credit. Furthermore, the distribution rules otherwise applicable to this Plan shall apply to such transferred amounts and to any benefits attributable to such transferred amounts.

This Section 14.6A 14.7 shall be effective with respect to repayment contributions and Permissive Service Credit contributions made in years beginning no earlier than January 1, 1998. Notwithstanding the foregoing, in the case of an eligible Employee, the limitations of Section 415(c)(1) of the Code shall not be applied to reduce the amount of Permissive Service credit which may be purchased to an amount which is less than the amount which was allowed to be
purchased under the terms of the Plan as in effect on August 5, 1997. For purposes of this Section 14.6A.14.7(f), an "eligible participant" is an individual who first became a participant in the Plan before January 1, 1998.

14.7.14.8 Any forfeitures arising under the Plan for any reason shall not be applied to increase the benefit of any person hereunder, but rather, shall be applied to pay administrative expenses of the Plan and Trust that funds the Plan if and as directed by the Retirement Board and/or be used to reduce the City's contribution under the Plan.

14.8.14.9 All rights and benefits (including, but not limited to, rights of election of payment form and designation of Beneficiary) afforded to an Employee or Beneficiary in this Plan shall be subject to the rights afforded to any alternate payee under a qualified domestic relations order, as those terms are defined in Sections 414(p)(1)(A)(i) and 414(p)(11) of the Code.

14.9.14.10 All provisions hereunder relating to the spouse of a Participant and Employee shall be construed and administered in accordance with IRS Revenue Ruling 2013-17, IRS Notice 2014-19, and any subsequent guidance relating to same-sex spouses.
ARTICLE XV
THRIFT PLAN

15.1 The Thrift Plan is available to (a) Administrative Personnel hired on or after April 15, 1986, (b) Administrative Personnel employed by the City as of April 14, 1986, who elect to be covered by the Defined Benefit/Thrift Plan Option, (c) Union Employees hired on or after December 2, 1986, and (d) Union Employees employed by the City as of December 1, 1986 who elect to be covered by the Defined Benefit/Thrift Plan Option. Participation in the Defined Benefit/Thrift Plan Option by Administrative Personnel hired on or after April 15, 1986 and Union Employees hired on or after December 2, 1986 is mandatory.

15.2 Each participant in the Thrift Plan shall elect, within thirty (30) calendar days of becoming an eligible participant, to reduce his/her Earnings by 1%, 2%, 3%, 4%, or 5% (in whole percentages only) in order to make periodic contributions to the Thrift Plan. Each Employee may change the percentage of his/her total account that is allocated to any subaccounts and how his/her account or subaccounts are invested in accordance with rules adopted by the Retirement Board. Such election shall become effective with respect to any Earnings of the Employee attributable to service on and after the first day of the first pay period that begins after receipt by the City of the Employee's completed election form and shall be irrevocable for the tenure of such Employee's employment. The Thrift Plan does not accept rollover contributions from any other plan.

15.3 The City shall make a matching contribution \text{Thrift Plan Contribution} equal to $0.50 for each $1.00 contributed by an Employee.

15.4 The Thrift Plan Supplemental Contribution set forth in this Section 15.4 covers all charter-appointed employees, and all non-appointed at-will contract employees of the City whose contracts contain provisions authorizing this benefit. For each payroll period, the City shall provide an employer contribution equal to 10% of the amount of base salary paid for such payroll period for each Employee eligible therefor under this Section 15.4.

15.5 An individual bookkeeping account shall be maintained by the City (or by such recordkeeper as the City may designate) on behalf of each Employee until such account is used to provide an annuity or is otherwise distributed in accordance with the further terms of this Plan. Each Employee’s account will be maintained as to reflect the amount attributable to Employee contributions (as adjusted for investment experience), to Thrift Plan Contributions (as adjusted for investment experience), and the amount attributable to City contributions to Thrift Plan Supplemental Contributions (as adjusted for investment experience). Each
Employee's account may, at the election of the Employee, be divided into several subaccounts, each invested in different types of investments, as may be provided in accordance with rules adopted by the Retirement Board. Each Employee may change how his/her account or subaccounts are invested in accordance with rules adopted by the Retirement Board. Each Employee's account shall be valued each day and each day shall be credited with gains or losses in accordance with the investment medium in which such account or subaccount is invested.

15.6 An Employee in the Thrift Plan shall be fully vested in his/her Employee contributions with and Thrift Plan Supplemental Contributions (if any) (as adjusted for investment earnings thereon experience). An Employee will also be vested in the remainder in his/her account attributable to City contributions with Thrift Plan Contributions (as adjusted for investment earnings thereon experience) in accordance with the following table:

<table>
<thead>
<tr>
<th>Years of Credited Service</th>
<th>City's Share Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3</td>
<td>None</td>
</tr>
<tr>
<td>3 or more</td>
<td>100%</td>
</tr>
</tbody>
</table>

An Employee shall be 100% vested in the City's share Thrift Plan Contributions (and earnings thereon) upon attaining his/her Normal Retirement Date. The Thrift Plan does not take into account any prior service with any other governmental entity for purposes of calculating Credited Service for vesting under the Thrift Plan.

15.6 Upon an Employee’s termination of employment with the City, any nonvested portion of the Employee’s Thrift Plan account shall be forfeited, and may be used by the City to pay administrative expenses of, or to fund City contributions to, the Thrift Plan. If an Employee who has incurred a forfeiture is rehired by the City within one year after the Employee’s termination of employment, the forfeited amount (unadjusted for earnings or losses) shall be restored to the Employee’s Thrift Plan account. If rehires occurs after more than one year, the forfeited amount shall not be restored.

15.7 Subject to Section 7.4 with respect to required minimum distributions and the last paragraph of this Section 15.6, an Employee who terminates employment with the City may elect to leave his/her contributions in his/her Thrift Plan account in the Plan. His/her account, including the vested portion of the City's contributions, will continue to be adjusted for investment experience until his/her account is fully distributed, as set forth in the following paragraphs:
An Employee who terminates employment with the City with less than three (3) years of credited Service no vested City Thrift Plan contributions may elect a distribution of his/her account balance Employee Thrift Plan contributions in the form of a lump sum payment.

An Employee who terminates employment with the City with three (3) or more years of credited Service vested City Thrift Plan contributions may elect a distribution in one of the following forms of payment: (1) a lump sum payment of the Employee’s account balance; (2) partial distribution of the Employee’s account balance; (3) a series of installments over a period of years (payable on a monthly, quarterly, semi-annual or annual basis) which extends no longer than the life expectancy of the Employee as permitted under Section 401(a)(9) of the Code; or (4) a purchase of a single premium nontransferable annuity contract for such term and in such form as the Employee selects that provides for payments in the form of an irrevocable annuity each calendar year of amounts not less than the amount required under Section 401(a)(9) of the Code.

Notwithstanding any provision to the contrary, if the value of a participant's Thrift Plan account is $4,000,000 or less, distribution shall be made in an immediate lump sum payment, subject to Section 7.6(c).

45.715.8 In the event that all, or any portion, of the distribution payable to a Participant Employee or his/her beneficiary hereunder shall, at the expiration of five (5) years after it shall become payable, remain unpaid solely by reason of the inability of the Retirement Board, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant Employee or his/her beneficiary, the amount so distributable shall be forfeited and shall be used to reduce the cost of the Plan. However, the dollar amount of the Participant Employee's vested benefit, unadjusted for gains or losses in the interim, shall be reinstated if a claim for the benefit is made by the Participant Employee or his/her beneficiary to whom it was payable before it escheats pursuant to applicable law. Notwithstanding the foregoing, if a benefit payable to a missing person is subject to escheat pursuant to any applicable state law, then payment of such benefit may be made in accordance with such state law and such missing person shall not thereafter have any rights with respect to such benefit.

45.815.9 Upon the death of any Employee prior to complete distribution of his/her account in cash and/or by provisions of an annuity, his/her Beneficiary shall be entitled to a distribution of the vested portion of the Employee's account remaining undistributed.

Notwithstanding any other provision in this Article XV, contributions made pursuant to this Article that constitute “annual additions,” as defined in Section 415(c)(2) of the Code, to the Employee’s account shall not exceed the lesser of (a) $40,000, as adjusted for increases in the cost of living under Section 415(d) of the Internal Revenue Code, or (b) 100% of the Employee’s compensation, within the meaning of Section 415(c)(3) of the Code, for the Plan Year. Notwithstanding the foregoing, the $40,000 limit (as it may be adjusted from time to time) described above shall be prorated to 25% of the otherwise applicable annual limit for the short Plan Year beginning on April 1, 2013 and ending on June 30, 2013. The compensation limit referred to in (b) shall not apply to any contribution for medical benefits, after separation from service (within the meaning of Section 401(h) or 419A(f)(2) of the Code) which is otherwise treated as an annual addition.
ARTICLE XVI
THRIFT PLAN SUPPLEMENT

16.1—The Thrift Plan Supplement set forth in this Article XVI covers all charter-appointed employees and all non-appointed at-will contract employees of the City (each, a "TPS Participant"). The contracts for non-appointed TPS Participants must contain a provision authorizing this benefit.

16.2—For each payroll period beginning with the July 20, 2018 pay date, the City shall provide an employer-contribution equal to 10% of the amount of base salary paid for such payroll period (the “TPS Contribution”) for each TPS Participant.________

16.3—An individual bookkeeping account shall be maintained by the City (or by such recordkeeper as the City may designate) on behalf of each TPS Participant until such account is used to provide an annuity or is otherwise distributed in accordance with the further terms of this Plan. Each TPS Participant’s account will be maintained as to reflect the amount attributable to TPS Contributions (as adjusted for investment experience). Each TPS Participant’s account may, at the election of the TPS Participant, be divided into several subaccounts, each invested in different types of investments, as may be provided in accordance with rules adopted by the Retirement Board. Each TPS Participant may change how his/her account or subaccounts are invested in accordance with rules adopted by the Retirement Board. Each TPS Participant's account shall be valued each day to reflect gains or losses in accordance with the investment medium in which such account or subaccount is invested.

16.4—A TPS Participant shall be fully vested in all TPS Contributions and investment earnings thereon in his/her account—

16.5—Subject to Section 7.4 with respect to required minimum distributions and the last paragraph of this Section 16.5, a TPS Participant who terminates employment with the City may elect to leave his/her TPS Contributions in his/her account. His/her account will continue to be adjusted for investment experience until his/her account is fully distributed, as set forth in the following paragraphs:

A TPS Participant may elect a distribution in one of the following forms of payment: (1) a lump sum payment of the TPS Participant’s account balance; (2) partial distribution of the TPS Participant’s account balance; (3) a series of installments over a period of years (payable on a monthly, quarterly, semi-annual or annual basis) which extends no longer than the life expectancy of the TPS Participant as permitted under Section 401(a)(9) of the Code; or (4) a purchase of a single-premium nontransferable annuity contract for such term and in such form as the-
TPS Participant selects that provides for payments in the form of an irrevocable annuity each calendar year of amounts not less than the amount required under Section 401(a)(9) of the Code.

Notwithstanding any provision to the contrary, if the value of a participant's account is $1,000 or less, distribution shall be made in an immediate lump sum payment.

16.6 In the event that all, or any portion, of the distribution payable to a Participant or his/her beneficiary hereunder shall, at the expiration of five (5) years after it shall become payable, remain unpaid solely by reason of the inability of the Retirement Board, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or his/her beneficiary, the amount so distributable shall be forfeited and shall be used to reduce the cost of the Plan. However, the dollar amount of the Participant's vested benefit, unadjusted for gains or losses in the interim, shall be reinstated if a claim for the benefit is made by the Participant or his/her beneficiary to whom it was payable before it escheats pursuant to applicable law. Notwithstanding the foregoing, if a benefit payable to a missing person is subject to escheat pursuant to any applicable state law, then payment of such benefit may be made in accordance with such state law and such missing person shall not thereafter have any rights with respect to such benefit.

16.7 Upon the death of any TPS Participant prior to complete distribution of his/her account in cash and/or by provisions of an annuity, his/her Beneficiary shall be entitled to a distribution of the vested portion of his/her TPS Contribution account remaining undistributed.

16.8 Notwithstanding any other provision in this Article XVI, contributions made pursuant to Article XV and this Article XVI that constitute "annual additions," as defined in Section 415(c)(2) of the Code, to the Employee's account, and shall not exceed the lesser of (a) $55,000, as adjusted for increases in the cost of living under Section 415(d) of the Internal Revenue Code, or (b) 100% of the Employee's compensation, within the meaning of Section 415(c)(3) of the Code, for the Plan Year. The compensation limit referred to in (b) shall not apply to any contribution for medical benefits, after separation from service (within the meaning of Section 401(h) or 419A(f)(2) of the Code) which is otherwise treated as an annual addition.
The City of Rockville Pension Plan, as amended and restated herein as of July 1, 2020, is hereby ratified and confirmed in all other respects.

IN WITNESS WHEREOF, the City has caused this document to be executed this ___ day of January, 2020.

CITY OF ROCKVILLE

By:

________________________
Bridget Donnell Newton, Mayor
# APPENDIX A

## INDEX OF PLAN AMENDMENTS SUBSEQUENT TO RESTATEMENT EFFECTIVE AS OF DECEMBER 10, 2001

<table>
<thead>
<tr>
<th>Amendment Number</th>
<th>Date</th>
<th>Summary of Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>12/12/01</td>
<td>To allow employees who return to service with the City within one year of leaving to continue their period of service for purposes of the Plan; approval of amendment to provide a cost of living adjustment for retirees; and approval of change to investment offerings under the defined contribution portion of the Plan. See Sections 4.4 and 4.5.</td>
</tr>
<tr>
<td>2</td>
<td>04/14/03</td>
<td>To implement required provisions of EGRRRA (the Economic Growth and Tax Relief Reconciliation Act); to remove a requirement that mandated a Supplementary Employee Contribution; and to codify the already approved 1.5% cost of living increase to benefits as of January 1, 2002. See Sections 1.12, 3.1, 5.6(k), 5.6(l), 7.6, 15.6, 10.10(a)</td>
</tr>
<tr>
<td>3</td>
<td>04/01/04</td>
<td>To increase the formula for calculating the retirement benefit for police employees from 2% of final average earnings to 2.25% for all service after April 1, 2004. See the third sentence of Section 5.1.</td>
</tr>
<tr>
<td>4</td>
<td>02/01/05</td>
<td>To adjust the calculation for purchasing prior government service. See Sections 4.6(e).</td>
</tr>
<tr>
<td>5</td>
<td>08/01/06</td>
<td>This is the formal ratification by the Mayor and Council of actions taken and recommendations made by the City’s Retirement Board. The first change allowed for a 1.5% COLA effective January 1, 2005. The second change is...</td>
</tr>
</tbody>
</table>
to conform the Plan to new legislation that became effective July 1, 2005. The change adds language that specifies that the Plan will be administered in compliance with the provisions contained in the Uniform Management of Public Employee Retirement Systems Act (UMPERSA). The third change will increase the retirement cap for the Police Plan from the current 60% to 67.5%. This change will bring the Plan into balance with the new benefit formula of 2.25% that was recently approved for the FOP. Based on actuarial valuation, there would be minimal or no cost to the City of the Plan for this benefit to be implemented. The fourth change is housekeeping language. Definitions are being added for “Trust Agreement”, “Trust Fund”, “Trustee”, and “Retirement Board”. The “Trust” definitions are added, and language spread across the Plan document that allows for Plan investments outside of the insurance company’s annuity contract. See Sections 5.6(m), 5.6(n), 10.4, 5.1 (fifth paragraph), 1.24, 1.25, 1.26, 1.27, 10.1, 10.2, 12.1, 12.2, 12.3, 12.4, 14.1, 14.3 and 16.4.

62 Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2006, shall receive a 1.5% increase in his/her Retirement Benefits.

63 Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2007, shall receive a 1.0% increase in his/her Retirement Benefits.
APPENDIX B
HISTORICAL PLAN PROVISIONS REMOVED FROM APRIL 1, 2008 RESTATEMENT

1.2 “Actuarial Equivalent” means, prior to April 1, 2007, a benefit which has a value equal to the benefit otherwise payable under the Plan determined using a blend of 50% male factors from the 1983 Group Annuity Mortality Table and 50% female factors from the 1983 Group Annuity Mortality Table and assuming a rate of interest of 7.5% compounded annually.

1.6 “Credited Interest” means the interest that shall be credited with respect to Employee contributions and the Credited Interest thereon. Prior to July 1, 1969, such interest shall be credited in accordance with the terms of the Employees’ Retirement System of the State of Maryland as in effect prior to that date.

For Administrative Personnel employed by the City and participating in the Plan on April 14, 1986, accrued Credited Interest as of January 1, 1986, on Employee contributions made prior to January 1, 1986, shall be increased to 1.5 times actual accrued Credited Interest on that date. On and after May 1, 1986, Credited Interest for Union Employees and Police Employees shall be credited at the rate of 4% per year, compounded annually. Interest shall be credited for the number of full months from the January 1 following date of contribution to the date of withdrawal or benefit commencement.

For Union Employees employed by the City and participating in the Plan on December 1, 1986, accrued Credited Interest as of January 1, 1987, on Employee contributions made prior to January 1, 1987, shall be increased to 1.5 times actual accrued Credited Interest on that date.

For Police Employees employed by the City and participating in the Plan on December 1, 1987, accrued Credited Interest as of January 1, 1988, on Employee contributions made prior to January 1, 1988, shall be increased to 1.5 times actual accrued Credited Interest on that date.

1.12 In determining benefit accruals in Plan Years beginning after December 31, 2001, the annual Earnings limit for determination periods beginning before January 1, 2002, shall be $150,000 for any determination period beginning in 1996 or earlier.
$160,000 for any determination period beginning in 1997, 1998 or 1999; and
$170,000 for any determination period beginning in 2000 or 2001.

2.1 Each Employee, who was in the employ of the City on July 1, 1969, shall be eligible to join the Plan on July 1, 1969 or the first day of any month thereafter.

2.2 Each Employee who is employed by the City after July 1, 1969, but prior to January 10, 1984, shall be eligible to join the Plan on the first day of the month following the date he/she would have completed six (6) months of Credited Service had he/she made Employee contributions. Each Employee who is employed by the City after January 9, 1984, except Police Employees, Administrative Personnel hired on or after April 15, 1986 and Union Employees hired on or after December 2, 1986, shall be eligible to join the Plan on the first day of the month coincident with or next following his/her date of employment. Police Employees hired on or after January 10, 1984 shall be eligible to join the Plan on the first day of employment. Administrative Personnel hired on or after April 15, 1986 shall be eligible to join the Plan on the later of the first day of employment and May 31, 1986. Union Employees hired on or after December 2, 1986 shall be eligible to join the Plan on the later of the first day of employment and December 30, 1986.

2.5 Administrative Personnel, who are in the employ of the City and participating in the Plan on April 14, 1986, may make an irrevocable election to be covered by the Thrift Plan Option effective May 31, 1986. Such election must be filed with the Retirement Board prior to 5:00 p.m., May 30, 1986. An Employee who fails to make the required election prior to this deadline will be covered by the Defined Benefit Option. Administrative Personnel, who are in the employ of the City on April 14, 1986 and had earlier elected not to participate in the Plan, shall automatically be covered under the Thrift Plan Option effective May 31, 1986. No Credited Service shall be credited for service prior to such Employee's participation in the Plan.

2.6 Union Employees, who are in the employ of the City and participating in the Plan on December 1, 1986, may make an irrevocable election to be covered by the Thrift Plan Option effective December 30, 1986. Such election must be filed with the Retirement Board prior to 5:00 p.m., December 29, 1986. An Employee who fails to make the required election prior to this deadline will be covered by the Defined Benefit Option.

Union Employees, who are in the employ of the City on December 1, 1986 and had earlier elected not to participate in the Plan, shall automatically be covered under the Thrift Plan Option effective December 30, 1986. No Credited Service shall be credited for service prior to such Employee's participation in the Plan.
3.1 From and after July 1, 1975, each eligible Employee, who elects to participate in the Defined Benefit Option of the Plan and who has not retired, shall make contributions under the Plan each pay period through payroll deductions. Such contributions shall be at a rate equal to 4.2% of his/her biweekly Earnings.

Effective on or after July 1, 1984, Police Employees shall contribute at a rate equal to 7.2% of biweekly Earnings.

Effective with the pay period covered by the January 16, 1987 payroll, Employee contributions shall be required under this Article by Administrative Personnel and Union Employees participating in the Thrift Plan Option pursuant to the requirements of Article XVI.

4.1 Each Employee’s Credited Service shall be the sum of his/her Credited Prior Service, if any, and his/her Credited Future Service as determined by the Retirement Board as follows:

(a) Credited Prior Service: An Employee will receive credit for each full year of continuous service and fraction thereof, to the nearest full month, completed from his/her date of employment to July 1, 1969, provided that he/she made the required contributions to the Employees’ Retirement System of the State of Maryland as in effect from time to time.

Unused Sick Leave: Any Employee who is a participant in the Plan on the date this amendment is adopted shall make the election described in the first paragraph of this subsection (c) within thirty (30) days of the date of such adoption.

4.6 Purchase of Prior Service

(a) Each Employee who was an Employee as of April 1, 1989 and was a contributing participant on April 14, 1986 shall have the right to purchase Credited Service for the period between his/her date of employment and the date he/she became a participant. In order to receive credit under this Section, an Employee must formally elect, in writing, to purchase the Credited Service by September 30, 1989 or within sixty (60) days of notification of right to purchase Credited Service by the Personnel Department of the City, if later. Such and election, once made, is irrevocable.
An Employee electing to purchase Credited Service must agree to pay to the Plan 0.35% of his/her annual rate of Earnings as of April 1, 1989 for each month of Credited Service, which is purchased. An Employee shall make payments for the purchased Credited Service through biweekly payroll deduction of over a period of one (1), three (3) or five (5) years as elected by the Employee. Commencing with the 27th payment, interest shall be charged to the unpaid balance at the end of each pay period at an effective annual rate of 6%.

The amount of each biweekly contribution shall be determined by multiplying the total amount due by a percentage as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Total Biweekly Payment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>26</td>
<td>3.846%</td>
</tr>
<tr>
<td>3</td>
<td>78</td>
<td>1.331%</td>
</tr>
<tr>
<td>5</td>
<td>130</td>
<td>0.841%</td>
</tr>
</tbody>
</table>

If an Employee terminates employment prior to the time full amount of payments due have been received by the Plan, the Employee shall make a lump sum payment for the unpaid balance and thereby retain the full amount of Credited Service purchased.

An Employee who terminates employment and receives a refund of his/her contributions plus Credited Interest shall not be entitled to receive any City Contribution pursuant to Section 9.3 attributable to the purchased Credited Service.

4.7 (b) Transfers of Service Credit to the Defined Contribution Portion of the Thrift Plan Option

Employees who participate in the defined contribution portion of the Thrift Plan Option may transfer contributions from a defined contribution retirement plan of any other State of Maryland or local retirement system within the State of Maryland, which plan is qualified under Section 401(a) of the Code, to the defined contribution portion of the Thrift Plan Option if:

(iii) The Employee elects in writing within one (1) year of becoming a Participant in the Thrift Plan to have the total accumulated contributions under the prior system transferred, or, if later, elects in writing to transfer such contributions within-
one hundred-twenty (120) days after the date of adoption of the applicable amendment to the Plan; and

(iv) The Employee has the transferred contribution deposited with the Thrift Plan Option within one (1) year of becoming a participant in the Thrift Plan Option, or if later, within one hundred-twenty (120) days after the date of adoption of the applicable amendment to the Plan.

5.4 Normal Retirement Benefit

The annual amount of Normal Retirement Benefit payable to a Police Employee who retires prior to April 1, 1993 on his/her Normal Retirement Date shall be equal to the sum of his/her Prior Service Benefit, if any, and his/her Future Service Benefit, as described below:

(a) Prior Service Benefit: An Employee's Prior Service Benefit, if any, shall be equal to 1.3% of the first $4,800 of his/her Final Average Earnings plus 1.7% of the portion of his/her Final Average Earnings in excess of $4,800, multiplied by his/her years of Credited Prior Service.

(b) Future Service Benefit: An Employee's Future Service Benefit shall be equal to 1.3% of the first $7,800 of his/her Final Average Earnings, plus 1.7% of the portion of his/her Final Average Earnings in excess of $7,800, multiplied by his/her years of Credited Future Service.

The amount of Normal Retirement Benefit payable to a Police Employee who retires on or after July 1, 1984 who has attained age fifty-one (51) and who has completed twenty-five (25) years of Credited Service shall not be less than 50% of the Employee's Final Average Earnings.

5.4 Each Retired Employee who commenced to receive Retirement Benefits after January 1, 1972 but prior to January 1, 1984 shall have his/her Retirement Benefit increased in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Year of Annuity</th>
<th>Increase in Retirement Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>8.5%</td>
</tr>
<tr>
<td>1973</td>
<td>12.5%</td>
</tr>
<tr>
<td>1975</td>
<td>14.5%</td>
</tr>
<tr>
<td>1976</td>
<td>14.5%</td>
</tr>
<tr>
<td>1977</td>
<td>14.0%</td>
</tr>
</tbody>
</table>
The increase in a Retired Employee's Retirement Benefit shall commence as of the first day of the month following the date the Insurance Company receives written approval of the applicable amendment to the Plan from the Mayor and Council of the City.

5.6 Cost-of-Living Adjustments

(a) Increase effective January 1, 1988:
   (1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 1987 shall receive a 2% increase in his/her Retirement Benefits.
   (2) Each Retired Employee who commenced to receive a Retirement Benefit after December 31, 1986 but prior to January 1, 1988 shall receive a 1% increase in his/her Retirement Benefits.

(b) Increase effective July 1, 1989:
   (1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1988 shall receive a 4% increase in his/her Retirement Benefits.
   (2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1989 but after June 30, 1988 shall receive a 3% increase in his/her Retirement Benefits.

(c) Increase effective July 1, 1990:
   (1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1989 shall receive a 4% increase in his/her Retirement Benefits.
   (2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1990 but after June 30, 1989 shall receive a 3% increase in his/her Retirement Benefits.

(d) Increase effective July 1, 1991:
Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1990 shall receive a 4% increase in his/her Retirement Benefits.

Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1991 but after June 30, 1990 shall receive a 3% increase in his/her Retirement Benefits.

Increase effective July 1, 1993:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1992 shall receive a 2% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1993 but after June 30, 1992 shall receive a 1% increase in his/her Retirement Benefits.

Increase effective July 1, 1994:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1993 shall receive a 2% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1994 but after June 30, 1993 shall receive a 1% increase in his/her Retirement Benefits.

Increase effective January 1, 1997:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 1996 shall receive a 1.5% increase in his/her Retirement Benefits.

Increase effective January 1, 1998:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 1997, shall receive a 1.5% increase in his/her Retirement Benefits.

Increase effective January 1, 2000:
(1) Each Retired Employee, who commenced to receive Retirement Benefits prior to January 1, 1999, shall receive a 2.0% increase in his/her Retirement Benefits.

Increase effective January 1, 2001:
(1) Each Retired Employee, who commenced to receive Retirement Benefits prior to January 1, 2000, shall receive a 2.0% increase in his/her Retirement Benefits.
(k) Increase effective January 1, 2002:
   (1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2001, shall receive a 1.5% increase in his/her Retirement Benefits.

(l) Increase effective January 1, 2004:
   (1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2003, shall receive a 1.5% increase in his/her Retirement Benefits.

(m) Increase Effective January 1, 2006:
   (1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2005, shall receive a 1.5% increase in his/her Retirement Benefits.

(n) Increase Effective January 1, 2007:
   Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2006, shall receive a 1.5% increase in his/her Retirement Benefits.

(o) Increase Effective January 1, 2008:
   (1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2007, shall receive a 1.0% increase in his/her Retirement Benefits.

6.1 Effective July 1, 1984 for Police Employees, Normal Retirement Date shall occur on the first day of the month coinciding with or next following the earlier of (a) the Employee’s 60th birthday, or (b) the later of the Employee’s 51st birthday and completion of twenty-fived (25) years of Credited Service.

16.2 Each participant in the Thrift Plan on the date the applicable amendment to the Plan is adopted shall, prior to October 1, 1994, elect to reduce his/her Earnings by 1%, 2%, 3%, 4%, or 5% (in whole percentages only) in order to make periodic contributions to the Thrift Plan. Each Employee who is not a participant in the Thrift Plan on the date the applicable amendment to the Plan is adopted but who thereafter becomes an eligible participant shall elect, within thirty (30) calendar days of becoming an eligible participant, to reduce his/her Earnings by 1%, 2%, 3%, 4%, or 5% (in whole percentages only) in order to make periodic contributions to the Thrift Plan.
APPENDIX CA
COST–OF-LIVING ADJUSTMENTS SINCE JANUARY 1, 1988
SECTION 5.6

(a) Increase effective January 1, 1988:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 1987 shall receive a 2% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive a Retirement Benefit after December 31, 1986 but prior to January 1, 1988 shall receive a 1% increase in his/her Retirement Benefits.

(b) Increase effective July 1, 1989:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1988 shall receive a 4% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1989 but after June 30, 1988 shall receive a 3% increase in his/her Retirement Benefits.

(c) Increase effective July 1, 1990:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1989 shall receive a 4% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1990 but after June 30, 1989 shall receive a 3% increase in his/her Retirement Benefits.

(d) Increase effective July 1, 1991:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1990 shall receive a 4% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1991 but after June 30, 1990 shall receive a 3% increase in his/her Retirement Benefits.

(e) Increase effective July 1, 1993:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1992 shall receive a 2% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1993 but after June 30, 1992 shall receive a 1% increase in his/her Retirement Benefits.

Increase effective July 1, 1994:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to July 1, 1993 shall receive a 2% increase in his/her Retirement Benefits.
(2) Each Retired Employee who commenced to receive Retirement Benefits prior to June 30, 1994 but after June 30, 1993 shall receive a 1% increase in his/her Retirement Benefits.

Increase effective January 1, 1997:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 1996 shall receive a 1.5% increase in his/her Retirement Benefits.

Increase effective January 1, 1998:
(1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 1997, shall receive a 1.5% increase in his/her Retirement Benefits.

Increase effective January 1, 2000:
(1) Each Retired Employee, who commenced to receive Retirement Benefits prior to January 1, 1999, shall receive a 2.0% increase in his/her Retirement Benefits.

Increase effective January 1, 2001:
(1) Each Retired Employee, who commenced to receive Retirement Benefits prior to January 1, 2000, shall receive a 2.0% increase in his/her Retirement Benefits.

Increase effective January 1, 2002:
(1) Each Retired Employee, who commenced to receive Retirement Benefits prior to January 1, 2001, shall receive a 1.5% increase in his/her Retirement Benefits.

Increase effective January 1, 2004:
(1) Each Retired Employee, who commenced to receive Retirement Benefits prior to January 1, 2003, shall receive a 1.5% increase in his/her Retirement Benefits.

(m) Increase Effective January 1, 2006:

(1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2005, shall receive a 1.5% increase in his/her Retirement Benefits.

(n) Increase Effective January 1, 2007:

(1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2006, shall receive a 1.5% increase in his/her Retirement Benefits.

(o) Increase Effective January 1, 2008:

(1) Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2007, shall receive a 1.0% increase in his/her Retirement Benefits.

(p) Increase Effective January 1, 2019:

Each Retired Employee who commenced to receive Retirement Benefits prior to January 1, 2018, shall receive a 1.0% increase in his/her Retirement Benefits.
Total changes | 451

Subject
Vehicle Safety Policy for COVID-19 Pandemic

Recommendation
Staff recommends that the Mayor and Council approve the Vehicle Safety Policy for COVID-19 Pandemic.

Discussion
This policy provides instructions for employees to ensure the safe operation of vehicles and mobile equipment used for official City business during the COVID-19 pandemic. Employees can reduce potential COVID-19 exposures by following the requirements contained in the attached policy.

This policy covers all City-owned vehicles and mobile equipment, with limited exceptions for vehicles used by the Police Department, and separate additional requirements for buses. By following the guidelines contained in this policy, the City is promoting the wellbeing of our passengers and reducing the risk of potential COVID-19 exposures in our vehicles.

This policy is meant to create consistent safety procedures and an understanding of what is expected when operating City-owned vehicles or mobile equipment to mitigate the risk of contracting, and well as transmitting, COVID-19.

Mayor and Council History
This is the first time this policy has been brought to the Mayor and Council.

Next Steps
Upon Mayor and Council approval of this policy, staff will distribute copies to employees and will prepare instructions and signage informing employees about the Vehicle Safety Policy for COVID-19 Pandemic requirements.

Attachments
Vehicle Safety Policy for COVID-19 Pandemic

Purpose

This policy provides instructions for employees to ensure the safe operation of vehicles and mobile equipment used for official City business during the COVID-19 pandemic. Employees can reduce potential COVID-19 exposures by following the requirements contained in this policy.

Scope

This policy covers all City-owned vehicles and mobile equipment.

Vehicle – means any land motor vehicle designed for travel on public roads, including any attached machinery or equipment. Examples include, but are not limited to cars, trucks, sport utility vehicles, pick-up trucks, specialty vehicles, and their appurtenances.

Mobile Equipment – means any self-propelled vehicles not otherwise classified as a Vehicle. Mobile Equipment may be licensed or unlicensed and examples include but are not limited to: backhoes, front-end loaders, skid-steers, powered industrial trucks/forklifts, golf carts, all-terrain vehicles, tractors, powered line strippers, riding mowers, scissor or aerial lifts, among others.

This policy may be updated periodically, with approval by the City Manager. This policy will remain in effect until the City Manager, in consultation with the Director of Human Resources, rescinds the Vehicle Safety Policy for COVID-19 Pandemic.

General Requirements

Face Coverings: If more than one person is in a City vehicle or mobile equipment, all occupants are required to wear approved face coverings. Police department employees should follow the internal policies of the Rockville City Police Department regarding the wearing of face coverings while on duty.

Single occupants in a City vehicle or mobile equipment are required to wear a face covering if the vehicle or mobile equipment is used by other employees.

Single occupants in pieces of mobile equipment which do not have an enclosed cab are not required to wear a face covering if operated outdoors and the operator can maintain physical distance of at least 6 feet from others at all times. Examples of this type of mobile equipment may include certain riding mowers, tractors, all-terrain vehicles, golf carts, among others.
• Cleaning procedures:
  o Each vehicle shall be equipped with a container of disinfectant wipes.
  o Cab-enclosed pieces of mobile equipment shall be equipped with a container of disinfectant wipes.
  o At the beginning and end of use of vehicles and cab-enclosed pieces of mobile equipment used by multiple employees, employees are required to wipe-down all frequently touched surfaces on the interior and exterior of vehicles and mobile equipment; including seats, light and air controls, door and grab handles, steering wheel, seat belt, dashboard, gear shifter, control joysticks, arm rests, etc.
  o Keep the vehicle doors and windows open while cleaning and disinfecting.
  o Disposable gloves may be worn, but are not required, when performing routine cleaning and should only be used once.
  o After cleaning, throw disinfectant wipes and gloves, if used, into the trash and wash hands immediately with soap and water for at least 20 seconds or use an alcohol-based hand sanitizer with at least 60% alcohol.
  o The City will follow CDC recommendations regarding the cleaning and disinfecting protocols for our vehicles or mobile equipment if someone is sick or has tested positive for COVID-19.

• Occupancy and Vehicle Operation:

The vehicle occupancy must be a sustainable approach to ensure employee safety through various risk reduction techniques, such as wearing face coverings, wiping down surfaces, and limiting the number of people allowed in a vehicle.

The following steps should be taken to reduce potential COVID-19 exposures:
  o Whenever possible, vehicles should be limited to one occupant.
  o No more than two people per vehicle or mobile equipment is allowed.
    i. Buses, and vehicles used by the Police Department are exempt from this requirement.
  o Passengers should sit in the back seat, where feasible, to create physical distance between the passenger and driver.
    i. Vehicles used by the Police Department are exempt from this requirement.
    ii. Passengers on buses should sit in designated seating areas, as outlined in the section “Operation of City Buses”.
Set ventilation to “non-recirculated air mode” whenever possible.

Open the windows of the vehicle.

i. Even cracking a window will assist with increasing the number of air exchanges in a vehicle and will dilute any potential concentration of infectious and respirable particles.

When feasible, employees may report directly to the jobsite in personal vehicles.

i. In the event employees use their personal vehicles for official City business, employees may be eligible for reimbursement for mileage consistent with the City’s Travel Policy established by the Department of Finance.

**Operation of City Buses**

The following safety guidelines have been established to recognize the uniqueness of the operation of City buses and the need to protect the City’s bus drivers and passengers.

**General Requirements**

- Transporting members of the public in City-owned vans is prohibited.

- At least one window must be cracked a minimum of two inches to assist with increasing the number of air exchanges and help dilute any potential concentration of infectious and respirable particles.

- Drivers will wipe down all frequently touched surfaces and seats between runs using EPA-registered disinfectant products that have qualified for use against SARS-CoV-2, the novel coronavirus that causes COVID-19.

- The driver and all passengers must wear approved face coverings at all times.

- Single use disposable face coverings and gloves will be made available to customers who need or request one.

- Hand sanitizer will be on the vehicle and available for use by the driver and all passengers.

- Disinfectant wipes will be on the vehicle and available for use by the driver and all passengers who may wish to wipe down their seat or frequently touched surfaces.

- Passengers will have their temperature taken by the driver using a hand-held and touchless infrared thermometer.

  o Passengers with an estimated body temperature of 100° Fahrenheit or greater will not be permitted to board.
- To promote physical distancing, passengers will be required to sit only in designated seating areas.

- Any passenger who refuses to wear a face covering, or who improperly wears their face covering, or who refuses to have their temperature taken will be refused/denied service until compliance is obtained.

If a passenger continues to fail to follow the directives, employees should immediately contact their supervisor to inform them of the situation and ask for assistance on how to respond.
Subject
FY 2022 Budget Public Hearing

Recommendation
Staff recommends that the Mayor and Council conduct the public hearing and keep the record open until April 16, 2021.

Discussion
The Mayor and Council requested this public hearing to solicit community input early in the development of the FY 2022 Operating Budget and Capital Improvements Program (CIP). There will be additional public hearings scheduled for March and April 2021, after the FY 2022 budget is presented publicly.

In addition to the public hearings, staff solicited budget ideas from the community starting in late June, 2020 via an online form. Community suggestions will be incorporated into staff’s review and preparation of the proposed budget.

Mayor and Council History
This is the first public hearing related to the preparation of the FY 2022 budget.

Public Notification and Engagement
This is the first of several public hearings related to the FY 2022 budget. In addition to these public hearings, the public can submit written comments directly to the Mayor and Council via the City Clerk/Director of Council Operations.

This public hearing was advertised in the Washington Post on October 8 and 15, 2020, was included in the October issue of Rockville Reports (front page) and in Rockville Reports online, and advertised via social media (Facebook and Twitter).

The FY 2022 budget public record closes on April 16, 2021.
**Fiscal Impact**

There is no fiscal impact associated with this agenda item; however, the FY 2022 Operating Budget and CIP will establish the annual City budget and the programs that the City will fund starting on July 1, 2021.

**Next Steps**

The next FY 2022 budget item will be presented to the Mayor and Council on November 9, 2020. This item will cover the full budget calendar, the Mayor and Council budget survey tool, and a budget preview. The City Manager’s proposed budget will be presented in February 2021. Additional budget public hearings and worksessions will take place in March and April. The budget is scheduled to be adopted by the Mayor and Council in May 2021.

Rob DiSpirito, City Manager 10/21/2020
Subject
Discussion, Instructions and Possible Adoption of Resolution to Establish the Scope of Review, Topics and Subject Matter for the Charter Review Commission to Review and Make Recommendations to the Mayor and Council Regarding Provisions Contained in the City of Rockville Charter

Recommendation
Staff recommends that the Mayor and Council discuss the draft resolution and 1) instruct staff to bring back a revised resolution for adoption on November 2; or 2) adopt the draft resolution.

Discussion
At its meeting of October 19, 2020, the Mayor and Council discussed at length the topics and subject matter to be included in the scope of work for the Charter Review Commission. The Mayor and Council also discussed the timing and manner of review for the Charter Review Commission. The Mayor and Council directed staff to draft a resolution incorporating the information discussed. The draft resolution is attached as Attachment 2.

The Charter is a legal document similar to a constitution. It establishes the City’s corporate limits and outlines how the City is organized and conducts business, such as holding elections, levying taxes, adopting ordinances, and providing services.
You can review the Mayor and Council’s discussion about the Charter review process on the Jan. 13, 2020. Mayor and Council agenda at: www.rockville.md.gov/AgendaCenter <http://www.rockville.md.gov/AgendaCenter>
The City’s Charter can be found at: https://library.municode.com/md/rockville/codes/code_of_ordinances?nodeId=CH>
On February 24, 2020, the Mayor and Council adopted resolution 1A-20 establishing a Charter Review Commission. (Attachment 1). As part of Resolution 1A-20 the Mayor and Council established that a public hearing would be held to solicit input from the public regarding what provisions of the City Charter need to be reviewed and updated. Once the public hearing was held, the Mayor and Council would adopt a resolution setting forth the provisions and or topics upon which the Charter Review Commission to review and make recommendations.
On June 1, and July 13, 2020, the Mayor and Council held public hearings to solicit input from the public on the scope of review for the Charter Review Commission.

The public hearings can be viewed here:

http://rockvillemd.granicus.com/MediaPlayer.php?view_id=2&clip_id=4202

**Mayor and Council History**

At the Mayor and Council’s meeting on January 13, 2020, the Mayor and Council held a discussion regarding the Charter Review Process. On February 24, 2020, the Mayor and Council adopted Resolution 1A-20 establishing a commission to review the City’s Charter (Attachment 1- Resolution 1A-20). On June 1, and July 13, of 2020, the Mayor and Council held two public hearings to solicit input from the public on the scope of review for the Charter Review Commission.

At its meeting on October 19, 2020, the Mayor and Council directed staff to draft a resolution setting forth the scope of work for the Charter Review Commission.

The City Clerk's Office will provide the staffing for the Commission, with assistance from the City Attorney's Office.

**Public Notification and Engagement**

Based on the Mayor and Council's direction, staff will develop a communication plan to keep the public informed about the Charter Review Commission activities and opportunities to provide input into the Commission's deliberations. Since this Commission is appointed by the Mayor and Council, it will be subject to the Open Meetings Act.

**Attachments**

Attachment 13.a: Resolution 1A-20 To Establish 2020 Charter Review Commission (PDF)
Attachment 13.b: Draft Resolution (PDF)
Resolution No. 1A-20

RESOLUTION: To establish a Charter Review Commission to review and make recommendations to the Mayor and Council regarding the Charter of the City of Rockville

WHEREAS, the Mayor and Council is resolved to further perfect Rockville's form of government; and

WHEREAS, the Mayor and Council desires to establish a Charter Review Commission for the purpose of reviewing certain provisions of the City Charter and making recommendations to the Mayor and Council; and

WHEREAS, the Mayor and Council will be holding a public hearing to solicit input from the public regarding on what provisions of the City of Rockville Charter needs to be reviewed and updated; and

WHEREAS, once the public hearing is held, the Mayor and Council will adopt a resolution setting forth the provisions and/or topics upon which it wants the Charter Review Commission to review and make recommendations; and

WHEREAS, the Mayor and Council have agreed to establish the Charter Review Commission in accordance with the provisions set forth below.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE MARYLAND, as follows:

That a Charter Review Commission is hereby established as follows:

a. The Charter Review Commission shall be comprised of no more than eleven members, all of whom shall be residents of the City.

b. The City shall solicit applications for the Charter Review Commission from eligible members of the public according to the appointment procedures prescribed in the Mayor and Council's "Guidelines And Procedures For Citizen Boards and Commissions."

c. Each member of the Mayor and Council may choose one member to serve on the Charter Review Commission. The Mayor and Council shall select and approve five additional members.

d. The Chair of the Supervisors of Elections shall additionally serve as a non-voting ex officio representative to the Charter Review Commission.

e. The Mayor shall nominate, and the Council shall approve, an additional member to serve as the Chair of the Charter Review Commission.
f. Once established, the Charter Review Commission will review the City’s Charter and provide recommendations to the Mayor and Council in accordance with the resolution setting forth the provisions and/or topics to be reviewed.

*******************************

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Mayor and Council at its meeting of February 24, 2020.

Sara Taylor Ferrell, City Clerk/Director of Council Operations
Resolution No. ___ RESOLUTION: To establish the scope of review, topics and subject matter for the Charter Review Commission to review and make recommendations to the Mayor and Council regarding provisions contained in the City of Rockville Charter.

WHEREAS, at its meeting of January 13, 2020, the Mayor and Council discussed the establishment of a Charter Review Commission to review and make recommendations to the Mayor and Council for changes to the City of Rockville Charter; and

WHEREAS, on February 24, 2020, the Mayor and Council adopted resolution 1A-20 establishing a Charter Review Commission; and

WHEREAS, Resolution 1A-20 provided that the M&C would adopt a resolution at a later date setting forth the scope of review of the Charter for the Charter Review Commission on which the Commission would make its recommendations to the Mayor and Council; and

WHEREAS, on October 19, 2020, the Mayor and Council appointed 12 individuals to the Charter Review Commission; and

WHEREAS, on October 19, 2020, the Mayor and Council discussed the scope of review of the Charter by the Charter Review Commission and determined that the provisions of the charter involving the following topics and subject matter should be the focus of review and recommendation by the Charter Review Commission

WHEREAS, the Mayor and Council desires that the Charter Review Commission solicit citizen input, deliberate with all due care, prepare a report with its recommendations, and deliver that report to the Mayor and Council.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE MARYLAND, as follows:

1. That the following topics and subjects shall comprise the scope of review by the Charter Review Commission for recommendations to the Mayor and Council:
   A. Election related topics:
      a. Expanding the size of the Council.
      b. Term limits of the Mayor and Council.
      c. Staggered terms of councilmembers.
      d. Representative districts and the boundaries for Districts.
      e. The addition of a “resign to run” provision.
      f. The process for filling a vacancy in the office of mayor and vacancy in the office of councilmember.
      g. Alternative voting systems.
      h. Translation of election information in various languages.
      i. Alternative methods of advertising the election.
j. Increasing the number of members on the Board of Supervisors of Elections.
k. Lengthening the term for the members of the Board of Supervisors of Elections.
l. The appointment process for the members of the Board of Supervisors of Elections.
m. The required duties of the Board of Supervisors of Elections to include meeting with the Mayor and Council and participating in meetings with the Mayor and Council.
n. Any additional provisions on topics raised during the vote by mail election, for example, ballot harvesting.
o. Provisions that may increase voter turnout.

B. Additional topics

a. Review the provisions for which the M&C have authority to adopt ordinances for updating or additional authority as needed:

   Authority to appoint a Board of Health
   Authority to establish quarantine regulations

b. Review the provisions regarding urban renewal for updating and/or revisions.
c. Review methods of advertising for public hearings for updating and/or revisions.
d. Consider the addition of language to provide for emergency legislation and/or expedited legislation and the process for such legislation.
e. Review the roles and responsibilities of the three charter appointed officials including any conflict of those provisions with the administrative responsibility of the City Manager.
f. Consider adding provisions regulating firearms.
g. Review provisions for upkeep and maintenance of sidewalks.
h. Review and evaluate any additional provisions of the City Charter and Rockville City Code related to all the topics herein as well as any additional topics that the Commission believes are appropriate.
i. Identify any provisions in the Charter that are more appropriate for inclusion in an ordinance.

2. As part of the process of reviewing and preparing recommendations, the Charter Review Commission shall include the following considerations:
   a. Hold meetings as necessary to accomplish the goals of the Commission.
   b. Solicit citizen input regarding these issues by public forums, public hearings or other processes.
c. Solicit input from City staff as to what may be needed or desired revisions to the Charter.

d. The demographics and characteristics of the City including the various neighborhoods, the various types of housing, and the economic and development trends.

e. Racial equity and social justice.

3. The Charter Review Commission shall prepare a final report and deliver it to the Mayor and Council no later than June 30, 2022, setting forth the findings, recommendations, and any proposals for amendments to the Charter, or changes to the Code, of the City of Rockville.

***********************
I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Mayor and Council at its meeting of

_________________________
Sara Taylor-Ferrell, City Clerk
Director of Council Operations
Subject
The F. Scott Fitzgerald Theatre Resident Companies Present Their Business Plans to Mayor and Council

Recommendation
Staff recommends that the Mayor and Council receive the business plan presentations from the F. Scott Fitzgerald Theatre resident companies.

Discussion
The F. Scott Fitzgerald Theatre resident companies – Rockville Little Theatre, Rockville Musical Theatre, and The Victorian Lyric Opera Company – will present their business plans to Mayor and Council, detailing how they will support ongoing operations and their strategies to resume services.

Presenting the plans are Ms. Laura W. Andruski, President of Rockville Little Theatre; Mr. Steve Howlett, Vice President of Rockville Little Theatre; Ms. Dana Robinson, President of Rockville Musical Theatre; Ms. Jenny Gleason, Vice President of Rockville Musical Theatre; Ms. Marcie Schwartz, Director of Marketing for Rockville Musical Theatre; and Ms. Helen Aberger, President of The Victorian Lyric Opera Company.

The City of Rockville grants “theatre resident company” status to selected community performing arts organizations based within the boundaries of the city who are not official City-sponsored organizations. The purpose of this status is to:

- Support performing arts organizations with a complete theatre experience by allowing their members to fully participate in every aspect of a theatrical production;
- Establish a commitment to allow the performing arts organizations to have recognized visibility via association with the F. Scott Fitzgerald Theatre;
- Ongoing ability to engage the community through theatrical productions;
- Provide reduced rental rates to the community performing arts organizations; and
- Establish a business relationship that may be maintained or revoked based on the terms of a current Memorandum of Understanding (MOU).

Rockville Little Theatre was founded in 1948 and is the oldest continuously-operating live theatre in the Rockville area. The company offers an opportunity for community members to step out of their
everyday lives and assume new roles as playwrights, actors, directors, costume designers, and set designers.

Rockville Musical Theatre is a volunteer organization dedicated to presenting high-quality musical theatre designed to entertain and enrich the community while showcasing local talent.

The Victorian Lyric Opera Company was founded in 1978 to perform musical works from the Victorian era. It has performed all works in the Gilbert & Sullivan canon and has branched out into other European operettas and even grand opera.

**Mayor and Council History**

On April 27, 2020, Mayor and Council approved that each resident theatre company receive a one-time grant of $5,000 in FY 2021 as financial support during the COVID-19 pandemic to help with their carrying costs. As part of this discussion, Mayor and Council requested that the theatre resident companies brief the body with their business plans to support ongoing operations and their strategies to resume services.

**Attachments**

Attachment 14.a: Rockville Little Theatre Strategic Plan (PDF)  
Attachment 14.b: Rockville Musical Theatre Strategic Plan (PDF)  
Attachment 14.c: The Victorian Lyric Opera Company Strategic Plan (PDF)
2020-2025

STRATEGIC PLAN
LOOKING FORWARD

2020-2025 STRATEGIC PLAN

BOARD MEMBERS
Laura W. Andruski
Miriam Bowden
Jerry Callistein
Dean Fiala
Eric Henry
Steve Howlett
Ken Kemp
Jeffrey McDermott
Natalie McManus

Production photos by Harvey Levine, Dean Evangelista and Ken Kemp.
WHO WE ARE

MISSION STATEMENT
Founded in 1948, Rockville Little Theatre (RLT) is the oldest continuously operating live theatre in Montgomery County. RLT provides high quality performances at reasonable prices. We strive to entertain, enlighten, and educate all who attend our theatrical events. RLT offers an opportunity for community members to step out of their everyday lives and to assume new roles as playwrights, actors, directors, costume designers, set designers, and audiences.

VISION
Theatre is both an event and a way to build community.

HISTORY
RLT has been in continuous operation since 1948 and is the longest-serving community theatre in Montgomery County. Its humble beginnings include producing shows at Christ Episcopal Parish Hall and Broome Junior High School. In September of 1960, the new Rockville Civic Center Auditorium (now the F. Scott Fitzgerald Theater) became RLT’s home, and performances have been held there ever since. RLT members were active in the design and technical discussions for the space.

RLT’s scene shop and storage facility were established in 1972 behind the Civic Center’s Glenview Mansion. In 2000, we moved into larger quarters in the same area. RLT helped to fund the project. RLT joined with Rockville Musical Theatre (RMT) in 1986 to form a consortium to sell season tickets.

More recently, RLT produced “The Spitfire Grill”, our first musical in 40 years, at the Arts Barn. The production closed after four performances due to the Covid-19 pandemic. Since the health crisis prevented the company from completing our 72nd season, RLT has participated in two virtual productions. The first was “Kitchen Sink Drama”, a collaboration with Two Rivers Theatre, a professional theatre company in New Jersey, and performed live via Facebook on June 26, 2020. The second was a production of “Last Call at Chez Mort” for the Community Theatre Thrives telethon held on July 17 & 18, 2020. Over 14 theatre companies in the DC metro area took part and $24,600 was raised. RLT’s commitment to theatre and our community is extraordinarily strong. We look forward to continuing to provide the Rockville community with live theatrical opportunities for many years yet to come.
ACCOMPLISHMENTS

In the last five years, Rockville Little Theatre has:

- Commissioned a new updated logo
- Received grants from the Maryland State Arts Council, Arts & Humanities Council of Montgomery County and The Nora Roberts Foundation
- Participated in the Community Theatre Thrives virtual telethon that raised $26,400 for local groups
- Partnered with Two Rivers Theatre, a professional theatre company, to present a virtual theatre performance
- Established a student performance program that has welcomed more than 2,500 middle and high school students to the wonder of theatre
- Expanding our corporate and foundation contributions from $0 to $10,000
- Developed an anti-harassment policy which has served as a model for other community theatre organizations
- Purchased personal body mics to enhance audience experience
- Required Board attendance at a workshop on the need for Intimacy Choreographers
- Offered professional voice classes to adults
- Established a student performance program that has welcomed more than 2,500 middle and high school students to the wonder of theatre
- Celebrated our 70th Anniversary in 2018
- Commissioned a new updated logo
- Offered professional voice classes to adults
GOALS

PERFORMANCE
Highlight RLT as Montgomery County’s longest established community theatre.

EDUCATION
Empower youth to develop a healthy appreciation of culture and the arts.

COMMUNITY ENGAGEMENT
Actively engage in expanding and deepening connections to the communities we serve.

CAPACITY
Increase revenue and invest in advancements in staff, programming, and financial relationship with the City of Rockville.

ETHOS
Build upon our unique organizational structure of inclusion, fairness, respect, and joyfulness.
GOAL
Strengthen RLT’s unique role as Montgomery County’s longest established community theatre by delivering excellence in theatrical experiences.

OBJECTIVES
• Present a variety of theatrical works showcasing a range of emerging and established theatre artisans.
• Use the power of storytelling to reflect, engage and inspire the community.
• Strive to hold special events that complement our season.

MEASURES
• Produce a season of three shows at the F. Scott Fitzgerald Theatre.
• Seek to produce at least one show per season at the Arts Barn, Kreeger Auditorium (Jewish Community Center) or other similar (smaller) venue.
• Deepen our relationship with the City of Rockville by presenting one free public (summer) performance each year at either the Town Center Stage or on the grounds of the Rockville Civic Center.
• Restructure and develop new criteria and guidelines for show selection that involve local stakeholders.

PERFORMANCE

An Inspector Calls
Same Time Next Year
The Tempest
GOAL
Provide opportunities for youth to experience live theatre as well as participate in the creation of same.

OBJECTIVES
• Continue our tradition to present a yearly page-to-stage (based on classic literature) student matinee for middle and/or high school students.
• Strengthen opportunities for middle and high school students to actively participate in RLT productions.
• Introduce children to the wonder of live theatre.

MEASURES
• Partner with local educators to explore literature-based scripts to produce for our page-to-stage slot.
• Improve our ability to offer significantly reduced ticket prices for student matinee performances by securing funding from corporate sponsors.
• Create a mentor program for high school youth that would allow them to take on a greater measure of responsibility in backstage roles.
• Enhance our relationship with local school dramatic clubs by offering support of knowledgeable personnel, set pieces, costumes and props at no cost.
• Establish a scholarship to be awarded to a local high school student pursuing a theatre degree at an accredited institution of higher learning.
GOAL
Embrace, inform and actively engage in the development of theatrical arts within the City of Rockville and its adjacent neighbors with a keen eye on audience expansion opportunities therein.

OBJECTIVE
• Dynamically engage current and new audiences through our programming and other community events.
• Reinforce our connections with youth, families, artisans, educators, local partners, and all segments of the community.
• Strengthen our position as a theatrical destination within the community.

MEASURES
• Develop a dynamic communication strategy to build awareness of what we do with local stakeholders, businesses, and residents.
• Provide more opportunity for dialogue and cross programming experiences between our youth and adult constituents.
• Recognize who in the community is not at the table or does not have a voice at the table and create a welcoming place at RLT.
• Redesign the RLT theatre lobby space (during performances) to support a better social and patron experience.
GOAL
Grow revenue to both sustain and advance staffing, programming, and communications.

OBJECTIVES
• Build and mentor leadership among staff to advance RLT’s ongoing investment in human capital and insure the organization’s long-term stability.
• Follow through on the professional expansion and diversification of the Board of Directors.
• Increase the reach and yield of the RLT institutional, individual, corporate, and planned giving programs.
• Strengthen the robustness of our marketing efforts.

MEASURES
• Track and evaluate RLT marketing and branding tactics and adjust ongoing messaging accordingly.
• Invest in staff development opportunities to stay conversant with current theatre and marketing trends.
• Support earned revenue enhancement by increasing the volume of ticket and concession sales by 20% over five years.
• Advance the idea of providing stipends to key production staff members.
GOAL
Build upon our unique organizational culture of inclusion, fairness, respect, and joyfulness.

OBJECTIVES
• Maintain alignment with our values statement and further inclusion at RLT.
• Mentor the next generation of progressive arts advocates and theatre makers.
• Pursue innovation and always strive to accomplish more than we think possible.

MEASURES
• Host annual retreat for staff and Board of Directors.
• Continue to advance staffing, Board membership and artisan hires with inclusivity.
• Foster greater communication between individuals and production departments as well as between staff and Board, our fellow RESCO organizations, and the City of Rockville/Fitzgerald Theatre staff.
• Implement RLT audience survey results and strive for both balance and variety in all RLT programming.
FUNDING SOURCES FY19

Ticket & Concession Income  $55,057  
Individuals  $3,372  
Other  $977  
Events  $1,442  
Corporations  $1,329  
TOTAL  $62,177

SPENDING FY19

Production  $7,019  
Marketing  $2,276  
Rental  $40,299  
Hospitality  $2,474  
Operating Expenses  $2,270  
TOTAL  $54,338

SURPLUS  $7,839

OUR JOURNEY

Theatre is a collaborative art form. People, imagination, and resources are among the many variables that must align in order to achieve success both on stage and off. This strategic plan is our road map for a journey bursting with hope, potential and good intentions. It is an honor and a privilege to continue the quest for enduring excellence at Rockville Little Theatre with all of you.

Rockville Little Theatre  
PO Box 4466  
Rockville, MD 20849-4466  
T: 240-242-9735  
Email: info@rlt-online.org
Rockville Musical Theatre Strategic Plan
Presented to Rockville Mayor & Council October 26, 2020

RMT Board of Directors
Dana Robinson, President
Jenny Gleason, Vice President/Executive Producer
Andrew R. Dodge, Treasurer
Sonie Mathew, Secretary
Marcie Schwartz, Director of Marketing
Cathy Kieserman, Director of Membership & Volunteer Services
Colleen Prior, Director of Audience Services
Colleen Robinson Miller, Director of Fundraising & Grants
Steven Magenheim, Technical Director

Mission Statement
Rockville Musical Theatre (RMT), a volunteer organization, is dedicated to the presentation of high quality musical theatre designed to entertain and enrich the community while showcasing local talent.

History
In the early 1970's, Rockville Little Theatre (RLT) performed musicals as well as plays. Eventually a decision was made by RLT to focus solely on plays. Following that decision, a group from RLT's production of Guys and Dolls began to explore creating a theater company that produced only musicals. In June 1974, Rockville Musical Theatre (RMT) was formed by founding members: Mike Reed, Kathy Reed, Tom Reed, Barbara Reed, Bob Hunter, Ginny Hunter, Betty Keate, and Cliff Smith. The founders of RMT lent the organization $900 to produce its first show, Bells Are Ringing, which was performed at Broome Junior High School. Fortunately, the show was successful, allowing for the founders to be paid back and money to be set aside for the next show.

RMT has come a long way since that first production which featured borrowed, salvaged, and rented sets and costumes. Today, Rockville Musical Theatre produces three musicals each year: one is typically performed in the spring at the Gaithersburg Arts Barn at Arts on the Green and the remaining two shows are produced in the summer and fall at the F. Scott Fitzgerald Theatre.

Recent Accomplishments
- Celebrated our 45th Anniversary Season in 2019
- Sold out all performances of our Spring 2019 production of Heathers: the Musical, presented at the Gaithersburg Arts Barn
• Received 10 Washington Area Theatre Community Honor nominations for our Summer 2019 production of *Hairspray*.
  ○ Danielle Irene Harrow won Outstanding Featured Actress in a Musical for her portrayal of “Motormouth Maybelle”.
• Engaged our membership and audience virtually through our Living Room Performance Series and Virtual Dance Classes
• Began addressing inequalities within our company and the theatre community at large by attending online “diversity chats” and soliciting the services of an Equity, Diversity, and Inclusion Consultant (EDIC).

**Goals**

1. Evaluate and enhance identity and public image of Rockville Musical Theatre
2. Expand and strengthen our connection to the community
3. Create education opportunities for members and volunteers of all ages
4. Ensure long-term sustainability

1. Evaluate and enhance identity and public image of Rockville Musical Theatre

Rockville Musical Theatre wants to evaluate and enhance our public image. In a community with a thriving theatre scene, we want RMT to stand out in the crowd by bringing new and fresh perspectives to the stage. We believe RMT should evolve to reflect our current community and society. To address this goal, we want to proactively craft a diversity initiative and attract new members that reflect our community and share our values.

<table>
<thead>
<tr>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey volunteers and members evaluating past experiences with the company and vision for the future</td>
</tr>
<tr>
<td>Reevaluate mission statement and bylaws with guidance from Equity Diversity and Inclusion Consultant</td>
</tr>
<tr>
<td>Reevaluate all forward facing documentation with guidance from EDIC</td>
</tr>
<tr>
<td>Revise mission statement, bylaws, and other documentation based on EDIC recommendations</td>
</tr>
<tr>
<td>Launch rebranding campaign</td>
</tr>
</tbody>
</table>
2. Expand and strengthen our connection to the community

Rockville Musical Theatre aims to redefine what it means to be a Resident Company of the City of Rockville. Engaging the community that supports our community theatre is at the core of our mission. In order to thrive, we must not only build and pursue relationships within our community of audience members, but also actively support and nurture our actors and technical staff. This multifaceted retention strategy of volunteers and patrons will be critical to the growth of our organization and the arts in Rockville.

<table>
<thead>
<tr>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assemble outreach and programming committee comprised of volunteers</td>
</tr>
<tr>
<td>Evaluate and expand marketing strategies</td>
</tr>
<tr>
<td>Plan annual and more frequent social events for membership base</td>
</tr>
<tr>
<td>Establish mutual accountability and partnership between RMT and the City of Rockville including more frequent communication between RESCOs and the Cultural Arts Commission</td>
</tr>
<tr>
<td>Maintain a greater presence at Rockville city-sponsored events</td>
</tr>
<tr>
<td>Develop and participate in a yearly RESCO performance event to benefit the Dept. of Recreation and Parks</td>
</tr>
</tbody>
</table>

3. Create education opportunities for members and volunteers of all ages

Rockville Musical Theatre strives to provide opportunities for continuing education in the theatre arts. Providing these affordable learning opportunities will build a strong base of artistic and technical skills for our productions and engage our community members outside of our mainstage season. This investment in human capital will ensure long-term sustainability of RMT and provide performing and non-performing community members opportunities for artistic excellence in Rockville.

<table>
<thead>
<tr>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer more classes for adults and children</td>
</tr>
<tr>
<td>Establish a robust skill development program through mentorship and technical workshops</td>
</tr>
<tr>
<td>Cultivate artistic leadership through apprenticeship program</td>
</tr>
</tbody>
</table>
4. Ensure long-term sustainability

Rockville Musical Theatre will strive to ensure our company’s long-term sustainability by developing our financial and human capital. By meeting our previously stated goals of expanding our community, attracting additional members, and creating learning opportunities, we will ensure that RMT can continue to provide theatrical opportunities for participants and audiences for years to come.

<table>
<thead>
<tr>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reevaluate current giving programs and fundraising strategies</td>
</tr>
<tr>
<td>Pursue Commercial/Business sponsorship</td>
</tr>
<tr>
<td>Pursue additional grant opportunities</td>
</tr>
<tr>
<td>Invest in human capital through aforementioned programming</td>
</tr>
</tbody>
</table>
# 2019-Income/Expense by Category - 2019

1/1/2019 through 12/31/2019 (Cash Basis)

<table>
<thead>
<tr>
<th>Category</th>
<th>1/1/2019-12/31/2019</th>
<th>OVERALL TOTAL</th>
</tr>
</thead>
</table>

## INCOME

### Administrative Income

<table>
<thead>
<tr>
<th>Category</th>
<th>1/1/2019-12/31/2019</th>
<th>OVERALL TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Donations</td>
<td>345.44</td>
<td>345.44</td>
</tr>
<tr>
<td>Individual Donations</td>
<td>5,360.67</td>
<td>5,360.67</td>
</tr>
<tr>
<td>Interest Income</td>
<td>8.99</td>
<td>8.99</td>
</tr>
<tr>
<td>Workshops</td>
<td>350.00</td>
<td>350.00</td>
</tr>
<tr>
<td>TOTAL Administrative Income</td>
<td>6,065.10</td>
<td>6,065.10</td>
</tr>
</tbody>
</table>

### Hairspray 2019 - Income

<table>
<thead>
<tr>
<th>Category</th>
<th>1/1/2019-12/31/2019</th>
<th>OVERALL TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Box Office</td>
<td>37,833.00</td>
<td>37,833.00</td>
</tr>
<tr>
<td>Concessions</td>
<td>1,998.34</td>
<td>1,998.34</td>
</tr>
<tr>
<td>Consortium</td>
<td>4,962.77</td>
<td>4,962.77</td>
</tr>
<tr>
<td>Dues</td>
<td>965.00</td>
<td>965.00</td>
</tr>
<tr>
<td>TOTAL Hairspray 2019 - Income</td>
<td>45,759.11</td>
<td>45,759.11</td>
</tr>
</tbody>
</table>

### Heathers 2019 - Income

<table>
<thead>
<tr>
<th>Category</th>
<th>1/1/2019-12/31/2019</th>
<th>OVERALL TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Box Office</td>
<td>10,470.80</td>
<td>10,470.80</td>
</tr>
<tr>
<td>Dues</td>
<td>515.00</td>
<td>515.00</td>
</tr>
<tr>
<td>TOTAL Heathers 2019 - Income</td>
<td>10,985.80</td>
<td>10,985.80</td>
</tr>
</tbody>
</table>

### Seussical 2019 - Income

<table>
<thead>
<tr>
<th>Category</th>
<th>1/1/2019-12/31/2019</th>
<th>OVERALL TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Box Office</td>
<td>29,519.00</td>
<td>29,519.00</td>
</tr>
<tr>
<td>Concessions</td>
<td>1,778.25</td>
<td>1,778.25</td>
</tr>
<tr>
<td>Consortium</td>
<td>4,962.78</td>
<td>4,962.78</td>
</tr>
<tr>
<td>Dues</td>
<td>1,725.00</td>
<td>1,725.00</td>
</tr>
<tr>
<td>TOTAL Seussical 2019 - Income</td>
<td>37,985.03</td>
<td>37,985.03</td>
</tr>
</tbody>
</table>

### FROM CD-14 month-Jan10

<table>
<thead>
<tr>
<th>Category</th>
<th>1/1/2019-12/31/2019</th>
<th>OVERALL TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>FROM CD-14 month-Jan10</td>
<td>10,326.48</td>
<td>10,326.48</td>
</tr>
<tr>
<td>TOTAL INCOME</td>
<td>111,121.52</td>
<td>111,121.52</td>
</tr>
</tbody>
</table>

## EXPENSES

### Uncategorized

<table>
<thead>
<tr>
<th>Category</th>
<th>1/1/2019-12/31/2019</th>
<th>OVERALL TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncategorized</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

### Administrative Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>1/1/2019-12/31/2019</th>
<th>OVERALL TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Fee</td>
<td>-35.00</td>
<td>-35.00</td>
</tr>
</tbody>
</table>
## 2019-Income/Expense by Category - 2019

1/1/2019 through 12/31/2019 (Cash Basis)

<table>
<thead>
<tr>
<th>Category</th>
<th>1/1/2019-12/31/2019</th>
<th>OVERALL TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Dinner</td>
<td>272.90</td>
<td>272.90</td>
</tr>
<tr>
<td>Donor Mailing</td>
<td>917.41</td>
<td>917.41</td>
</tr>
<tr>
<td>Equipment-Tools</td>
<td>200.00</td>
<td>200.00</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>18.98</td>
<td>18.98</td>
</tr>
<tr>
<td>Postage</td>
<td>1,276.25</td>
<td>1,276.25</td>
</tr>
<tr>
<td>Ruby Griffith</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Social</td>
<td>168.95</td>
<td>168.95</td>
</tr>
<tr>
<td>Sound</td>
<td>-480.00</td>
<td>-480.00</td>
</tr>
<tr>
<td>Storage Bay</td>
<td>3,324.00</td>
<td>3,324.00</td>
</tr>
<tr>
<td>TOTAL Administrative Expenses</td>
<td>6,353.00</td>
<td>6,353.00</td>
</tr>
<tr>
<td>Brigadoon 2018 - Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royalties</td>
<td>-200.00</td>
<td>-200.00</td>
</tr>
<tr>
<td>TOTAL Brigadoon 2018 - Expenses</td>
<td>-200.00</td>
<td>-200.00</td>
</tr>
<tr>
<td>Hairspray 2019 - Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audition &amp; Rehearsal Space</td>
<td>2,941.75</td>
<td>2,941.75</td>
</tr>
<tr>
<td>Concessions</td>
<td>740.61</td>
<td>740.61</td>
</tr>
<tr>
<td>Costumes</td>
<td>1,600.00</td>
<td>1,600.00</td>
</tr>
<tr>
<td>Hair &amp; Makeup</td>
<td>625.46</td>
<td>625.46</td>
</tr>
<tr>
<td>Orchestra</td>
<td>2,200.00</td>
<td>2,200.00</td>
</tr>
<tr>
<td>Programs</td>
<td>1,425.00</td>
<td>1,425.00</td>
</tr>
<tr>
<td>Props</td>
<td>295.76</td>
<td>295.76</td>
</tr>
<tr>
<td>Publicity</td>
<td>171.14</td>
<td>171.14</td>
</tr>
<tr>
<td>Royalties</td>
<td>7,850.68</td>
<td>7,850.68</td>
</tr>
<tr>
<td>Set Construction</td>
<td>958.41</td>
<td>958.41</td>
</tr>
<tr>
<td>Social</td>
<td>835.05</td>
<td>835.05</td>
</tr>
<tr>
<td>Sound</td>
<td>240.00</td>
<td>240.00</td>
</tr>
<tr>
<td>Stipends</td>
<td>1,600.00</td>
<td>1,600.00</td>
</tr>
<tr>
<td>Theatre</td>
<td>17,274.00</td>
<td>17,274.00</td>
</tr>
</tbody>
</table>
## 2019-Income/Expense by Category - 2019

1/1/2019 through 12/31/2019 (Cash Basis)

<table>
<thead>
<tr>
<th>Category</th>
<th>1/1/2019-12/31/2019</th>
<th>OVERALL TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL Hairspray 2019 - Expenses</td>
<td>38,757.86</td>
<td>38,757.86</td>
</tr>
<tr>
<td>Heathers 2019 - Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costumes</td>
<td>477.44</td>
<td>477.44</td>
</tr>
<tr>
<td>Orchestra</td>
<td>1,125.00</td>
<td>1,125.00</td>
</tr>
<tr>
<td>Props</td>
<td>262.61</td>
<td>262.61</td>
</tr>
<tr>
<td>Publicity</td>
<td>210.00</td>
<td>210.00</td>
</tr>
<tr>
<td>Royalties</td>
<td>2,262.45</td>
<td>2,262.45</td>
</tr>
<tr>
<td>Set Construction</td>
<td>159.79</td>
<td>159.79</td>
</tr>
<tr>
<td>Social</td>
<td>373.15</td>
<td>373.15</td>
</tr>
<tr>
<td>Stipends</td>
<td>600.00</td>
<td>600.00</td>
</tr>
<tr>
<td>TOTAL Heathers 2019 - Expenses</td>
<td>5,470.44</td>
<td>5,470.44</td>
</tr>
<tr>
<td>Seussical 2019 - Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audition &amp; Rehearsal Space</td>
<td>3,193.58</td>
<td>3,193.58</td>
</tr>
<tr>
<td>Concessions</td>
<td>856.57</td>
<td>856.57</td>
</tr>
<tr>
<td>Costumes</td>
<td>145.38</td>
<td>145.38</td>
</tr>
<tr>
<td>Hair &amp; Makeup</td>
<td>232.16</td>
<td>232.16</td>
</tr>
<tr>
<td>Orchestra</td>
<td>2,400.00</td>
<td>2,400.00</td>
</tr>
<tr>
<td>Programs</td>
<td>1,525.00</td>
<td>1,525.00</td>
</tr>
<tr>
<td>Props</td>
<td>373.37</td>
<td>373.37</td>
</tr>
<tr>
<td>Publicity</td>
<td>503.15</td>
<td>503.15</td>
</tr>
<tr>
<td>Royalties</td>
<td>7,286.86</td>
<td>7,286.86</td>
</tr>
<tr>
<td>Set Construction</td>
<td>193.34</td>
<td>193.34</td>
</tr>
<tr>
<td>Social</td>
<td>392.04</td>
<td>392.04</td>
</tr>
<tr>
<td>Sound</td>
<td>259.07</td>
<td>259.07</td>
</tr>
<tr>
<td>Stipends</td>
<td>1,200.00</td>
<td>1,200.00</td>
</tr>
<tr>
<td>Theatre</td>
<td>15,113.00</td>
<td>15,113.00</td>
</tr>
<tr>
<td>TOTAL Seussical 2019 - Expenses</td>
<td>33,673.52</td>
<td>33,673.52</td>
</tr>
<tr>
<td>TO Checking</td>
<td>10,326.48</td>
<td>10,326.48</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>94,381.30</strong></td>
<td><strong>94,381.30</strong></td>
</tr>
<tr>
<td><strong>OVERALL TOTAL</strong></td>
<td><strong>16,740.22</strong></td>
<td><strong>16,740.22</strong></td>
</tr>
</tbody>
</table>
If You Want to Know Who We Are...

Victorian Lyric Opera Company (VLOC) was founded in 1978 to perform musical works of the Victorian era. Our first show was *Trial By Jury* paired with *Cox and Box*. Since then, we have performed all of the works in the Gilbert & Sullivan canon, most of them many times over. We have also branched out into other European and American operettas and even grand opera, like Mozart's *The Magic Flute* and Donizetti's *The Elixir of Love*. In 2011, Victorian Lyric Opera Company merged with Forgotten Opera Company (FOC) which is currently a brand with which we perform non-Victorian era works. VLOC is a Resident Company at the F. Scott Fitzgerald Theatre at the Rockville Civic Center in Rockville, Maryland.
Mission

WHAT WE DO

VLOC provides high-quality performances of light operatic works, offering educational and performance opportunities for our community.
Vision

WHAT WE WANT

- To be the leading light opera company in the Greater Washington, DC region
- For our members to choose to make VLOC and FOC an integral part of their lives
Values

WHAT'S IMPORTANT

• Our Victorian era roots (with branches) and presenting lesser-known (sometimes forgotten) shows of the era
• Being a nurturing membership organization comprised of community members
• Multigenerational participation
• Developing a new generation of audience
• Being an incubator for emerging artists
• No fees for participation beyond membership dues
The Victorian Lyric Opera Company stands out as a unique asset in producing works which get less attention, but are deeply relevant to modern audiences.

- DC METRO THEATER ARTS, 2018
Our Strategy

Our strategy for the next three to five years (2016-2020) is to grow the company, both in members and in resources, so that we can achieve our mission and vision.

We plan to accomplish this through creation and empowerment of Board Committees, each taking on tasks outlined below.
Board Committees

**ARTISTIC**
Plans each season and hires seasonal production staff

**MARKETING**
Amplifies our brand through various media and grows our audience

**PRODUCTION**
Oversees set design and creation, costumes, and props; maintains storage facility at Civic Center

**EDUCATION & COMMUNITY ENGAGEMENT**
Inspires conversation and engagement to complement VLOC productions
Board Committees (continued)

**DEVELOPMENT**
Solicits charitable donations from individuals and institutions

**FINANCE**
Ensures proper stewardship of company resources and compliance with grant requirements

**MEMBERSHIP**
Recruits a diverse group of operetta nerds to participate in all aspects of VLOC productions

**DIVERSITY, EQUITY, AND EXPANSION**
Challenges institutional norms to disrupt a traditionally white art form
Artistic Committee

- Continue to present a mix of well-known and lesser-known light operas, maintaining an emphasis on Gilbert & Sullivan (one or two G&S operas per year)
  - Ongoing - as of Fall 2019, we have a five-year repertory plan
- Reinvigorate the Forgotten Opera Company (FOC) brand to present modern and alternate productions
  - Ongoing - have held successful yearly themed concerts since 2018 and mounted a fully staged production in Fall 2019
- Recruit, diversify, and grow new artistic staff
  - Ongoing – of note, all 2019/2020 Season stage directors were women
- Support Rockville civic activities (e.g. Hometown Holidays, July 4th, 9/11 Memorial, and Civic Center Holiday Celebration)
  - Ongoing – as invited by Rockville City Special Events Department
Production Committee

- Contribute to the success of our productions through the quality of our costumes, props, and sets
- Manage production costs through reuse of materials, props and costumes
  - Ongoing - have also established relationship with Towson University for rental of our sets
- Work with City of Rockville to expand build and storage space
  - Completed - in Spring 2019 with acquisition of additional storage bay
Marketing Committee

- Appoint a "social media liaison" for each production
  - Discontinued after hiring a part-time Marketing & Development Coordinator
- Involve company membership in marketing VLOC activities
  - Ongoing – by production (e.g. cast interviews posted on social media)
- Increase video postings of performances
  - Ongoing - enhanced with variety and number of performances offered; accelerated in Spring 2019
- Develop a marketing plan to increase and diversify audience
  - Ongoing - evolving and expanding the Marketing & Development Coordinator responsibilities and number of hours paid
Education & Community Engagement Committee

- Continue current offerings - Lectures, Community Matinees
  - Ongoing – occurs by production
- Explore outreach to schools to recruit students for productions
  - Ongoing - audition notices sent to area colleges and universities
- Participate in Peerless Rockville Lecture Series
  - Complete - in person, December 2019; online in December 2020
- Present opera for children
  - Accomplished - Fall 2018 and Fall 2019 presentation at Gaithersburg Arts Barn
- Outreach concerts to Senior Communities
  - Suspended - began in January 2020 but had to stop due to pandemic
- Digital community engagement
  - Ongoing - Online Cabarets
Development Committee

- Continue applications for local and regional arts grants
  - Ongoing - received grant funding from Arts and Humanities Council of Montgomery County and Maryland State Arts Council in FY19 and FY20
  - One-time support grant and storage space rent abatement received from City of Rockville for FY21
- Further develop individual giving
  - Ongoing – online crowdfunding appeals occur twice a year
- Regularly survey audience
  - Ongoing – occurs with each F. Scott Fitzgerald production
Finance Committee

- Establish committee to ensure proper stewardship of company resources and comply with grant requirements
  - Completed - Fall 2019
- Create company endowment
  - Completed - on receipt of extraordinary initial funding by Joseph Sorge in FY19
  - Established Endowment Policies & Handbook in Spring 2020
- Establish company Conflict of Interest Policy
  - Completed - Summer 2020
Membership Committee

- Implement use of membership software
  - Complete - obtained Neon Membership software in FY17; TheatreForms in FY19
- Re-evaluate and refine value proposition of company membership
  - Ongoing - established Diversity, Equity, and Expansion Task Force
- Recruit orchestra members to be company members
  - Ongoing - in FY20, a second orchestra rep was added to the Board of Directors
- Explore social event for members
  - Complete - a “Backyard Concert” for/by/with members was held in Summer 2019
Diversity, Equity, & Expansion

Focus areas

- Recruit and retain members from non-traditional communities
- Share our performances with the variety of populations in Rockville and Montgomery County
- Implement and publish anti-discrimination policies and reporting procedures

Patience | 2018
The Mikado | 2017
The Gondoliers | 2019
### FY20 INCOME

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions - Individual</td>
<td>$31,432.90</td>
</tr>
<tr>
<td>Contributions - Government</td>
<td>$27,543.53</td>
</tr>
<tr>
<td>Ticket Sales</td>
<td>$55,166.81</td>
</tr>
<tr>
<td>Misc Income</td>
<td>$5,587.08</td>
</tr>
<tr>
<td>Membership Dues</td>
<td>$1,545.00</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td><strong>$121,275.32</strong></td>
</tr>
</tbody>
</table>

#### FY20 Income Pie Chart

- **Ticket Sales**: 45%
- **Contributions - Government**: 23%
- **Contributions - Individual**: 25%
- **Misc Income**: 5%
- **Membership Dues**: 1%
Financial Reports (continued)

**FY20 EXPENSES**

<table>
<thead>
<tr>
<th>Facility Rental (Theatre &amp; Rehearsal space)</th>
<th>$ 33,776.28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Staff</td>
<td>$ 26,631.66</td>
</tr>
<tr>
<td>Production Costs</td>
<td>$ 12,369.67</td>
</tr>
<tr>
<td>Other Overhead</td>
<td>$ 14,914.46</td>
</tr>
<tr>
<td>Part Time Admin Staff</td>
<td>$ 9,261.25</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$ 96,953.32</strong></td>
</tr>
<tr>
<td><strong>Net Income/Loss</strong></td>
<td><strong>$ 24,322.00</strong></td>
</tr>
</tbody>
</table>

N.B.: FY20 Surplus is attributed to significant reduction in production expenses due to cancellation of our June 2020 show
Living with the reality of the COVID-19 Pandemic

GO DIGITAL
Our Fall 2020 concert production is being made into socially-distanced and virtual movie!

ENGAGE
Weekly Online Cabarets are chances for members to keep performing and audiences to keep watching

PLAN
Every future production has at least three contingency plans: fully-staged, concert, and digital versions

SURVEY
We will survey our performers and audiences to gauge their interest and willingness to come back

FUTURE
When it is safe, VLOC will be back at the F. Scott Fitzgerald Theatre
2020/2021 Board of Directors

ARTISTIC DIRECTOR

Joseph Sorge

EXECUTIVE COMMITTEE

Helen Aberger, President
Bill Rogers, Vice-President
Blair Eig, Treasurer
Jane Maryott, Secretary

MEMBERS AT-LARGE

Rishabh Bajekal
Bonnie Barrows
Michael Beder
Ross Capon
Bob Gudauskas
Amanda Jones
Stevie Miller
Joshua Milton
Deb Peetz
Kent Woods
Denise Young
See Our Work Online!

YOUTUBE
Watch our weekly Online Cabarets through YouTube
Live or watch footage from our past productions

FACEBOOK
Our official page features frequent posts and important announcements

WWW.VLOC.ORG
Visit for show information, archival footage, complete financial statements, and all things VLOC

For help or inquiries, contact us at victorianlyricopera@gmail.com
**Subject**
Proposed County Growth Policy – Update and Feedback

**Recommendation**
Direct staff to provide any additional feedback to the County Council on the proposed Growth Policy.

**Subject**
Proposed County Growth Policy – Update and Feedback

**Recommendation**
Direct staff to provide any additional feedback to the County Council on the proposed Growth Policy.

**Change in Law or Policy**
While most of the changes will not impact the City directly, changes to the impact tax and recordation fees will affect City residents and developers. These changes could have a significant impact on the City due to the loss of transportation funding to support transportation projects in Rockville.

**Discussion**
At its September 14th meeting, the Mayor and Council discussed the proposed Growth Policy that had been developed by the Montgomery County Planning Board in anticipation of the County Council public hearing on the subject. Mayor Newton provided testimony at the September 15 hearing, requesting that the processed be slowed down to allow for further analysis. Since that time, the County Council has chosen to not delay action and has sent the proposed Growth Policy to the Government Operations (GO) and Planning, Housing and Economic Development (PHED) committees. These committees conducted a number of worksessions on the draft and recommended a series of changes (see Attachment A for a summary).

Other issues of concern discussed at the September 14 meeting that impact Rockville included:
• **Eliminating development moratoriums due to lack of school capacity except in greenfield areas (Clarksburg and surrounding areas).** While this approach would not eliminate development moratoriums related to school capacity within Rockville, this approach would impact all schools that serve students living in the City. It is critical that the County Council provides the financial support to appropriately address increased school capacity where needed, and that MCPS commit to a larger role in the development review process in the County as well as municipalities. Since the September 14th meeting, the GO committee recommended not having moratoriums in any County areas.

• **Requiring developers to pay Utilization Premium Payments, in addition to the school impact tax, for residential development projects served by overcrowded schools, in lieu of a development moratorium for most areas in the County.** The draft policy proposed implementation of a Utilization Premium Payment for development assigned to those schools that exceed 120% of program capacity, based on projections three years in the future, the type of residential development and impact area. The Council committees have recommended changes to this proposed system.

• **Proposing an increased residential property transfer tax to increase funding for schools.** In order to maintain overall funding levels, the policy recommends a progressive modification to the recordation tax calculation. This recognizes that existing neighborhoods generate a significant amount of school students through turnover. The County Council should be assured that this proposal will offset the recommended reductions in the school impact tax.

• **Reducing the school impact tax within Turnover and Infill Impact Areas from the current rates.** The draft policy proposes reducing the school impact tax for new residential units in Rockville from current levels for most unit types and impact areas. While this potentially is supportable, analysis should show that all proposed changes in combination will result in additional resources to support expanded school capacity.

• **Eliminating the schools and transportation impact tax exemption on residential developments that provide at least 25% affordable housing units.** The proposed policy includes a recommendation a tiered approach to reduce the impact taxes that could include reducing the tax to the lowest standard impact tax for the applicable dwelling type for any project that provides at least 25 percent of the units as affordable. City staff recommends that a potential 30 percent threshold should be considered.

• **Discounting the schools impact tax and potentially the transportation impact tax for Desired Growth Areas, which includes the Town Center and other more urban areas in Rockville.** The Planning Board had recommended charging 60 percent of the impact tax for single-family attached and multifamily units in these areas. However, the Council committees do not support this recommendation so it likely will not be approved.
• Modifications to the County’s Local Area Transportation Review (LATR) and Application of Transportation Impact Tax. Staff previously recommended that the Mayor and Council oppose the policy recommendations eliminating intersection adequacy requirements near the Shady Grove and Twinbrook (Red) policy areas, and increasing the congestion adequacy standard and the intersection delay standards for the Orange policy areas, which includes the balance of the City. Most of the signalized intersections in these areas are already experiencing significant congestion on a regular basis. The impact of the recommended changes would potentially allow more development, while lessening the likelihood that a significant investment will take place to address the congestion problem. Rockville should continue to assess intersection capacity as a basis for adequacy. The County’s acceptance of higher capacity and more congestion, without necessary mitigations, could severely impact Rockville’s intersections and ultimately the City’s ability to approve new developments without violating the APFS.

At its October 19th meeting, the Mayor and Council reviewed certain recommendations and directed the City Manager to send another letter to the County Council to provide recommendations on changes to the County Growth Policy (see Attachment B). The letter provided the following feedback:

1. Eliminating Schools and Transportation Impact Tax Exemption Within Rockville’s Opportunity Zones – The designated Opportunity Zone in the City of Rockville comprises the Rockville Pike corridor, south of MD 28 to the City boundary. This is an area designated for future growth by the City’s Master Plan and is already seeing new development approvals. The Mayor and Council believe this exemption is not needed to stimulate growth and will negatively affect revenues the City is relying on for critical capital projects.

If the County Council does not remove the impact tax exemption in Rockville, the Mayor and Council recommended that the County Council provide a “grandfathering” clause for developments that have been approved prior to the adoption of the County Growth Policy. Without this grandfathering clause, the exemption would apply to the Twinbrook Quarter project, which would eliminate approximately $2.5 million of expected transportation impact tax revenue associated with Phase I of the project, which has already received site plan approval. These funds could be used to help pay for needed transportation related projects.

2. Ensuring Future Funding to Address School Capacity and Needed Upgrades to Existing Schools – The Mayor and Council expressed significant concerns that overcrowded schools will receive appropriate, much-needed funding in the future. At its October 19th meeting, the Mayor and Council expressed the need for the County Council to ensure that there are enough funds available through the changes to the school impact tax and real estate transfer tax to adequately address and prioritize capital projects that would address overcrowded schools and other needed improvements to existing schools.

3. Addressing Affordable Housing – The Mayor and Council expressed concerns about how the County’s changes to impact taxes will affect and/or address the County’s and City’s
affordable housing stock. There is concern that incentivizing redevelopment in Opportunity Zone areas could decrease the current supply of affordable housing units. To address this, the County Council could consider providing incentives to increase the amount of affordable housing with new developments in Opportunity Zones.

The receipt of the City Manager’s October 20th letter by the County Council during its first work session was acknowledged by Glenn Orlin, Deputy Staff Director for Montgomery County Council. According to Mr. Orlin, the County Council would most likely review Rockville’s concerns at next Tuesday’s work session. He stated that staff will issue a revised packet for next week’s session which will include the City Manager’s letter.

The City has received a request from a potential developer of property that would be requesting annexation into the City. The property is the King Buick site, and consists of two parcels, one of which is within City limits and one is not. The two parcels are in different County transportation policy areas, and the applicant requests that the property that would be annexed be included in the Red policy area, appropriate for areas close to a Metro station, as this property is close to the Shady Grove station. The transportation impact taxes are significantly less in the Red policy area than the Orange policy area.

Based upon a discussion of this issue with Mr. Orlin, the property that is within the County was designated in the County’s Shady Grove Planning Area; while the other parcel was not part of the County’s designated Shady Grove Planning Area because it is within the City. He did not seem to believe that the policy area would be changed by the County Council. In fact, it is likely that upon annexation of the property into the City, the designation of both properties would be within the Orange policy area. However, the City could request the County Council modify their transportation tax to make an exception regarding this property.

The City would lose a significant amount of transportation funds if the entire property was within the Red Policy area. Staff does not support a reduction in our future transportation funding as it may set a precedent for other areas in the City. However, the Mayor and Council could decide to support the change if this reduction it was viewed as a significant factor in whether the owner would annex this property into the City.

**Mayor and Council History**

The Mayor and Council considered potential testimony to the County Council at its September 14 and October 19 meetings.

**Fiscal Impact**

As noted above, an exemption from the Transportation Impact Tax for Opportunity Zones would mean that the City would forego about $2.5 million in impact tax just from the first phase of Twinbrook Quarter.
Next Steps

The Mayor and Council may choose to provide additional feedback to the County Council on the Growth Policy. The Mayor and Council has another opportunity to discuss the topic at its November 2 meeting.

Attachments

Attachment 15.a: Council committee recommendations (PDF)
Attachment 15.b: Final County October 20 2020 Letter on Growth Policy 1 (003) (PDF)

Rob DiSpirito, City Manager 10/21/2020
SUBJECT

2020-2024 Subdivision Staging Policy
Bill 37-20, Subdivision - Preliminary Plan - Adequate Public Facilities – Amendments
Bill 38-20, Taxation - Development Impact Taxes for Transportation and Public School Improvements - Amendments
Expedited Bill 39-20, Taxation - Recordation Tax - Amendments

EXPECTED ATTENDEES

Casey Anderson, Planning Board Chair
Gwen Wright, Tanya Stern, Jason Sartori, Lisa Govoni, Eric Graye and David Anspacher, Planning Department
Meredith Wellington, Office of the County Executive
Essie McGuire and Adrienne Karamihas, Montgomery County Public Schools (MCPS)
Christopher Conklin, Gary Erenrich, and Andrew Bossi, Department of Transportation (DOT)
Mary Beck, Pofen Salem, and Veronica Jaua, Office of Management and Budget (OMB)
David Platt and Estela Boronat de Gomes, Department of Finance

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

Recommendations of the PHED, GO, and joint PHED/GO Committees are summarized in the attached chart. Currently, Council worksessions are scheduled for October 20 and 27, with final action tentatively scheduled for November 10.

DESCRIPTION/ISSUE

The issues are described in detail in the attached the staff reports.

This report contains:
Summary chart of Committee(s) recommendations  ©1-15
Staff reports

Alternative format requests for people with disabilities. If you need assistance accessing this report you may submit alternative format requests to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at adacompliance@montgomerycountymd.gov
<table>
<thead>
<tr>
<th>Current SSP</th>
<th>Planning Board Recommendation</th>
<th>Committee Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: Subdivision Staging Policy</td>
<td>Recommendation 3.1: Change the name of the Subdivision Staging Policy to the County Growth Policy.</td>
<td>PHED Committee: (3-0) in favor of changing the name to <em>Growth and Infrastructure Policy</em>.</td>
</tr>
<tr>
<td>Student Generation Rates</td>
<td>Recommendation 4.1: Classify county neighborhoods into School Impact Areas based on their recent and anticipated growth contexts. Update the classifications with each quadrennial update to the County Growth Policy.</td>
<td>Joint Committee: (4-1) in favor of Planning Board recommended School Impact Areas, with the exception of adding White Oak RDA as a separate Planning Areas changing its categorization from Turnover to Infill.</td>
</tr>
<tr>
<td>are calculated for three regions in the County based on school cluster as determined by MCPS.</td>
<td></td>
<td>CM Jawando supports reevaluation of criteria specifying two School Impact Areas (Turnover and Infill), not three.</td>
</tr>
<tr>
<td>Metro Station and Purple Line Station areas are categorized by the school cluster and MCPS region (noted above) in which they’re located.</td>
<td>Recommendation 4.2: Classify all Red Policy Areas (Metro Station Policy Areas and Purple Line Station Policy Areas) as Infill Impact Policy Areas.</td>
<td>Joint Committee: (5-0) in favor of Planning Board recommendation.</td>
</tr>
<tr>
<td>N/A</td>
<td>Recommendation 4.3: By January 1, 2021, the Planning Board must adopt a set of Annual School Test Guidelines which outline the methodologies used to conduct the Annual School Test and to evaluate the enrollment impacts of development applications and master plans.</td>
<td>PHED Committee: (3-0) in favor of the Planning Board recommendation.</td>
</tr>
<tr>
<td>Cluster level adequacy test and an individual adequacy test for each middle and elementary school.</td>
<td>Recommendation 4.4: The Annual School Test will be conducted at the individual school level only, for each and every elementary, middle, and high school, for the purposes of determining school utilization adequacy.</td>
<td>PHED Committee: (3-0) in favor of Planning Board recommendation for an individual school test.</td>
</tr>
<tr>
<td>Annual School Test evaluates projected school utilization five years in the future. (Moratorium threshold covered under Recommendation 4.9).</td>
<td>Recommendation 4.5: The Annual School Test will evaluate projected school utilization three years in the future using the certain school utilization adequacy standards. (Moratorium threshold covered under Recommendation 4.9, UPP covered under Recommendation 4.16)</td>
<td>PHED Committee: (3-0) in favor of motion by CM Riemer to use a 4-year projection horizon. (Moratorium threshold covered under Recommendation 4.9, UPP covered under Recommendation 4.16)</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>For each application yielding net new residential dwellings, the number of students generated by the application, by school level, is compared to the available capacity under the most recent school test.</td>
<td>Recommendation 4.6: The Annual School Test will establish each school service area’s adequacy status for the entirety of the applicable fiscal year.</td>
<td>PHED Committee: (2-1) in favor of the Planning Board recommendation. CM Jawando dissenting in favor of the current review process.</td>
</tr>
<tr>
<td>Annual School Test provides cluster and school level utilization analyses.</td>
<td>Recommendation 4.7: The Annual School Test will include a Utilization Report that will provide a countywide analysis of utilization at each school level.</td>
<td>PHED Committee: (3-0) in favor of the Planning Board recommendation.</td>
</tr>
<tr>
<td>N/A</td>
<td>Recommendation 4.8: The Utilization Report will also provide additional utilization and facility condition information for each school, as available.</td>
<td>PHED Committee: GO Committee (3-0) against Planning Board recommendation to allow credits for non-capacity improvements. In light of this, requiring school conditions in a report on utilization seems unnecessary. Planning Board has authority to place information in the Annual School Test Guidelines, as they see fit.</td>
</tr>
<tr>
<td>Moratoria apply to any High School cluster, individual middle, or elementary school based on the following criteria.</td>
<td>Recommendation 4.9: Moratoria will only apply in Greenfield Impact Areas. The Planning Board cannot approve any preliminary plan of subdivision for residential uses in an area under a moratorium unless it meets certain exceptions.</td>
<td>PHED Committee: (2-1) in favor of eliminating moratoria Countywide. CM Jawando dissenting, recommending Countywide moratorium at 135% utilization.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>
| **Moratorium if:**  
  - any cluster above 120% utilization, or  
  - any middle school above 120% with a seat deficit ≥ 180 student seats, or  
  - any elementary school above 120% with a seat deficit ≥ 110 student seats. | **Moratoria if:**  
  - In the Greenfield Impact Area, projected utilization is greater than 125% at any school, and for any middle school the seat deficit > 188 seats, or for any elementary school the seat deficit > 115 seats. | |
| **Allow approval in areas under moratorium if application is for no more than 3 residential dwellings or units restricted to senior living.** | Recommendation 4.10: Exceptions to residential development moratoria will include projects estimated to net fewer than one full student at any school in moratorium, and projects where the residential component consists entire of senior living units. | PHED Committee: (3-0) in favor of Planning Board recommendation. |
| N/A | **Recommendation 4.11:** Establish a new exception that allows the Planning Board to approve residential development in an area under a moratorium if a school (at the same level as any school causing the moratorium) is located within 3, 5, or 10 network miles (ES, MS, or HS, respectively) of the proposed subdivision and has a projected utilization less than or equal to 105 percent. | **PHED Committee:** (3-0) in favor of sufficient adjacent capacity concept. Limit combined utilization to no greater than 100%. Physical extent of adjacency requirement TBD. MCPS to provide language reflecting their geographic area of consideration for capital planning. |
| Allow approval for projects providing a minimum of 50% affordable housing and generating less than 10 students. Also allow approval for projects replacing condemned buildings. | **Recommendation 4.12:** Eliminate the moratorium exception adopted in 2019 pertaining to projects providing high quantities of deeply affordable housing or projects removing condemned buildings. | **PHED Committee:** (3-0) against Planning Board recommendation. Retain exemptions if moratorium remains. |
| For all unit types, Student Generation Rates are calculated using all residential structures regardless of year built. | **Recommendation 4.13:** Calculate countywide and School Impact Area student generation rates by analyzing all single-family units and multifamily units built since 1990, without distinguishing multifamily buildings by height. | **Joint Committee:** (5-0) in favor of Planning Board recommendation, with the exception of combining multifamily units into one structure type. Low-rise and high-rise multifamily units should remain distinct structure types for the purposes of evaluation and impact taxes. |
| Extension request does not require retesting. | **Recommendation 4.14** Amend Chapter 50, Article II, Section 4.3.17. of the County Code to require a development application to be retested for school infrastructure adequacy when an applicant requests an extension of their Adequate Public Facilities validity period. | **PHED Committee:** (3-0) in favor of the Planning Board recommendation, however, the Committee recommends limiting the retest to projects with certain characteristics. In response, Planning recommends projects generating more than 10 students. |
| Under the Subdivision Regulations (Ch. 50 of the County Code), MCPS is required to submit a recommendation regarding Montgomery County Public Schools, for application involving school site planning. | **Recommendation 4.15:** Require MCPS to designate a representative to the Development Review Committee to better tie the development review process with school facility planning. Ensure this representative has appropriate authority to represent MCPS’ official positions. | PHED Committee: (3-0) in favor of the Planning Board recommendation. |
| Recommendation 4.16: Require applicants to pay a Utilization Premium Payment when a school’s projected utilization three years in the future exceeds 120 percent. | PHED Committee: Under Rec. 4.5 Committee (3-0) in favor of motion by CM Riemer to use a 4-year projection horizon.

PHED Committee: (3-0) in favor of including a second measure of adequacy equal to seat deficit (based on program capacity) starting at 105 percent.

PHED Committee: (3-0) in favor of CM Jawando recommendation to start at 105 percent overutilization

At 105 percent:
(2-1) in favor of the UPP set at 20 percent of the proportional impact tax for the overutilized school level. CM Jawando would set at 50 percent. Council Staff recommended 30 percent.

(3-0) in favor of a second tier UPP charge at 120 percent threshold.

At 120 percent:
(2-1) in favor of the UPP set at 40 percent of the proportional impact tax for the overutilized school level. CM Jawando would set at 100 percent. Council Staff recommended 60 percent.

(3-0) in favor of a third tier 135 percent threshold.

At 135 percent:
(2-1) in favor of a third tier charge set at 60 percent of the proportional impact tax for the overutilized school level. CM Jawando and Council Staff recommend moratorium.

(3-0) in favor of specifying that revenue from the UPP can be spent on any project at the same school level that adds capacity that alleviates overutilization in the school service area from which the funds are collected. |
<p>| | Exemptions need to be clarified. Planning Board exempted MPDUs. Council Staff agrees. Planning Board would not exempt Enterprise zone nor Opportunity zone market rate units. It would also not exempt market rate units receiving an impact tax discount. |</p>
<table>
<thead>
<tr>
<th>Current SSP</th>
<th>Planning Board Recommendation</th>
<th>Committee Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>Recommendation 5.1: Design roads immediately adjacent to new development to account for all identified recommendations from applicable planning documents including Functional Plans, Master Plans and Area Plans.</td>
<td>PHED Committee: (3-0) in favor of Planning Board’s recommendation, except to require developers to report information to update all transportation databases.</td>
</tr>
<tr>
<td>N/A</td>
<td>Recommendation 5.2: Prioritize motor vehicle mitigation strategies designed to improve travel safety.</td>
<td>PHED Committee will take this up on October 22.</td>
</tr>
<tr>
<td>Under the Subdivision Regulations (Ch. 50 of the County Code), DOT is required to review sufficiency of all travel modes.</td>
<td>Recommendation 5.3: Given the additional focus on Vision Zero principles in the development review process, designate a Vision Zero representative to the Development Review Committee to review the development application and Vision Zero elements of LATR transportation impact studies and to make recommendations regarding how to incorporate the conclusions and safety recommendations of LATR transportation impact studies.</td>
<td>PHED Committee: (2-0) recommend amending the Subdivision Ordinance to achieve this, which is where DRC representation and roles are stipulated in the County Code. (CM Jawando was not present for this item due to a prior commitment.)</td>
</tr>
<tr>
<td>N/A</td>
<td>Recommendation 5.4: Introduce a Vision Zero Impact Statement for all LATR studies pertaining to subdivisions that will generate 50 or more peak-hour person trips.</td>
<td>PHED Committee: (2-0) in favor of the Planning Board’s recommendation, with revised language. (CM Jawando was not present for this item due to a prior commitment.)</td>
</tr>
<tr>
<td>Local Area Transportation Review (LATR) tests exist for Motor Vehicle, Bicycle, Pedestrian, and Transit (see staff report for details).</td>
<td>Recommendation 5.5: For LATR studies of new development generating 50 or more peak-hour weekday person trips, couple current multi-modal transportation adequacy tests with options that can be implemented over time utilizing Vision Zero-related tools and resources currently available and under development. When the appropriate set of tools (described in the Vision Zero Resources section above) are operational, the current multi-modal transportation adequacy tests should be updated as described below.</td>
<td>PHED Committee: (3-0) recommend major revisions to the Final Draft’s proposed LATR Motor Vehicle, Bicycle, and Bus Transit System Adequacy Tests (see staff report). The Committee will review a proposed, broadened Pedestrian Test on October 22. It recommends taking up a proposed new Safety Test next summer/fall in an SSP amendment.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>The Motor Vehicle System Adequacy Test standard is 120 seconds/vehicle of delay in peak periods in Metro Station (Red) Policy Areas.</td>
<td>Recommendation 5.6: Eliminate the LATR study requirement for motor vehicle adequacy in Red Policy Areas (Metrorail Station Policy Areas and Purple Line Station Areas).</td>
<td>PHED Committee: (2-1) in favor of the Planning Board’s recommendation. CM Jawando dissenting, concurring with Council staff to retain the current 120 seconds/vehicle delay standard in Red Policy Areas.</td>
</tr>
<tr>
<td>Critical Lane Volume (CLV) must be worse than 1,350 for the more robust Highway Capacity Manual (HCM) methodology to be used to analyze traffic congestion.</td>
<td>Recommendation 5.7: Expand the application of the Critical Lane Volume (CLV) analysis methodology as a screening tool to determine the necessity for the application of the more robust Highway Capacity Manual (HCM) analysis methodology for the motor vehicle transportation adequacy analysis.</td>
<td>PHED Committee: (3-0) oppose the Planning Board’s recommendation.</td>
</tr>
<tr>
<td>Current intersection congestion standards are not loosened because of an eventual Bus Rapid Transit line.</td>
<td>Recommendation 5.8: Increase the intersection delay standards to 1,700 CLV and 100 seconds/vehicle for transit corridor roadways in Orange and Yellow policy areas to promote multi-modal access to planned Bus Rapid Transit service in transit corridors.</td>
<td>PHED Committee: (3-0) oppose the Planning Board’s recommendation.</td>
</tr>
<tr>
<td>N/A</td>
<td>CM Riemer Recommendation: Exempt bioscience facilities from all Local Area Transportation Review (LATR) tests for 5 years.</td>
<td>PHED Committee: (3-0) in favor of CM Riemer’s proposal, but sunsetting it after 4 years.</td>
</tr>
<tr>
<td>Three existing policy areas around planned Purple Line stations (Chevy Chase Lake, Long Branch, and Woodside) are in the Orange category.</td>
<td>Recommendation 5.9: Place all Purple Line Station policy areas (existing and proposed) in the Red policy area category.</td>
<td>Joint Committee: (3-2) place four Purple Line Policy Areas (see Recommendations 5.18-19) in the Red Policy Area category. CMs Jawando and Katz dissenting, concurring with Council and Planning staffs to create a new Purple category, with impact tax rates and congestion standards midway between those in the Red and Orange categories.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Not mentioned in the SSP, but the Mobility Assessment Report/Travel Monitoring Report has been produced every few years for about 15 years.</td>
<td>Recommendation 5.10: Continue producing the Travel Monitoring Report (formerly the Mobility Assessment Report) on a biennial schedule as a key travel monitoring element of the County Growth Policy.</td>
<td>PHED Committee: (2-0) in favor of the Planning Board’s recommendation. (CM Jawando was not present for this item due to a prior commitment.)</td>
</tr>
<tr>
<td>N/A</td>
<td>Recommendation 5.11: The proposed auto and transit accessibility metric is the average number of jobs that can be reached within a 45-minute travel time by automobile or walk access transit.</td>
<td>Recommendations 5.11-15 are about measuring master plan adequacy, and so are not in the draft SSP resolution. The PHED Committee will take up these recommendations in the late fall/winter.</td>
</tr>
<tr>
<td>N/A</td>
<td>Recommendation 5.12: The proposed metric for auto and transit travel times is average time per trip, considering all trip purposes.</td>
<td>(See above.)</td>
</tr>
<tr>
<td>N/A</td>
<td>Recommendation 5.13: The proposed metric for vehicle miles traveled per capita is daily miles traveled per “service population,” where “service population” is the sum of population and total employment for a particular TAZ.</td>
<td>(See above.)</td>
</tr>
<tr>
<td>N/A</td>
<td>Recommendation 5.14: The proposed metric for non-auto driver mode share is the percentage of non-auto driver trips (i.e., HOV, transit and nonmotorized trips) for trips of all purposes.</td>
<td>(See above.)</td>
</tr>
<tr>
<td>N/A</td>
<td>Recommendation 5.15: The proposed metric for bicycle accessibility is the Countywide Connectivity metric documented in the 2018 Montgomery County Bicycle Master Plan (page 200).</td>
<td>(See above.)</td>
</tr>
<tr>
<td>-----</td>
<td>----------------------------------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Forest Glen is in the Kensington-Wheaton Policy Area, and Montgomery Hills is in the Silver Spring-Takoma Park Policy Area. Both are in the Orange Policy Area category.</td>
<td>Recommendation 5.16: Create and define boundary of a Forest Glen Metro Station Policy Area.</td>
<td>Joint Committee: (5-0) create a Forest Glen Policy Area in the Red category. Joint Committee: (3-2) in favor of the Planning Board’s recommended boundary. CMs Jawando and Katz dissenting.</td>
</tr>
<tr>
<td>Half-mile walksheds around the Medical Center and Takoma Metro Stations are in the Bethesda-Chey Chase and Silver Spring-Takoma Policy Areas, respectively; both are Orange Policy Areas.</td>
<td>Council staff Recommendation: Create and define boundaries of Medical Center and Takoma Metro Station Policy Areas.</td>
<td>Joint Committee: (5-0) in favor of Council staff’s recommendations.</td>
</tr>
<tr>
<td>The Academy of the Holy Cross and St. Angela Hall properties are in the North Bethesda Policy Area, in the Orange category. Both properties are within the half-mile walkshed of the Grosvenor-Strathmore Metro Station.</td>
<td>Recommendation 5.17: Expand the boundary of the Grosvenor-Strathmore Metro Station Policy Area.</td>
<td>Joint Committee: (5-0) in favor of the Planning Board’s recommendation to move these properties from the North Bethesda Policy Area to the Grosvenor-Strathmore Policy Area.</td>
</tr>
<tr>
<td>Policy Areas exist around the planned Chevy Chase Lake, Long Branch, and Takoma/Langley Purple Line Stations. All are in the Orange Policy Area category.</td>
<td><strong>Recommendations 5.18-19:</strong> Create and set the boundaries for Purple Line Policy Stations at Lyttonsville/Woodside and Dale Drive/Manchester Place.</td>
<td>Joint Committee: (5-0) revise the boundary of the Chevy Chase Lake Policy Area, create Lyttonsville and Woodside Policy Areas, and create a Purple Line East Policy Area that encompasses the existing Takoma/Langley and Long Branch Policy Areas and the proposed Dale Drive/Manchester Place Policy Area. The boundaries of these areas roughly correspond to the half-mile walksheds around planned Purple Line Stations.</td>
</tr>
<tr>
<td>Current SSP</td>
<td>Planning Board Recommendation</td>
<td>Committee Recommendations</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>For all unit types, Student Generation Rates are calculated using all</td>
<td>Recommendation 6.1: Change the calculation of school impact taxes to include one tax rate for all multifamily units, in both low-rise and high-rise buildings, based on the student generation rate for multifamily units built since 1990.</td>
<td>Joint Committee: (5-0) in favor of Planning Board recommendation to use multifamily data since 1990 for calculation of student generation rates. (5-0) against Planning Board recommendation to combine low-rise and high-rise units into one category.</td>
</tr>
<tr>
<td>residential structures regardless of year built.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School impact taxes are set at 120% of the cost of student seat using</td>
<td>Recommendation 6.2: Calculate standard school impact taxes at 100% of the cost of a student seat using School Impact Area student generation rates. Apply discount factors to single-family attached and multifamily units to incentivize growth in certain desired growth and investment areas and maintain the current 120% factor within the Agricultural Reserve Zone.</td>
<td>(a) Joint Committee: (4-1) in favor of regional student generation rates based Planning Board recommended School Impact Areas. CM Jawando dissenting, in favor of two School Impact Areas following re-evaluation using additional criteria. (b) GO Committee: (3-0) in favor of Planning Board recommendation to set tax at 100% cost of a student seat. (c) GO Committee: (3-0) against Planning Board recommendation to discount impact taxes in desired growth areas. (d) GO Committee: (3-0) against Planning Board recommendation to retain higher cost calculation (120%) for AR zone.</td>
</tr>
<tr>
<td>countywide Student Generation Rates. No discount based on geographic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>location.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credits are allowed for improvements that add capacity or for the</td>
<td>Recommendation 6.3: Allow a school impact tax credit for any school facility improvement constructed or funded by a property owner with MCPS’s agreement.</td>
<td>GO Committee: (3-0) against Planning Board recommendation to allow impact tax credit for providing non-capacity adding improvements</td>
</tr>
<tr>
<td>dedication of land under certain circumstances.¹</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Where the density calculated for the dedication area is excluded from the density calculation for the development site, and the Montgomery County School Board agrees to the site dedication.
<table>
<thead>
<tr>
<th>Single-family units are charged an additional $2.00 for each square foot of gross floor area that exceeds 3,500 square feet, to a maximum of 8,500 square feet.</th>
<th>Recommendation 6.4: Eliminate the current school impact tax surcharge on residential units larger than 3,500 square feet.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GO Committee: (3-0) in favor of the Planning Board recommendation.</td>
<td></td>
</tr>
<tr>
<td>Residential development in an Enterprise zones or former Enterprise zones re exempt from payment if the school impact tax.</td>
<td>Recommendation 6.5: Eliminate the current impact tax exemptions for development in former Enterprise Zones.</td>
</tr>
<tr>
<td>GO Committee: (2-0) in favor of the Planning Board recommendation.</td>
<td></td>
</tr>
<tr>
<td>(Council President Katz recused himself from vote)</td>
<td></td>
</tr>
<tr>
<td>N/A</td>
<td>Recommendation 6.6: Any development located in a Qualified Opportunity Zone certified by the United States Treasury Department is exempt from development impact taxes.</td>
</tr>
<tr>
<td>GO Committee: (2-0) in favor of the Planning Board recommendation.</td>
<td></td>
</tr>
<tr>
<td>(Council President Katz recused himself from vote)</td>
<td></td>
</tr>
<tr>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Proposal by Councilmember Jawando to allow a per unit 40 percent impact tax credit for construction of 2-bedroom units and a 60 percent credit for 3-bedroom units in Infill School Impact Areas to encourage family accessible multifamily housing near transit.</td>
<td></td>
</tr>
<tr>
<td>GO Committee discussed but did not reach a recommendation. Requested relative construction cost information from Planning.</td>
<td></td>
</tr>
<tr>
<td>All residential units in a project providing a minimum of 25% of the units as affordable to households earning below 60% of AMI are exempt from the school impact tax.</td>
<td>Recommendation 6.7: Modify the current impact tax exemptions applied to all housing units when a project includes 25% affordable units to: 1. require the affordable units be placed in the county’s or a municipality’s MPDU program, and 2. limit the exemption amount to the lowest standard impact tax in the county for the applicable dwelling type.</td>
</tr>
<tr>
<td>GO Committee: (3-0) in favor of both parts of the Planning Board recommendation.</td>
<td></td>
</tr>
<tr>
<td>Impact taxes are levied on net new units. Units that replace demolished units are exempt from the school impact tax if the reconstruction occurs within 1 year.</td>
<td>Recommendation 6.8: Continue to apply impact taxes on a net impact basis, providing a credit for any residential units demolished.</td>
</tr>
<tr>
<td>Transportation impact taxes can be used—and credit can be granted—for adding roadway capacity.</td>
<td>DOT Recommendation: Define clearly that adding roadway capacity means adding through travel lanes or turning lanes at intersections.</td>
</tr>
</tbody>
</table>
| For each $500 that the sale price of a residential unit exceeds $100,000:  
• $2.37 to MCPS CIP and  
• $2.08 to the General Fund.  
For each $500 that the sale price of a residential unit exceeds $500,000:  
• $2.30 split evenly between the County CIP and rental assistance.  
Exempt:  
• First $100,000 of consideration payable if unit is the homebuyer’s principal residence. | Recommendation 6.9: Incorporate progressive modifications into calculation of the Recodation Tax to provide additional funding for school construction and the county’s Housing Initiative Fund.  
For each $500 that the sale price of a residential unit exceeds $100,000:  
• $2.87 to MCPS CIP and  
• $2.08 to the General Fund.  
For each $500 that the sale price of a residential unit exceeds $500,000:  
• $2.30 split evenly between the County CIP and rental assistance and  
• $0.50 to MCPS CIP.  
Exempt:  
• First $100,000 of consideration payable if unit is the homebuyer’s principal residence.  
• First $500,000 of consideration payable if purchaser is a first-time home buyer and it’s the home buyer’s principal residence. | GO Committee: Did not discuss this recommendation. |
October 20, 2020

The Honorable President Sidney Katz and County Councilmembers
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20850

Dear President Katz and members of County Council,

At its October 19th meeting, the Mayor and Council reviewed the latest recommendations from the Government Operations and the Planning, Housing and Economic Development committees regarding the Montgomery County Draft 2020/2024 County Growth Policy (CGP), and directed me to provide their feedback. This letter is intended to supplement the letter submitted to you on September 15th by the Mayor and Council on this matter.

Eliminating Schools and Transportation Impact Fees Exemption Within Rockville’s Opportunity Zones – At its September 14th meeting, the Mayor and Council unanimously voted to not support the exemption of properties in Rockville’s Opportunity Zones from the Transportation Impact Tax. We believe this exemption is not needed to stimulate growth and it will negatively affect revenues the City is relying on for critical projects. The designated Opportunity Zone in the City of Rockville comprise the Rockville Pike corridor south of MD 28 to the city limit. This is an area designated for future growth by the City’s Master Plan and is already seeing new development approvals without the proposed additional County incentives.

If the County Council does not remove this exemption in Rockville, the Mayor and Council recommended, at their October 19th meeting, that the County Council provide a “grandfathering” clause for project plans and other developments that have been approved by the Mayor and Council of Rockville prior to the adoption of the County Growth Policy. Without this grandfathering clause, the exemption would apply to our recently-approved project plan for Twinbrook Quarter. With the County’s proposal to exempt properties in Opportunity Zones from the Transportation Impact Tax, the City would lose this same $2.5 million in Phase I alone that could be used to help pay for needed transportation-related projects in the City of Rockville. Future phases would add to this loss.

Ensuring Future Funding to Address School Capacity and Needed Upgrades to Existing Schools – The Mayor and Council expressed significant concerns that overcrowded schools might not receive the much-needed funding in the future. At its October 19th meeting, the Mayor and Council of Rockville expressed the need for the County Council to ensure that there are enough funds available as a result of the changes to the impact taxes and real estate transfer tax to adequately address and prioritize capital projects, and to address overcrowded schools and other needed improvements to existing schools.

Addressing Affordable Housing – At its October 19th meeting, the Mayor and Council expressed concerns about how the County’s changes to taxes will impact and address affordable housing.

Sincerely,

[Signature]

[City Officials Signature Line]
October 20, 2020
The Honorable President Sidney Katz and County Councilmembers
Page Two

the County’s and City’s Affordable Housing issue. For example, perhaps the County Council could consider providing incentives to increase affordable housing with new developments in Opportunity Zones.

On behalf of our Mayor and Council, I appreciate your consideration to make the requested changes to the County’s Growth Policy. The Mayor and Council of Rockville are scheduled to discuss the proposed County Growth Policy at their October 26th and November 2nd meetings to consider providing additional feedback to you as appropriate. If you have questions, please feel free to contact me.

Sincerely,

[Signature]

Robert DiSpirito
City Manager

cc: Rockville Mayor and Council
Tim Chesnutt, Acting Deputy City Manager
Ricky Barker, Planning and Development Services Director
Craig Simoneau, Public Works Director
Cindy Walters, Acting City Attorney
Linda Moran, Assistant to the City Manager
Sara Taylor-Ferrell, City Clerk/Director of Council Operations
Subject
Fourth Quarter FY 2020 Financial Report

Recommendation
Staff recommends that the Mayor and Council review the Fourth Quarter FY 2020 Financial report.

Discussion
The attached report summarizes the adopted and amended budgets with actual revenues and expenditures for the fourth quarter of FY 2020 (April 1 – June 30, 2020) for the General, Water, Sewer, Refuse, Stormwater Management, and Parking Funds. Figures from the same time period last fiscal year are shown for comparison. Please note that the FY 2020 figures in this report are unaudited and may change due to final adjustments.

Mayor and Council History
In accordance with the City’s Financial Management Policies, staff prepares a report comparing actual revenues and expenditures with budgeted amounts quarterly. The first FY 2020 Quarterly Financial Report was presented at the Mayor and Council meeting on December 9, 2019. The second and third FY 2020 Quarterly Financial Reports were emailed to the Mayor and Council but not formally presented during a meeting.

Attachments
Attachment 16.a:  4Q FY20 Financial Report  (PDF)

Rob DiSpirito, City Manager  10/21/2020
Fourth Quarter FY 2020 Financial Report (unaudited; figures subject to adjustment)

General Fund Unassigned Fund Balance

The unaudited ending FY20 unaudited fund balance is $22 million, which is $5.1 million or 6% above the FY21 policy target. This ending balance takes into account the $100,000 that the Mayor and Council committed for consultant funding related to planning for the RedGate property with the adoption of the FY21 budget ordinance. The FY21 adopted budget also included a planned addition to reserves of $970,000 which, if needed during the year, can be used to offset additional expenditures or lower revenues without the need for other cuts or uses of reserves.

General Fund Contingency Status

Per the city’s Financial Management Policies, contingency funds are available for unanticipated, unbudgeted expenditures of a non-recurring nature and/or unexpected cost increases.

General Fund Contingency Usage through 4Q

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adopted FY20 General Fund Contingency</td>
<td>350,000</td>
</tr>
<tr>
<td>Sister City Event</td>
<td>(22,950)</td>
</tr>
<tr>
<td>Restore Hometown Holidays to two-day event</td>
<td>(48,000)</td>
</tr>
<tr>
<td>Montgomery County Rockville Goes Purple events</td>
<td>(592)</td>
</tr>
<tr>
<td>Add power to dais in Mayor and Council Chambers</td>
<td>(4,262)</td>
</tr>
<tr>
<td>Glenview Mansion porch design and repair</td>
<td>(99,500)</td>
</tr>
<tr>
<td>Outside legal fees</td>
<td>(50,000)</td>
</tr>
<tr>
<td>Actuarial study of benefits claims</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Additional funding for Caregiver Agencies</td>
<td>(55,000)</td>
</tr>
<tr>
<td>Additional body cameras</td>
<td>(10,000)</td>
</tr>
<tr>
<td>King Farm Farmstead alarm work</td>
<td>(22,580)</td>
</tr>
<tr>
<td>FY20 Contingency Remaining ($)</td>
<td>27,116</td>
</tr>
</tbody>
</table>

Unspent Personnel Funds

Unspent funds related to vacant General Fund positions are tracked and reported quarterly, along with any uses of these funds. Historically, in addition to vacancy-related costs, these funds have been used for weather-related needs such as snow removal.

Unspent Personnel Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>FY20 Target</th>
<th>YTD FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross unspent funds from vacancies</td>
<td>438,262</td>
<td>1,540,109</td>
</tr>
<tr>
<td>Vacancy-related costs/savings</td>
<td>(130,649)</td>
<td>(477,687)</td>
</tr>
<tr>
<td>Net Unspent Funds</td>
<td>307,613</td>
<td>1,062,422</td>
</tr>
</tbody>
</table>

Uses of Net Unspent Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers Comp collateral</td>
<td>(400,000)</td>
</tr>
<tr>
<td>COVID-19 Premium Pay*</td>
<td>(662,422)</td>
</tr>
<tr>
<td>Net Unspent Funds Remaining ($)</td>
<td>(354,809)</td>
</tr>
</tbody>
</table>

*The total General Fund cost of COVID-19 premium pay was $762,256. The additional funding for this expense came from unspent overtime/temporary employee funding.

General Fund Summary

The 4Q brought unprecedented challenges and changes for the city due to the COVID-19 pandemic. Thanks to the city’s strong financial position going into this pandemic, combined with restrictions on non-essential spending and the continued strength of our major revenue sources, the General Fund ended FY20 with an unaudited fund balance well above the policy target. This balance will help mitigate the financial risks of this continuing pandemic.
General Fund Revenues by Category

**Property Taxes** totaled $42.6 million for FY20, or 98% of the amended budget. Property taxes make up 52% of the General Fund budget; staff expect this revenue source to remain stable in FY21.

Revenue from **Other Governments** totaled $23.2 million for FY20, exceeding the amended budget by $0.5 million mainly due to income tax revenue. For FY20 income tax revenue totaled $16 million, compared with $15.6 million in FY19, making FY20 its highest year on record. This revenue source, which makes up 17.6% of the FY21 adopted budget, was budgeted conservatively at $14.9 million for FY21. This category also includes admissions and amusement tax revenue, which was budgeted at $1.4 million for FY20, but came in under budget at just over $1 million due to pandemic-related closures and changes. Admission and amusement revenue is budgeted at just over $1 million for FY21.

Revenue from **Fines & Forfeitures** totaled $1.5 million for FY20, coming in under target and down from FY19 due to redlight camera citation revenue. With significantly reduced travel during the pandemic, this revenue source declined in 4Q. Redlight camera citation revenue is budgeted at $1.6 million for FY21, which is less than 2% of the General Fund budget.

**Use of Money & Property** revenue totaled $2.4 million for FY20, exceeding the amended budget. The additional revenue comes from interest earnings as well as the payment from the County of $216,000 for the use of 6 Taft Ct. as a temporary location for a men's homeless shelter. The FY21 budget anticipates a reduction in revenue from interest earnings.

**Charges for Services** revenue totaled $5.5 million for FY20, or 76% of the amended budget. With city facilities and recreation programming either shut down or severely limited, this revenue category was the most significantly impacted of all General Fund revenues. In addition to recreation revenue this category also receives revenue related to development activity. This category is budgeted at $7.4 million for FY21, or 9% of the total FY21 General Fund budget.

**Licenses & Permits** revenue totaled $3.6 million for FY20, compared to $3.5 million for FY19, with the largest positive variance due to building permit revenue.

**Other** revenue totaled $5.2 million in FY20, or 94% of the amended budget due to a 4Q drop in hotel tax revenue related to travel restrictions caused by the pandemic. Hotel tax revenue was reduced in the FY21 adopted budget to $790,000, which is less than 1% of the FY21 adopted General Fund budget.

General Fund Expenditures by Category

**Personnel** expenditures totaled $51.1 million in FY20, or 99% of the total personnel budget. This total includes over $760,000 in premium pay to essential employees in 4Q, funded by savings from vacant positions as well as unspent overtime and temporary employee funding.

**Operating** expenditures totaled $13.1 million in FY20 or 84% of the total operating budget. Whenever possible staff cancelled or deferred spending in this category during 4Q. This category includes utilities, for which the city paid over $200,000 less in FY20 than in FY19, primarily due to facility closures.

**Capital Outlay** expenditures totaled $2.1 million for FY20. This funding covers one-time equipment purchases including vehicle replacements, and varies from year to year based on needs and replacement schedules. Purchases in this category often have longer lead-times than purchases in other categories, so most capital outlay purchases were started prior to the pandemic.

**Other** expenditures totaled $2.3 million for FY20, or 101% of the amended budget. This category includes funding to caregiver and outside agencies, including REDI. An additional $55,000 in COVID relief funds were given to caregiver agencies in 4Q.

The **CIP Transfer** totaled $9.8 million for FY20, and included an increase to the CIP transfer of $3 million approved on the March 2020 budget amendment to support the Maintenance and Emergency Operations Facility (GD19) CIP project.

The **Transfers Out** category totaled $6.2 million for FY20. This category includes transfers to the Parking, Debt Service, Refuse (for RHE refuse bills), and Special Activities funds.
### WATER FUND

<table>
<thead>
<tr>
<th>Current Year (in thousands)</th>
<th>Prior Year (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY20 Amd.</td>
</tr>
<tr>
<td><strong>Total Revenue ($)</strong></td>
<td>14,276</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>3,784</td>
</tr>
<tr>
<td>Operating</td>
<td>2,066</td>
</tr>
<tr>
<td>Capital Outlay¹</td>
<td>115</td>
</tr>
<tr>
<td>Admin/Other/Interest</td>
<td>5,779</td>
</tr>
<tr>
<td><strong>Total Expenses ($)</strong></td>
<td>11,743</td>
</tr>
</tbody>
</table>

¹ Capital outlay purchases with useful lives of more than five years are capitalized and depreciated in accordance with Generally Accepted Accounting Principles (GAAP). The city’s financial statements reflect this adjustment, whereas this report shows the actual expense. As a result, the prior year actuals shown on this report in enterprise funds with qualifying capital purchases will differ from the financial statements in the amount of the cost of any capitalized assets.

### SEWER FUND

<table>
<thead>
<tr>
<th>Current Year (in thousands)</th>
<th>Prior Year (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY20 Amd.</td>
</tr>
<tr>
<td><strong>Total Revenue ($)</strong></td>
<td>15,526</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>1,920</td>
</tr>
<tr>
<td>Operating</td>
<td>3,886</td>
</tr>
<tr>
<td>Capital Outlay¹</td>
<td>189</td>
</tr>
<tr>
<td>Admin/Other/Interest</td>
<td>7,587</td>
</tr>
<tr>
<td><strong>Total Expenses ($)</strong></td>
<td>13,582</td>
</tr>
</tbody>
</table>

### REFUSE FUND

<table>
<thead>
<tr>
<th>Current Year (in thousands)</th>
<th>Prior Year (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY20 Amd.</td>
</tr>
<tr>
<td><strong>Total Revenue ($)</strong></td>
<td>6,241</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>3,043</td>
</tr>
<tr>
<td>Operating</td>
<td>2,021</td>
</tr>
<tr>
<td>Capital Outlay¹</td>
<td>511</td>
</tr>
<tr>
<td>Admin/Other/Interest</td>
<td>1,570</td>
</tr>
<tr>
<td><strong>Total Expenses ($)</strong></td>
<td>7,144</td>
</tr>
</tbody>
</table>

A large portion of Water Fund spending occurs in the CIP and goes toward the city’s contribution to the Blue Plains Wastewater Treatment Facility.

The FY21 budget includes no sewer rate increases, which is a change from the plan originally adopted by the Mayor and Council in May 2018 to bring the Sewer Fund into compliance with the city’s Financial Management Policies. Staff are working with the city’s utility rate consultant to develop a recommendation for future rate adjustments that will improve the health the Fund while aligning the city’s cost of service with property type or classification. The recommended rates and rate structure will be publicly presented to the Mayor and Council in January 2021.

The amount of recycling and refuse material collected has increased during the pandemic as residents use extra time at home to clean out clutter and complete home improvement projects. Total refuse materials collected increased by 18% from March through June compared to the same time in 2019, and staff have had to add extra trips for recyclable materials that have continued into FY21.
Revenue ended the year lower in FY20 than in FY19 due to the timing of permitting activity related to several large developments.

FY20 saw the highest utilization in the history of the city’s RainScapes Program, which offers rebates to homeowners for qualifying projects. This increase in program utilization is consistent with increased home improvement activity during the pandemic, and has continued into 1Q FY21.

**Capital Improvements Program (CIP) Transfers, All Funds**

The city's Financial Management Policies allow the City Manager to approve transfers of unspent project appropriations between capital projects within the same fund. These transfers will always net to zero, as any change in total appropriation by fund must be approved by the Mayor and Council through an appropriations ordinance. Any transfers between projects during the reporting period are shown below.

### 4Q CIP Transfers

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Amount ($)</th>
<th>Fund</th>
<th>Reason for Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skate Park (RJ16)</td>
<td>216,740</td>
<td>Capital Projects</td>
<td>Additional funding needed for Skate Park stormwater management and contingency</td>
</tr>
<tr>
<td>Bridge Rehabilitation (TB16)</td>
<td>(216,740)</td>
<td>Capital Projects</td>
<td>Install new sidewalks on sections of Wainwright and Halpine Avenues</td>
</tr>
<tr>
<td>Sidewalks (TF16)</td>
<td>100,000</td>
<td>Capital Projects</td>
<td>Additional crosswalk installations and intersection reconfigurations</td>
</tr>
<tr>
<td>Bridge Rehabilitation (TB16)</td>
<td>(100,000)</td>
<td>Capital Projects</td>
<td></td>
</tr>
<tr>
<td>Pedestrian/Bicycle Safety (4B71)</td>
<td>63,000</td>
<td>Capital Projects</td>
<td></td>
</tr>
<tr>
<td>Bridge Rehabilitation (TB16)</td>
<td>(63,000)</td>
<td>Capital Projects</td>
<td></td>
</tr>
</tbody>
</table>

1. Capital outlay purchases with useful lives of more than five years are capitalized and depreciated in accordance with Generally Accepted Accounting Principles (GAAP). The city’s financial statements reflect this adjustment, whereas this report shows the actual expense. As a result, the prior year actuals shown on this report in enterprise funds with qualifying capital purchases will differ from the financial statements in the amount of the cost of any capitalized assets.
Subject
FY 2021 Budget Amendment (Amendment #1)

Recommendation
Staff recommends that the Mayor and Council introduce the attached ordinance to amend Ordinance #09-20 to appropriate funds and levy taxes for Fiscal Year 2021 (Budget Amendment #1).

If the Mayor and Council wish to proceed with adoption of the ordinance at the same meeting, the ordinance should first be introduced and then a motion should be made to waive the layover period. If the motion to waive the layover period is approved by an affirmative vote of four or more members of the Mayor and Council, a motion to adopt the ordinance may then proceed.

Change in Law or Policy
In accordance with the City Charter, since the budget ordinance is adopted at the fund level, a change in the appropriated amount of any fund requires action by the Mayor and Council. The vehicle for such action is an amendment to the budget ordinance. The proposed ordinance, Attachment A, would amend the FY 2021 budget. The FY 2021 budget was adopted by the Mayor and Council on May 11, 2020.

Discussion
The proposed ordinance, Attachment A, would amend the FY 2021 budget. The amendment recognizes the items that are described in this agenda report and detailed on Attachment B. The last attachment, Attachment C, is an updated Financial Summaries page.

- Purchase Orders that Carried Over from FY 2020 (addition of $1.29 million in several funds) – Each year the City re-appropriates funds to cover purchase orders that were outstanding at the close of the prior fiscal year. These purchase orders were issued before the end of the fiscal year, but the goods or services were not delivered until after the beginning of the new fiscal year. At year end, these funds are assigned for appropriation and are reflected as an adjustment to the next year's budget. A summary by fund of the FY 2020 purchase order amounts that carried over into FY 2021 is shown
under the Fiscal Impact section of this agenda item. The total amount of purchase orders that carried over for all funds equals $1.44 million, but only $1.29 million shows as additional expenses due to the offset with the addition to reserves in several funds (see footnote in TABLE 1).

- **Use of Committed Fund Balance for RedGate Planning Process (addition of $100,000 in the General Fund)** – The FY 2021 adopted budget ordinance committed $100,000 from the General Fund for the RedGate planning process. This amendment removes the language from the budget ordinance and appropriates the committed fund balance in the Planning and Development Services operating budget.

- **Electronic Plan Review Software (reduction of $18,000 in the General Fund transfer to the Capital Projects Fund)** – The need for an electronic plan review system is now greater than ever because of the increase in online submittals due to our current virtual environment. Since the closing of City Hall in mid-March, all planning and permitting applications and plan reviews have been processed digitally. The system that staff has developed is somewhat inefficient and susceptible to errors because there is no single system for application, file management, payment, plan review, and inspections. Staff has identified a system called MyGovernmentOnline (MGO) that will meet the City's immediate needs. Staff has thoroughly evaluated the MGO platform and the features include: online applications for customers, digital plan review (using our existing software license), online inspection management, and complete workflows for development review and code enforcement.

This budget amendment reduces the transfer to the Capital Projects Fund and the Electronic Plans Submission and Review Software (GA19) CIP project total by $18,000 because there are no capital expenses associated with MGO, only a monthly operating fee that is paid for in the operating budget (the transfer equals 4 months of operating expenditures for FY 2021). The capital project will remain open until more is known about the direction of the City’s main ERP project (project 2B01). It is likely that the current Electronic Plans Submission and Review Software CIP project (project GA19) will undergo some changes prior to the presentation of the FY 2022 proposed budget.

- **Adjustments to General Fund Revenue (net increase of $704,010 in the General Fund)** – This amendment includes a net $704,010 increase in General Fund revenue from the following three sources: addition of $324,000 in building rental revenue from the extension of the lease at 6 Taft Court, addition of $392,100 in revenue from other governments for the City’s share of Highway User Revenue, and a reduction of $12,090 in revenue from the Mayor and Council’s decision not to charge VisArts rent for the first quarter and waiving the rooftop management fee for FY 2021 (note: the VisArts reductions were approved by the Mayor and Council on July 6th).

- **FEMA Reimbursement for COVID-19 Expenditures (increase of $39,520 in the General Fund)** – The Federal Emergency Management Agency (FEMA) has reviewed and
approved the City’s first reimbursement of response and recovery costs resulting from the COVID-19 disaster. The reimbursement for this grant represents the 75 percent federal share of the project’s eligible costs (25 percent represents the required City match). According to a letter dated September 17, 2020, the FEMA payment is being processed and should be received within four to six weeks.

- **Impact on Recreation and Parks Revenues due to COVID-19 (reduction of $1.69 million in the General Fund)** – This amendment recognizes the loss of Recreation and Parks first quarter revenues due to the impact of the COVID-19 pandemic. Revenue losses are detailed on Attachment B; major categories of revenue losses include swim team dues, memberships, facility rental fees, recreation program fees, and admission charges. Staff will continue to evaluate these revenue categories and will adjust quarterly throughout this fiscal year. (See related ‘Impacts on Recreation and Parks Expenditures due to COVID-19’ in the next bullet.)

- **Impacts on Recreation and Parks Expenditures due to COVID-19 (reduction of approximately $900,000 in the General Fund)** – This amendment recognizes the first quarter reductions in Recreation and Parks expenditure appropriations due to the impact of the COVID-19 pandemic. Expenditure reductions are detailed on Attachment B; major expenditure categories that are recommended for reductions include temporary employee wages, outside trainers, contracted transportation services, utilities, and program supplies. Staff will continue to evaluate these expenditure categories and will adjust quarterly throughout this fiscal year.

- **Other Operating Adjustments (net reduction of $40,220 in the General Fund)** – This amendment includes reductions in the operating budget associated with lower than anticipated expenditures from CIP operating cost impacts, savings from vehicle lease costs, and the cancelation of outside agency events. In response to the cancelation of many City events over the past seven months, on October 5th the Mayor and Council approved outside agency funding of $3,000 for a drive-in movie night at the Carver Education Center parking lot.

- **Employee Awards Ceremony (reduction of $12,000 in the General Fund)** – The FY 2021 adopted budget included $12,000 for the annual employee awards ceremony at the F. Scott Fitzgerald Theatre and Social Hall. Due to the closure of facilities and the restrictions on social gatherings, the City will not hold this in-person event this fiscal year.

- **Use of Addition of Reserves for Employee Leave Buyback (transfer of $280,000 from ‘Addition to Reserves’ to ‘Personnel’ in the General Fund)** – Staff recently completed the preliminary close-out of FY 2020 and the General Fund unassigned fund balance is $5 million or 6 percent above the 20 percent reserve requirement. Due to the strong level of unassigned fund balance, staff recommends that the Mayor and Council consider funding employee leave buyback in FY 2021. It was not included in the FY 2021
adopted budget due to the fund balance uncertainty at that time; however, there was agreement to revisit this benefit after the close of the fiscal year.

This has been a very difficult year for our employees, as the Mayor and Council knows, including not being able to receive merit or step pay increases. This vacation buy-back has always been very popular with employees, and offering it could help boost employee morale across the entire organization.

The buyback program historically has allowed all qualified employees to voluntarily purchase or “buyback” up to five days of their annual accrued leave (note: FY 2020 had a three-day buyback). Qualified employees are defined as any benefited employee, regardless of grade or employee group, who has at least five annual leave days remaining after the leave buyback. A direct financial benefit of this program to the City is that it decreases the total outstanding accrued liability for annual leave because it pays employees at a rate less than what they would receive upon their separation/retirement.

The estimated cost of the leave buyback program for FY 2021 is $350,000 for all funds (includes salary and related costs). The General Fund portion is estimated at $280,000, of which would be funded by the $970,000 addition to reserves, and the enterprise funds account for the remaining $70,000. If approved, the entire program would be funded from the existing budget appropriation (note: enterprise funds would come from their respective contingency accounts). This means the unassigned General Fund reserve would remain at $5 million above the target and would be available for future capital or one-time uses that are consistent with the Financial Management Policies.

- **Appropriation of Reserves for Cable TV Equipment (addition of $110,000 in the Special Activities Fund)** – This amendment includes the appropriation of reserves in the Special Activities Fund to support the remaining purchases related to cable tv equipment and the master control in the newly constructed offices. The use of this funding is restricted by legal and policy provisions. This addition is offset by a reduction in the addition to reserves for the Cable TV account.

- **Rollover CDBG Grant (addition of $72,034 in the CDBG Fund)** – In addition to the funds that were encumbered at the end of the fiscal year, $72,034 in the CDBG grant (Year 45) will roll into FY 2021. These funds were not encumbered at the end of the fiscal year and therefore are not included in the purchase order carryover amount and need to be re-appropriated.

- **Debris Grinders (addition of $285,000 in the Sewer Fund)** – This amendment includes $285,000, which is in addition to the $65,000 that was included in the FY 2021 adopted budget, to support the installation of debris grinders at the City’s sanitary sewer pump stations. Throughout the COVID-19 pandemic, Public Works Operations staff have
noticed a significant increase in the amount of solid materials, like “disposable” wipes, at the City’s stations. Large amounts of solid materials can cause the pump stations to fail, which leads to hazardous overflows. The Director of Public Works first briefed the Mayor and Council about this issue during the weekly COVID-19 update meetings back in April 2020. Until the debris grinders are installed, the Department of Public Works has made arrangements for increased wet well cleanings at both pump stations. This addition is offset by a reduction in the addition to reserves for the Sewer Fund.

Upcoming Budget Amendments
Staff recommends that second quarter revenue and expenditure adjustments be recognized in February 2021 (Budget Amendment #2), and that Third Quarter adjustments be recognized in May 2021 (Budget Amendment #3). This schedule aligns with the FY 2022 budget process and will allow staff to quickly adjust the budget, if and when needed, throughout the remainder of this fiscal year.

Mayor and Council History
This is the first budget amendment for FY 2021. The FY 2021 budget was adopted by the Mayor and Council on May 11, 2020.

Fiscal Impact
The following operating fund(s) will be adjusted if this budget amendment is adopted.

<table>
<thead>
<tr>
<th>Operating Fund</th>
<th>Adopted Budget</th>
<th>FY20 Purchase Orders</th>
<th>10/26/2020 Amendment</th>
<th>Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$84,605,000</td>
<td>$740,985</td>
<td>($847,000)</td>
<td>$84,498,985</td>
</tr>
<tr>
<td>Water</td>
<td>14,565,090</td>
<td>-</td>
<td>-</td>
<td>14,565,090</td>
</tr>
<tr>
<td>Sewer</td>
<td>16,022,130</td>
<td>-</td>
<td>-</td>
<td>16,022,130</td>
</tr>
<tr>
<td>Refuse</td>
<td>7,354,020</td>
<td>359,463</td>
<td>-</td>
<td>7,713,483</td>
</tr>
<tr>
<td>Parking</td>
<td>2,690,690</td>
<td>-</td>
<td>-</td>
<td>2,690,690</td>
</tr>
<tr>
<td>Stormwater Mgmt.</td>
<td>6,133,300</td>
<td>-</td>
<td>-</td>
<td>6,133,300</td>
</tr>
<tr>
<td>RedGate Golf</td>
<td>103,240</td>
<td>-</td>
<td>-</td>
<td>103,240</td>
</tr>
<tr>
<td>Special Activities</td>
<td>1,583,120</td>
<td>-</td>
<td>-</td>
<td>1,583,120</td>
</tr>
<tr>
<td>CDBG</td>
<td>263,000</td>
<td>190,464</td>
<td>72,034</td>
<td>525,498</td>
</tr>
<tr>
<td>Speed Camera</td>
<td>1,458,000</td>
<td>-</td>
<td>-</td>
<td>1,458,000</td>
</tr>
<tr>
<td>Debt Service</td>
<td>5,408,700</td>
<td>-</td>
<td>-</td>
<td>5,408,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$140,186,290</strong></td>
<td><strong>$1,290,912</strong></td>
<td>($774,966)</td>
<td><strong>$140,702,236</strong></td>
</tr>
</tbody>
</table>

* FY 2020 purchase orders were added to the FY 2021 budget but did not change each respective funds’ total because the purchase orders were offset by a reduction in the “add. to reserves” line. Totals for these funds include: $95,865 for Water, $28,353 for Sewer, $22,646 for Stormwater Management, and $5,937 for Special Activities.
The following Capital Improvements Program (CIP) fund(s) will be adjusted if this budget amendment is adopted:

<table>
<thead>
<tr>
<th>CIP Fund</th>
<th>Adopted Budget</th>
<th>10/26/2020 Amendment</th>
<th>Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Projects</td>
<td>$37,698,213</td>
<td>($18,000)</td>
<td>$37,680,213</td>
</tr>
<tr>
<td>Water</td>
<td>9,483,589</td>
<td>-</td>
<td>9,483,589</td>
</tr>
<tr>
<td>Sewer</td>
<td>4,799,949</td>
<td>-</td>
<td>4,799,949</td>
</tr>
<tr>
<td>Refuse</td>
<td>533,345</td>
<td>-</td>
<td>533,345</td>
</tr>
<tr>
<td>Stormwater Mgmt.</td>
<td>13,435,945</td>
<td>-</td>
<td>13,435,945</td>
</tr>
<tr>
<td>Special Activities</td>
<td>3,911,125</td>
<td>-</td>
<td>3,911,125</td>
</tr>
<tr>
<td>Speed Camera</td>
<td>539,119</td>
<td>-</td>
<td>539,119</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$70,401,285</strong></td>
<td><strong>($18,000)</strong></td>
<td><strong>$70,383,285</strong></td>
</tr>
</tbody>
</table>

**Attachments**
- Attachment 17.a: AttachA_BudgetOrdinance_102620 (PDF)
- Attachment 17.b: AttachB_AmendmentDetail_102620 (PDF)
- Attachment 17.c: AttachC_FinancialSummaries (PDF)
ORDINANCE NO.______

ORDINANCE: To Amend Ordinance 09-20 To Appropriate Funds and Levy Taxes for Fiscal Year 2021.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND as follows:

SECTION I - ANNUAL OPERATING APPROPRIATIONS

There are hereby appropriated for the fiscal year beginning July 1, 2020, and ending June 30, 2021, out of the revenues accruing to the City for the purpose of operations, the several amounts hereinafter listed under the column designated "Amounts Appropriated":

<table>
<thead>
<tr>
<th>FUNDS</th>
<th>AMOUNTS APPROPRIATED</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>[$84,605,000]</td>
</tr>
<tr>
<td>Water Fund</td>
<td>$14,565,090</td>
</tr>
<tr>
<td>Sewer Fund</td>
<td>$16,022,130</td>
</tr>
<tr>
<td>Refuse Fund</td>
<td>[$7,354,020]</td>
</tr>
<tr>
<td>Parking Fund</td>
<td>$2,690,690</td>
</tr>
<tr>
<td>Stormwater Management Fund</td>
<td>$6,133,300</td>
</tr>
<tr>
<td>RedGate Golf Course Fund</td>
<td>$103,240</td>
</tr>
<tr>
<td>Special Activities Fund</td>
<td>$1,583,120</td>
</tr>
<tr>
<td>Community Development Block Grant</td>
<td>[$263,000]</td>
</tr>
<tr>
<td>Speed Camera Fund</td>
<td>$1,458,000</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>$5,408,700</td>
</tr>
</tbody>
</table>

The "Amounts Appropriated" by this section totaling [$140,186,290] $140,702,236 shall be for the annual operating expenses of the departments and agencies of the City and shall be disbursed under the supervision of the City Manager.
SECTION II - CAPITAL PROJECTS APPROPRIATIONS

There is hereby appropriated out of the revenues accruing to the City for the purpose of capital improvements, the several amounts hereinafter listed under the column designated "Amounts Appropriated":

<table>
<thead>
<tr>
<th>FUNDS</th>
<th>AMOUNTS APPROPRIATED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Projects Fund</td>
<td>[$37,698,213]</td>
</tr>
<tr>
<td>Water Fund</td>
<td>$9,483,589</td>
</tr>
<tr>
<td>Sewer Fund</td>
<td>$4,799,949</td>
</tr>
<tr>
<td>Refuse Fund</td>
<td>$533,345</td>
</tr>
<tr>
<td>Stormwater Management Fund</td>
<td>$13,435,945</td>
</tr>
<tr>
<td>Special Activities Fund</td>
<td>$3,911,125</td>
</tr>
<tr>
<td>Speed Camera Fund</td>
<td>$539,119</td>
</tr>
<tr>
<td></td>
<td>$37,680,213</td>
</tr>
</tbody>
</table>

The "Amounts Appropriated" by this section totaling [$70,401,285] shall be for improvement projects and shall be disbursed under the supervision of the City Manager.

SECTION III - GENERAL LEVY

There is hereby levied against all assessable real property within the corporate limits of the City a tax at the rate of twenty-nine and two-tenths cents ($0.292) on each $100 of assessable value of said property. There is also hereby levied, against all assessable personal property within the corporate limits of the City, a tax at the rate of eighty and one-half cents ($0.805) on each $100 of assessable value of said property. These taxes are hereby levied in order, together with other available revenues and funds of the City government, to provide funds for the
"Amounts Appropriated" as set forth in the foregoing Section I. The tax levies herein provided in this section shall not apply to property in the City of Rockville to the extent that such property is not subject to taxes as provided in any valid and binding annexation agreement.

SECTION IV – TOWN CENTER PARKING DISTRICT LEVY

There is hereby levied against all assessable non-exempt real property within the Town Center Parking District a tax at the rate of thirty-three cents ($0.33) on each $100 of assessable value of said property. These taxes are hereby levied in order, together with other available revenues and funds of the City government, to provide funds for the “Parking Fund” as listed in the “Amounts Appropriated” in Section I.

SECTION V – TOWN SQUARE STREET AND AREA LIGHTING DISTRICT LEVY

There is hereby levied against all assessable real property within the Town Square Street and Area Lighting District a tax at the rate of zero cents ($0.00) on each $100 of assessable value of said property. These taxes are hereby levied in order, together with other available revenues and funds of the City government, to provide funds for the “Town Center Management District Fund” as listed in the “Amounts Appropriated” in Section I.

SECTION VI – TOWN SQUARE COMMERCIAL DISTRICT LEVY

There is hereby levied against all assessable commercial real property within the Town
Square Commercial District a tax at the rate of zero cents ($0.00) on each $100 of assessable value of said property. These taxes are hereby levied in order, together with other available revenues and funds of the City government, to provide funds for the “Town Center Management District Fund” as listed in the “Amounts Appropriated” in Section I.

[SECTION VII – RESERVES]

There is hereby committed $100,000 in General Fund unassigned fund balance to support planning of the RedGate property.]

NOTE: [Brackets] indicate material deleted. Underlining indicates material added.

I hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the Mayor and Council of Rockville at its meeting of

_________________________  __________________

Sara Taylor-Ferrell, City Clerk/Director of Council Operations
## FY 2021 Budget Amendment #1 - October 26, 2020

### OPERATING

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Reserves (Committed for RedGate Planning)</td>
<td>Planning of RedGate (Committed Reserves)</td>
</tr>
<tr>
<td>VisArts Rooftop Management Fee</td>
<td>Permit Software for PDS</td>
</tr>
<tr>
<td>VisArts Rental Revenue</td>
<td>Transfer to CIP</td>
</tr>
<tr>
<td>Building Rental (6 Taft Court)</td>
<td>Women Who Care Ministries Grant</td>
</tr>
<tr>
<td>Highway User Revenue</td>
<td>F. Scott Fitzgerald Literary Conference</td>
</tr>
<tr>
<td>FEMA Reimburse. for COVID-19 (9/17 letter)</td>
<td>Drive-in Movie Night</td>
</tr>
<tr>
<td>R&amp;P - Swim Team Dues</td>
<td>Telephone/Internet Service (OCI savings)</td>
</tr>
<tr>
<td>R&amp;P - Memberships</td>
<td>Vehicle Leases</td>
</tr>
<tr>
<td>R&amp;P - Recreation and Parks Concessions</td>
<td>Annual Employee Awards Ceremony</td>
</tr>
<tr>
<td>R&amp;P - Facility Rental Fees</td>
<td>R&amp;P - Temporary Employee Wages</td>
</tr>
<tr>
<td>R&amp;P - Recreation Program Fees</td>
<td>R&amp;P - Overtime</td>
</tr>
<tr>
<td>R&amp;P - Social Services Fees</td>
<td>R&amp;P - Outside Trainers</td>
</tr>
<tr>
<td>R&amp;P - Theatre Ticket Revenue</td>
<td>R&amp;P - Artisans</td>
</tr>
<tr>
<td>R&amp;P - Internal Use of City Facilities</td>
<td>R&amp;P - Software Maint. &amp; Subscriptions</td>
</tr>
<tr>
<td>R&amp;P - Merchandise Sales</td>
<td>R&amp;P - Janitorial Services</td>
</tr>
<tr>
<td>R&amp;P - RSFC Admission Charges</td>
<td>R&amp;P - Contracted Transportation Services</td>
</tr>
<tr>
<td>R&amp;P - Community Contributions</td>
<td>R&amp;P - Other Contracted Repairs</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Contract Repairs</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Equipment Rental</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Internal Use-City Facilities</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Heating Fuel</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Water</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Sewer Expense</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Stormwater Management</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Program Supplies</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Maintenance Supplies</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Computer Supplies</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Chemicals</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Trophies And Award</td>
</tr>
<tr>
<td></td>
<td>Employee Annual Leave Buyback</td>
</tr>
<tr>
<td></td>
<td>Addition to Reserves</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>(847,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG Grant Year 45</td>
<td>CDBG Grant Roll Year 45</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>72,034</td>
</tr>
<tr>
<td></td>
<td>72,034</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG Grant Year 45</td>
<td>Debris Grinders</td>
</tr>
<tr>
<td></td>
<td>Addition to Reserves</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>(285,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG Grant Roll Year 45</td>
<td>Debris Grinders</td>
</tr>
<tr>
<td></td>
<td>Addition to Reserves</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>(285,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Changes</td>
<td>Cable TV Equipment</td>
</tr>
<tr>
<td></td>
<td>Addition to Reserves, Cable TV</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>(110,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Changes</td>
<td>Debris Grinders</td>
</tr>
<tr>
<td></td>
<td>Addition to Reserves</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>(285,000)</td>
</tr>
</tbody>
</table>

## GENERAL

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;P - Social Services Fees</td>
<td>R&amp;P - Outside Trainers</td>
</tr>
<tr>
<td>R&amp;P - Facility Rental Fees</td>
<td>R&amp;P - Artisans</td>
</tr>
<tr>
<td>R&amp;P - Recreation Program Fees</td>
<td>R&amp;P - Software Maint. &amp; Subscriptions</td>
</tr>
<tr>
<td>R&amp;P - Merchandise Sales</td>
<td>R&amp;P - Janitorial Services</td>
</tr>
<tr>
<td>R&amp;P - RSFC Admission Charges</td>
<td>R&amp;P - Contracted Transportation Services</td>
</tr>
<tr>
<td>R&amp;P - Community Contributions</td>
<td>R&amp;P - Other Contracted Repairs</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Contract Repairs</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Equipment Rental</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Internal Use-City Facilities</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Heating Fuel</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Water</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Sewer Expense</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Stormwater Management</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Program Supplies</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Maintenance Supplies</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Computer Supplies</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Chemicals</td>
</tr>
<tr>
<td></td>
<td>R&amp;P - Trophies And Award</td>
</tr>
<tr>
<td></td>
<td>Employee Annual Leave Buyback</td>
</tr>
<tr>
<td></td>
<td>Addition to Reserves</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>(847,000)</td>
</tr>
</tbody>
</table>
## CAPITAL IMPROVEMENTS PROGRAM (CIP)

<table>
<thead>
<tr>
<th>CAPITAL IMPROVEMENTS PROGRAM (CIP)</th>
<th>Revenues</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Transfer</td>
<td>(18,000)</td>
<td>Electronic Plan Submission and Review CIP</td>
</tr>
<tr>
<td>TOTAL</td>
<td>(18,000)</td>
<td>TOTAL</td>
</tr>
</tbody>
</table>
### FY 2021 Amended Budget

#### FY 2021 Financial Summary: All Operating Funds by Category and Fund

<table>
<thead>
<tr>
<th>Category</th>
<th>General Funds</th>
<th>Special Activities</th>
<th>CDBG</th>
<th>Speed Camera</th>
<th>Debt Service</th>
<th>Total Operating</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>43,816,000</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td>43,976,850</td>
</tr>
<tr>
<td>Other Gov't.</td>
<td>22,042,510</td>
<td>-</td>
<td>525,498</td>
<td>-</td>
<td></td>
<td>22,883,008</td>
</tr>
<tr>
<td>Fines/Forfeiture</td>
<td>1,583,090</td>
<td>-</td>
<td>-</td>
<td>1,448,000</td>
<td></td>
<td>3,581,900</td>
</tr>
<tr>
<td>Use Money/Prop.</td>
<td>1,652,730</td>
<td>1,144,630</td>
<td>-</td>
<td>10,000</td>
<td>31,000</td>
<td>3,070,760</td>
</tr>
<tr>
<td>Charges for Serv.</td>
<td>5,722,330</td>
<td>30,000</td>
<td>-</td>
<td></td>
<td></td>
<td>6,269,260</td>
</tr>
<tr>
<td>Licenses/Permits</td>
<td>3,411,000</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td>3,926,000</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>5,430,340</td>
<td>244,250</td>
<td>-</td>
<td></td>
<td></td>
<td>6,269,260</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>83,658,000</td>
<td>1,418,880</td>
<td>525,498</td>
<td>1,458,000</td>
<td>31,000</td>
<td>131,116,398</td>
</tr>
<tr>
<td><strong>Transfers In</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>164,240</td>
<td>-</td>
<td></td>
<td></td>
<td>164,240</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>83,658,000</td>
<td>1,583,120</td>
<td>525,498</td>
<td>1,458,000</td>
<td>31,000</td>
<td>137,683,958</td>
</tr>
<tr>
<td><strong>Use of Reserves</strong></td>
<td>840,985</td>
<td>-</td>
<td>-</td>
<td>577,700</td>
<td></td>
<td>1,418,685</td>
</tr>
<tr>
<td><strong>Total ($)</strong></td>
<td>84,498,985</td>
<td>1,583,120</td>
<td>525,498</td>
<td>1,458,000</td>
<td>408,700</td>
<td>140,702,236</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Water</th>
<th>Sewer</th>
<th>Refuse</th>
<th>Parking</th>
<th>SWM</th>
<th>RedGate</th>
<th>Total Operating</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>63,730,600</td>
</tr>
<tr>
<td>Operating</td>
<td>15,167,641</td>
<td>798,560</td>
<td>525,498</td>
<td>681,980</td>
<td>-</td>
<td>26,754,687</td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>2,062,054</td>
<td>459,117</td>
<td>-</td>
<td></td>
<td></td>
<td>4,139,819</td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,088,000</td>
</tr>
<tr>
<td>Other</td>
<td>2,473,840</td>
<td>174,100</td>
<td>-</td>
<td></td>
<td></td>
<td>5,348,940</td>
<td></td>
</tr>
<tr>
<td><strong>Total Oper. Exp.</strong></td>
<td>71,236,015</td>
<td>1,418,880</td>
<td>525,498</td>
<td>1,458,000</td>
<td></td>
<td>111,797,176</td>
<td></td>
</tr>
<tr>
<td><strong>Principal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,308,700</td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,475,690</td>
</tr>
<tr>
<td>CIP Transfer</td>
<td>6,312,000</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
<td>6,312,000</td>
<td></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>6,260,970</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>6,567,560</td>
<td></td>
</tr>
<tr>
<td><strong>Total Use</strong></td>
<td>83,808,985</td>
<td>1,418,880</td>
<td>525,498</td>
<td>980,940</td>
<td>540,870</td>
<td>133,461,126</td>
<td></td>
</tr>
<tr>
<td><strong>Add. to Reserves</strong></td>
<td>690,000</td>
<td>151,343</td>
<td>477,060</td>
<td>-</td>
<td></td>
<td>4,308,700</td>
<td></td>
</tr>
<tr>
<td><strong>Total ($)</strong></td>
<td>84,498,985</td>
<td>1,583,120</td>
<td>525,498</td>
<td>1,458,000</td>
<td>5,408,700</td>
<td>140,702,236</td>
<td></td>
</tr>
</tbody>
</table>
**Subject**
Comprehensive Review and Revision of the Personnel Policy and Procedures Manual (PPM)

**Recommendation**
In an effort to manage review of a large document, staff recommends that the Mayor and Council only review the City Manager’s proposed amendments to the Personnel Policy and Procedures Manual (PPM) through page 77.

**Discussion**

Over the years, there have been revisions to the PPM. In November 2013, there was a comprehensive review and revision of the PPM to bring it into compliance with current local, state and federal laws; to make it consistent with actual procedures followed by the City, and to make stylistic changes. The 2013 effort resulted in the Mayor and Council approving the current PPM. Examples of the changes made during the 2013 effort included addition of “safe harbor” language to the ADA policy from the Genetic Information Nondiscrimination Act of 2008; reasonable accommodation for pregnancy language was added to the ADA policy; and a workplace violence policy was added, among other modifications.

Recognizing the need for a more current comprehensive review and revision to align with human resources best practices, the Human Resources Department initiated this process in late 2018. Staff from the Human Resources and the City Attorney’s Office met fifteen (15) times during 2018 - 2020 to go over each section of the PPM, in an effort to streamline and cross reference various sections and address contradictory information. The outcome of this effort are the revisions provided to the Mayor and Council on January 31, 2020 and October 9, 2020. Proposed amendments to the PPM include clarification regarding the authority of Appointed Officials; increased time for grievance investigations; memorializing the 2018 formal adoption of the Long-Term Disability Program; information about the Maryland Sick and Safe Leave Law; addition of the Juneteenth Holiday; clarification of compensatory time accrual and the maximum amount of compensatory time that employees are allowed to carry-over into the next calendar year; clarification regarding membership in employee groups; and clarification of the Telework Policy.
Highlights of noteworthy changes are provided here for the Mayor and Council’s information. Through the Maryland Healthy Working Families Act (the “Act”), employees who are hired on a seasonal or temporary basis may accrue paid Sick and Safe Leave. Consistent with many organizations, prior to the enactment of this new law, seasonal and temporary employees weren’t eligible to accrue sick leave. Additionally, Sick and Safe Leave expands how Sick Leave may be used. In addition to using the leave to care for or treat an employee and/or their family member’s illness, Sick and Safe Leave may also be used to deal with issues associated with domestic violence, sexual assault, or stalking committed against the employee or the employee’s family member.

Mayor and Council have expressed an interest in the City’s Layoff (reduction-in-force) policy. After Mayor and Council received a copy of the draft amendments to the PPM, it was suggested that the City consider changing our terminology from layoff to reduction-in-force. If it is the desire of the Mayor and Council, staff will make this change. Our suggested language for the layoff (reduction-in-force) criteria is “When a layoff (reduction-in-force) has been approved by the Mayor and Council and the affected class or classes of employees have been determined, regular non-AFSCME employees will be selected for layoff based upon the needs of the City. An employee’s length of service will be a factor in determining whether or not the employee shall be laid off, but it is not necessarily the determining factor.” Most progressive organizations are moving away from traditional layoff (reduction-in-force) policies that primarily focus on seniority, with bumping rights. While seniority is valued, the most critical criteria should be to have a remaining workforce that has the necessary skills and expertise to meet the demands of our growing city. Where there are multiple individuals in the same classification and all individuals have similar skills, seniority can be applied to determine which employee is ultimately laid off.

Proposed layoff (reduction-in-force) plans will require legal review for compliance with Federal and State law, along with a thorough review by the Human Resources Director and the City Manager. This step is required to ensure that the layoff (reduction-in-force) is truly focused on the needs of the City and to assess for adverse impact on any employee population.

Another policy that has generated attention is the policy regarding which positions qualify to be members of Meet and Confer employee groups. In the proposed PPM, we have better identified which positions we believe should be prohibited from membership in the Association of Administrative Municipal Employees (AAME) or the Fraternal Order of Police (FOP). Membership in the American Federation of State, County, and Municipal Employees (AFSCME) is defined by their collective bargaining agreement.

On December 12, 2019, a draft of the revised PPM was forwarded to AAME, AFSCME, and the FOP. Additionally, senior staff received a copy of the draft PPM. Representatives from the Human Resources Department met with the FOP on January 9, 2020 and with AAME on January 10, 2020. Also, during a senior staff meeting in January, the Human Resources Director discussed with the department heads the major proposed PPM revisions. AFSCME responded
that the union went over the draft policy and procedures manual and didn’t find anything about which they had concern.

After receiving suggestions from the employee groups and senior staff, the Human Resources’ and City Attorney Office’s staff met on January 21, 2020 to go over the suggested revisions, incorporating suggestions that aligned with current laws and the type of policies we believe best meet the needs of the City.

After incorporating some of the suggested revisions, the draft PPM was forwarded to the Mayor and Council on January 31, 2020. This draft PPM has also been forwarded to AAME, AFSCME, FOP and senior staff.

The Mayor and Council briefly discussed the January 31, 2020 version of the revisions to the PPM at their February 24, 2020 meeting. Certain Mayor and Council members provided staff with questions and concerns for discussion when the PPM would next be on a Mayor and Council agenda. Staff has reviewed those concerns and made additional revisions to the PPM. These additional revisions were sent to the Mayor and Council on October 9, 2020. Revisions made after January 31, 2020 are in blue. For quick reference, the revisions in blue are on pages 20, 22, 24, 27, 28, 29, and 49. The page numbers in the table of contents have been removed – renumbering will occur when the revisions are finalized. The HR department staff scheduled a meeting with the representatives from the FOP, AFSCME, and AAME on October 15, 2020 and October 20, 2020 to go over proposed revisions to the PPM that were made after January 31, 2020.

**Mayor and Council History**

The proposed revisions to the PPM were briefly discussed on February 24, 2020. Due to the demands of the FY21 budget review process, the Mayor and Council requested that the PPM review be postponed to a later date.

**Next Steps**

The continuation of the PPM discussion is scheduled for January 11, 2021.

**Attachments**

Attachment 18.a: Draft Personnel Policy Manual (PPM) - 10.09.2020 (PDF)
# Draft Personnel Policy and Procedures Manual

<table>
<thead>
<tr>
<th>PPP#</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-00</td>
<td>Policy on Personnel</td>
</tr>
<tr>
<td>02-00</td>
<td>Definitions</td>
</tr>
<tr>
<td>05-00</td>
<td>Policy on the Establishment and Maintenance of the Personnel Manual</td>
</tr>
<tr>
<td>05-10</td>
<td>Procedure on the Establishment and Maintenance of the Personnel Manual</td>
</tr>
<tr>
<td>20-00</td>
<td>Policy on Employment</td>
</tr>
<tr>
<td>20-10</td>
<td>Procedure to Effect Employment</td>
</tr>
<tr>
<td>30-00</td>
<td>Policy on Unlawful Discrimination and Harassment</td>
</tr>
<tr>
<td>30-10</td>
<td>Procedure on Unlawful Discrimination and Harassment</td>
</tr>
<tr>
<td>35-00</td>
<td>Policy on Accommodation of Disabilities</td>
</tr>
<tr>
<td>35-10</td>
<td>Procedure on Accommodation of Disabilities</td>
</tr>
<tr>
<td>40-00</td>
<td>Policy on Performance Evaluations</td>
</tr>
<tr>
<td>40-10</td>
<td>Procedure on Performance Evaluations</td>
</tr>
<tr>
<td>50-00</td>
<td>Policy on Labor Unions and Employee Groups</td>
</tr>
<tr>
<td>50-10</td>
<td>Procedure on Labor Unions and Employee Groups</td>
</tr>
<tr>
<td>60-00</td>
<td>Policy on Establishing and Reporting Work Hours</td>
</tr>
<tr>
<td>60-10</td>
<td>Procedure on Establishing and Reporting Working Hours</td>
</tr>
<tr>
<td>60-20</td>
<td>Procedure on Position Classification and Wage and Salary Administration</td>
</tr>
<tr>
<td>60-30</td>
<td>Procedure on Overtime</td>
</tr>
<tr>
<td>70-00</td>
<td>Policy on Teleworking</td>
</tr>
<tr>
<td>70-10</td>
<td>Procedure on Teleworking</td>
</tr>
<tr>
<td>75-00</td>
<td>Policy on Discipline and Dismissal</td>
</tr>
<tr>
<td>75-10</td>
<td>Procedure on Discipline and Dismissal</td>
</tr>
<tr>
<td>80-00</td>
<td>Policy on Personnel Changes</td>
</tr>
<tr>
<td>80-04</td>
<td>Procedure on Suspension</td>
</tr>
<tr>
<td>80-07</td>
<td>Procedure on Dismissal</td>
</tr>
<tr>
<td>80-10</td>
<td>Procedure on Promotion/Reclassification</td>
</tr>
<tr>
<td>80-12</td>
<td>Procedure on Demotion/Reclassification</td>
</tr>
<tr>
<td>80-15</td>
<td>Procedure on Transfers</td>
</tr>
<tr>
<td>80-18</td>
<td>Procedure on Lay Offs</td>
</tr>
<tr>
<td>80-40</td>
<td>Procedure for Clearance of Terminating Employees</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>85-00</td>
<td>Policy on Tools and Equipment</td>
</tr>
<tr>
<td>85-10</td>
<td>Procedure on Tools and Equipment</td>
</tr>
<tr>
<td>120-00</td>
<td>Policy on Leave</td>
</tr>
<tr>
<td>120-105</td>
<td>Off-The-Job Injury/Illness Leave</td>
</tr>
<tr>
<td>123-10</td>
<td>Procedure on Health and Welfare-Dental Benefits Insurance</td>
</tr>
<tr>
<td>123-20</td>
<td>Procedure on Income Protection Benefits Income Protection</td>
</tr>
<tr>
<td>123-30</td>
<td>Procedure on Long-Term Disability Insurance</td>
</tr>
<tr>
<td>123-40</td>
<td>Procedure on Life Insurance</td>
</tr>
<tr>
<td>123-530</td>
<td>Procedure on Death-Death Benefits</td>
</tr>
<tr>
<td>127-00</td>
<td>Policy on Employee Assistance Program</td>
</tr>
<tr>
<td>127-10</td>
<td>Procedure on Employee Assistance Program</td>
</tr>
<tr>
<td>130-00</td>
<td>Policy on Retirement</td>
</tr>
<tr>
<td>130-10</td>
<td>Procedure on Retirement—Regular Employees</td>
</tr>
<tr>
<td>140-00</td>
<td>Policy on Tuition Reimbursement</td>
</tr>
<tr>
<td>140-10</td>
<td>Procedure on Tuition Reimbursement</td>
</tr>
<tr>
<td>150-00</td>
<td>Policy on Professional Development</td>
</tr>
<tr>
<td>150-10</td>
<td>Procedure on Professional Development</td>
</tr>
<tr>
<td>160-00</td>
<td>Policy on Grievances</td>
</tr>
<tr>
<td>160-10</td>
<td>Procedure on Grievances</td>
</tr>
<tr>
<td>170-00</td>
<td>Policy on Military Furlough</td>
</tr>
<tr>
<td>170-10</td>
<td>Procedure on Military Furlough</td>
</tr>
<tr>
<td>180-00</td>
<td>Policy on Employees' Code of Conduct</td>
</tr>
<tr>
<td>181-00</td>
<td>Policy on Workplace Violence</td>
</tr>
<tr>
<td>181-10</td>
<td>Procedure on Workplace Violence</td>
</tr>
<tr>
<td>185-00</td>
<td>Policy on Fraud Prevention and Whistleblower Protection</td>
</tr>
<tr>
<td>185-10</td>
<td>Procedure on Fraud Prevention and Whistleblower Protection</td>
</tr>
<tr>
<td>186-00</td>
<td>Policy on Computer and Electronic Communications</td>
</tr>
<tr>
<td>186-10</td>
<td>Procedure on Computer and Electronic Communications</td>
</tr>
<tr>
<td>190-00</td>
<td>Policy on Drugs and Alcohol</td>
</tr>
<tr>
<td>190-10</td>
<td>Procedure on Drugs and Alcohol</td>
</tr>
<tr>
<td>195-00</td>
<td>Policy on Smoking</td>
</tr>
<tr>
<td>195-10</td>
<td>Procedure on Smoking</td>
</tr>
<tr>
<td>200-00</td>
<td>Policy on Vehicle Safety Review</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>200-10</td>
<td>Procedure on Vehicle Safety Review</td>
</tr>
<tr>
<td>203-00</td>
<td>Policy on Driver's License Check and Flagging Program</td>
</tr>
<tr>
<td>203-10</td>
<td>Procedure on Driver's License Check and Flagging Program</td>
</tr>
<tr>
<td>205-00</td>
<td>Policy on Reporting Incidents Involving Property Loss or Personal Injury</td>
</tr>
<tr>
<td>205-10</td>
<td>Procedure on Reporting Incidents Involving Property Loss or Personal Injury</td>
</tr>
</tbody>
</table>
PPP # 01-00
Policy on Personnel

PURPOSE

All policies governing the operation of programs for the City of Rockville are designed to contribute to the fulfillment of the principal purpose of the City’s mission: the provision to its citizens of services defined by the City Manager through the Departments of Community Planning and Development Services, Planning and Development Services, Finance, Information and Technology, Human Resources, Police, Public Works, and Recreation and Parks.

Those services include but are not limited to youth, senior and community social services; human rights and community mediation; accounting, revenue management, purchasing, data processing and budgeting; community planning and development; building licensing and inspection; code enforcement; planning and zoning; community, senior and youth recreation; City property and civic center; facilities and grounds; employment and complete personnel services; police, security, and safety programs; media communications, information and technology administration and management; traffic, water, refuse, sanitation, and sewage management.

In addition to these services provided by the City, the City has a City Attorney’s Office which provides legal support to the City including the Mayor and Council, the City’s Boards and Commissions and City staff and the City Clerk/Director of Council Operations’ (DCO) Office conducts the City’s elections and provides administrative support to the Mayor and Council and certain Boards and Commissions.

SCOPE

Personnel Policies and Procedures apply to all City employees except as otherwise noted herein and as provided for in the contracts for the City Manager, City Clerk/DCO, and City Attorney, and other contract employees unless otherwise noted.

PRINCIPLES

The Personnel Policies of the City of Rockville are derived from the Laws of Rockville City Code and are planned to advance the service of the City, to define the respective rights of, and restrictions applying to employees, and to give full consideration to the interests, morale, and welfare of its employees. Employees who are dedicated and committed to their mutual responsibility in carrying out these programs in Rockville are one of the City’s most valuable assets. The personnel practices of the City are governed by these written policies and procedures.

It is intended that employment of personnel be based on merit. It is intended that the employment of personnel and all actions affecting employees be based on merit.

Federal, state, and local laws govern the application of, and in the event of a conflict will supersede, these policies. Such laws include, but are not limited to, those governing hours of work, wages, employment discrimination, workplace harassment, benefits, leave, disability, and safety. The State of Maryland’s Law Enforcement Officers’ Bill of Rights (LEOBR) governs the application of discipline as it relates to sworn police officers. Sworn police officers in the Rockville City Police Department are governed by their General Orders. Additionally, other employees within the Rockville City Police Department may be governed by the General Orders, if applicable.

PPP # 02-00
Definitions

(1) Charter Appointed Official – In accordance with the City Charter there are three (3) Charter Appointed Officials, who are appointed by the Mayor and Council. They are the City Manager, City Attorney, and City Clerk/DCO. Employees in the City Attorney’s Office report directly or indirectly to the City Attorney. Employees in the City Clerk/DCO’s Office report directly or indirectly to the City Clerk/DCO. All other employees in the City report directly or indirectly to the City Manager. When the term "Charter Appointed Official" is used in the Personnel Policies and Procedures Manual it refers to either the City Manager, City Attorney or City Clerk/DCO depending on whether the affected employees report directly or indirectly to the City Manager, City Attorney or the City Clerk/DCO, respectively.
(2) **Department Head** - These positions are the Executive Appointees who are responsible for the following departments: Community Planning and Development Services, Planning and Development Services, Finance, Recreation and Parks, Information Technology, Public Works, Police, and Human Resources.
PPP # 05-00

PURPOSE
This Policy establishes the rules for creating, amending, revising, and adopting those policies and procedures relative to personnel operations for the City of Rockville.

This Personnel Manual is not intended to be an expressed or implied contract of employment or a guarantee of employment for any specific period of time.

PRINCIPLES
Policies and procedures relative to personnel operations shall be developed and maintained as part of a manual by the Human Resources Director in accordance with applicable laws. However, all such policies and procedures must be approved by the City Manager and the Mayor and Council.

PPP # 05-10
Procedure on the Establishment and Maintenance of the Personnel Manual, Definition of "Appointed Official"

PURPOSE
This Procedure implements the Policy on the Establishment and Maintenance of the Personnel Manual (PPP #05-00).

GENERAL RULES
1. The Human Resources Director will review all Policies and Procedures and ensure that they are in accord with applicable federal, state and local laws. This review will also include ensuring that such Policies and Procedures are written clearly and ensure the most efficient and effective operations relative to Human Resources.

2. When appropriate, the Human Resources Director will propose changes, additions, and deletions to the Personnel Manual to the City Manager.

3. The City Manager will review the proposals of the Human Resources Director. If the City Manager concurs with the proposed changes, the City Manager will submit the Policy and Procedure to the Mayor and Council for approval. The approval by the Mayor and Council will constitute adoption of that proposal as the new policy and/or procedure which will at such time as designated by the City Manager, be followed.

4. The Human Resources Director will ensure that the newly adopted policy is distributed and appropriately explained to all supervisory staff. The Human Resources Director will determine how to communicate changes affecting the general employee population.

DEFINITION OF "APPOINTED OFFICIAL"
There are three (3) appointed officials Charter-Appointed Officials in the City. They are the City Manager, City Attorney, and the City Clerk/DCO. Employees in the City Attorney's Office report directly or indirectly to the City Attorney. Employees in the City Clerk/DCO's Office report directly or indirectly to the City Clerk/DCO. All other employees in the City report directly or indirectly to the City Manager.

When the term "Appointed Official" is used in the Personnel Policies and Procedures Manual it refers to either the City Manager, City Attorney or City Clerk/DCO depending on whether the affected employees report directly or indirectly to the City Manager, the City Attorney or the City Clerk/DCO, respectively.
PPP # 20-00
Policy on Employment

PURPOSE
This Policy establishes rules for employment with the City of Rockville.

PRINCIPLES
The term "employment" as used in this Policy means the appointment, after suitable selection processes, of an applicant to any full or part-time position, be it regular, temporary, seasonal, provisional or contractual.

Position Status Summaries

1. Temporary Employees:
   An applicant may be appointed to a temporary position when there is a need for an employee for a specific time period or task. Temporary employees are limited to working a maximum of fewer than thirty (30) hours per week and are prohibited from working 1,560 or more hours in a twelve (12) month period. Temporary appointments are typically limited to six (6) months or less, but may be extended for no more than an additional six (6) months in one year, with the approval of the Appointed Official. Temporary appointments usually are for six months or less; however, such appointments may be extended with the approval of the City Manager. If temporary employees become regular employees, their date of employment for calculating all leave and benefits will be the first day of their regular employment.

   Temporary employees are not entitled to any leave or benefits afforded to regular employees and are not in the City's merit system.

2. Regular Employees:
   Regular employees are employees hired in positions that are funded and expected to be continued on a full-time (40 or 37 1/2 hours per week), year-round basis. Employees in this category are entitled to benefits in accordance with the City policies and the terms of the benefit plans. Regular employees must become members of the City's retirement plan upon appointment. Regular employees are in the City's merit system and are also referred to as benefit-eligible employees.

   Regular employees who are routinely scheduled to work less than a 40 or 37 1/2-hour schedule are classified as part-time regular employees. They are eligible for all benefits on a prorated basis and have all the rights of regular full-time employees, provided they work a minimum of 20 hours per week.

3. Contract Employees:
   Based upon budgetary and/or operational needs, the City Appointed Officials may hire senior-management employees in contractual positions. Salary and eligibility for salary increases and fringe benefits will be governed by the terms of the individual contracts. These positions serve at the pleasure of the Charter Appointed Official. The Human Resources Director will recommend salary and fringe benefits, and recommended to the City Manager and/or the Mayor and Council, by the Human Resources Director, based on a salary survey and comparison to similar positions within the appropriate job market. Such contractual appointments are restricted to Department Director Assistant City Manager classes. The City Manager may request other positions to be contractual as needed to serve the best interest of the City. However, only the Mayor and Council may approve, by resolution, the creation of contractual positions.

4. Charter-Appointed Officials Positions:
The appointed positions of Charter-Appointed Officials are the City Clerk/DCO, City Manager, and City Attorney who shall serve at the pleasure of the Mayor and Council.

(Reviewing this again: Executive Appointees vs. Contract employees – this may be confusing)

**PPP # 20-10**

**Procedure to Effect Employment**

**PURPOSE**

This Procedure implements the Policy on Employment (PPP# 20-00).

**GENERAL RULES**

**Filling a Position Vacancy**

1. No requisition for positions will be made until a position has been properly funded, established, classified, and assigned a pay grade, hourly or flat rate.

2. Only applicants who meet the minimum qualifications, as set forth in approved class specifications, will be certified for inclusion on the eligibility list.

3. Notices of all position vacancies to be filled will be given through the issuance of Recruitment Announcements by the Human Resources Department. Such announcements will state whether the positions are to be filled on an open competitive basis (open to all qualified applicants from any source) or on an internal only promotional basis (restricted to non-initial probationary employees of the City of Rockville).

4. All vacancies will be posted internally for a minimum of ten (10) working days for represented and non-represented classes. Upon request of the Appointed Official or Department Director concerned, a determination as to whether a position is to be advertised on a promotional or open competitive basis will be made by the Human Resources Director. Should a position be advertised on an open competitive basis, it will be posted as such for a minimum of ten (10) working days. Internal postings and advertising time periods may run concurrently. No persons shall receive preference for a position by virtue of their employment status with the City, political affiliation, or any other reason prohibited by law.

5. Eligibility lists created through the open competitive selection process and the promotional selection process will expire twelve (12) months after selection has been made to fill the vacancy for which the list was created. All lists may be extended by request from the Appointed Official or Department Director. Should a position be advertised on an open competitive basis, it will be posted as such for a minimum of ten (10) working days. Internal postings and advertising time periods may run concurrently. No persons shall receive preference for a position by virtue of their employment status with the City, political affiliation, or any other reason prohibited by law.

6. Appointments will normally be hired at the minimum compensation up to 10% above the minimum for the class unless the Charter Appointed Official or Department Director requests hiring above 10% above the minimum compensation. Such a request may be made when there is a shortage of qualified applicants, or if an available applicant has substantially greater qualifications than the minimum required for the class, and such qualifications are beneficial to the City. Such a request must be made in writing, stating the justification, and is subject to concurrence by the Human Resources Director. The Charter Appointed Official’s City Manager’s approval is required for compensation higher than 10% above the minimum for positions directly or indirectly reporting to the Charter Appointed Official City Manager, and approval by the City Manager.

**Probationary Periods**

Probationary periods are an established period of time during which regular employees’ performance is closely reviewed to determine their ability to perform the requirements of their job.

**Reviews**

Reviews are conducted by the immediate supervisor and the Charter Appointed Official or Department Director. If the Charter Appointed Official or Department Director determines that the performance of a probationary employee is...
not satisfactory, the employee may be released from the position with the concurrence of the Human Resources Director. The Charter Appointed Official’s City Manager’s approval is required for terminations of employees directly or indirectly reporting to the Charter Appointed Official. City Manager, approval from the City Manager.

**Original Appointments Initial Hire**

Unless otherwise specified, all appointees to positions from eligibility lists created through the open competitive process are subject to an initial one-year probationary period. In exceptional circumstances, probationary periods may be extended upon the recommendation of the immediate supervisor with the concurrence of the Human Resources Director, Department Head, and the approval of the appropriate Charter Appointed Official.

Persons appointed to regular, non-union represented positions shall serve an initial one-year probationary period. Where training is required to perform in a position, the initial probationary appointment will extend one year after completion of this training.

Persons appointed to regular union-represented employees shall serve an initial probationary period in accordance with the terms of their collective bargaining agreement.

**Consideration for Other Vacancies**

Initial probationary appointees employees may be considered for other City vacancies announced on an open competitive basis, but initial probationary employees may not apply for positions posted as internal only opportunities until upon successful completion of the initial probationary period. An appointee is granted regular employee status in the Civil Service and may then apply for positions posted as promotional announcements. Probationary employees who apply for other City vacancies shall serve at least the length of their initial probation, in addition to any promotional probation. These probationary periods may be served concurrently. In no instance shall an employee receive a salary increment until both the initial and promotional probation have been completed.

**Leave**

Initial probationary appointees employees into non-union represented positions may use annual leave with appropriate approval. However, employees forfeit accrued but unused annual leave if they separate from service for any reason during their initial six-months of employment-initial probationary period.

Employees on probation will have their probation extended one day for every day of leave without pay used during the term of probation.

Initial probationary appointees employees in union-represented positions may use annual leave in accordance with the terms of their collective bargaining agreement.

Employees on probation will have their probation extended one day for every day of leave without pay used during the term of probation.

**Promotions and Reclassifications**

All regular employees selected from an eligibility list created through the open competitive or promotional process, and who are promoted or assigned a new classification through such selection will be subject to a six-month probationary period when promoted or assigned.

Employees may be terminated removed for unsatisfactory performance during a promotion probationary period, shall be returned to their previous position or another suitable position in the same class in which they previously served and completed a satisfactory probationary period, if such a position is available. Should such a position be unavailable, the employee will be dismissed. Individuals may continue to apply for positions in any class. However, persons who have successfully completed a probationary period in a specific class and are re-employed within one year of their dismissal may be re-instated to their former class and grade and credited with prior service to the City, excluding the time not in City service, for seniority purposes only with concurrence of the Human Resources Director and approval of the Appointed Official City Manager. In accordance with terms of the pension plan, all prior credited service with respect to the pension plan will be lost. Those persons returning after one year will start as new employees. Those persons returning in another...
Employee Records

Maintenance of Records

The Human Resources Department will maintain records on every regular or contract benefit-eligible employee which will include, but not be limited to, employment applications, salary history records, performance appraisals, copies of all personnel status changes (promotions, transfers, salary increments, etc.), benefit elections, applications (already said employment applications, is this referencing some other form of application?), recommendations, disciplinary actions, awards, certificates of training, current employee contact information, etc.

The Human Resources Department will maintain records on temporary employees and seasonal employees which may include, but not be limited to, employment applications, records of pay, benefit election forms (previously stated that temporary employees are not entitled to benefits—then why would benefit election forms be in their personnel file?), employment status, contact information, etc.

The Human Resources Department will maintain separate and confidential files for workers' compensation claims and medical files.

The Human Resources Department will also maintain records of employee/applicant fingerprint applications and results, and recruiting, training, safety, and other data required by federal, state, or local law.

Review of Records

Employees may review their personnel records in the Human Resources Department by appointment. Employees are not permitted to remove any documents from their personnel records, however, copies of any documents will be provided to employees upon request.

Supervisors may review their employees' general personnel files. Medical records may be reviewed by the Human Resources Director or designee for determination of eligibility for benefits and other employment-related reasons.

PPP # 30-00
Policy on Unlawful Discrimination and Harassment

PURPOSE

The City of Rockville has a policy of non-discrimination and is fully committed to the principles of equality in employment and opportunity for all employees. The City believes that its objectives can best be attained by utilizing its personnel to the fullest extent possible, without discrimination based upon characteristics unrelated to performance. The City expects all employees to adhere to these principles.

PRINCIPLES

Unlawful Discrimination and Harassment

All personnel actions, including, but not limited to, recruitment and hiring, working conditions, benefits and compensation, training, performance appraisals, promotion, transfer, discipline and dismissal shall be administered without regard to age, ancestry, color, religion, disability, genetics, pregnancy, veteran status, marital status, national origin, race, ethnicity, sex, or sexual orientation, gender identity or expression, disability, or any other legally protected characteristic.

race, color, religion, gender, national origin, age, physical or mental disability, marital status, domestic partnership, veteran status, pregnancy, sexual orientation, genetic information, or any other legally protected characteristic. Decisions in these areas are job related and are based upon individual merit, skill, ability to perform the job, performance ratings, length of service, satisfactory attendance, conduct, attitude, productivity, quality of work and other work-related criteria.
The City insists that all of its employees be allowed to do their jobs in a workplace free from unlawful discrimination and harassment. To ensure that this policy is observed, employees are to immediately notify any member of the management team including a supervisor, Department Director, Department Head and/or the Human Resources Department if he or she feels that they have experienced or witnessed any unlawful discrimination or harassment in accordance with the Procedure on Unlawful Discrimination and Harassment (PPP# 30-10). An investigation of an employee’s complaint will be conducted as expeditiously as practicable. If a violation of this Policy is found, effective remedial action, including disciplinary action, up to and including dismissal, will be taken.

Retaliation

The City forbids retaliation against: (1) any employee who reports unlawful discrimination or harassment, and (2) any employee who participates in an investigation of a complaint of unlawful discrimination or harassment. Any employee bringing a complaint or providing information for an investigation under this policy will not be subject to adverse employment consequences based upon such involvement. Retaliation is strictly prohibited under this policy and any employee found to have retaliated against another employee in violation of this policy will be subject to disciplinary action, up to and including dismissal.

False Accusations and Information

Any employee who knowingly makes a false accusation of unlawful discrimination or harassment, or who knowingly provides false information in the course of an investigation of a complaint, may be subject to disciplinary action, up to and including dismissal.

Confidentiality

All complaints and investigations will be handled, to the extent possible, in a manner that will protect the privacy interests of those involved; however, confidentiality cannot be guaranteed. Written findings and conclusions regarding the complaint as well as disciplinary actions will be confidential to the extent provided by law.

PPP # 30-10
Procedure on Unlawful Discrimination and Harassment

PURPOSE

This Procedure implements the Policy on Unlawful Discrimination and Harassment (PPP# 30-00).

GENERAL RULES

Reporting a Complaint

1. Any employee who believes that he or she has been subjected to employment discrimination or harassment in violation of this Policy may report the alleged discrimination or harassment to any member of the management team including, but not limited to, his or her supervisor, Department Director, Department Head, any member of the Human Resources staff, or any appropriate County, State or Federal enforcement agency.

2. Complaints should be reported as soon as possible after the event(s) giving rise to the complaint. When the report is being made to the City, the initial report can be oral or written. In the case of an oral report, the Human Resources staff official conducting the intake of the report will gather the pertinent information regarding the allegation and prepare a written statement constituting the complaint for the approval and signature of the complainant.

3. Human Resources staff or other City staff as appropriate will initiate an investigation into the event(s) giving rise to the complaint as soon as possible after the receipt of the complaint. The investigation will include an interview with the person(s) who allegedly engaged in the discrimination or harassment and may include interviews with witnesses and other staff as necessary. Investigations will be conducted without delay and will conclude within a reasonable time.

4. The Human Resources Director or other appropriate staff shall draft written findings and conclusions
regarding the complaint. If the complaint is found to have merit, immediate steps will be taken to end the discrimination or harassment and appropriate disciplinary steps shall be taken. Disciplinary action may include dismissal. The entire investigation process should not exceed 6045 calendar days from report of complaint to conclusion, provided there are no extenuating circumstances.

**PPP # 35-00**
**Policy on Accommodation of Disabilities**

**PURPOSE**

The purpose of this Policy is to reinforce the City’s commitment to compliance with the Americans with Disabilities Act as amended (“ADA”), as well as applicable state and local disability discrimination laws.

**PRINCIPLES**

The City is committed to complying with the ADA, as well as applicable state and local disability discrimination laws. It is the City’s policy not to discriminate against any qualified employee or applicant with regard to any terms or conditions of employment because of such individual’s disability, perceived disability, or record of a disability. Consistent with this policy of non-discrimination, the City will provide reasonable accommodations to a qualified individual with a disability, as defined by the ADA, who has made the City aware of his or her disability, so long as that individual can perform the essential functions of the job and provided that such accommodation does not constitute an undue hardship on the City.

The City encourages individuals with disabilities to come forward and promptly request reasonable accommodations.

An employee or job applicant who has questions regarding this Policy should contact the Human Resources Department.

**PPP # 35-10**
**Procedure on Accommodation of Disabilities**

**PURPOSE**

The purpose of this Procedure is to implement the Policy on Accommodation of Disabilities (PPP# 35-00).

**GENERAL RULES**

**Requesting an Accommodation**

1. An employee or job applicant who has a disability and believes that he or she needs a reasonable accommodation to perform the essential functions of his or her job should contact the Human Resources Department with a request for accommodation. (Forms are available as a convenience but are not required.) Pertinent medical information may be needed to determine the appropriate accommodation.

2. The City is not required to make the “best possible” accommodation, to grant the accommodation requested, to reallocate essential job functions, or to provide personal use items such as eyeglasses, hearing aids, or wheelchairs.

3. Upon receipt of an accommodation request and medical documentation, as appropriate, a member of the Human Resources Department and pertinent staff will begin an interactive process of determining whether the individual’s disability can be accommodated. They will meet with the individual to discuss and identify the limitations resulting from the disability and the potential accommodation(s) that the City might be able to make to help overcome those limitations. The City will then determine the feasibility of the proposed accommodation(s) by considering various factors, including but not limited to, the nature and cost of the accommodation, the City’s overall financial resources, and the accommodation’s impact on the operation of the City, including its impact on the ability of other employees to perform their duties and on the City’s ability to conduct business.
4. If it is determined that, on a permanent or long-term basis, an employee will be unable to perform some or all of the essential functions of his or her position, with or without an accommodation, the employee is no longer a "qualified employee" under the ADA and this Policy would not apply.

**Non-disclosure of Genetic Information**

The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and other entities covered by GINA from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by law.

To comply with this law, employees should not provide any genetic information when responding to a request for medical information made in connection with a request for an accommodation, including any leave of absence.

"Genetic information," as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact than an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

**Reasonable Accommodation Due to Pregnancy**

Under Maryland law, pregnant employees are entitled to a reasonable accommodation for a disability caused or contributed to by pregnancy. If an employee provides certification from a health care provider as to restrictions on their ability to perform their job while the employee is pregnant, the City will explore with the employee all possible means of providing a reasonable accommodation, which may include, but not be limited to:

- changing the employee's job duties
- changing the employee’s work hours
- relocating the employee’s work area
- providing the employee with mechanical or electrical aids
- transferring the employee to a less strenuous or less hazardous position, or
- providing the employee with leave

The City is not required to make any accommodation for a pregnant employee that imposes an undue hardship on the City.

If an employee has any questions or concerns, he or she should contact Human Resources.

**Appeals and Other Processes**

1. If the accommodation request is denied, the individual will be advised of his or her right to appeal the decision to the Charter Appointed Official or designee by submitting a written statement explaining the reasons for the request. If the request on appeal is denied, that decision is final.

2. An employee who believes that he or she has been discriminated against based on a disability should follow the Policy and Procedure on Unlawful Discrimination and Harassment (PPP# 30-00 & PPP# 30-10).

3. The City encourages any job applicant who believes that he or she has been discriminated against based on a disability to bring the matter to the attention of the Human Resources Director.

**PPP # 40-00**

**Policy on Performance Evaluations**

**PURPOSE**

This Policy establishes basic rules to ensure that employee performance will be regularly and properly evaluated.

**PRINCIPLES**
The completion of an Employee Performance Planning and Evaluation Form and its review with the employee represent the culmination of an ongoing review process.

Performance evaluations are used to indicate how well an employee has carried out the duties of the job within a specific period of time. The evaluation process enables the rating supervisor and employee to review and define performance goals; specify work objectives and priorities; communicate performance expectations; assess training and development needs; and to resolve any questions regarding the duties of the position.

Any performance concerns should be communicated to the employee as soon as possible to afford the employee the opportunity to improve prior to the end of their evaluation period.

**PPP # 40-10**

**Procedure on Performance Evaluations**

**PURPOSE**

This Procedure implements the Policy on Performance Evaluations (PPP# 40-00).

**GENERAL RULES**

**Responsibilities**

**Human Resources Director:** The Human Resources Director is responsible for the administration and interpretation of performance evaluations and related policies and procedures; distribution of forms, including distribution to the departments for new employees; review of performance evaluations for completeness, accuracy, and proper signatures; ensuring that the evaluation is conducted properly and that it becomes part of the employee's personnel record; and transmittal to all rating supervisors and Department Directors of appropriate instructions and/or training on how to properly conduct performance evaluations.

The Human Resources Director is responsible for making sure all evaluation forms are completed and returned and that employees receive the appropriate increases based on the High Performance Organization Pay Performance Management System.

The completed evaluation form will be maintained in the employee's personnel file.

**Immediate Supervisor:** The immediate supervisor is responsible for evaluating the employee's work performance and reviewing the evaluation with the employee following the procedures stated on the Employee Performance Planning and Evaluation Form. The immediate supervisor may not evaluate an employee unless the employee has worked for that supervisor for a period of more than two months.

In instances where an employee has worked for an immediate supervisor four months or more of a semi-annual rating period and then is transferred, demoted, or otherwise moved to a new assignment, that supervisor will perform the employee's semi-annual evaluation.

**Department Director:** The Department Director is responsible for reviewing all performance evaluation forms within the respective department to ensure proper application of evaluation standards and to ensure that appropriate and adequate documentation is supplied in support of the evaluations' ratings and to ensure consistency among their supervisors.

**Employees:** Employees are responsible for reviewing the form in consultation with the supervisor to ensure understanding of the ratings; discussing varying levels of ratings including concerns, expectations, and goals for the forthcoming evaluation period; and signing the form as acknowledgement that they have reviewed the rating. Should employees disagree with all or part of the rating, they should still sign to acknowledge receipt and make appropriate comments on the form or attach information specific to their disagreements.

**Evaluation Schedule**

**Regular Non-represented AFSCME Probationary Employees:** Regular non-represented probationary...
employees
are to receive a performance evaluation rating at the end of the third and sixth month and prior to the end of the twelfth month, or as close thereto as practicable, following their date of employment. Regular non-represented probationary employees are to receive a performance evaluation rating at the end of the sixth month and prior to the end of the twelfth month, or as close thereto as practicable, following their date of employment.

Regular Represented Probationary Employees: Regular represented probationary employees are to receive a performance evaluation rating at the end of the second and fourth month and prior to the end of the sixth month, or as close thereto as practicable, following their date of employment. Regular represented probationary employees are to receive a performance evaluation rating at the end of the third month and prior to the end of the sixth month, or as close thereto as practicable, following their date of employment.

Regular Non-probationary Probationary Employees- Represented and Non- AFSCME: Regular non-probationary employees, both represented and non-AFSCME represented, are to receive a performance evaluation rating prior to the end of the twelfth month, or as close thereto as practicable, following the completion of the employee's evaluation. The twelfth month evaluation will represent an evaluation of the employee's performance for the entire year. The twelfth month or final evaluation will be an evaluation of the entire twelve months and will provide the basis for determining the salary increment, if any, an eligible employee is granted.

Entry-level Police Officers: Entry-level police officers' probation must extend at least twelve months beyond the completion of any necessary recruit training. They are then evaluated like non-AFSCME represented probationary employees.

Non-probationary Sworn Police Employees: Due to police accreditation requirements, non-probationary sworn police employees will receive six-month and twelve-month performance evaluations.

Promoted Regular Employees: Promoted regular employees are subject to a six-month probationary period. Evaluations will be completed at the end of the third and sixth month or as close thereto as practicable. This date will then become the employee's anniversary date for the purpose of performance evaluations and increments.

Demoted Regular Employees: Demoted regular employees who must will be placed on probation as a result of a demotion will remain on probation for the amount of time specified at the time of the demotion for six months. In this instance an employee will be taken off probation by way of a memo outlining satisfactory performance during the probationary period. The employee's salary increment date could remain unchanged; however, the employee's performance evaluation form will be forwarded from the current supervisor to the new supervisor.

Transferred Regular Employees: Transferred regular employees who are serving a probationary period as outlined in the Procedure on Transfers (PPP# 80-15) will be taken off probation by way of a memorandum outlining satisfactory performance during the probationary period. The employee's salary increment date will remain unchanged. The employee’s performance evaluation form will be forwarded from the current supervisor to the new supervisor.

Pay Increases: Pay increases will be given as outlined in the Policy on Working Hours, Position Classification and Wage and Salary Administration (PPP# 60-00) and the Procedure on Position Classification and Wage and Salary Administration (PPP# 60-20).

Evaluation Review: The performance evaluation is to be drafted and signed by the employee's first-line supervisor. In completing the performance evaluation, the immediate first-line supervisor shall seek input from other supervisors in the chain of command, as appropriate, and from the Department Director. Once the performance evaluation has been reviewed by the Department Director and finalized, the evaluation will be reviewed with the employee by the immediate first-line supervisor and/or the Department Director and a discussion held regarding the employee's performance. The discussion should include accomplishments, behavior, strengths and deficiencies, and planned future performance goals and objectives. The employee may make written comments on the form regarding the evaluation. The employee will be the last one to sign the evaluation form. The employee's signature indicates having received the evaluation and does not necessarily indicate concurrence or agreement with the rating as assigned.
The Department Director will retain the original of the initial (six-month) evaluation forms for the department and reissue them to appropriate immediate supervisors prior to the end of the year (12 months) so that the final evaluation can be performed. The Department Director must then return all original evaluation forms for the rating year to the Human Resources Department prior to the employee's anniversary date.

All completed interim and final evaluations will be forwarded to maintained by Human Resources.

**Appeal of Evaluations Disagreement with Performance Evaluation**

Individual ratings in a performance evaluation are not subject to the City’s Grievance Procedure. Should employees disagree with their individual ratings, they may address their differences on the evaluation form or attachment and may request a meeting with management up to their department director-Department Head to request reconsideration of the rating(s).

**Challenge to Performance Evaluation Procedure**

An employee may challenge a failure to comply with the City’s Policy and Procedure on Performance Evaluations through the City’s Grievance Procedure (PPP# 160-10).

**PPP # 50-00 Policy on Labor Unions and Employee Groups**

**PURPOSE**

The purpose of this policy is to define the relationship between the City and the various organizations representing groups of employees that may represent employees.

**SCOPE**

This Policy is inclusive of all labor unions and other organizations representing groups of employees that are recognized by the City of Rockville. These groups include the American Federation of State, County, and Municipal Employees (AFSCME) Local 1453; The Fraternal Order of Police (FOP); and The Association of Administrative Municipal Employees (AAME).

**PRINCIPLES**

The City will abide by the terms of any collective bargaining agreement it may have with a labor union. Nothing contained in any section of this Manual shall cause a conflict with the terms of the collective bargaining agreement. To the extent that any provision of this Manual is inconsistent with the terms of the collective bargaining agreement, the collective bargaining agreement will prevail, unless applicable law requires otherwise.

In the spirit of cooperation and involvement, the City will make an effort to keep all employee groups, through their respective representatives, informed of changes in its Policy. The City, however, still maintains the right to communicate and deal directly with each and every employee.

**PPP # 50-10 Procedure on Labor Unions and Employee Groups**

**PURPOSE**

This Procedure implements the Policy on Labor Unions and Employee Groups (PPP# 50-00).

**GENERAL RULES**

**City Representation**

The Human Resources Director (as designated by the City Manager) is responsible for representing the City on any and all issues relative to actions affecting employees. This includes employees represented by AFSCME, FOP and AAME.
Prohibitions on Supervisors, Labor Unions and Other Employee Organizations

Labor Unions and other recognized employee organizations are prohibited from:

1. Interfering with, restraining or coercing any employee in the exercise of the rights provided to employees under the Personnel Policies and Procedures of the City;

2. Impeding any employees from carrying out their duties;

3. Discriminating against any employee with regard to membership or holding office in any labor union or employee group because of any reason outlined in the Policy on Unlawful Discrimination and Harassment (PPP# 30-00); and

participating in and/or encouraging a work stoppage, strike, slowdown, or other disruptive activities.

Supervisors are prohibited from:

1. Interfering with, restraining or coercing any employee in the exercise of the rights provided to employees under the Personnel Policies and Procedures of the City;

2. Impeding any employees from carrying out their duties; and

3. Discriminating against any employee with regard to membership or holding office in any labor union or employee group because of any reason outlined in the Policy on Unlawful Discrimination and Harassment (PPP# 30-00).

Recognition of Unions and Other Employee Organizations

AFSCME

The City recognizes the American Federation of State, County and Municipal Employees (AFSCME) Local 1453 as the sole and exclusive representative for classes of employees as defined by the collective bargaining agreement between the City and AFSCME. The provisions of that collective bargaining agreement, as well as City policy and procedure, govern the employees in the AFSCME bargaining unit.

FOP

The City recognizes the Fraternal Order of Police (FOP) Lodge 117 as an organization representing certain Police Department employees. The City and the FOP have a "Meet and Confer" relationship designed to discuss operations and procedures, pay and benefits. This relationship provides the City and the FOP with the means by which they may address any mutual concerns or issues.

AAME

The City recognizes the Association of Administrative Municipal Employees (AAME) as an organization representing certain administrative, supervisory, managerial, technical, and clerical employees. The City and the AAME also have a "Meet and Confer" relationship designed to discuss operations and procedures, pay and benefits.

Membership Exclusions

Excluded from membership in any labor union or employee group are probationary employees, temporary employees, contract employees, Department Director Department Heads, City Attorney's Office employees, Human Resources Department employees, and any employee in the Finance Department or any other department who is "confidential" because he or she has regular access to privileged information regarding personnel management or labor policies through the employee's duty to assist:

1. The Mayor or a Councilmember;

2. The City Manager or Deputy City Manager; or

3. A Department Head or Assistant Deputy Department Head.

Meet and Confer Relationship
The City recognizes the Association of Administrative Municipal Employees (AAME) and the Fraternal Order of Police (FOP) as organizations representing certain employees. The City has a "Meet and Confer" relationship with both groups, to discuss operations and procedures, pay and benefits. Excluded from membership in any labor union or employee group are, temporary employees, contract employees, deputy directors, employees in the City Attorney’s Office and employees in the Human Resources Department. Additionally, employees designated as confidential, per their job description are excluded from membership in any labor union or employee group.

While nothing in a "Meet and Confer" relationship would ever preclude the City from taking any action unilaterally which would affect its employees, the City fully recognizes the importance of groups such as the FOP and AAME. To that end the City will make every effort to discuss major issues that affect the membership of these groups with their representatives, keep these groups informed of policy and procedure changes through their representative, and discuss mutual issues and concerns with group representatives as may be appropriate.

The American Federation of State, County & Municipal Employees (AFSCME), Local 1453 collective bargaining agreement identifies the employees who are eligible to be a member of the AFSCME union.

PPP # 60-00
Policy on Establishing and Reporting Work Hours

PURPOSE

The purpose of this Policy is to establish the working hours and guidelines for position classification and wage and salary administration.

PRINCIPLES

Working Hours

The regular workweek normally consists of five (5) consecutive days or four (4) days within the seven (7) day workweek as defined by the organizational unit. The starting time of the day, and regular workweek, is established by the City Manager-Charter-Appointed Official and/or Department Heads/designee(s). For certain designated employees such as those in Refuse Collections, Police, Motor Vehicle Maintenance, Water Treatment, and others, the workweek may vary.

Establishment of a Position

A position represents the sum of the responsibilities assigned to and the duties performed by an employee. With the exception of the Charter Appointed Official positions of City Manager, City Clerk, and City Attorney, each position will be established in accordance with PPP# 60-20, which implements this policy.

Establishment of a Class

A class represents the grouping of identical or closely related positions, the duties of which are so similar or related that the training, experience, and skill levels required to ensure satisfactory performance are the same. A class may consist of only one position when no other positions of the same type exist in the City. (See PPP# 60-20.)

Wage and Salary Administration

Compensation for employees will be such that internal consistency and equity are maintained among all positions, and that the City is able to recruit and retain qualified employees. The rate of compensation of employees is subject to the availability of funds.

For the purpose of wage and salary administration, all positions are divided into three categories:

1. Hourly Rate Positions - These positions are occupied by the employees of the City receiving an hourly rate of pay (i.e. temporary employees).
2. **Salary-Graded Positions** - All regular positions in the City, other than certain hourly or contractual positions, are salary-graded. The schedule of pay grades for salary-graded employees of the City may be adjusted occasionally, based upon the availability of funds and the need to keep the salaries of the City's positions competitive. Pay grades for salary-graded employees represented by the American Federation of State, County, and Municipal Employees (AFSCME) shall be governed by the terms of their collective bargaining agreement.

Compensation for non-AFSCME represented salary-graded and hourly rate positions is determined by regular surveys and job evaluations within the City, as well as by surveys of similar positions outside of the City. Compensation for represented employees shall be determined by collective bargaining between the City and the Union.

3. **Contractual Positions** - Remuneration Compensation is determined by the terms of the contract. (See PPP# 20-00.)

### Salary Increment—Effective Date

Eligible represented and non-AFSCME represented salary-graded employees may receive salary increments annually until the top of their salary grade is reached. Employees who are receiving longevity increases may be treated differently. Eligible employees receive their first salary increment after successfully completing their probationary period. They may then receive a salary increment on an annual basis from this date if performance warrants. Non-AFSCME represented employees will receive pay increases in accordance with the Performance Management High Performance Organization Pay System. Payment of salary increments is dependent upon employee performance and the availability of funding.

Salary increments will be effective on the first full pay period of the pay period in which their anniversary date falls, assuming approval. Anniversary dates of the 15th or before of a month will be the 1st of that month. Anniversary dates of the 16th to the end of the month will be the 1st of the following month.

**With regard to salary increments:**

Employees not on probation will have their salary increments delayed one day for every day of leave without pay used during the increment anniversary period.

### Overtime and Compensatory Time

1. Overtime work is required work performed in excess of a 40-hour workweek, which is authorized by a supervisor.

2. Overtime work must be approved by a supervisor in advance, or as soon as practicable in extenuating circumstances.

3. Overtime pay is defined as that monetary compensation paid for eligible overtime work.

4. Compensatory time is defined as paid leave credited to an employee in lieu of paid overtime, and is in addition to paid annual leave and other paid leave.

5. Leave year is that period of time beginning with the first full pay period of a calendar year and ending with the payroll period in which December 31 falls.

6. Base pay rate includes all approved leave with pay for the purpose of computing overtime.

### Out-of-Title Pay

Out-of-Title Pay is that pay given to an individual for performing duties within a higher job class than the job class different from that in which they are employed in their regular job class.

**Non-AFSCME Represented Supervisory Employees**

Salary-graded non-AFSCME represented supervisory employees assigned to perform all the duties and responsibilities of a higher classification for a period in excess of fifteen (15) consecutive working days shall
be eligible to receive Out-of-Title-Pay commencing on the sixteenth (16th) consecutive work day. The employee shall receive pay for working in the higher classification, which shall provide the employee with a salary increment as outlined in the Procedure on Promotion/Reclassification (PPP# 80-10), or the bottom of the higher salary range, whichever is more.

**Non-AFSCME represented Non-supervisory Employees**

Salary-graded non-AFSCMEmembered employees who are non-supervisory personnel assigned to perform all the duties and responsibilities of a higher hourly rate classification are eligible to receive Out-of-Title-Pay on an hour for hour basis at the hourly rate of higher classification effective on the sixth (6th) consecutive workday of such assignment.

**Union-represented Employees**

Union-represented employees assigned to perform all the duties and responsibilities of a higher classification shall be eligible to receive Out-of-Title-Pay as provided under the terms of their collective bargaining agreement.

**Police Officers**

Police Officers temporarily assigned as "Officer in Charge" shall be paid that rate of pay as though promoted into the position.

**Out-of-Title Pay Process**

**Authorization**

Out-of-Title Pay shall be approved by the Charter Appointed Official or Department Head and the Human Resources Director, in advance and in writing, when Out-of-Title-Pay is deemed necessary for efficient operation. The Appointed Official or Department Director shall request, in advance and in writing, approval of Out-of-Title-Pay from the Human Resources Director.

A memo stating the details of the need for Out-of-Title-Pay or transfer of personnel must be prepared by the immediate supervisor and sent to the Human Resources Director via the Charter Appointed Official or Department Director as soon as practicable. Human Resources, upon approval, will notify Payroll by means of a Personnel Action Form.

**Certification**

No Out-of-Title-Pay will be paid unless it has been authorized by the Human Resources Director. To ensure proper control, the signature of the employee's supervisor must always be entered on the Time Sheet for each employee receiving Out-of-Title-Pay.

**Maximum Amount of Pay**

The maximum amount of Out-of-Title-Pay allowed is 90 cumulative work days per fiscal year. In extraordinary circumstances, the Appointed Official City Manager may make an exception to the 90-day annual limit.

**Recordation**

For recording the above on the Time Sheet, see (PPP# 60-10).

**Transfer of Personnel**

An employee is usually hired to fill a particular position in a specific office or location. However, the City may transfer or assign employees to any position, office, or location that the need or best interest of the City dictates. Such transfers and assignments may be temporary or permanent.

**PPP # 60-10**

**Procedure on Establishing and Reporting Work Hours**
PURPOSE

This Procedure implements the section on Working Hours as described in the Policy on Establishing and Reporting Work Hours (PPP# 60-00).

GENERAL RULES

Recording Time

Supervisors of employees with irregular schedules, shift employees and regularly scheduled part-time employees are responsible for keeping records of the workdays and working hours established for such employees. Changes in schedules should be recorded to ensure correct preparation of the payroll and proper control of attendance and leave records. Schedules must be approved by Department Director or Department Heads.

Time recording instruments will be maintained for all salaried and hourly wage employees in accordance with Department of Finance requirements.

Workweek Schedule

Union Represented Employees: The workweek for union represented employees begins at 12:01 a.m. Monday and ends at 12 midnight on the following Sunday. The workweek for other employees begins at 12:01 a.m. Saturday and ends at 12 midnight on the following Friday. This schedule may be changed by the City Manager or designee(s) in his or her discretion.

Full-time Non-AFSCME represented Salary-graded Employees: Full-time non-AFSCME represented, salary-graded employees will normally work five (5) consecutive days or four (4) days that include a daily lunch period within the seven (7) day workweek as defined by the Charter -Appointed Official or Department Head. For certain designated employees such as those in Refuse Collection, Police, Motor Vehicle Maintenance, Water Treatment, and others the workweek may vary. The normal operating hours schedule for employees working in City Hall is 8:30 a.m. to 5:00 p.m., Monday through Friday. This schedule or the schedule at other locations may be changed by the City Manager or designee(s).

Regular, Non-probationary Represented Employees: The workweek and workday (including breaks) for regular, non-probationary, union-represented employees shall be in accordance with the collective bargaining agreement between the City of Rockville and AFSCME Local 1453.

Lunch Period: The lunch period for full-time employees varies. Lunch periods should be scheduled as close to the middle of the workday as possible but are to be staggered to meet operational requirements and to provide maximum public service.

Involuntary Reduction of Work Hours and Pay

All City employees may be subject to furlough due to an unexpected lack of funds to operate. Employees are strictly prohibited from performing any City work during the furlough period. This includes checking work-related e-mail and voice mail.

PPP # 60-20
Procedure on Position Classification and Wage and Salary Administration

PURPOSE

This Procedure implements the sections on Establishment of a Position, Establishment of a Class, and Wage and Salary Administration as described in the Policy on Establishing and Reporting Work Hours (PPP# 60-00).

GENERAL RULES

When a new position is to be created, a position is budgeted, or review of an existing position is desired, the Department Head involved will submit a memorandum and a completed City Job Description questionnaire form to the Human Resources Director requesting initial classification or review. This request must include...
Evaluation of Salaried Classes

Evaluation is the assignment of a salary grade to a class. Factors considered in evaluation include, but are not limited to the following: complexity and/or degree of difficulty of the position; degree of freedom of action; supervisory responsibility; responsibility for property, money, lives; impact of work on the program objectives; relationship between classes; and education and experience requirements. Consideration of the above factors helps to maintain internal salary consistency. To remain competitive in the recruitment and retention of qualified employees, area or national salary surveys will be conducted or obtained periodically. As a result of these evaluations and surveys, the Human Resources Director will submit recommendations for the assignment of a pay grade for each salaried class to the Appointed Official for approval. Certain classes in the Recreation and Parks scale have their salaries determined by surveys conducted by the Recreation and Parks Department.

The City salary schedules are available in the Human Resources Department, or the Payroll Division of the Finance Department, and on I-ROCK under the Human Resources tab.

Position Classification and Review

When a new position is to be created, a position is budgeted, or review of an existing position is desired, the Department Director involved will submit a memorandum and a completed City Job Description questionnaire form to the Human Resources Director requesting initial classification or review. This request must include approval of the City Manager/Appointed Official for the position to be reviewed.

When conducting a position review, the Human Resources Department will arrange for interviews with the incumbents, their supervisor(s), and Charter Appointed Official or Department Director Department Head. Upon interviewing the incumbent, if any, the Job Description Questionnaire form will be reviewed along with any other information pertinent to the position. The Human Resources Department will review with the supervisor and the Charter Appointed Official or Department Director Department Head concerning the description of duties and responsibilities discussed in the interview with the incumbent. The supervisor and Charter Appointed Official or Department Director Department Head will certify that the list of duties and responsibilities is accurate and complete, or will indicate the changes, which are to be made.

After the Human Resources Department has completed the analysis of the position, the Human Resources Director will review the findings and determine whether the position will remain in the same class, be assigned to another existing class, or be assigned to a newly created class.

The Human Resources Director will seek concurrence for any changes from the respective Charter Appointed Official or Department Director Department Head. The City Manager's Charter Appointed Official's approval is required for all position classification changes for positions reporting directly or indirectly to the City Manager and concern and submit to the City Manager for approval of the recommendation regarding the classification of the position studied.

Salary-Grade Adjustments

When a salaried class is assigned a higher pay grade, the incumbents of positions in such class will be paid as if they have received a promotion as outlined in the Procedure on Promotion/Reclassification (PPP# 80-10). The effective date for salary adjustments will be the beginning of the first pay period after such adjustment has received the required approval. If a lower salary grade is assigned to a class, any incumbents in that class whose current rate of pay is under the maximum salary of the new grade assigned will continue to be eligible to receive salary increments until they reach the maximum of the new grade. Any incumbents, whose rate of pay is already at or above the maximum of the new lower grade will remain at that rate of pay until the maximum of the new grade exceeds their current rate of pay. The incumbent's anniversary date will not change. This policy does not apply to any recommendations or adopted findings resulting from a classification and compensation study.

Shift Differential

Non- AFSCME-represented employees assigned to work a regular shift, more than four (4) hours of which...
falls between the hours of 5:00 p.m. and 7:00 a.m. shall receive night differential pay. The amount of such pay shall be as determined by the City Manager Charter - Appointed Official. Current differential rates are available upon request from the Payroll Division. Other premium pays for established criteria may be granted by the City Manager, in his or her discretion.

Union represented employees shall receive night differential pay in accordance with the terms of the collective bargaining agreement between the City and AFSCME Local 1453.

**Salary Increment-Anniversary Date**

Salary increments are salary increases based upon criteria established in the Performance Planning and Evaluation System and within the grade established for each class. Increments will be granted to eligible employees provided the City's fiscal position allows. Salary increments will be effective on the first day of the pay period in which their anniversary date falls, assuming approval. (PPP # 60-00.)

Employees receiving two or more unsatisfactory ratings on their final evaluation are not eligible to receive a salary increment for that year.

An employee who is hired, re-employed, or receives a salary increment is not eligible for a salary increment until one year from the date of such action, except that union-represented employees receive a salary increment after successful completion of their initial six-month probationary period.

**Represented Employees** hired on or before June 30, 1992, receive longevity pay in accordance with the terms of the contractual agreement between the City and AFSCME Local 1453.

**Non- AFSCME Represented Employees** hired on/or after July 1, 1980, are not eligible for longevity pay.

Those employees hired before July 1, 1980 are eligible for longevity pay. Those hired prior to July 1, 1980, and not receiving longevity pay at that time may eventually go to the top of their grade. After 12 1/2 consecutive years of classified service as a regular employee, these employees will receive longevity pay equal to 5% of their current base salary.

Those hired before July 1, 1980, and receiving longevity pay at that time have two options. They may advance no higher than 5% below the top of their grade and continue to be eligible for a 5% increase after 7 1/2 years and an additional 5% after 12 years for a total of 10% longevity pay. They may, however, convert that portion of the money equivalent of the 7 1/2 year longevity pay (5%) to an increase thus allowing them to advance to the top of their grade. Such conversions must be requested and implemented only prior to January or July of each year. Once employees convert longevity to the advancement in grade to the top of their grade, they may not revert to longevity.

Longevity pay is made in two equal lump sum payments in June and December of each year. In no instance will the sum of an employee's earnings (including regular rates and longevity pay) exceed 105 percent of the top step of the assigned salary grade.

**Incentive Plans**

The City may establish incentive plans which may provide for compensation in addition to the salary schedule for certain employees of the City who satisfy the criteria established in the High Performance Management Pay System or other incentive plans. However, no employee shall be paid a salary less than the established minimum nor greater than the established maximum rates fixed in the compensation salary schedule for the position the employee holds. Incentives will be granted to employees in lump sum payments in accordance with the HPO Pay Performance Management Pay System. Lump sum payments may be provided to employees that exceed the maximum range of the salary established for a class.

**PPP # 60-30 Procedure on Overtime and Compensatory Time**

**Purpose**

This Procedure implements the section on Overtime and Compensatory Time described in the Policy on Establishing and Reporting Work Hours (PPP# 60-00).

**General Rules**
Responsibilities

Each Department Director Department Department Head:

a. May establish policies and procedures providing allowing non-exempt employees to select compensatory time in lieu of overtime pay subject to the provisions of the FLSA and any applicable collective bargaining agreement.

b. Shall establish policies and procedures for authorizing overtime work and compensatory time.

All supervisors, regardless of level, so authorized by the applicable Charter Appointed Official or Department Director Department Head, are responsible for:

a. Planning, scheduling, and assigning work to ensure that overtime is worked only when absolutely necessary or when emergencies occur;

b. Authorizing employees to work overtime;

c. Ensuring that authorized overtime work and compensation is properly entered and approved on leave, attendance, and paper or electronic time sheets;

d. Administering the policies and procedures which govern or relate to overtime work and overtime compensation; and

e. Assigning overtime work to represented personnel in accordance with the terms of the applicable collective bargaining agreement.

f. Being informed of their overtime budget.

Approval

The assignment of overtime is an exercise of management discretion reserved to supervisors.

Overtime work for which compensation is given shall be authorized in advance for both exempt and non-exempt eligible employees.

Advance authorization is not required in the case of a bona fide emergency where overtime work is needed to prevent immediate danger to life, health and/or property.

Eligibility

All employees in non-exempt classifications are eligible for compensation (pay and/or compensatory time) for approved overtime worked in excess of 40 hours per workweek. The type of overtime compensation available to Union-represented employees is governed by the terms of the applicable collective bargaining agreement.

Except for Department Director Department Heads, and Appointed Officials Charter Appointed Officials - Deputy City Manager, City Manager, City Attorney, and the City Clerk/DCO and employees holding positions established by the City Charter, employees in exempt classifications are eligible for compensatory time for approved time overtime worked in excess of 40 hours per week, but are not eligible for overtime pay.

Department Directors and employees holding positions established by the City Charter are not eligible to earn overtime pay or compensatory time.

Compensatory Time

All compensatory time must be pre-approved or approved as soon as practicable in extenuating circumstances. Classes that are exempt and non-exempt for purposes of determining overtime eligibility are determined by the Human Resources Department.

1. Salary-graded non-represented employees who are exempt under the Fair Labor Standards Act.
(FLSA) from the payment of overtime shall receive. AFSCME-represented exempt employees who are eligible to receive compensatory time will be given compensatory time at a rate of one times the hours worked for each hour actually worked in excess of their normal workweek (40 hours per week).

2. Salary-graded AFSCME-represented non-exempt employees who are non-exempt by FLSA definition from the payment of overtime will have the option to receive payment or compensatory time. Either shall be credited to the employee at the rate of one and one-half hours earned for each hour worked in excess of 40 hours per week.

3. Hourly-rate AFSCME-represented employees represented by AFSCME Local 1453 are compensated for overtime as defined in accordance with the collective bargaining agreement with the City of Rockville.

4. Hourly-rate non-represented non-exempt employees shall receive overtime compensation at the rate of one and one-half times the hours worked for each hour actually worked in excess of 40 hours per week.

5. Contractual employees (non-union) will receive compensation for overtime in accordance with FLSA regulations and the terms of their agreements.
Employees can earn more than 80 hours of compensatory time, but can only carry over a maximum of 80 hours into the next calendar year. There is not a set time period in which an employee must use compensatory time. Individual exceptions may be made on the 80-hour maximum carry over with the written recommendation of the Charter Appointed Official or Department Director Department Head and approval of the Human Resources Director.

**Minimum Reimbursable Periods**

The minimum compensable increment for time worked over 40 hours in a week period for overtime work is one-quarter hour, for all eligible employees.

**Exempt Employees**

**Compensation**

Eligible Exempt employees may receive compensatory time for work in excess of 40 hours in the work week. Overtime compensation only by compensatory time.

Eligible exempt Employees exempt from overtime pay are entitled to receive one hour of compensatory time for each hour of approved time worked in excess of 40 hours in the work week.

Exempt employees shall be paid their normal base rate of pay plus compensatory time on an hour-for-hour basis for all hours worked on holidays or on their regular time off in excess of 40 hours in a workweek.

**Carry Over of Time**

Except as otherwise provided below, exempt employees may carry over no more than 80 hours of accrued compensatory time from one leave year to the next. If authorized by the City Manager, exempt employees may elect to have 50% of the value of their compensatory leave accrued beyond 80 hours distributed into an employer-sponsored health or retirement plan consistent with IRS regulations.

With the written concurrence of the Human Resources Director, a Department Director may allow an exempt employee to carry over some or all of the employee's excess compensatory time to the next leave year if the employee did not use the excess compensatory time because of special circumstances or workload demands. All such exceptions to the accrued compensatory time cap must be made in writing. However, in no instance will the accrued compensatory time exceed limits as set forth under the Fair Labor Standards Act.

If such carry over is authorized, the non-exempt employee must use the excess by the end of the next leave year.

**Termination**

Exempt employees will not be paid for any unused compensatory time at the time of their termination of service. Exempt employees will be paid for any unused compensatory time at the time of their termination of service.

**Non-exempt Employees**

**Compensation**

Non-exempt employees may receive overtime compensation by overtime pay or by compensatory time in lieu of overtime pay, or any combination thereof as determined by the applicable Department Director, or the Director's designee. Subject to the provisions of the FLSA, non-exempt employees who are required by their supervisors to work overtime shall be paid for such overtime at the rate one and one-half (1 1/2) times their normal straight time base rate of pay or shall be provided compensatory time in lieu of overtime pay at the rate of one and one-half (1 1/2) times the number of overtime hours worked. The one and one-half (1 1/2) overtime pay and compensatory time rate will only apply to hours worked in excess of 40 hours per workweek. Non-exempt employees whose normal workweek is less than 40 hours will receive their normal time base rate of pay for each hour worked that does not exceed 40 hours per workweek.

**Work on Holidays**

Non-exempt employees required to work on a holiday (see PPP# 120-00) shall be paid their normal base rate
of pay for their normal work day plus one and one-half (1 ½) times their base rate of pay, or compensatory
time at the rate of one and one-half (1 ½) times the hours worked, for all hours worked on the holiday.

**Call-in Pay**

Non-exempt employees recalled to work on a regular work day or called to work on a regular day off will be paid, or will receive compensatory time in-lieu of pay, for a minimum of four hours or for hours actually worked, whichever is greater. For purposes of pay or compensatory time, recalled employees will be considered to be on an overtime assignment provided the hours are in excess of 40 hours in the work week, including credit for approved leave. The City Manager may establish special call in procedures and compensation for certain classifications of employees.

**Union Represented Employees**

Union-represented salary-graded employees shall receive overtime compensation for all authorized overtime in accordance with the terms of the applicable collective bargaining agreement with the City.

**Compensatory Time in Lieu of Overtime Pay**

**City’s Discretion**

At the discretion of the applicable supervisor and in accordance with policies established by the applicable Appointed Official or Department Director, non-exempt employees may receive any combination of compensatory time off and overtime payment so long as the principle of “time and one-half” is maintained, and the compensation is consistent with any applicable collective bargaining agreement.

**Use of Compensatory Time**

Non-exempt employees must be allowed to take compensatory time off within a reasonable period after making a request if the use of the compensatory time does not unduly disrupt the City’s operations.

**Payment for Compensatory Time**

At the end of the leave year, a non-exempt employee shall be paid for any compensatory leave hours accrued in excess of 80 hours.

Non-exempt employees will be paid for any unused compensatory time at the time of their termination of service.

**Recording Overtime and Compensatory Leave**

1.- Overtime and compensatory leave are recorded by the employee and verified by the appropriate supervisor on the Time Sheet along with the regular hours worked through the City’s payroll/timekeeping system. Time Sheets are prepared and submitted as designated by the Department of Finance.

2.- The appropriate supervisor approves daily overtime by signing the Time Sheets. Each instance of overtime must be recorded on the Time Sheet.

3.- All records on the accrual and use of compensatory time will be recorded through the City’s payroll/timekeeping system.

**PPP # 70-00**

**Policy on Teleworking**

**PURPOSE**

The Purpose of this Policy is to establish rules for teleworking at an off-site location as an effective way to meet City and employee needs.

**PRINCIPLES**

Teleworking for the City of Rockville is a management option, not an employee right. It is a privilege extended
to employees as a voluntary option with the clear understanding that every job may not be adaptable for remote work. Teleworking arrangements can be terminated by either party upon reasonable notice to the other party, unless specified otherwise in the Telework Agreement.

**PPP # 70-10**
Procedure on Teleworking

**PURPOSE**

This Procedure implements the Policy on Teleworking (PPP # 70-00).

**GENERAL RULES**

**Definitions**

1. **Teleworking - also called telecommuting** - The practice of working from a remote workplace, such as home or a satellite work center, instead of commuting to a designated office.

2. **Designated office** - The employee's usual and customary City work address. With Teleworking, the emphasis is placed on information or communication exchange through telephones and remote devices, such as computers, modems, and fax machines, so an employee may work off-site. In some cases, the telephone may be the only necessary communication equipment.

3. **Teleworking schedule** — Teleworking is a flexible deployment of staff to meet City and employee needs. Telework may occur on a regular schedule (one or more days each week). Intermittent or episodic teleworking is also permitted. Teleworking less than full time is supplemented by working at the designated office. Telework may also occur during non-traditional work hours with the supervisor's approval.

4. **Telework location** — home Home based — working in an area in an employee's residence specifically set aside as a work space to be used during teleworking hours or another area as approved by the City.

5. **Eligible Employees** — Any employee whose position is determined by the City to be suitable for teleworking. Eligibility determinations are made by the immediate supervisor, Department Director, Human Resources Director, and Director of Information and Technology.

6. **Telework Agreement** - the document that defines all the general and specific parameters of teleworking for each individual employee, which must be signed by the employee and accepted by the City prior to teleworking.

**Evaluation Factors for Teleworking**

A non-exclusive list of factors to be considered in determining if a position is suitable for telecommuting includes:

- the employee's desire to telework
- the employee's abilities and work history
- the work performed
- the tools and technology necessary to perform the work
- scheduling issues
- the off-site job location
- the ability to manage work hours and employee expenses
- the City's operational needs

**Requirements**

- All employees are required to take and pass the Cyber Security User Awareness Training. Employees will take
the Cyber Security User Awareness Training during the onboarding process. Employees who do not pass the training, during the onboarding process, will be required to re-take and pass the training within 14 days of the date of hire. If employees do not pass the training within the stated timeframe, their network privileges will be revoked.

- Employees’ obligations, duties, responsibilities, and terms and conditions of employment are unchanged.
- Employees shall perform all job duties at a satisfactory level or above.
- Employees must comply with all City and departmental policies and procedures while working a telework schedule.
- Employees will maintain the agreed-upon work schedule and be accessible via telephone, email, and virtual platforms as required during telework hours.
- Employees’ performance will continue to be monitored and evaluated as stated in the existing telework policy.
- Employees should work with the Department of Information Technology (IT) to ensure that they have access to 1) Outlook, 2) all the documents they need on OneDrive and SharePoint, i.e., Office 365, IT systems and networks as may be necessary, and 3) Virtual Private Network (VPN), if needed. The hours of support to teleworkers are based on the regular business hours of the Department of Information Technology, 8:30 AM to 5:00 PM, Monday – Friday. Employees may take home their work-issued laptop and technology accessories for the purpose of telework. Please reference the Computer and Electronic Communications Policy in the Personnel and Procedures Manual on details for use of apps, personal emails, etc.

- A limited number of laptops and technology accessories are available to employees who require them for teleworking; contact the Department of Information Technology.
- All “loaned” equipment will be tracked in the IT Asset Management System and checked out to employees. A printed copy of the “checked out” receipt may require employees’ signature. Use of personal computers for Telework is currently permitted. All teleworkers using personal computers must abide by the policies and procedures established by the City, including those established by the Department of Information Technology, for the purposes of maintaining security and integrity of the City’s network system and supporting infrastructure.
- Teleworkers should have a minimum bandwidth of at least a 100/100 Mbps subscription with their service provider.
- Teleworkers will be expected to communicate with their supervisors if anything occurs during teleworking that prevents them from completing their assigned work and/or working within the agreed-upon work schedule.
- Requests to work overtime or use leave balances (i.e., sick, vacation, compensatory time, or other types of leave) must be pre-approved by the teleworkers’ supervisor in the same manner as when working in the office.
- Teleworkers will be accessible during the agreed-upon work hours, regardless of telework location, and/or as may be defined by the teleworker and his/her supervisor.
- Teleworkers will provide a contact number to their supervisor, as well as to other department and City staff.
- Employees’ salary, retirement, benefits, and City-sponsored insurance coverage will remain unchanged during telework.
- Employees and their supervisor remain obligated to comply with all Federal, State and City of Rockville rules, regulations, policies and procedures, including the Fair Labor Standards Act (FLSA).
- Teleworkers should consult with their tax advisor for information and advice regarding the ability to write off expenses for working at home.

**Hours of Work**

The amount of time and work hours that an employee is expected to work will not change due to remote work. Hours of work should remain the same unless a change is agreed upon with an employee’s supervisor. The employee agrees to conduct work and be available to communicate with their co-workers, supervisor(s), and others during work hours. Normal procedures will be followed for the approval of overtime, compensatory time, and the use of leave.

**City Policies**

Employees must comply with City policies and understand that violation of such may result in the termination of remote work arrangement and/or disciplinary action, up to and including dismissal.

**Security of Information and Records**

Employees approved for telework are responsible for the security of information, documents, and records in their possession or used during teleworking. Restricted-access material should not be accessed or removed from the worksite without written consent from the employee’s supervisor. Employees approved for telework must apply appropriate safeguards to protect confidential information from unauthorized disclosure or damage. They must comply with all privacy and security protocols and requirements implemented by the City.
Equipment, Software and Supplies

- The employee is responsible for the maintenance and care of the equipment they use. When City equipment is used at the City or at a remote workplace, the employee is financially responsible for that equipment if it is lost, stolen or damaged because of that employee’s negligence, misuse, or abuse.
- Equipment provided by the City for the purpose of facilitating teleworking may be used: 1) only by employee; and 2) only for City business.
- The employee is responsible for maintaining and repairing employee-owned teleworking equipment at personal expense and on personal time. The City is not responsible, unless other arrangements are approved in advance. Equipment and materials provided by the City for use at the teleworking location remain the property of the City. The City is responsible for maintaining, repairing, and replacing City-owned equipment issued to teleworkers.
- In the event of equipment malfunction, the teleworker must notify his/her supervisor immediately. Teleworkers must take the necessary steps and precautions to safeguard City equipment and materials.
- Employees will “check out” all supplies needed for the teleworking assignment by contacting the appropriate office staff.

Expenses

The City will not pay for, or reimburse, the following expenses:
- Operating costs (such as electric bills, internet, etc.), home maintenance, or other costs incurred by employees in the use of their homes as alternate work locations.
- Costs associated with the occupation of the home/offsite work location.
- Out-of-pocket expenses for supplies that are regularly available at the City office (unless approved in advanced and in writing by the employee’s supervisor).

Dependent Care

Teleworking is not a substitute for dependent care.

Authorized Expenses

Based on need and available funding designated specifically for this project teleworking, Department Directors
or their designees are authorized to approve, in accordance with established procedures, expenditures for office equipment, software, communication devices and services, and office supplies needed by teleworkers at their remote workplace. For those employees authorized to telework and teleworking at least a minimum of one day per week, the City will allow, on loan, hardware and software to be used by the employee in connection with their teleworking needs. The total value of such equipment shall not exceed $500 per employee. This equipment shall be authorized by and purchased through the Director of Information & Technology and is considered to be on loan to the employee. Upon cessation of teleworking or termination of employment, the employee will be responsible for the return of this equipment.

**Equipment and Software**

The employee is responsible for the maintenance and care of the equipment they use. When City equipment is used at the City or at a remote workplace, the employee is financially responsible for that equipment if it is lost, stolen, or damaged because of that employee’s negligence, misuse, or abuse.

**Teleworking Proposal**

Those staff who believe they have tasks that would lend themselves to being carried out in a home office or other remote site and are interested in being considered for telework are invited to write a Proposal for Teleworking, describing how their work would be conducted if they teleworked. The following outline of points should be used when writing the plan included in the proposal. The proposal need not be lengthy, but should provide a clear, concise discussion of specific positive impacts and any drawback that teleworking would have on the employee, the employee's family, co-workers, the work itself, the supervisor, and customers.

Proposals should be submitted to the immediate supervisor.

**Outline Proposal**

Employees must use this outline to demonstrate how their teleworking would impact the services provided to Rockville citizens. Proposals must be signed by the employee and submitted to the immediate supervisor and must include:

1) **Write a summary.**
   - Describe what the employee wants to do, how often, and how the employee would carry out their job and how the City would benefit.
   - Show ways the City would benefit.

2) **Discuss the proposed schedule for teleworking at home or other remote site and at the City.**
   - Outline last week’s calendar for the employee’s specific job.
   - List tasks that required face-to-face meetings with the public and co-workers.
   - Show the days the employee could have worked in the remote office.
   - Answer the question – was that a typical week?
   - Describe in detail the proposed teleworking schedule, i.e. the days the employee would work in the remote office and at the City and the tasks they would do in each location.

3) **Describe the remote office.**
   - Identify and describe the equipment for the remote office the employee has or would need to telework.
   - What equipment does the employee already have?
   - Confirm that the employee has “high-speed access.” High-speed access is internet provided via broadband technologies such as cable, fiber, or DSL with a minimum transmission speed of at least 4 MB per second downstream and 1 MB per second upstream.
   - Where can the employee get what they do not own?
   - Describe the employee’s remote office working environment.
   - If the remote office looks professional, consider including a photo.
   - Describe how the employee will get technical support (in most cases the City’s IT-Department will not provide support for the employee’s equipment and software).
4) Address the City’s concerns.

- How will the City know the employee is really working?
- Write a proposal for planning and measuring performance.
- How can the City reach the employee?
- Outline a plan for keeping in touch by e-mail, voice mail, call forwarding, business telephone line, etc., including the hours (employees are generally expected to be available by phone during normal business hours).
- What if the employee is suddenly needed at the office?
- Give examples of typical problems that arise and how they might be solved from the remote office.
- Describe how long it would take you the employee to get to the City office if needed.
- How would child care, elder care, and other non-work-related obligations be handled? (Telework is not an alternative for childcare or eldercare.)
- Provide a realistic solution that does not require the employee to supervise young children, care for elder individuals, or perform other non-work-related duties during work time.
- Describe any impact on the family.
- Describe any potential impact on co-workers.

**Approval or Disapproval-Denial**

The immediate supervisor signs the proposal and indicates approval or disapproval denial of the request. The supervisor may comment on the proposal by attaching a memorandum.

If approved, the immediate supervisor then forwards the proposal through appropriate levels to the Department Director, Department Head, or Charter Appointed Official.

The Department Director, Department Head, or Charter Appointed Official signs the proposal indicating approval or disapproval denial and may comment, by attaching a memorandum. If approved, the form is then forwarded to the Director of Information and Technology (DOIT).

The DOIT will review the proposal indicating approval or disapproval and may comment, if desired, by attaching a memorandum. If approved, the form is then forwarded to the Human Resources Director.

The Human Resources Director or designee will review the proposal to ensure compliance with the policy and governing procedures, verifying the information in the application where appropriate. The Human Resources Director then signs the form indicating either approval or denial of the request.

If the proposal is approved by the Human Resources Director, the Human Resources Director will place the proposal in the employee’s file and return a copy to the employee and to the Department Director, Department Head. The employees will then be required to sign a telework agreement and to make appropriate arrangements with the immediate supervisor to begin teleworking. Supervisors are responsible for ensuring acceptable performance of employees who telework. Approval of telework is solely at the City’s discretion and may be withdrawn or altered with reasonable notice to the employee.

At any time during this process should anyone disapprove of the proposal, the processing will stop at that level of disapproval and copies of the form and reason for disapproval shall be returned to all previous levels of the routing process and to the Human Resources Department for placement in the employee’s personnel file.

**PPP # 75-00**

**Policy on Discipline and Dismissal**

**PURPOSE**

The purpose of this Policy is to define the rules for disciplining and dismissing employees of the City of Rockville.

**PRINCIPLES**
Disciplinary actions are taken to reinforce the expectations and standards required to be followed by City employees. To that end, disciplinary actions not only serve to put employees on notice that they have failed to meet the City’s expectations, but also to give employees an opportunity to meet these expectations. Disciplinary actions also define what consequences may be imposed if the employee fails to meet the City’s expectations.

Regular, non-probationary employees having completed probation are expected to meet acceptable performance criteria and follow all rules as defined by the City. Their failure to do so may result in progressive discipline as outlined in the Procedure on Discipline and Dismissal (PPP# 75-10). These employees have the right to appeal such actions through the administrative grievance procedure. Union employees must follow the grievance procedure available in the collective bargaining agreement.

Regular, probationary employees are also expected to meet all acceptable performance criteria and follow all rules as defined by the City. The probationary period provides the City the opportunity to evaluate the individual and determine the employee's suitability. At the appropriate evaluation periods, probationary employees should be informed of any problems concerning their performance by way of an evaluation and, if necessary, also by memorandum. The City reserves the right to terminate the employment relationship at any time during the probationary period for any non-discriminatory reason without the right of appeal under the administrative grievance procedure or collective bargaining agreement.

Temporary, and seasonal and other employees are expected to meet all acceptable performance criteria and follow all rules as defined by the City. They serve at the pleasure of the City, and their service is determined as it best meets the needs of the City and may be terminated at any time for any non-discriminatory reason.

PPP # 75-10
Procedure on Discipline and Dismissal

PURPOSE
This Procedure implements the Policy on Discipline and Dismissal (PPP# 75-00).

GENERAL RULES
Supervisors and managers must keep all disciplinary actions confidential. This includes, but is not limited to discussions, records, documents, and correspondence related to the disciplinary action. Only non-probationary regular employees have a right to appeal through the appropriate grievance procedure.

Probationary Employees

Probationary employees who fail to meet acceptable performance criteria are subject to dismissal. During their initial probationary period (six or twelve months), employees do not have rights of appeal under the administrative grievance procedure or collective bargaining agreement.

Prior to release recommending dismissal of an employee during probation, the supervisor, with approval of their Department Head, shall write to the Human Resources Director stating the reasons for the dismissal-release. Prior to dismissal, the Human Resources Director must concur with the supervisor’s recommendation for dismissal during probation. If appropriate, the Human Resources Director will approve the release and instruct the supervisor to inform the employee in writing about the release, prior to the effective date of such action. Such a release must also be approved by the City Manager.

Temporary/Seasonal Employees

Temporary/seasonal and other employees serve at the City's pleasure and may be removed from service at any time as best suits the interests of the City. The decision to remove a temporary or seasonal employee must be reviewed and approved by the City's Human Resources Director. Temporary and seasonal employees do not have a right of appeal.

Regular Non-Probationary Employees

Non-probationary employees who fail to meet acceptable performance standards or otherwise violate
City rules, regulations, policies, procedures, etc., are subject to disciplinary action. Progressive discipline should be followed whenever the City determines it is appropriate to do so. Progressive discipline includes
verbal warnings, written warnings, disciplinary probation, performance improvement plan, suspension, and dismissal, usually applied in that order. First offenses of minor infractions should only incur verbal or written warnings. Subsequent offenses will generally result in more severe forms of disciplinary action. In all cases, the nature, extent and severity of the infraction must always be considered in determining the degree of the disciplinary action. Nothing in these guidelines precludes the City from taking more severe forms of disciplinary action, including but not limited to suspension and/or dismissal, for first offenses. Also, nothing in these guidelines precludes the City from imposing multiple forms of discipline (e.g., demotion, probation, and suspension).

**Disciplinary Action**

Disciplinary action should always be conducted and maintained confidentially. Written or verbal notices of disciplinary action should include all of the following: the performance standards, City rules, regulations, policies, procedures, etc. which were violated; area of deficient performance; citing specific examples; what the performance expectations are; what consequences may be incurred for failing to heed those warnings and expectations; a measurable period of time for correcting deficiencies; and a summary of previous discipline. The forms of progressive discipline are as follows:

The forms of progressive discipline are:

1. **Verbal Warning:** a discussion between the immediate supervisor and the employee. Such warnings shall be reported to the Human Resources Director; documented and maintained by the immediate supervisor.

2. **Written Warning:** as a memorandum from the immediate supervisor, approved by the Human Resources Director and Department Head, to the employee with a copy to the personnel file.

3. **Disciplinary Probation/Performance Improvement Plan:** a memorandum, approved by the Human Resources Director and Department Head, form the immediate supervisor to the employee detailing performance deficiencies and expected improvement, within a specified period of time, generally six (6) to twelve (12) months, depending on the infraction. A copy must be maintained with a copy to the personnel file. The starting and ending dates of the probation/ performance improvement plan must be indicated in the memorandum.

4. **Suspension Without Pay:** normally for a period of one to five workdays, depending on the infraction (not to exceed 30 workdays without special approval by the City Manager); Charter Appointed Official. In memorandum form, from the supervisor to the employee, also giving the exact dates of the suspension. All suspensions will be in memorandum form from the immediate supervisor to the employee, with concurrence by the Human Resources Director and Department Head with approval by the City Manager; Charter Appointed Official. The starting and ending dates of the suspension without pay must be indicated in the memorandum.

5. **Dismissal:** See Procedure on Dismissal (PPP# 80-07).

**Duties**
In order to enhance and clarify the actions of all the forms of discipline listed, those requiring a written memorandum should also be verbally explained to and discussed with the employee by the initiating supervisor whenever possible.

At all levels of discipline, the supervisor should document and securely maintain notes of actions, discussions, etc.

Prior to suspension or dismissal of any employee, the immediate supervisor must also inform the Human Resources Director of the recommendation for suspension and/or dismissal by way of memorandum. This should be done in accordance with the Procedures on Suspension and Dismissal (PPP# 80-04 or 80-07). This memorandum should include the reasons for the recommendation (the nature of the infraction, times, dates, etc.) and reference to any prior disciplinary action.

Upon approval of the Human Resources Director, the supervisor will issue a written confirmation of the action to the employee stating the reasons for the action and informing the employee of the right to appeal through the appropriate grievance procedure. Only non-probationary, regular employees have the right to such appeals.

**PPP # 80-00**

**Policy on Personnel Changes**

**PURPOSE**

The purpose of this Policy is to establish rules for personnel changes.

**PRINCIPLES**

The following personnel changes may be implemented by the City:

- Position
- Demotion
- Dismissal
- Layoff
- Promotion
- Resignation
- Reinstatement/Reemployment
- Suspension
- Transfer
- Retirement

Specific reference to related policy issues such as Employment, Reduction in Force, Leave, Benefits, and Retirement can be found in other sections of this Personnel Manual.

**Personnel Changes**

**Position**

The Human Resources Department is responsible for issuing recruitment announcements and advertising for vacant positions utilizing various sources as appropriate. Promotional recruitment announcements are posted conspicuously in each field office and in City Hall. Only current employees of the City who apply will be considered for promotional recruitment. From time to time, certain considerations may restrict those eligible for promotional positions. All applications will be considered for positions advertised as Open Competitive.

**Demotion**

Demotion is the assignment of employees to a lower graded position or to one with a lower rate of pay. Demotion requires the same approval as employment. Demotions may be made for cause or administratively when the City determines such action is necessary. See Procedure on Demotion/Reclassification (PPP# 80-12).
**Dismissal**

Dismissal is the removal or discharge of an individual from employment in the City service for cause. Additional rules for discipline and dismissal may be found in Policy on Discipline and Dismissal (PPP# 75-00), Procedure on Discipline and Dismissal (PPP# 75-10), and Procedure on Dismissal (PPP# 80-07).

**Layoff**

Layoff is the reduction in force due to budgetary reasons or due to lack of work necessary to keep the employees gainfully employed. See Procedure on Layoffs (PPP# 80-18).

**Promotion**

Promotion is the assignment of an employee to a position with a higher salary grade or rate of pay. All interested qualified employees who apply are to be considered for promotion when a vacancy occurs. Promotions are approved as indicated in Procedure to Effect Employment (PPP# 20-00) and Procedure on Promotion/Reclassification (PPP# 80-10).

**Resignation**

Resignation is the voluntary separation of employees from the City. In order to maintain continuity of City operations, employees intending to terminate employment should give written notice to their immediate supervisor as early as possible in advance of the expected departure date. (See PPP# 80-40 for minimum notification times to resign in good standing.) Employees who have resigned in writing in good standing but have not yet separated employment may, with the consent of their Department Director, Department Head or Charter Appointed Official concerned and the Human Resources Director, withdraw the resignation and be restored to the position vacated if it is still vacant.

**Reinstatement/Reemployment**

A resignation may be withdrawn for up to thirty (30) calendar days after the effective date of the resignation. This may be done by writing to the Human Resources Director. If the Department Director and the Human Resources Director approve, employees may be reinstated to the same position which was held prior to their resignation without regard to the existence of an eligibility list, provided the vacancy still exists.

If an employee is reinstated within thirty (30) calendar days, any unpaid leave will be restored and the employee will be placed in the same grade and step previously held. The employee will be credited with prior service to the City, excluding the time not in City service, for seniority purposes only. In accordance with the terms of the pension plan all prior credited service with respect to the pension plan may be lost if payout has already occurred.

After the 30-day period, individuals may continue to apply for positions in any class. However, persons who have previously been employed by the City who have successfully completed a probationary period in a specific class and are re-employed within one year of the effective date of their resignation may be reinstated to their former class and grade and credited with prior service to the City, excluding the time not in City service, for seniority purposes only, with concurrence of the Human Resources Director and approval of the City Manager. If an employee is reemployed within thirty (30) calendar days of the effective date of their resignation, any unpaid leave will be restored, and the employee will be placed in the same grade and step previously held. In accordance with the terms of the pension plan all prior credited service with respect to the pension plan may be lost if payout has already occurred. In accordance with terms of the pension plan, all prior credited service with respect to the pension plan will be lost. Those persons returning after one year will start as new employees. Those persons returning in another class-position will serve the required probation.

Union-represented employees shall be treated in accordance with the terms of the collective bargaining agreement. See Procedure to Effect Employment (PPP# 20-10).

**Suspension**

Suspension is the administrative and supervisory action taken to remove employees from active duty and pay status (Leave Without Pay) for a period not to exceed 30 days pending investigation of cause for dismissal, or as a disciplinary measure for misconduct or negligence on the part of employees.

**Transfer**
Transfer is the assignment of an employee from one position to another position having the same class, rate of pay, or grade. Transfers are approved the same as employment and may be made to accommodate the needs of the City or the employee. In a transfer there is no change in compensation. (Procedure on Transfer (PPP# 80-15).)

Retirement
Refer to PPP#130-00

PPP # 80-04
Procedure on Suspension

PURPOSE
This Procedure implements the section on Suspension as described in the Policy on Personnel Changes (PPP# 80-00).

GENERAL RULES

Authority
Suspension may be imposed by the Human Resources Director as designated by and with the approval of the Appointed Official/City Manager upon recommendation of the employee’s immediate supervisor or a person in a position of equivalent or higher authority within the same department who would normally be authorized by that Department’s Director to take such action. In the event of any doubt as to whether such authority exists for any specific situation, the appropriate Appointed Official, Department Director and/or the Human Resources Director should be consulted.

If necessary to establish such authority, the Appointed Official, Department Director and/or the Human Resources Director should be consulted. In each case, written notice of the suspension signed by the respective Appointed Official or Department Director concerned or his or her designee and approved by the Human Resources Director, The City Manager’s approval is required for suspension of employees directly or indirectly reporting to the City Manager, and the City Manager, together with the reasons set forth and the period of duration, shall be given to the suspended employee. A copy of the notice to the employee shall also be forwarded to the Human Resources Department for filing in the employee’s personnel folder.

Process

1. The person initiating the suspension will prepare a notice addressed to the employee to be suspended. The memorandum will include the reason for the suspension and the period of suspension and must be approved by the Appointed Official or Department Director concerned or his or her designee and approved by the Human Resources Director. The City Manager’s approval is required for suspension of employees directly or indirectly reporting to the City Manager, and the City Manager, together with the reasons set forth and the period of duration, shall be given to the suspended employee. A copy of the notice to the employee shall also be forwarded to the Human Resources Department for filing in the employee’s personnel folder.

2. Once approval is obtained, the initiator will distribute the suspension notice as follows:
   a. The original will be given to the employee suspended.
   b. A copy will be given to the Human Resources Director.
   c. A second copy will be given to the employee’s shop steward, if appropriate.
   d. A third copy will be retained by the originating office.

3. The initiator of the suspension will then indicate the suspension, marking the employee’s absence as ‘Leave Without Pay’ for the duration of the period of suspension on the attendance-time sheet. (See Procedure on Leave Without Pay (PPP# 120-70) for recording Leave Without Pay).

4. Upon receipt of a copy of the notice of suspension, the Human Resources Director will generate an Action Paper and will file the copy in the employee’s personnel folder.

5. Under certain conditions (when keeping the employee on duty could adversely affect the health and
welfare of other employees and City operations), a supervisor may orally notify the employee of the suspension. In such cases, the oral notification will be confirmed by written notice as soon as practicable (in accordance with Paragraphs 1 and 2, above) and by sending written notice to the employee’s last known mailing address and the employee’s personal email account (if known).

PPP # 80-07
Procedure on Dismissal

PURPOSE
This Procedure implements the section on Dismissal as described in the Policy on Personnel Changes (PPP# 80-00).

SCOPE
This Procedure applies to the dismissal of regular, non-probationary City employees. See Policy on Employment (PPP# 20-00) for rules regarding other employees.

GENERAL RULES

Causes for Dismissal

Employees may be dismissed if their performance fails to meet the City’s expectations or their actions have been contrary to the best interests of the City. Reasons for dismissal may include, but are not limited to, the types of improper conduct listed in the Policy on Employee’s Code of Conduct (PPP# 180-00).

Notice of Dismissal and Informal Hearing Meeting

An employee shall be notified of the City’s intent to dismiss him or her by a Notice of Dismissal, which shall include the infraction, disciplinary action taken, and any applicable appeal rights.

A regular, non-probationary employee has a right to have an informal pre-dismissal hearing meeting prior to dismissal. If an employee makes a request within one working day after his or her receipt of the Notice of Dismissal, his or her Charter Appointed Official or Department Director shall notify the employee and the Human Resources Director in writing of the results of the informal hearing meeting. The Charter Appointed Official or Department Director may rescind, modify, or affirm the disciplinary action as a result of the hearing meeting.

Under certain conditions (when keeping the employee on duty could adversely affect the health and welfare of other employees and City operations), a supervisor may orally notify the employee of suspension from duty. In such cases, the oral notification will be confirmed by written notice as soon as practicable (in accordance with the Procedure on Suspension (PPP# 80-04) and the Policy and Procedure on Discipline and Dismissal (PPP# 75-00 and 75-10) and by sending written notice to the employee’s last known mailing address and the employee’s personal email account, if known.

Payment of Wages

The City will pay all earned wages on the next regularly scheduled payday. Any accrued Annual Leave due employees will normally be paid at a later date within 30-days.

Documentation

When an employee is dismissed, documentation must be prepared to support the reasons for the dismissal. (e.g., statements of witnesses, examples of unsatisfactory work, prior disciplinary actions taken against the employee, etc.).

Appeal of Dismissal

Non-AFSCME represented regular employees who believe they were wrongfully dismissed may appeal the dismissal by filing a grievance under the administrative grievance procedure (see Procedure on Grievances, PPP# 160-10). Represented regular employees may appeal the dismissal pursuant to the or under the terms...
of the appropriate collective bargaining agreement. Such appeal is separate from any informal pre-dismissal hearing.

Coordination with Human Resources Department

Except when otherwise ordered by the City Manager, all proposed dismissals must be approved by the Human Resources Director to ensure that sufficient cause and necessary documentation have actually in advance been established for such action. Human Resources may initiate action regarding the dismissal or other appropriate discipline of an employee.

Appointed Official/City Manager Approval

Approval of the Appointed Official/City Manager is also required for dismissal of employees.

Dismissal Action Process

1. When dismissal action is to be initiated for a regular, non-probationary employee, the employee's immediate supervisor will:
   a. Advise the respective Appointed Official or Department Director concerned of the employee's unsatisfactory performance or conduct as soon as possible, and
   b. Present documentation to support the charges made, including copies of all progressive disciplinary actions taken. (See PPP# 75-10.)

2. The Appointed Official, Department Director or designee shall review the supervisor's charges to determine if dismissal of the employee is warranted.

3. The Human Resources Director or designee shall review the matter to determine if dismissal of the employee is warranted.

4. If the review indicates that dismissal of the employee is justified, the Appointed Official, Department Director or designee will prepare a letter of dismissal to have concurrence by the Appointed Official, Department Director, and approval by the City Manager. The letter must contain the following information:
   a. Reason(s) for dismissal (cite previous warnings and disciplines).
   b. Effective date of dismissal.
   c. Right of appeal available to employees.

5. After the Department Director, Human Resources Director, and Appointed Official/City Manager have signed the letter, the immediate supervisor will distribute the copies as follows:
   a. Give the original letter to the employee, or if the employee is not available, send it by overnight mail to the employee's last known home address and, when available, by email to the employee's personal email account.
   b. Send a copy of the letter, and copies of all necessary documentation to support the dismissal to the Human Resources Director. The Human Resources Department will then prepare an action paper, obtain the necessary signatures, and send a copy of the action paper to the Payroll Division.
   c. Retain in the department files a copy of the letter and the originals of all documentation to support the dismissal.
   d. Give a copy of the letter to the employee's shop steward if the employee is covered by a collective-bargaining agreement.

6. The Human Resources Director will ensure that the employee's file is placed in an inactive status and that the proper notification is given to the former employee concerning all rights and benefits.

7. The Payroll Division will:
a. Compute and process for payment any wages or monies due upon dismissal, less any monies owed the City; and

b. When ready, and at the former employee's option, send the check to the employee by overnight mail or make arrangements for the employee to pick up the check personally.

Special Cases
In cases that involve personnel reporting directly to the City Manager, the City Manager will perform the functions which normally are carried out by Department Directors.

PPP # 80-10
Procedure on Promotion/Reclassification

PURPOSE
This Procedure implements the section on Promotions as described in the Policy on Personnel Changes (PPP# 80-00). This procedure does not apply to any recommendations or adopted findings resulting from a classification and compensation study.

GENERAL RULES
Compensation
1. If non-AFSCME represented employees are promoted from a position in one pay scale to another position in the same pay scale, they shall receive an increase in their pay as follows, but no more than the top of the new grade:

   One grade increase = 5.0% pay increase
   Two grade increase = 7.5% pay increase
   Three grade increase = 10.0% pay increase
   Four grade increase = 12.5% pay increase
   Five grades or above = 15.0% pay increase.

2. If non-AFSCME represented employees are promoted from a position in one pay scale to a position in a different pay scale, they shall receive a 5% pay increase from their previous pay.

3. Upon completion of a required six-month promotional probationary period, non-AFSCME represented employees will be eligible for an additional 3.5% increase.

4. When represented AFSCME employees or sworn police officers employees, (AFSCME or police) are promoted from one position to another within their pay scale, they shall receive an increase which is at least equal to a one-step increase, in their previous pay.

   Upon completion of a required six-month promotional probationary period, AFSCME represented employees will be eligible for an additional one-step increase, and

5. The anniversary date of successful completion of the promotional probationary period shall be considered the new increment anniversary date. Employees will be eligible for salary increments only on their increment anniversary date.

Processing Approval of Promotions Process
1. The immediate supervisor will request through the Department Director, that the position be filled, using a Personnel Requisition Form (see PPP# 80-30).

2. The Human Resources Department will furnish the immediate supervisor with an Eligibility List, which lists all qualified applicants and states the EEO category relating to the Affirmative Action Plan goal.

3. The immediate supervisor will then:
a. work together with the responsible Human Resources Administrator to make a selection to fill the vacancy;

b. sign the Eligibility List in the space provided; and

c. send the Eligibility List and all interview related materials to the Department Director for approval.

4. The Appointed Official or Department Director will sign the Eligibility List, and forward it and all related materials to the Human Resources Director, including the salary and the effective date of the action. (Under no circumstances will effective dates for promotions be made retroactively.)

Special Cases

For promotions to an administrative position Grade 23 or above, approval by the City Manager is required. In such cases, the Department Director will send the Eligibility List to the City Manager for approval before forwarding all related materials to the Human Resources Director.

Probationary Period

All promoted employees are required to serve a six-month probationary period. If, for any reason, employees are returned to their former position during the probationary period, their compensation and increment anniversary date will revert to what it was immediately before the promotion commenced (see Procedure to Effect Employment (PPP# 20-10).

Reclassification

When an existing filled position is reclassified to a higher salary-grade, the policies and procedures for adjusting wages applied are the same as those for promotion except for the probationary period. However, the incumbent will not be required to serve a probation, and the anniversary date for increment purposes remains as it was prior to the reclassification.

PPP # 80-12
Procedure on Demotion/Reclassification

PURPOSE

This Procedure implements the section on Demotions as described in the Policy on Personnel Changes (PPP# 80-00).

GENERAL RULES

Reasons for Demotion

Demotions to a lower graded position or to one with a lower hourly rate can be made for cause, administratively, or voluntarily, when an employee applies for an open position in accordance with Policy on Employment and Procedure to Effect Employment (PPP# 20-00 and 20-10).

Employees Demoted for Cause

Employees demoted for cause shall be placed in the lower salary graded position at their present salary, or at the maximum salary for the new grade, whichever is less, as determined by the Department Director, Department Head or Charter Appointed Official, concurred within by the Human Resources Director, and approved by the Charter Appointed Official/City Manager. Employees demoted for cause will be placed on probation for an amount of time specified at the time of the demotion. Employees will be taken off probation by way of a memo outlining satisfactory performance during the probationary period as outlined in the Policy and Procedure on Performance Evaluation (PPP# 40-00 and 40-10).

Employees Demoted Administratively or Voluntarily

Employees demoted administratively or voluntarily shall receive their present salary or the maximum salary authorized for that lower class if the maximum is the same or less than their present salary.
Employees demoted administratively or voluntarily will be placed on probation in their new position for six months, or the remainder of their initial probationary period, whichever is longer.

**Employees Demoted to an Hourly Rate of Pay Position**

Employees demoted to an hourly rate of pay position (temporary) shall receive the new lower rate of pay and shall become temporary employees, losing all rights and benefits afforded a regular merit employee. These employees placed in temporary status shall be paid any wages and accrued Annual Leave due at the time of the demotion. The City will subtract from this amount any debt to the City as outlined in the Procedure on Dismissal (PPP# 80-07).

**Salary Increments**

Employees will be eligible to receive salary increments until the maximum pay of the new lower salary grade is reached in accordance with Procedure on Performance Evaluations (PPP# 40-10).

**Process**

1. The person initiating the demotion will prepare a written notice addressed to the employee demoted. The memorandum will include the reason for the demotion, the new position to be held, and the salary grade and step or hourly rate of pay to be received by the employee. This memorandum must be concurred in with by the Appointed Official, Department Director and the Human Resources Director. Demotions of employees directly or indirectly reporting to the City Manager require the City Manager's approval, and approved by the City Manager.

2. Once approval is obtained, the initiator will distribute copies of the demotion notification as follows:
   a. The original will be given to the employee demoted.
   b. The first copy will be given to the Human Resources Director.
   c. The second copy will be given to the employee's shop steward in the case of AFSCME represented employees.
   d. The third copy will be retained by the originator.

3. Upon receipt of a copy of the notice of demotion, the Human Resources Director will generate an action paper and will file a copy in the employee’s personnel folder.

**Reclassification**

When an existing filled position is reclassified to a lower salary-grade, an employee's pay will remain the same unless the employee's pay is greater than the maximum pay under their new pay grade. In those instances, the employee will be paid the maximum of their new pay grade, will not suffer any decrease in pay. No probationary period will be served, and the anniversary date for increment purposes remains as it was prior to the reclassification.

**PPP # 80-15 Procedure on Transfers**

**PURPOSE**

This Procedure implements the section on Transfers as described in the Policy on Personnel Changes (PPP# 80-00).

**GENERAL RULES**

**Guidelines**
Employees are usually hired to fill particular positions in a specific section or location. However, the City has the right to transfer or assign employees to any position, office, or location that the need or best interest of the City dictates.

Transfers may be temporary or permanent.

In a transfer, there is no change in compensation or increment anniversary date.

Employees who are administratively transferred because of inability to perform the duties of a position in a specific location may be placed on probation following the transfer.

No probationary period will be required for employees transferred in the same class position solely to meet operational needs or for personal reasons unless they are on probation in their current position, in which case they will be required to remain in such status for the duration of the probation, or six months, whichever is longer, in the new position.

Approvals required for transfer are the same as for employment (see Policy and Procedure on Employment, PPP # 20-00 and 20-10).

Transfers Within a Department

1. Appointed Officials, Charter -Appointed Officials or Department-Director Department Heads may affect transfers as required within their respective departments.

2. Upon determining that a transfer will take place within a department, the Charter Appointed Official or Department-Director Department Head will approve all transfers within their department, indicate approval (either orally or in writing) to the sending and the receiving supervisors.

3. The immediate supervisor of the position that the employee is leaving will then send a memorandum to the employee(s) concerned indicating the reason for transfer, effective date of the transfer, and the new location. A copy of this memorandum will be forwarded to the Human Resources Department for filing in the employee's personnel file.

Upon receipt of the memo, the Human Resources Department will update its records and prepare the necessary action paper indicating the change in the cost allocation as well as any other changes required as a result of the transfer. Based on the reason for transfer it will be determined whether the employee will be required to serve an additional probationary period. Once all signatures have been obtained, the action paper will then be forwarded to the Payroll Division for processing.

Transfer Between Departments

1. Transfer between departments can occur to best meet the needs or interest of the City or when an employee has applied for and been selected to fill a vacant position in a different department in accordance with the Policy on Employment (PPP # 20-00) and Procedure to Effect Employment (PPP # 20-10). The Charter Appointed Official(s) will approve all transfers between departments in writing. Employees who transfer between departments may be required to serve a probationary period.

2. Upon receipt of the memo from the department stating an employee was selected to fill a vacant position, the Human Resources Department will update its records and prepare the necessary action papers. If an employee is filling a position in a different class as a result of this selection, a six-month probation will be served. However, in accordance with the Policy on Performance Evaluation (PPP # 40-00), the employee’s salary increment date will remain unchanged.
PURPOSE

This Procedure implements the section on Layoffs described in the Policy on Personnel Changes (PPP# 80-00).

GENERAL RULES

Selection of Employees to Be Laid Off

Regular non-AFSCME-represented employees may be laid off when required for the good of the public service. Reasons for layoff include, but are not limited to, shortage of funds, lack of work, the abolishment of a position, or other business reasons unrelated to the employee’s job performance. These criteria apply regardless of whether the layoff is made on a Citywide, departmental, divisional or sectional basis.

In applying a layoff to Union represented positions, the provisions of the Agreements between the City and AFSCME Local 1453 should be followed.

The duties performed by any employee laid off may be reassigned to other employees in an appropriate class.

Layoff Criteria

When a layoff has been approved by the Mayor and Council and, the affected class or classes of employees has been determined, regular non-AFSCME-represented employees will be selected for layoff based upon the needs of the City. A determination of the skills and experience required for the duties to be performed after the layoff is conducted. An employee’s length of service will be a factor in determining whether or not the employee shall be laid off, but it is not necessarily the determining factor.

Notification

All employees who are to be laid off will be given a minimum written 30 calendar days’ notice clearly stating the effective date of the layoff and the reason for the layoff. The employees will also be furnished information concerning their benefits by the Human Resources Department.

Re-employment List

Employees laid off from the City of Rockville will be given priority consideration for vacancies within their job class that occur within twelve (12) months of the effective date of the layoff.

The City may fill a vacant position in a class for which a re-employment list exists by either offering the position to a person on the re-employment list (consisting of individuals laid off in that class within the last 12 months) or by promoting an eligible employee. Where a person on the re-employment list has qualifications equal to or better than other applicants for the same position, the person on the re-employment list shall be selected.

An employee’s name will remain on a re-employment list for 12 months from the date of layoff, but will be removed from the list if that employee:

- Accepts another City position;
- Refuses a job offer made from a re-employment list for a job at the same salary-grade or rateclass or higher; or
- Fails to respond within seven-fifteen calendar days to a letter from the City of Rockville concerning re-employment.

Employees Who are Rehired After a Layoff

The following rules apply to employees who:

- Were laid off from a regular class; and
- Are rehired into a regular class; and
- Are rehired within 12 months of being laid off.

**Physical Examination**

For jobs which require a pre-employment physical examination, employees may be required to pass a physical examination prior to being rehired.

**Probation**

Employees who are rehired from a re-employment list into their former class will not be required to serve a probationary period provided they have successfully completed a probation within that class. If appointed to a different class, they must serve a probationary period.

**Credit for Prior Service**

When rehired, employees recalled to regular positions within twelve (12) months of their layoff will be credited with prior service for the purpose of calculating seniority, longevity, and vacation leave. If employees are rehired within twelve (12) months, they also will be credited with prior service in grade for the purpose of determining length of continuous service in one level of a salary grade. Those re-employed after being laid off in excess of twelve (12) months shall be considered as new employees. Terms of retirement benefits and credited service will be as defined in the retirement plan.

**Sick Leave**

When rehired, employees recalled to regular positions within twelve (12) months of their layoff, will be credited with any sick leave balance at their time of layoff.

**Salary**

If employees are rehired in the same class within twelve (12) months of their layoff, then they will be placed in the same grade and rate of pay they held at the time of the layoff. If they accept a job in a class which has a lower salary grade than their former class, the action will be considered a voluntary demotion and the rules for demotion will determine salary.

If employees accept a job in a class which has a higher salary grade than their former class, their action will be considered a promotion and the rules for promotion will determine salary.

**PPP # 80-40**

**Procedure for Clearance of Resigning Employees**

**PURPOSE**

This Procedure implements the section on Resignation described in the Policy on Personnel Changes (PPP# 80-00).

**SCOPE**

This procedure applies to all employees (temporary and regular) who terminate employment with the City. This Procedure must be adhered to in order to receive clearance and pay following resignation, dismissal, reduction in force, retirement, death, or termination of employment for any other reason.

**GENERAL RULES**

**Process**

1. Employees who expect to leave the services of the City will notify their immediate supervisors as soon as possible in advance of the anticipated termination of employment. Appointed Officials, Charter -Appointed Officials, Department Director, Department Heads and contract employees must give notice as outlined in their employment contracts. Division head level employees must give 30 days' written notice to leave the-
City in good standing: All other employees must give at least two week’s notice to leave the City in good standing. This notification will be given to the Human Resources Department and an action paper will be processed and submitted to the Payroll Division. **NOTE:** If employees terminate without prior notification, (e.g., immediate resignation, dismissal, etc.) supervisors will follow this procedure as soon as possible after the termination. If immediate supervisors want the position to be filled again, they will submit a Personnel Requisition Form (see PPP# 80-30).

2. The employee’s leave balances as of the end of their last day of employment will be summarized by the City’s Payroll Division.

3.2. The immediate supervisors are also responsible for the following actions:
   a. If terminating employees had access to computer systems, immediate supervisors will notify the Information Technology Department, who will take action to deny access to the system for the employees; and

   b. On the last day that employees are present for work, immediate supervisors ensure that any articles which belong to the City, such as keys, uniforms, identification card, credit cards, registration cards, etc., are returned. If employees were issued any tools and/or equipment for which they were responsible, supervisors will follow the procedure for receipt of returned equipment as covered in the Procedure on Tools and Equipment (PPP# 85-10).

4.3. If employees have any outstanding financial obligations to the City, such as travel advances, petty cash advances, or payback of Tuition Reimbursement, the Director of Finance or designee will take steps necessary to recover funds or property belonging to the City.

5.4. Employees may contact the designated Benefits Manager, or designee, to request notice of an exit interview and receive instructions as to their rights and privileges concerning benefits.

**PPP # 85-00**

**Policy on Tools and Equipment**

**PURPOSE**

The purpose of this Policy is to develop an accountability system for all tools and equipment owned and leased by the City and assigned to employees.

**PRINCIPLES**

Supervisors are responsible for the safekeeping and accountability of all tools and equipment assigned to their locations or staff, although final responsibility for tools and equipment rests with the individual employee to whom it is assigned.

Employees will be charged appropriately for replacement or repair of equipment lost or damaged through neglect or misuse while in their possession. Should damage or loss occur due to neglect or misuse, the responsible employee will be charged accordingly for the item as outlined in The Procedure on Tools and Equipment (PPP# 85-10). The employee will have the option of paying directly or having payroll deductions made according to The Procedure on Tools and Equipment (PPP# 85-10).

Failure of the employees to reimburse the City may cause disciplinary action to be taken, up to and including suspension and/or dismissal. The employees will be notified in writing by the immediate supervisors of any problems concerning tools and equipment.

Loss of City property will be reported promptly in accordance with the Procedure on Tools and Equipment (PPP# 85-10), or reported according to the Procedure on Reporting Incidents Involving Property Loss or Personal Injury (PPP# 205-10).

**PPP # 85-10**

**Procedure on Tools and Equipment**
PURPOSE

This Procedure implements the Policy on Tools and Equipment (PPP# 85-00).

GENERAL RULES

Schedule for Replacement of Lost or Damaged Tools and Equipment

Tools and equipment less than one year old shall be repaid at the current replacement cost or current market value, whichever is less. Tools and equipment that are one year old, but less than two years old, shall be repaid at 75% of the current replacement cost or current market value, whichever is less. Tools and equipment two years old or older, shall be repaid at 50% of the current replacement cost or current market value, whichever is less. Equipment such as keys and computers for which the City may incur a service cost to rekey or reconfigure, shall be repaid at the full cost. Any tools and equipment that are depreciated by the City shall be repaid at the value established by the City. In the case of repair, the charge will not exceed the cost to replace the tool or piece of equipment. Upon separation of an employee from the City for any reason, the employee’s supervisor will account for all tools, property and equipment in the possession of that employee. Any tools, property, or pieces of equipment not returned or damaged due to misuse or neglect by the employee must be documented by the supervisor immediately so that appropriate arrangements for repayment may be made.

Recording Assignment of Tools and Equipment

Tools and equipment that are assigned to employees will be recorded by the supervisor or designee. The exact method for recording these transactions is at the discretion of the supervisor, but it is recommended that a written record of tool and equipment issuances and returns be kept. When a tool or piece of equipment is returned by employees, the supervisor or designee shall inspect the item for damage. Any employee who observes a loss of or damage to City-owned or leased property should report the occurrence to the responsible supervisor immediately.

Memorandum Regarding Repair or Replacement

If tools and equipment belonging to the City are lost or damaged through neglect or misuse, the supervisor of the responsible employee will prepare a memorandum to the responsible employee indicating the charges for repair or replacement. The cost of replacement should be determined through consultation with the Finance Department. The memorandum will be forwarded to the Appointed Official or Department Director or designee who will review the memorandum, and if in agreement, initial and approve the charge. Upon approval by the department, arrangements should be made for payment by sending a copy of the letter to the Director of Finance to effect the payment. A copy of the approved memorandum will go to the employee being charged.

Payment

Employees must make cash payment for such charges to the City of Rockville within two weeks from the date that the memorandum was approved by the Appointed Official or Department Director. If the employee is unable to pay the entire amount due within the two-week period, the Director of Finance will effect a payment schedule, with payments to be made on each successive payday following the determination of the charge. The minimum payment allowed shall be $10.00 or 10% of the item’s value (whichever is greater) per pay period. In cases where the monies involved are extraordinary, then alternate payment schedules may be arranged through the Human Resources Director.

Separation

Upon separation of an employee from the City for any reason, the employee’s supervisor will account for all tools, property and equipment in the possession of that employee. Any tools, property, or pieces of equipment not returned or damaged due to misuse or neglect by the employee, must be documented by the supervisor immediately so that appropriate arrangements for repayment may be made.

PPP # 120-00
Policy on Leave

PURPOSE

The purpose of this Policy is to set forth the types of leave and benefits granted by the City to its employees.
SCOPE

Leave and benefits provided under this Policy are available to regular full-time employees and regular part-time employees on a prorated basis. Employees represented by AFSCME Local l453 will be governed by the terms of their collective bargaining agreement.

Persons employed on a temporary basis are not eligible for the leave or benefits set forth in this Manual unless required by law. Eligibility for contractual employees will depend upon the terms and conditions of their contracts.

PRINCIPLES

Responsibilities

The Human Resources Director is responsible for the interpretation and administration of the policy and general monitoring of employee's leave.

Appointed Officials or Department Heads are responsible for the administration of the leave policy within their respective departments and ensuring that leave is not abused.

Immediate supervisors are responsible for granting leave and ensuring that leave is not abused.

Employees are responsible for requesting leave appropriately and providing any necessary documentation.

Active Pay Status

Regular employees of the City earn Annual and Sick Leave for each completed month of service pay period while in active pay status. An active pay status is one in which the employee receives remuneration pay for either actual hours worked or other forms of leave.

Transfer Between Jobs

Employees who transfer between regular City jobs will retain existing leave balances.

Absences Without Approval

An employee who is absent without approval will not be paid for the unapproved absence. is placed on a Leave Without Pay status.

Conversion of Time

An employee may not convert one type of leave to another type of leave once recorded on the time sheet approved in the time and attendance system, without the supervisor's approval. In no event may employees convert Annual Leave to Sick Leave.

TYPES OF LEAVE

1. Administrative Leave

Administrative Leave is paid leave granted to certain employees so designated to receive such leave during inclement weather emergencies. Administrative Leave is not charged against any other form of paid leave.

2. Holiday Leave

The official paid holidays observed by the City are as follows:

- New Year’s Day
- Martin Luther King’s Birthday
- Presidents’ Day
- Memorial Day
- 
- 
-
Juneteenth Day
Independence Day
Labor Day
Veterans' Day
Thanksgiving Day
Thanksgiving Friday
Christmas Day

Holidays which fall on Saturday will be observed the preceding Friday, and holidays which fall on Sunday will be observed the following Monday.

In addition to the above, all Federal election general and Congressional election days will be observed as holidays.

If the an official observed city holiday falls on the regularly scheduled day off of an employee who has fixed scheduled days off other than Saturday or Sunday, the next scheduled working day will be considered as that employee's official holiday. They may either be given the next scheduled day after the holiday off with pay or work the day after and be given the holiday pay plus time and a half pay or comp time for all hours worked in accordance with the Procedure on Overtime (PPP# 60-30).

For those employees with days off that are not fixed, such as those working rotating or irregularly scheduled shifts, if a holiday falls on their day off, it will be observed on that day and not the next scheduled working day. They will receive the straight time holiday pay plus time and a half or comp time for all hours worked in accordance with the Procedure on Overtime (PPP# 60-30).

Employees who do not work on the holiday shall receive straight time for the holiday in addition to pay for all hours worked within that week.

**Refuse Workers**
Refuse workers are required to work all days except Christmas Day.

**Police Officers**

Police Officers working on Christmas Day, New Year's Day, and/or the Fourth of July and/or the respective designated city substitute holiday will be compensated at their regular rate of pay for all hours worked on the actual holiday or substitute holiday. When a police officer works both the holiday and the substitute holiday, the Officer will earn overtime pay or the equivalent compensatory time for one of these days. All hours in excess of the normal workweek are compensated in accordance with the Procedure on Overtime (PPP# 60-30).

**Employees Subject to Collective Bargaining Agreements**

Union-represented employees and certain designated non-union represented employees shall observe holidays as outlined in the collective bargaining agreement between AFSCME Local 1453 and the City.

**Eligibility**

1. Regular employees will be authorized pay for all of the official holidays observed by the City.

21. To be eligible for holiday pay, a regular employee must be in an active pay status for a full day on the last scheduled workday before and for a full day on the first scheduled workday after the holiday.

23. Temporary employees are not entitled to holiday pay.
**Recording Holiday Leave**

1. Union-represented employees will record the payroll code for holiday on the time sheet. A-Scale and Police employees record holidays as regular hours.

2. The supervisor will attest to the holiday by signing the time sheet and forwarding it to the Payroll Division for processing.

3. For recording time worked on holidays by regular employees, see the Procedure on Overtime (PPP# 60-30).

**3. Annual Leave**

Subject to approval, Annual Leave may be used as it accrues for any reason and is to be requested and approved by the employee's immediate supervisor at least three (3) working days in advance whenever possible.

Unscheduled use of Annual Leave (which is leave requested with less than three working days’ advance notice) may be taken only in an emergency. Unscheduled use of Annual Leave may be subject to verification and may be denied if a pattern of abuse develops, or abuse is suspected.

Annual Leave, properly requested, shall not be unreasonably denied. However, the City’s operational needs are always the foremost consideration in granting or denying a leave request. Unscheduled use of Annual Leave may be denied if a pattern of abuse develops, or abuse is suspected. Leave abuse is subject to disciplinary action.

Use of Annual Leave by employees in AFSCME Local1453 is governed by the terms of their collective bargaining agreement.

**Accrual**

Annual Leave accrues on an employee’s monthly anniversary date after one month of regular service. Annual Leave for regular employees is accrued in accordance with the schedule below, provided that the employee has been in Active Pay status for more than 15 days of each month. If the employee is in Active Pay status for 15 days in a month, the employee will accrue an additional 1/12th of the annual leave accrual on their monthly anniversary date. Employees may also receive a lump sum amount of credited Annual leave in accordance with the Performance Management High-Performance Organization Pay System.

**Accrual Schedule**

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Annual Accrual Hours-(37.5-hour)</th>
<th>Annual Accrual Hours-(40-hour)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 months (16 days)</td>
<td>120</td>
<td>128</td>
</tr>
<tr>
<td>25 to 60 months (19 days)</td>
<td>142.5</td>
<td>152</td>
</tr>
<tr>
<td>61 to 96 months (21 days)</td>
<td>157.5</td>
<td>168</td>
</tr>
<tr>
<td>97 or more months (23 days)</td>
<td>172.5</td>
<td>184</td>
</tr>
</tbody>
</table>

1. Temporary employees do not accrue Annual Leave. Part-time regular employees accrue a pro-rated amount based on their base budgeted hours.

2. Annual Leave for contractual employees is dependent upon the terms of their respective contracts.

3. There is a maximum carryover limit of the equivalent of 50 days for 375 hours of Annual Leave (37.5 hours for employees working a normal schedule of 37.5 hours per week and 400 hours of Annual Leave for employees working a normal schedule of 40 hours per week). Employees may not carry over more than the 50-day limit into any subsequent year. Any Annual Leave in excess of the 50-day limit as of December 31st of each year will be credited to the employee's Sick Leave balance, provided the employee has used and/or converted two weeks of Annual Leave during that year. If the employee has not used and/or converted two weeks of Annual Leave during the year, the excess leave will be forfeited.
4. Annual Leave may be requested in one-quarter (1/4) hour increments.

5. Any legal or declared holiday falling during an Annual Leave period will not be counted as Annual Leave. However, in the event of an early closing while the employee is absent, the employee will be charged a full Annual Leave day.

6. After six (6) months of service, employees shall be paid for any accrued but unused Annual Leave (under 50 equivalent days) upon separation from the City. Leave will be paid at the employee’s rate of pay at the time of separation.

7. Annual Leave will not be advanced; employees may only use accrued leave.

8. The abuse of leave shall be cause for disciplinary action.

**Requesting Annual Leave**

Except in case of emergency, employees desiring to take Annual Leave must submit a request for leave to their supervisor at least three (3) workdays prior to the date that the leave is to be taken. The supervisor then approves or denies the request and records leave taken on the electronic time sheet as submitted to the Payroll Division for the appropriate pay period.

Unscheduled use of Annual Leave (which is leave requested with less than three working days’ advance notice) may be taken only in an emergency. Unscheduled use of Annual Leave may be subject to verification and may be denied if a pattern of abuse develops, or abuse is suspected.

In cases of emergency, prior approval for Annual Leave need not be obtained if it is not possible to do so, but the absence and the reason therefore must be reported to the supervisor within ten minutes after the employee’s designated reporting time.

The City’s operational needs are always the foremost consideration in granting or denying a leave request.

**Recording Annual Leave**

The Payroll Division will record for attendance purposes all Annual Leave. Annual Leave may be used in 1/4-hour units.

**Annual Leave Conversion**

Subject to Mayor and Council approval, regular employees, if they elect, may convert a maximum of 5 days of Annual Leave days for taxable cash or deferred compensation at their current rate of pay on or about the last week in December of each year.

When electing to participate in the Annual Leave Conversion Program, employees must retain a minimum annual leave balance equivalent to 5 days.

*Forms are available during Open Enrollment. To be eligible:*

<table>
<thead>
<tr>
<th>Minimum Annual Leave Days Available</th>
<th>Maximum Days That May be Converted</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

**Payment Upon Separation**

Regular employees with over six (6) months of job service who separate from service shall be entitled to
payment of Annual Leave balances. Employees with less than six (6) months of service shall not be entitled to such payment.

**Family and Medical Leave**

Annual Leave will be granted for approved Family and Medical Leave purposes in accordance with laws concerning the Family and Medical Leave Act.

**Annual Leave Conversion**
Regular employees, if they elect, may convert a maximum of 5 days of Annual Leave days for taxable cash or deferred compensation at their current rate of pay on or about the last week in December of each year. When electing to participate in the Annual Leave Conversion Program, employees must retain a minimum annual leave balance equivalent to 5 days.

Forms are available during Open Enrollment. To be eligible:

<table>
<thead>
<tr>
<th>Minimum Annual Leave Days Available</th>
<th>Maximum Days That May be Converted</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

4. Sick Leave

Sick Leave may be taken whenever an employee is unable to come to work because he or she is medically incapacitated or is being treated by a health care provider.

Eligibility

All regular City employees are eligible for Sick Leave. Use of Sick Leave by employees in AFSCME Local 1453 is governed by the terms of their collective bargaining agreement.

Responsibilities

- The Human Resources Director is responsible for the interpretation and administration of the policy and general monitoring of employee leave. Department Directors or Department Heads are responsible for the administration of leave policy within their respective departments and ensuring that leave is not abused.
- Immediate supervisors are responsible for granting leave and ensuring that leave is not abused.
- Employees are responsible for requesting leave appropriately and providing necessary documentation.

Process

1. Employees who are to be absent due to injury or illness must notify their supervisor or the supervisor’s designee within two (2) hours of their assigned reporting time at the beginning of the scheduled shift. In case of a preplanned and approved absence due to hospitalization or prolonged illness, a Medical Certification Form appropriate medical documentation completed by the physician stating the term of required absence will substitute for the daily call-in; such documentation should be provided directly to the Human Resources Director or designee. All such absences will be recorded on the electronic time sheets.

2. All regular full-time employees will earn 1 1/4 equivalent days of Sick Leave per month of service. There will be no limit on the amount of Sick Leave a regular employee may accumulate. Part-time regular employees will accrue leave on a pro rated basis determined by their base budgeted hours.

3. The Human Resources Director or designee may require such evidence as deemed necessary to validate Sick Leave. Any employee who is determined to have made a fraudulent request for Sick Leave shall be subject to disciplinary action, which may include immediate dismissal.

4. Sick Leave may be used in connection with personal illness. "Personal illness" justifying the use of Sick Leave means a medical condition which makes the employee unable to perform their duties. There is no limit on the amount of accumulated Sick Leave an employee may use for personal illness.
The City can terminate an employee for operational reasons regardless of the amount of Sick Leave the employee has accumulated.

5. “Family illness” justifying the use of Sick Leave means a personal illness of an employee's relative. The personal illness must be of sufficient severity that the employee's absence from work to care for such family member is reasonably required. "Relative" for Family Sick Leave purposes is defined as including only spouse, child, sibling, parent, parent-in-law, foster parent, grandparent, and grandchild. It may also include other blood, half, and step relatives providing they reside in the employee's household. Employees are eligible for the equivalent of twenty-five (25) days of absences for family illness in any one (1) calendar year. Five Ten days is equal to thirty-seven and fifty-seven and one hundred and thirty-five (37-575) hours for those employees who work 75 hours a pay period and forty (40) hours for those employees who work 80 hours a pay period. For qualifying family members under the Family and Medical Leave Act (FMLA), the FMLA rights, responsibilities, and procedures apply. Employees who are not in the written stage or higher of a disciplinary process may be eligible for the equivalent of an additional five (5) days of leave for family illness in any one (1) calendar year.

6. Whenever the employee’s use of Sick Leave exceeds two (2) consecutive days, or three (3) non-consecutive days, or wherever any Sick Leave usage pattern suggests possible abuse, an employee may be required to furnish a verifiable doctor’s certificate appropriate medical documentation to the Human Resources Director or designee for all absences charged to Sick Leave utilizing the City’s Medical Certification Form.

7. A doctor’s certification for Sick Leave must be on the Medical Certification Form and include the type of illness or injury treated, a statement that an employee is or was disabled and therefore unable to perform his or her duties; the inclusive dates or approximate duration of the stated illness or injury; the expected date the employee may return to work; and certify the employee as fit to return to work. The form used for this purpose is the City’s Medical Certification Form.

8. The Human Resources Director may require an employee to be examined by a City-appointed physician at City expense to certify as to the employee’s fitness for duty.

9. Employees absent from their duties in a Leave Without Pay (LWOP) status are not entitled to use Sick Leave. All employees requesting Sick Leave must be in a regular duty status or approved paid leave status (i.e., Annual Leave) before Sick Leave may be granted.

10. Employees incurring an illness or incapacitating physical condition requiring an extended period of time away from work may request up to six months of Leave Without Pay with the written permission of their Appointed Official the City Manager. A maximum of up to an additional six months may be granted if required.

11. Employees will not accrue Sick or Annual Leave, or have the City portion of their group medical, dental or life insurance paid while in a Leave Without Pay status, except during approved leave under the Family and Medical Leave Act. Employees may continue group medical, dental, and life insurance, however, by arranging with the Human Resources Department in advance for monthly payment of the full insurance premium during their absence in accordance with the terms of the current insurance policies. For purposes of merit increments and probationary periods, when employees return to a duty status, they will have to serve the remainder of these periods before a merit increment is granted or probationary period is considered complete.

11a. Employees hired prior to July 1, 2015 elected how to receive compensation with respect to unused sick leave upon termination of employment separation from service if they satisfy the criteria for "early retirement" or "normal retirement" (as defined by the City’s Pension Plan) at the time of termination. Such employees elected to receive a cash payment or "credited service" under the Pension Plan. An employee who elected a cash payment will receive a payment equal to one-quarter of the number of days of unused sick leave multiplied by the employee's hourly rate of pay when they separate from the City. The cash payment will be made promptly upon separation from the City (regardless of when pension benefits begin) and will be subject to tax withholdings. An employee who elected "credited service" will receive full credit for unused sick leave up to a maximum of one year credit as described in the Pension Plan. If the employee did not make an election, the employee will receive "credited service", not cash. Employees hired on or after July 1, 2015 will receive "credited service" for unused sick leave, as described in the Pension Plan.

6. **Sick Short-Term Disability Leave Bank Leave**
Sick Leave Bank participation is available to all non-probationary regular employees by donating two days of accrued Sick Leave to the Sick Leave Bank each calendar year. Participating Eligible employees may request withdrawals from the Short-Term Disability Leave Bank (Bank) apply for Sick Leave Bank Leave (Bank Leave) for certain long-term or catastrophic illnesses or injuries that are not work-related. Employees must exhaust all of their accrued paid leave Annual and Sick Leave and meet the 15 calendar day appropriate waiting period before obtaining Sick Bank Leave. Employees who qualify may request Bank Leave covering up to a 90 calendar day absence up to a maximum of 90 cumulative work days of Sick Leave Bank Leave for any one illness or injury during a 12-month period.

Eligibility

An employee may be eligible once they have worked as a regular employee, at least 30 hours per week, for 12 months. All regular City employees who have successfully completed their initial probationary period are eligible to join the Sick Leave Bank and may be eligible to receive benefits as defined herein.

Definitions

Day: The number of hours an employee is scheduled to work on a normal workday.

Regular employees: Employees who have successfully completed their initial probationary period.

Medical certification: That written certification on the City Medical Certification Form by an appropriate licensed physician which is required to consider a regular employee as eligible for Sick Leave Bank benefits. Such certification must include date(s) and time(s) of necessary absences; approximate date(s) of return; diagnosis; prognosis and nature of illness or injury. The physician’s note must be certifiable by way of the physician’s availability to discuss the contents of the note with the Human Resources Director.

Serious illness or injury: An illness or injury which renders the employee unable to perform any work for an extended period of time as certified by a physician.

Continuous leave: Leave which may be granted when an illness or injury requires an uninterrupted absence for purposes of medical treatments, surgery, or other necessary medical reason as certified by a physician.

Intermittent leave: Leave which may be granted when an illness or injury requires intermittent absences for purposes of medical treatments, surgery, or other necessary medical reason as certified by a physician.

Sick Leave Bank Board of Directors: The Board of Directors (the "Board") shall be composed of one representative of each of the employee groups including Association of Administrative and Municipal Employees (AAME), Fraternal Order of Police (FOP), and American Federation of State, County and Municipal Employees (AFSCME). The Board shall select its own Chairperson first from AAME, second from AFSCME, and third from FOP. If there is a vacancy on the Board, a new representative shall be appointed to represent the same group from which the vacancy occurred.

Responsibilities

Employee: Employees may join the Sick Leave Bank at their option. However, membership and contributions of leave are necessary in order to be eligible to receive any benefits. In order to join the Sick Leave Bank, employees must enroll and make contributions in accordance with this policy. For consideration, employees must furnish required appropriate medical certification/documentation, and request a withdrawal of leave from the Bank in order to be eligible to receive Sick Leave Bank benefits.

Human Resources Director: The Human Resources Director or designee is responsible for verification of all medical documentation and authorization of such leave as appropriate to the Sick Bank Board of Directors and the City's Payroll Division.

Board of Directors: The Board shall be wholly responsible for the proper, fair, and equal administration of the Bank; the maintenance of Sick Leave days in the Bank; the promotion of, enrollment in, or donations to
the Board, and the submission to the Bank participants of an annual report on the status of the Bank. The Board shall approve all donations before they are forwarded to the Payroll Division. Copies of all Sick Leave Bank donation and withdrawal forms shall be marked for approval or denial by the Board within ten (10) working days after such request is received. Decisions of the Board are final.

**Payroll Division:** Payroll staff is responsible for ensuring that proper authorization for absences transfer of Bank Leave has been given by the Human Resources Director or designee and that authorization for the payment of Sick Leave has been given by the Sick Leave Bank Board of Directors. The Payroll Division staff will issue payment of transfer such leave as is appropriate once authorization has been given by the Human Resources Director or designee.

**Enrollment and Contributions**

Employees who successfully complete their probationary period shall have 30 days immediately following completion of the probationary period in which to join the Bank during non-open enrollment season. Enrollment is accomplished by completion of an enrollment and donation form through the Human Resources Department. If the employee fails to submit the required contribution form and leave donation within the 30 days, that employee may not join until the next open enrollment season. It is the employee’s responsibility to join the Bank during the 30-day period. Enrollment is required in order that an employee may be considered for benefits.

1. Persons who enroll during the first eligible enrollment period shall be enrolled without regard to pre-existing conditions of health if they are on active duty at the time of contribution.

2. Contributions must be made during the open enrollment season of each year to continue participation in the Bank. The effective date for Bank membership is January 1st for persons enrolling during open enrollment season.

3. Participants in the Bank must donate two days of accumulated Sick Leave to the Bank. This donation must be made by employees each calendar year to continue their participation in the Bank.

4. Donations of Sick Leave will not be returned to the participants. Donations of Sick Leave will not be calculated for retirement benefits purposes.

5. Eligible employees who do not elect to join the Bank at the first opportunity afforded to them (within 30 days after completion of their initial probationary period) will not be permitted to join until the subsequent annual open enrollment season. A medical examination may be required, at the employee’s expense, by the Board, prior to enrollment.

**Process**

**Requesting Bank Use**

All requests to draw upon the Bank must be made in writing by the employee on the City of Rockville Sick Leave Bank Withdrawal Form and submitted directly to the Sick Leave Bank Board of Directors, Human Resources Director or designee Department.

**Authorization of a Request**

No request may be considered unless the employee has submitted acceptable medical documentation to the Human Resources Director or designee to substantiate the absence and subsequently such absence has been authorized by the Human Resources Director or designee to the Board and the City’s Payroll Division.

All requests to draw upon the Bank must therefore be accompanied by a confirmation from the City’s Human Resources Department attesting to the requestor’s inability to work status, based upon a physician’s written certification on file in the Human Resources Department receipt of appropriate medical documentation. In case Bank members requesting leave have been incapacitated, their application request may be submitted to the Board by their family on their behalf or in the absence of family, by their supervisor by Human Resources on their behalf.

**Resubmission Upon Denial**

Applications for the withdrawal of Bank leave denied by the Board may be resubmitted 30 calendar days from
the date of denial. An applicant may submit additional information in support of the request.

Limitations

The Board reserves the right to set a limit, on a consistent basis, on the amount of leave granted to specific employees with ongoing serious illness or injury.

No more than 30 cumulative working days shall be granted in any one grant transfer from the Sick Leave Bank, even though an individual applicant may receive multiple grants up to a total of 90 cumulative working days for any one illness or injury during a 12-month period.

Participants may not use Sick Bank Leave for regular or routine doctor's, dentist's, etc. visits.

The Bank shall not be used by individuals disabled by a job injury or illness. Individuals shall not use leave from the Bank when they are receiving Income Protection Program benefits or Workers' Compensation Benefits.

The Bank shall not be used by employees under investigation, on suspension, or after dismissal. Provided, however, that the Charter Appointed Official or City Manager (or a designee) may review the circumstances and grant a waiver of this limitation for an employee who is under investigation or on suspension for good cause shown. The employee will provide all necessary documentation concerning the investigation or suspension as requested by the Charter Appointed Official or City Manager (or a designee).

Requests for Extension

Applicants may submit requests for extension of additional Bank leave grants transfers before the prior grant expires up to but not more than the maximum 90 working day limit.

Conditions

Members of the Bank Eligible employees must use all of their earned Sick Leave, and Annual Leave, and Compensatory Time before qualifying for Bank leave.

During the first 30 cumulative working days of a serious injury or illness, shall be covered by the employee shall use their 's own Sick Leave, or Annual Leave and Compensatory Time, followed by or Leave Without Pay.

Provided, however, the Sick Leave Bank Board may recommend a waiver of no more than 15 of the first 30 cumulative working days in consideration of extenuating circumstances, as determined by the Board on a case-by-case basis. Such recommendation will be made to the Human Resources Director, who may approve or disapprove the request.

Employees suffering a recurring illness or injury within a 12-month period will not be required to satisfy an additional 15 day waiting period.

Employee Status During Period of Bank Use

While drawing authorized leave from the Sick Leave Bank, participants shall be considered on full pay status and shall be entitled to all other benefits provided all required contributions are made. While drawing Sick Bank Leave, employees may accrue Annual and Sick Leave.

Request for Intermittent Leave

If a request is for other than consecutive days of Bank Leave for the same illness or injury, or a combination of consecutive and non-consecutive days, the physician's written certification must specifically note that the member must be absent from work at intermittent times for necessary medical reasons related to the serious illness or injury. The member will submit periodic physician's statements to the Human Resources Director or designee, stating that continued intermittent medical care is necessary and is directly related to the illness or injury.

- The member will furnish all necessary documentation to substantiate the existence of the illness or injury and/or the need for intermittent absences for treatment to the Human Resources Director or designee, who
will authorize such absences to the Board and the City’s Payroll Division. Intermittent leave includes a temporary part-time work status as certified by a physician to be medically necessary and directly related to the serious illness or injury.

Requests for intermittent leave, including part-time work status, shall be reviewed on a case-by-case basis by the Human Resources Director or designee, as circumstances require.

Return to Work

Return to work by an employee cancels any unused Bank leave unless the leave has been granted for intermittent absences.

Members of the Bank who return to work after an extended illness or injury will automatically be enrolled in the Bank until the next open enrollment season. A returning member of the Bank must make the necessary contribution of Annual Sick Leave during the next open enrollment season in order to continue membership in the Sick Leave Bank.

After an extended illness or injury, members who return to work during or after open enrollment season, who do not have sufficient Annual Sick Leave to contribute for membership, may fill out the required contribution form and submit it to the Human Resources Department; however, employees’ membership in the Bank will not be activated until the required contribution of Annual Sick Leave has been made. If employees do not make the required contribution within four months from the date of their return, enrollment will be terminated and they will not be eligible to join until the next open enrollment season. It is the employee’s responsibility to notify the Payroll Division in writing when the necessary Annual Sick Leave has been accrued. Failure to notify the Payroll Division will result in termination of membership until the next open enrollment season.

Termination of Eligibility

A member shall lose the right to utilize the benefits of the Bank by:

1. Termination of employment with the City of Rockville.

2. Failure to continue regular contributions to the Sick Leave Bank at the beginning of each bank year, which is the first of January.

3. Failure to make such additional contributions as may be required from time to time by the Board to prevent bankruptcy of the Bank.

4. Failure to provide, within a reasonable time, any documentation required by the Board.

Maintenance of the Bank

Bank Balance

Should the amount of donated leave in the Bank pool fall below thirty (30) days, the City may contribute the unused leave of those participating employees who left City employment during the past year but did not retire. The City’s donation shall not exceed sixty (60) days and will be limited to once per fiscal calendar year.

Should the Bank be terminated due to non-participation, insufficient participation, or any other reason, the days remaining in the Bank shall be returned to the then-current members of the Bank proportionately.

Records

Donation and withdrawal forms can be obtained from the Human Resources Department. The Human Resources Department is responsible for maintaining the records of all applications for donations, all applications for withdrawals of sick days, and accompanying medical information. The Human Resources Director and designee are authorized to review and maintain medical information.

The City of Rockville Payroll Division is responsible for maintaining records of all Bank participants as well as their contributions and withdrawals, and the status of the Bank.
The Payroll Division shall provide information to the Board, upon request, on any data it has maintained in its files with regard to an individual member’s use of or investment in the Bank, or on an applicant’s earned leave balances. All information obtained shall be kept confidential and exclusively for the use of the Board.

The existence of the Bank and participation by an employee does not negate or eliminate any other Sick Leave policies of the City of Rockville, nor does it in any way negate the rights of individuals who participate in the Bank or other Sick Leave benefits.

**Sick and Safe Leave**

Through the Maryland Healthy Working Families Act (the "Act"), employees who are hired on a seasonal or temporary basis may accrue paid Sick and Safe leave. Paid sick leave accruals for benefitted full-time or benefitted part-time employees are more generous than the Act requires; therefore, those employees’ leave accruals are not impacted by the Act.

If any inconsistencies exist between the Act and this policy, the Act’s requirements will apply.

**General Requirements**

Eligible employees will accrue at least one hour of Sick and Safe leave for every 30 hours worked, if they work at least 24 hours in a two-week pay period. Although the Act states that employers may exclude employees under the age of 18 from accruing Sick and Safe leave, the City extends this benefit to employees under the age of 18.

Employees are required to give notice of the need to use earned Sick and Safe leave when the need is foreseeable. Sick and Safe Leave may be used for the following:

- to care for or treat an employee’s mental or physical illness, injury, or condition;
- to obtain preventive care for an employee or an employee's family member;
- to care for or treat a family member of an employee with a mental or physical illness, injury, or condition;
- for maternity or paternity leave;
- for specified circumstances due to domestic violence, sexual assault, or stalking committed against the employee of the employee’s family member

**“Family Members” Under the Act**

- a biological child, an adopted child, a foster child, or a stepchild of the employee;
- a child for whom the employee has legal or physical custody or guardianship;
- a child for whom the employee stands in loco parentis*, regardless of the child’s age;
- a biological parent, an adoptive parent, a foster parent, or a step parent of the employee or of the employee’s spouse;
- the legal guardian of the employee;
- an individual who acted as a parent or stood in loco parentis* to the employee or the employee’s spouse when the employee or the employee's spouse was a minor;
- the spouse of the employee;
- a biological grandparent, an adoptive grandparent, a foster grandparent, or a stepparent of the employee;
- a biological grandchild, an adoptive grandchild, a foster grandchild, or a stepchild of the employee; or
- a biological sibling, an adoptive sibling, a foster sibling, or a step sibling of the employee.

*Persons who are "in loco parentis" include those with day-to-day responsibilities to care for and financially support a child or, in the case of an employee, who had such responsibility for the employee when the employee was a child. A biological or legal relationship is not necessary.

**Accrual and Usage of Leave**

Sick and Safe leave accrues as it is earned but may not be used until an employee has been employed for 106 calendar days (15 weeks).

Employees will be entitled to have any unused accrued Sick and Safe leave reinstated if they leave the City and are re-employed at the City within 37 weeks of their employment separation.

**Sick and Safe leave may be requested in one-quarter (1/4) hour increments. Employees may use...**
leave only after it has been accrued. Sick and Safe Leave Section (incorporate program criteria as outlined in all staff communication)

6. Military Leave

Inactive Duty: All employees who are members of any United States Military Reserve or National Guard Unit shall be entitled to leave of absence from their respective duties, without loss of pay, time, or reduction in efficiency rating. This entitlement will apply for all days during which they shall be engaged in field or coast defense or other training ordered or authorized under any law of the United States, during such time as they are on annual inactive duty training, for a period not to exceed 15 working days in any calendar year.

Active Duty: Any regular employee who is a member of the United States Military Reserve or National Guard Unit ordered to active duty, shall be entitled to Leave Without Pay for such time while actually serving under such active duty order. Upon return from military service, employees are eligible for certain rights and privileges of employment provided for them under the Uniformed Services Employment and Reemployment Rights Act ("USERRA").

NOTE: For information regarding the placement of a regular employee in an active non-work status when called to duty on active military service during a National Emergency or under Presidential Authority, see the Policy and Procedure on Military Furlough (PPP# 170-00 & 170-10).

Requesting Military Leave

1. An employee wishing who needs to take Military Leave must submit a Leave Request Form in advance of such Military Leave, should provide advance notice and a copy of the official orders, when possible, to the Department Director through his or her immediate supervisor indicating the anticipated duration of the leave, to the Department Director Department Head through his or her immediate supervisor. The form will indicate the specific days for which the leave is requested and will be signed by the employee. One copy of the official orders requiring the employee to report for training and/or active duty will be attached to each of the two (2) copies of the form.

2. The supervisor reviews the form and attached copy of orders, and after ensuring correctness, initials the two copies of the memorandum indicating his or her review and approval, before forwarding the request to the Department Director Department Head.

3. Upon receipt, the Department Director Department Head reviews the request and, if appropriate, indicates his or her approval on the two copies of the form. Following this action, the Department Director Department Head should forwards the request to the Human Resources Director. Human Resources will inform Payroll, who will

4. Upon receipt of the request, the Human Resources Director indicates approval, if appropriate, on the two copies of the form. The Human Resources Director then forwards one copy of the approved form to the Payroll Division and files the other copy, together with the copy of the orders, in the employee's personnel folder.

5. The Payroll Division will maintain the approved copy of the request on file and continue to pay the employee on such Military Leave the difference between the military pay and his or her regular wages if the military pay is less.

6. Jury Duty Leave

An employee who is required to serve as a juror in a court proceeding is allowed the time needed for such service without charge to their accrued leave and is paid his or her regular salary. All payments to the employee by the court are to be kept by the employee.

Requesting Jury Duty Leave

1. An employee summoned as a juror in court will submit to his or her supervisor, as soon as
possible, a Request for Leave Form and a copy of the court document requesting the employee's participation as a juror.

2. The supervisor forwards the original and duplicate of the Leave Request Form copy to the Department Director Department Head Human Resources Department.

3. The Department Director Department Head then reviews, verifies and forwards the form to the Payroll Division and forwards a copy to the Human Resources Director.

4. The Human Resources Director maintains a copy of the form and court document in the employee's personnel file.

Conditions

An employee who reports for jury duty and who is dismissed is expected to report for duty for the rest of the working day. An employee is also to report on any workday when the court is not scheduled or is cancelled.

Failure of the employee to comply with this Procedure and to verify attendance in court for all days charged to Jury Duty Leave will result in the employee being docked for all time previously paid Jury Duty Leave which has not been documented disciplined for undocumented jury duty and, if appropriate, having their leave and/or pay adjusted.

Pay

The Payroll Division will pay employees serving as juror their regular pay on the basis of having received a proper and timely request for Jury Duty Leave. All payments to the employee by the court expenses are to be kept by the employee.

Requesting Temporary Deferment for Jury Duty

Jury Duty is a civic duty and all employees are strongly encouraged to fulfill their obligation in this respect. However, when the current workload of a division or department will not permit an absence for jury duty, the following procedure is employed.

1. The employee notifies the supervisor of the receipt of the summons by a Leave Request Form with and provides a copy of the summons attached.

2. The supervisor prepares a memorandum for the Department Director Department Head's signature to the Human Resources Director, giving reasons why a temporary deferment is necessary. A copy of the summons will be attached to this memorandum.

3. The Human Resources Director then may request a temporary deferment from the court on behalf of the Department if the deferment is deemed to be justified.

The final decision for the deferral, however, rests with the court.

8. Leave Without Pay

This section excludes Leave Without Pay for under the Family and Medical Leave Act (PPP# 120-75).

Guidelines

1. Leave Without Pay with approval from your Department Head or Charter Appointed Official, may be granted to regular full-time or regular part-time employees provided that all other leave has been exhausted and the absence would not adversely affect the operational needs of the City. However, Leave Without Pay for employees in a probationary status shall only be granted under extenuating circumstances and for bonafide medical reasons with prior approval from your Department Head or Charter Appointed Official. The Human Resources Director or designee shall be notified by the
Department Head or Charter Appointed Official of any use of Leave Without Pay by a
probationary employee. The length of probation will be extended on a day-for-day basis for any use of Leave Without Pay.

2. The duration of the leave must be approved by the Appointed Official, City Manager. The employee must return to his or her position immediately after the leave expires, unless: (1) the position has been filled by a regular appointment; or (2) the Appointed Official, City Manager determines there is no need for the employee's service. Failure to report for duty within the prescribed time will be considered as a resignation from the City.

3. Leave Without Pay may be authorized for not more than one year cumulatively for each employee.

4. Leave Without Pay is counted as service time lost for the purpose of determining the rate of accrual for Annual Leave, may affect your anniversary date, and will not count as experience for promotional purposes.

Requesting and Granting Leave Without Pay for 14 Calendar Days or Fewer

1. The employee completes and signs a Request for Leave Form and submits it to their immediate supervisor requests leave at least one week prior to the start of the requested leave, indicating the reason for the request and the time required. However, exception may be granted in emergency situations and the paperwork completed retroactively with a memo.

2. The immediate supervisor approves or disapproves the request, as may be appropriate, and the employee is notified of the decision. If approved, the immediate supervisor requests, by memorandum to the Department Director, Department Head, that the employee’s request for leave be approved. The memorandum will include the dates of the requested leave as well as the reason.

3. The Appointed Official or Department Director indicates approval or disapproval on the memorandum in the space provided for this purpose, then returns the memorandum to the appropriate supervisor through the Human Resources Director for review.

4. If the leave is approved, the immediate supervisor signs the Request for Leave and forwards it to the Payroll Division. The employee is informed of the decision.

Requesting and Granting Leave Without Pay for Over 30 Calendar Days

1. Follow steps 1, 2, and 3 as described in the section entitled “Requesting and Granting Leave Without Pay for 15-30 Calendar Days.”

2. The Appointed Official or Department Director indicates concurrence or non-concurrence on the memorandum in the space to be provided for this purpose, then returns the memorandum to the appropriate supervisor through the Appointed Official or Department Director Department Head concerned.

3. The Human Resources Director indicates approval or disapproval on the memorandum in the space to be provided for this purpose, then returns the memorandum to the appropriate supervisor through the Appointed Official or Department Director Department Head concerned.

4. The immediate supervisor notifies the employee of the decision. If the leave is approved, the employee...
and immediate supervisor each sign the Request for Leave Form and forward it to the Payroll Division. If approved, the Human Resources Department will generate an action paper removing the employee from active status.

5. An employee granted a Leave Without Pay or an employee in a non-pay status in excess of 30 calendar days may be separated from City service and replaced, and if replaced, has no job retention rights. There is, however, an exception to this rule under the Family and Medical Leave Act (PPP #120-75).

Unreported/Unexcused Leave of Absence

Any Leave Without Pay taken that has not been properly requested and approved is considered unexcused and will be subject to disciplinary action.

Unreported or unexcused leave of absence for three or more consecutive work days is considered job abandonment and will result in immediate dismissal.

Effect on Leave, Benefits, and Employment

Depending upon the duration of the period of Leave Without Pay, the following benefits may be affected.

1. Employees will not accrue Sick or Annual Leave.

2. Employees may continue group medical, dental, and life insurance while in a Leave Without Pay status. Employees may continue group medical, dental, and life insurance however, by arranging with the Human Resources Department in advance for monthly payment of the full insurance premium during their absence in accordance with the terms of the current insurance policies.

1.3. Anniversary dates for the purpose of salary increments and probationary periods. When employees return to a duty status, they will have to serve the remainder of these periods before a salary increment is granted or probationary period is considered complete.

Prior credited service shall not be forfeited if an employee is granted a Leave Without Pay. An employee on Leave Without Pay for less than thirty (30) calendar days shall not lose any accrued leave, credited service, or seniority.

Leave Without Pay does not guarantee the employee a job upon expiration of the leave, but, it does ensure their eligibility to return to work, should another position become available for which the employee is qualified.

Recording Leave Without Pay

The supervisor will record for attendance reporting purposes all Leave Without Pay, including dates and times, for all employees as appropriate on the Leave Request Form.

9. Unreported/Unexcused Leave of Absence

Any Leave Without Pay taken that has not been properly requested and approved is considered unexcused and will be subject to disciplinary action.

Unreported or unexcused leave of absence for three or more consecutive work days is considered job abandonment and will result in immediate dismissal.

10. Family and Medical Leave Act (FMLA)

This policy implements the requirements of the Family and Medical Leave Act, which may be amended from time to time. If any inconsistencies exist between the FMLA regulations and this policy, the FMLA regulations will apply.

Definitions

Son or Daughter - A biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is either under age 18, or age 18 or older and "incapable of self-care because of
a mental or physical disability” at the time that FMLA leave is to commence

**Parent** - A biological, adoptive, step or foster father or mother, or any other individual who stood in loco parentis to the employee when the employee was a son or daughter as defined above. This term does not include parents- in-law.

**In loco parentis** – Includes those with day-to-day responsibilities to care for and financially support a child, or, in the case of an employee, who had such responsibility for the employee when the employee was a child. A biological or legal relationship is not necessary.

**Spouse** - A husband or wife.

**Serious Health Condition** - An illness, injury, impairment, or physical or mental condition that involves either:

1. inpatient care in a hospital, hospice, or residential medical care facility; or
2. continuing treatment by a health care provider.

**Health Care Provider** - A licensed doctor of medicine or osteopathy, or any other person determined by the Secretary of Labor to be capable of providing health care services.

**Employment Benefits** - Refers to all benefits provided or made available to employees by an employer including group life insurance, health insurance, disability insurance, paid leaves, educational benefits, and pensions.

**Reduced Leave Schedule** - Refers to a leave schedule that reduces the usual number of hours per workweek, or hours per workday, of an employee.

**Covered Servicemember** – A member of the Armed Forces (including a member of the National Guard or reserves) (a) who is on the temporary disability retired list; (b) who is undergoing medical treatment, recuperation, or therapy for a serious illness or injury; (c) who is assigned to a military medical treatment facility as an outpatient or is otherwise receiving outpatient care at a unit established for members of the armed forces; or (d) who is a veteran released or discharged (for any reason other than dishonorable) during the five year period prior to the first date of leave and is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

**Qualifying Exigency Leave** - Family members of covered service members called to active duty may take leave for one or more of the following qualifying exigencies: (1) to address any issues which arise from the member learning of a call or order to duty seven or less calendar days prior to deployment; (2) to attend military events or sponsored family support programs; (3) to arrange for alternative childcare or school attendance, attend childcare or school meetings, or provide childcare on an urgent immediate need basis when necessitated by the call to duty; (4) to make or update financial and legal arrangements to address the military member’s absence, or to serve as the military member’s representative in obtaining, arranging or appealing military service benefits; (5) to attend counseling (not provided by a health care provider) for oneself, the military member, or child of the military member; (6) to spend time (up to 5 days of leave for each instance) with a military member on temporary rest and recuperation leave; (7) to attend post-deployment activities, and (8) any other events which employer and employee agree arise.

**Family and Medical Leave Act Generally**

The Family and Medical Leave Act (FMLA) entitles eligible employees to take paid or unpaid, job-protected leave for specified family and medical reasons. The City requires employees to Employees may use exhaust any combination of their paid Sick Leave, Annual Leave, and Compensatory Time, as appropriate, during FMLA absences, prior to using unpaid leave, or Family and Medical Leave. Employees must comply with the City’s other leave policies within PPP # 120-00.

- for the birth or adoption of a child, to care for themselves or any family member, to care for covered military service members, and to deal with qualifying circumstances arising out of the fact that a covered family member is on active duty or has been called up to duty. In addition, Sick Leave also may be used for the care of a dependent child, spouse, or parent suffering from illness or injury for up to a maximum of five days per year.
All requests for Family and Medical Leave should be made in accordance with the policy and procedure set forth below. Up to 12 weeks of Family and Medical Leave may be granted in a 12-month period, except in the case of leave to care for a covered service member, where up to 26 weeks of leave may be used in a 12-month period. All FMLA protected leave may will be conditioned on dependent granted upon presentation of acceptable documentation that satisfies the FMLA criteria. All documentation must be submitted to the Human Resources Director or designee. Employees must exhaust all other forms of appropriate paid leave prior to using unpaid leave for Family and Medical Leave reasons.

Eligibility

All regular full-time and part-time benefit eligible employees may apply for Family or Medical Leave, provided they have worked for the City for at least 12 months before the leave request and provided they have worked at least 1,250 hours of service, as established under the Fair Labor Standards Act (FLSA), during the 12-month period immediately preceding commencement of the leave. Hours worked is the time for which an employee is entitled to compensation under the Fair Labor Standards Act.

Employees who do not meet these requirements but need leave may apply for Leave Without Pay or for other forms of leaves in accordance with the Policy on Leave (PPP# 120-00).

Conditions

Prior to granting any unpaid Family and Medical Leave, employees must use all accrued annual and compensatory time or, for personal medical illness supported by medical documentation, Sick Leave, or, for a family member’s illness, Family Sick Leave as defined in the Procedures governing such use of these leaves (PPP# 120-00).

Definitions

Son or Daughter—Any person who is under 18 years old or any person 18 years old or older who is incapable of self-care because of a mental or physical disability if the person’s relationship to the employee is that of:

• a biological, adopted, or foster child;
• a stepchild;
• a legal ward; or
• a child of a person standing in the place of a parent.

Parent—A parent is the biological parent of an employee or an individual who stood in the place of a parent to an employee when the employee was a son or daughter.

Spouse—A husband or wife.

Serious Health Condition—An illness, injury, impairment, or physical or mental condition that involves either:

1. inpatient care in a hospital, hospice, or residential medical care facility; or
2. continuing treatment by a health care provider.

Health Care Provider—A licensed doctor of medicine or osteopathy, or any other person determined by the Secretary of Labor to be capable of providing health care services.

Employment Benefits—Refers to all benefits provided or made available to employees by an employer including group life insurance, health insurance, disability insurance, paid leaves, educational benefits, and pensions.

Packet Pg. 368
Reduced Leave Schedule – Refers to a leave schedule that reduces the usual number of hours per workweek, or hours per workday, of an employee.

Covered Service Member – Refers to a member of the armed forces (including a member of the National Guard or reserves) (a) who is on the temporary disability retired list; (b) who is undergoing medical treatment, recuperation, or therapy for a serious illness or injury; (c) who is assigned to a military medical treatment facility as an outpatient or is otherwise receiving outpatient care at a unit established for members of the armed forces; or (d) who is a veteran released or discharged (for any reason other than dishonorable) during the five year period prior to the first date of leave and is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

Qualifying Exigency Leave – family members of covered service members called to active duty may take leave for one or more of the following qualifying exigencies: (1) to address any issues which arise from the member learning of a call or order to duty seven or less calendar days prior to deployment; (2) to attend military events or sponsored family support programs; (3) to arrange for alternative childcare or school attendance, attend childcare or school meetings, or provide childcare on an urgent immediate need basis when necessitated by the call to duty; (4) to make or update financial and legal arrangements to address the military member’s absence, or to serve as the military member’s representative in obtaining, arranging or appealing military service benefits; (5) to attend counseling (not provided by a health care provider) for oneself, the military member, or child of the military member; (6) to spend time (up to 5 days of leave for each instance) with a military member on temporary rest and recuperation leave; (7) to attend post-deployment activities, and (8) any other events which employer and employee agree arise out of the military member’s call to duty, qualify as an exigency, and agree as to the timing and duration of leave.

Leave Benefits

Eligible employees can take up to the equivalent of 12 workweeks of leave in a 12-month period for the following reasons:

- The birth of a child or placement of a child for adoption or foster care;
- To bond with a child within one year of the child’s birth or placement;
- To care for the employee’s spouse, child, or parent who has a qualifying serious health condition;
- For the employee’s own qualifying serious health condition that makes the employee unable to perform the employee’s job;
- For qualifying exigencies related to the foreign deployment of a military member who is the employee’s spouse, child, or parent (Qualifying Exigency Leave).

An eligible employee who is a covered service member’s spouse, child, parent, or next of kin may also take up to a combined total of 26 weeks of FMLA leave in a single 12-month period to care for the servicemember with a serious injury or illness (Military Caregiver Leave).

Eligible employees are entitled to a total of 12 workweeks of leave during any 12-month period when leave is taken for one or more of the following circumstances:

1. the birth of a son or daughter of an employee and to care for the child;
2. the placement of a son or daughter with an employee for adoption or foster care;
3. to care for the employee’s spouse, child, or parent who has a serious health condition;
4. an employee is unable to perform the functions of the position because of the employee’s own serious health condition; or
5. non-medical exigencies arising out of the fact that the employee’s spouse, son, daughter, or parent is on active duty or on call to active duty status (Qualifying Exigency Leave).

Additionally, an eligible employee may take up to twenty six (26) workweeks of leave during a single twelve month period to care for a covered service member with a serious injury or illness incurred in the line of duty who is a spouse, son, daughter, parent, or kin to the employee (military caregiver leave).

Conditions
The right to leave for the birth or placement of a son or daughter expires 12 months after the birth or placement.

Employees may be eligible to take other forms of leave as may be authorized to them beyond the initial 12- or 26-week period, in accordance with the policies covering the use of such leave.

Eligible spouses who both work for the City are limited to a combined total of 12 workweeks of leave in a 12-month period for certain FMLA-qualifying reasons, and are also limited to a combined total of 26 workweeks in a single 12-month period to care for a covered servicemember with a serious injury or illness if each spouse is a parent, spouse, son or daughter, or next of kin of the servicemember.

The City prohibits discrimination or retaliation against an employee or prospective employee for having exercised or attempted to exercise FMLA rights. The taking of FMLA leave cannot be used as a negative factor in employment actions, such as hiring, promotions, or disciplinary actions; nor can FMLA leave be counted under no fault attendance policies.

If both spouses are working employees of the City, their total leave in any 12-month period is limited to 12 weeks if the leave is taken for the birth or adoption of a child or to care for a sick parent.

**Intermittent or Reduced Schedule Leave**

Intermittent or reduced schedule leave can be taken in cases of a serious health condition, either an employee's own or that of a family member, when medically necessary.

Leaves taken for the birth, adoption, or placement of a child for adoption or foster care, son or daughter, cannot be taken intermittently or on a reduced leave schedule unless specifically agreed to by the Human Resources Director or designee. The City Manager Appointed Official or designee.

Employees may be required to transfer temporarily to an available alternative position if:

- the employee is qualified for the alternative position;
- the position has equivalent pay and benefits; and
- the alternative position better accommodates recurring periods of leave than the employee's regular position.

**Timing of Notice**

Employees must comply with the City's usual and customary requirements for requesting leave and provide enough information for the City to reasonably determine whether the FMLA may apply to the leave request. Eligible employees generally must provide their immediate supervisor with 30 days' advance notice of the intent to take leave for foreseeable events such as the expected birth of a child or placement of a child for adoption or foster care, birth or placement of a son or daughter, or planned medical treatments. When circumstances require a leave to begin in less than 30 days, the employee must give as much notice as is practicable notice as soon as possible and practical. In accordance with the Family and Medical Leave Act, employees are obligated to make a reasonable effort to schedule medical treatment so as not to unduly disrupt the employer's City's operation. Supervisors must inform Human Resources immediately when an employee has missed or is expected to miss work due to a potentially FMLA qualifying reason.

**Requesting Leave**

Employees who anticipate an extended leave for any of the reasons listed within this Procedure should, whenever possible, prepare a memorandum to their immediate supervisor requesting the leave. If impossible to request the leave in advance by memorandum, the employee or representative, if necessary, should contact the immediate supervisor by phone. In this case, the immediate supervisor must complete the memorandum.
The memorandum should provide for authorization by the Department Director, Department Head, and the Human Resources Director. It should include the reason for the request and the anticipated dates of leave. The employee (or representative) must provide appropriate certification. At the time of request, the Human Resources Department will notify the employee as to what constitutes appropriate certification for the leave.

After all approvals have been obtained, the Human Resources Department will notify the employee that leave has been approved. A copy of the approved leave memorandum will be forwarded to the Payroll Department along with an action paper effecting the change in status. Leave may only be denied with the concurrence of the Human Resources Director.

**Submitting Time and Documentation**

Immediate supervisors will submit time in accordance with current payroll practices. The immediate supervisor, the Human Resources Department, and the Payroll Division will work together to determine appropriate leave to be submitted. Sick Leave may only be used when appropriate medical documentation has been submitted to and verified by the Human Resources Director or designee. Family Sick Leave may be used in accordance with the process outlined above, PPP# 120-30 section. Annual Leave should be used for other approved requests and when no other form of appropriate paid leave is available.

When an employee has used all forms of approved paid leave and has not completed the 12- or 26-week period, the remaining **qualifying** leave should be recorded as **excused** Leave Without Pay.

Initial and ongoing certification for approved leaves should be submitted to the immediate supervisor and forwarded to the Human Resources Director. Certifications will be kept confidential and will not be made part of the employee’s personnel file.

**Certification**

Employees are required to provide appropriate certification for medical documentation to support the **entire period of leave** request. Medical certification should include, but may not be limited to, the date the condition began, its probable duration, appropriate medical facts, and an assertion that the employee is unable to perform the job functions or is needed to care for a sick family member for a specified period of time. The City's Medical Certification Form is to be used for this purpose. Initial and ongoing certification medical documentation for approved leave should be submitted directly to the Human Resources Director or designee.

The City may require the employee on leave to report periodically on their status and intention to return to work.

Records and documents relating to certifications, recertifications, or medical histories of employees or employees' family members, created for purposes of FMLA, shall be maintained as confidential medical records in separate files from the usual personnel files.

Other certifications may be required depending on the reason for which the leave is requested. All such certifications will be required in accordance with the City's policy on leave usage (PPP# 120-00) and the Family and Medical Leave Act of 1993 with amendments.

Certification must be provided for the entire period of leave. The City may require the employee on leave to report periodically on their status and intention to return to work.

**Effect on Employment and Benefits**

Eligible employees returning from **Family and Medical Leave** will be returned to the position that they held when they went on leave or an equivalent position with equivalent pay, benefits, and other terms and conditions of employment.
Eligible employees retain all accrued benefits while on FMLA leave. However, employees are not entitled to may not accrue seniority or other employment benefits (including credited service toward pension) during any unpaid period of leave.

Employees in a paid leave status will be entitled to continue their health, dental, life, and other benefits while on an approved FMLA leave. Any share of group health plan premiums which had been paid by the employee prior to FMLA leave must continue to be paid by the employee during the FMLA leave period. Employees in a leave without pay status while on approved FMLA leave may continue their health, dental, life, and other benefits provided they continue to pay their portion, and the City’s portion, of the cost of the benefit.

Return to Work

Employees returning to work after an approved medical FMLA leave must provide appropriate documentation that they are able to resume their position.

Employees unable to return to work after the expiration of their approved leave will be eligible to apply for benefits under any other existing City of Rockville leave policy. Should leave not be available or not be granted under any other policy, their employment relationship will may be terminated. If an employee fails to return to work after the employee’s FMLA leave has been exhausted or expires, the City may recover its share of health benefits premiums, unless the reason the employee does not return is due to:

- The continuation, recurrence, or onset of either a serious health condition of the employee or the employee’s family member, or a serious injury or illness of a covered servicemember, which would otherwise entitle the employee to leave under FMLA; or
- Other circumstances beyond the employee’s control.

The City may require medical certification of the employee’s or the family member’s serious health condition or the covered servicemember’s serious injury or illness. The employee is required to provide medical certification within 30 days from the date of the City’s request. If the employee does not provide such certification in a timely manner, or the reason for not returning to work does not meet the test of other circumstances beyond the employee’s control, the City may recover 100 percent of the health benefit premiums it paid during the period of unpaid FMLA leave.

If an employee fails to return to work after the employee's FMLA leave entitlement has been exhausted or expires, the City may recover its share of health benefits premiums during a period of unpaid FMLA leave, unless the reason the employee does not return is due to:

- The continuation, recurrence, or onset of either a serious health condition of the employee or the employee’s family member, or a serious injury or illness of a covered servicemember, which would otherwise entitle the employee to leave under FMLA; or
- Other circumstances beyond the employee’s control.

The City may require medical certification of the employee’s or the family member’s serious health condition or the covered servicemember’s serious injury or illness. The employee is required to provide medical certification within 30 days from the date of the City’s request. If the employee does not provide such certification in a timely manner, or the reason for not returning to work does not meet the test of other circumstances beyond the employee’s control, the City may recover 100 percent of the health benefit premiums it paid during the period of unpaid FMLA leave.

Employees unable or unwilling to return to work after the expiration of their approved leave are required to reimburse the City of Rockville the cost of maintaining their benefits coverage during the period of unpaid leave if:

1. the employee fails to return from leave after entitlement has expired; and
2. The employee fails to return to work for a reason other than:

   a. the continuation, recurrence, or onset of a serious health condition that would entitle the employee to leave; or

   b. other circumstances beyond the employee's control.

Employees may be required to support their claims of inability to return to work because of the above conditions. In such cases, employees must provide, in a timely manner, certification from the appropriate health care provider.

Employees who are among the highest paid 10 percent of eligible employees may be denied restoration to their prior or an equivalent position in accordance with the Family and Medical Leave Act of 1993. This may occur when: it is necessary to prevent substantial and grievous economic injury to the City's operation; when they have been notified at the time the City determines injury would occur that the City intends to deny restoration; and, in the case of an employee already on leave, the employee elects not to return to work after being notified of the City's decision.

Failure to return to duty immediately after the leave expires (unless other arrangements have been made in advance) will be considered a resignation from the City.

11. Bereavement Leave

Regular employees shall be entitled to a three-day leave of absence with pay for a death in the employee's immediate family. The immediate family includes spouse, child, sibling, parent, parent-in-law, foster parent, grandparent, and grandchild, sister-in-law, brother-in-law, aunt, uncle, niece, nephew, and foster child. In some circumstances, bereavement leave may be approved by the Human Resources Director, for non-immediate family members. Such leave will be granted at the request of the employee, subject to valid proof, for the period including the date of death and the day after the burial. An employee who requires more time off because of distant travel or other extraordinary circumstances may be granted one (1) additional day leave of absence with pay by the Human Resources Director.

Employees may be granted one (1) working day off with pay for the death of other close extended family members (extended family member is still related) either related or non-related, with authorization of the Human Resources Director.

Employees represented by AFSCME Local 1453 shall receive Bereavement Leave in accordance with the terms of the Collective Bargaining Agreement.

Requesting Bereavement Leave

The employee, upon learning of the death of a relative, an immediate family member will notify the immediate supervisor of his or her current or intended absence, and indicating the relationship of the deceased. For this purpose, the Request for Leave Form will be used. Use of Bereavement Leave is limited to the relatives set forth in the Policy on Leave (PPP# 120-00).

1. The supervisor notifies the Payroll Division of the Bereavement Leave, which is to be granted for bereavement, by sending a copy of the signed and completed leave slip to them.

Recording Bereavement Leave

The supervisor will record Bereavement Leave for an employee as appropriate.

12. Job-Injury Leave

Eligibility

Job-Injury Leave is a benefit offered to all regular City employees. Non-regular City employees are not eligible for this benefit.

Job-Injury Leave with pay is granted upon certification by the City's workers' compensation provider insurer, third-party administrator, claim service, self insurer and/or Workers Compensation Insurer and/or physician(s)
that the employees are unable to perform the duties of their jobs and that the incident is compensable in accordance with Workers’ Compensation laws in the State of Maryland.

New regular employees are eligible from the first day at work. There is no waiting period for eligibility. However, employees must use Sick Leave, Annual Leave, or Leave Without Pay for the first three days of the injury period of disability.

Nothing in this policy or procedure will prohibit the City and an eligible employee from reaching a mutually agreeable settlement in lieu of the leave benefit described herein.

Payment

In the event an employee sustains a compensable injury or illness rendering them totally disabled while on the job, they shall, after a three (3) calendar day waiting period, receive their regular base rate of pay (not to exceed forty (40) hours per week), less any worker's compensation payments during the period of temporary total disability. Employees are eligible to use their accrued Annual, Sick, or Compensatory Time during the 3-day waiting period. If an employee does not have available accrued leave during the 3-day waiting period, their time will be entered as Leave Without Pay in the city’s time and attendance system. If an employee is out of work for more than fourteen (14) days due to a compensable injury, the City will recredit two (2) days of leave used by an employee during the initial three (3) day waiting period. This will occur after the City’s workers’ compensation insurer has reimbursed the City for this period. If any days within the 3-day waiting period are entered as Leave Without Pay, the city’s workers’ compensation provider may pay the employee temporary total disability for any unpaid days during the waiting period; assuming the employee remained out of work more than 14-days due to a compensable injury.

In the event an employee sustains a compensable injury or illness rendering them totally disabled while on the job, they shall, after three (3) days of absence, receive their regular base rate of pay (not to exceed forty (40) hours per week), less any worker’s compensation payments during the period of temporary total disability. If an employee is out of work for more than fourteen (14) days due to a compensable injury, the City will recredit two (2) days of leave used by an employee during the initial three (3) day waiting period. This will occur after the City’s Workers’ Compensation Insurer has reimbursed the City for this period. Should the time off not be authorized by the City’s provider Claim Service and/or physician in accordance with Workers’ Compensation Laws of the State of Maryland, any payment received by the employee for such time off shall be charged against available leave. If no accrued leave is available, it may be charged as Leave Without Pay. Leave used for approved on-the-job injuries during the first three days will be adjusted at a rate of 66 2/3 percent for leave used for disabilities when the disability exceeds fourteen (14) days.

Authorized Job-Injury Leave is payable through the earlier of maximum recovery or two years from the date of injury/illness. Absences for Job-Injury Leave must be authorized solely by the City’s workers’ compensation insurer, third-party administrator, claim service, self-insurer Claim Service and/or physician. When Job-Injury Leave stops, the disabled individual may continue to be compensated in accordance with the Workers’ Compensation Laws of the State of Maryland and the City’s Income Protection Program.

Job-Injury Leave and Workers’ Compensation Reporting Process

1. Employees must, as soon as reasonably practical, immediately report any injury or illness or recurrence of an injury or illness incurred on the job to their immediate supervisor.

   a. Employees will notify their immediate supervisor of the details concerning the injury or illness, unless they are incapacitated, immediately, as soon as reasonably practical, after the injury or onset of illness.

   b. Employees must provide appropriate, acceptable and verifiable medical documentation for any lost time as soon as possible.

   c. Employees will secure appropriate medical treatment as soon as possible after the injury for their workers’ compensation claim. Employees may use the medical facility of their choice for seeking treatment for a compensable workers’ compensation injury/illness.

   c. Both Job-Injury Leave and associated medical bills will only be paid after confirmation by the City’s provider Claim Service and/or physician that the incident is compensable in accordance with Workers’ Compensation laws in the State of Maryland. Employees can use their health insurance plan
to ensure that medical bills are covered.

d. Failure of an employee to follow this policy and procedure or any directives or requests concerning Job Injury Leave may result in forfeiture of benefits and appropriate forms of disciplinary action up to and including dismissal.

2. The supervisor will gather information regarding the occurrence of the injury or illness and fill out an appropriate claim form. In the case of a serious injury or illness which either results in a fatality or requires transport or admission to an emergency facility, the Human Resources Department should be notified immediately. Additional reporting requirements are contained in PPP #200-00 and #200-10 Policy and Procedure on Reporting Incidents Involving Property Loss or Personal Injury.

3. The Human Resources Department will review and process the report. The Human Resources Department will verify the nature and extent of the injury through the City’s provider claim service and/or physician. The Human Resources Department will process the workers’ compensation claim with the claims service along with all supporting documents and relevant history, and will authorize the Job Injury Leave as appropriate.

3a. If an employee is denied Job Injury Leave and is later awarded workers’ compensation for temporary total disability by the Maryland Workers’ Compensation Commission for that time period, the City will credit Job Injury Leave for the disputed time, minus any workers’ compensation payments, subject to the leave maximum. Any Annual or Sick Leave used will then be credited back to the employee.

4. Approval for Job Injury Leave will continue based upon compensability determined by the City’s workers’ compensation provider, third-party administrator, claim service, self-insurer and/or physician. Workers’ Compensation Insurer and/or physician until the Workers’ Compensation Commission denies the period of temporary total disability, the claim, upon the offer of an alternate duty assignment, or the employee reaches the maximum period, as described in the policy.

5. The Workers’ Compensation Insurer will send the Workers’ Compensation Employee form to employees to be completed. The Workers’ Compensation Insurer will assign the employees a claim number and will coordinate all medical and temporary total Workers’ Compensation payments.

6. Employees must provide current medical evaluations on the City’s Medical Certification Form appropriate, acceptable and verifiable medical documentation throughout the duration of the absence. Employees are responsible for ensuring that documentation of work restrictions or inability to work is submitted to the Human Resources Department through their supervisors.

6a. No Job Injury Leave payment will be made without approval from the City’s Workers’ Compensation provider, third-party administrator, claim service or self-insurance provider. In the event that the documented period of excused absence approved Job Injury Leave (as indicated on the City’s Medical Certification form) has expired and no further documentation is received within three days of the expiration date, Job Injury Leave will be terminated until verifiable proper documentation is received and approval is obtained by the City’s workers’ compensation provider, third-party administrator, claim service, self-insurer and/or physician. Copies of all documentation must be submitted directly forwarded to the Human Resources Department upon receipt.

76. The Human Resources Department will periodically review the employee’s status while on Job Injury Leave. As part of this review, the Human Resources Department may request additional medical evaluations and City Workers’ Compensation Insurer and/or physician’s certifications.

76a. The employee must submit to medical evaluations as requested by the City including independent medical evaluations to receive Job Injury Leave payments. Failure to submit to any required medical evaluations, including independent medical evaluations, or otherwise comply with the Policy and Procedure on Job Injury Leave may result in forfeiture of such Leave and disciplinary action.

78. After evaluation of an employee’s status, the Human Resources Department will advise the employee’s Appointed Official or Department Director, and supervisor, or designee that the employee can:

a. return to work; or
b. cannot return to work at that time. If so, there will be an estimation of when the employee will be able to return to work.
Employees receiving Job-Injury Leave payments are responsible for:

a. following all doctor’s orders including any treatment plans prescribed during their recovery;  
b. being available to the City during normal working hours, unless alternate leave has been approved for personal business;  
c. accepting any alternate duty offered, provided it is within the medical limitations authorized by the City’s workers’ compensation provider and/or physician;  
d. signing over to the City all Workers’ Compensation payments for periods of time covered by Job-Injury Leave;  
e. complying with all policies, procedures and directions concerning Job-Injury Leave.

Employees on Job Injury Leave will remain responsible for their share of benefit premium payments. Regular benefit and other deductions will continue to be made while an employee is receiving Job-Injury Leave payments. While an employee is receiving Job-Injury Leave payments, no Annual or Sick Leave will accrue. All paid time on Job-Injury Leave will count as time worked for purposes of service awards and benefit calculations only.

**Recording and Processing Job-Injury Leave**

1. The supervisor will record time spent on Job-Injury Leave by an employee as directed by the Payroll Division, up to the maximum permitted by the Job-Injury Leave Policy.

2. The Payroll Division will ensure through that the maximum Job-Injury Leave is not exceeded and that all benefit accruals and payments are proper based on this Policy and Procedure.

3. The Payroll Division will verify all Job-Injury Leave requested with the Human Resources Department to ensure that appropriate medical documentation has been received and that the Job-Injury Leave is authorized.

4. At the end of each calendar year, the Payroll Division is responsible for adjusting the taxable wages of all employees who received Job-Injury Leave and who signed their workers’ compensation payments over to the City. These employees’ year-end W-2’s will reflect the adjusted taxable income based on the amount of non-taxable workers’ compensation payments received during that calendar year.

**Off-The-Job-Injury/Illness Leave**
Regular employees sustaining injuries or illnesses off-the-job, after completing one year and one day of service, may be eligible for Off-the-Job Injury/Illness Leave. Off-the-Job Injury/Illness Leave is equal to an employee’s regular base rate of pay in effect at the time of the injury or illness and is payable after a six month initial waiting period to the earlier of the employee’s maximum recovery or two years from the date of injury/illness. Eligibility for Off-the-Job Injury/Illness Leave is also contingent upon the criteria that employees cannot perform their job, there is a lack of alternate duty work and that the individual is unable to work with or without reasonable accommodations. All Off-the-Job Injury/Illness Leave is reduced by Social Security or legal settlements related to the injury/illness and may be reduced by outside earnings.

During the initial six-month period, employees must use their accrued Sick or Annual Leave or request Family and Medical Leave Without Pay or general Leave Without Pay as may be appropriate as defined by the policies and procedures specific to these forms of leave. Employees who are members of the Sick Leave Bank may apply for additional Sick Leave through the Sick Leave Bank. All leave is subject to appropriate, acceptable medical certification on the City’s Medical Certification form. The City reserves the right to verify all medical certifications and/or refer an employee for an independent medical evaluation. Where a difference of opinion exists, the City shall be guided by the independent medical evaluation.

Employees who continue to be unable to perform their duties may be entitled to Off-the-Job Injury/Illness Leave after the initial six-month period. Between six months and the earlier of two years or maximum recovery, medical certifications continue to be required and alternate duty assignments or reasonable accommodations may be made. Employees who reach maximum recovery or who exhaust the two year maximum for Off-the-Job Injury/Illness Leave may be entitled to additional benefits as defined in the City’s Income Protection Policy (See PPP# 123-20).

14. Inclement Weather Leave

When an executive order to close has not been issued, employees who are absent, late for work, or leave early during inclement weather must charge such absence to accumulated Annual Leave or accrued Compensatory Leave. The City Manager or designee may authorize such absences on an individual basis provided that necessary services remain in operation.

During inclement weather conditions, the City Manager’s Office will notify the Department Director Department Heads that if a liberal leave policy is in effect. This means that Department Director Department Heads may use supervisory discretion in granting such leave. If an employee has no accumulated Annual or Compensatory Leave, the time off must be recorded as Leave Without Pay.

When a weather emergency has been declared, some employees may be granted leave as outlined below.

Staffing Guidelines

In order that public services may be provided, all City offices will generally be open during inclement weather to serve the public during usual business hours. Therefore, maintaining an acceptable level of employee attendance is essential. However, there are certain severe inclement weather conditions which create emergency situations beyond the control of employees, and which could affect attendance. Of primary concern is the provision of essential services to the public. To that end, the level of staffing required will be based on serving the public rather than accommodating employees.

The Department Director Department Heads are responsible for determining the level of staffing within their respective departments and the notification procedures necessary to implement this Policy.

Employees customarily assigned to snow and ice control duties are also governed by other applicable directives.

Definitions

Inclement Weather Emergency: any weather condition, such as snow and ice storms, floods, hurricanes, etc., that represents a threat or danger to the welfare of employees and/or extreme risk to City property as determined by the City Manager or designee.

Essential Employees: the minimum number of employees designated by the Department Director Department Heads as required to operate specific City functions. Those employees are expected to report to or remain at work as notified during a weather emergency.
**Liberal Leave:** During inclement weather a liberal leave policy may be placed into effect. A liberal leave policy means that the rules governing the time frames for requesting and granting of Annual and Compensatory Leave and Leave Without Pay are relaxed to accommodate individuals who cannot report to work on time, or at all, due to inclement weather conditions.

**Inclement Weather Emergency Process**

In the event of inclement weather, the City Manager will determine whether it is warranted to declare an inclement weather emergency and whether all employees or only essential employees are required to report to or remain at work. Essential employees will be identified and notified of such designation by their Department Director or Department Head.

If severe inclement weather occurs or is expected before the normal workday begins, the City Manager will decide whether conditions warrant declaring an inclement weather emergency and direct that only essential employees should report to work. That decision will be relayed via certain local radio stations, Alert Rockville, email, and the City's Weather Line. In the absence of such radio announcements, all employees are expected to report to work.

**Declaration of an Inclement Weather Emergency**

1. The City Manager will determine the starting and ending time of an emergency whenever an "inclement weather emergency" is declared. During the period of emergency, when only essential personnel are to report to or remain at work, the following rules will apply:

   a. Essential employees reporting to or remaining at work will be paid regular time for their scheduled shift plus, if eligible, time-and-a-half for all hours worked beyond the 40-hour workweek as approved. They will also accrue Administrative Leave equivalent to that given to non-essential employees during the inclement weather emergency. Such leave will be recorded by the department and available for the employee to take upon reasonable request.

   b. Essential employees who are unable to report to work during an inclement weather emergency may request Annual Leave provided they properly notify their supervisors. The approval of such a request is at the sole discretion of the supervisor. Those who do not properly notify their supervisors will not be paid for the day and will be recorded as absent without permission (AWOP).

   c. Essential employees who are unable to remain at work after an inclement weather emergency has been declared may request Annual Leave for the remainder of their shift. Such leave must be approved by the supervisor.

   d. Employees not required to report to or remain at work will be paid Administrative Leave for their regularly scheduled shift or for that portion of their shift covered by the period of emergency, subject to the following exceptions:

      (1) Employees already out on scheduled leave on the day emergency conditions arise will be charged appropriate leave for the day; and

      (2) Employees who elect to leave early because of weather conditions and are granted Annual Leave prior to an announced period of emergency will be charged Annual Leave.

   e. Employees who report to or remain at work during an inclement weather emergency, even though not required to do so, will receive no extra compensation.

2. In the absence of a City Manager declaration that an inclement weather emergency exists and that only essential employees report to work, despite inclement weather conditions, all employees are expected to report to work. In such instances, the following rules will apply:

   a. Employees who are late in reporting to work will be paid a full day's pay provided that they report within a reasonable amount of time and that the time missed from work will be charged against available appropriate accumulated Annual or Compensatory Leave.
b. Employees who are unable to report to work due to weather conditions, but who properly notify their supervisors, may be charged Annual Leave for the day. Employees unable to report to work due to illness will be placed on Sick Leave and may be required to provide an acceptable, verifiable note from a physician substantiating the absence. Those who do not properly notify their supervisors will not be paid for their absences and will be recorded as absent without permission (AWOP).

3. **Department Director** Department Head Responsibilities:

   a. establishing procedures and work records as necessary in order to ensure uniform administration and accountability of work activity to include accurate recording of overtime and leave records;

   b. developing and maintaining up-to-date notification lists so that supervisors can notify employees of decisions affecting them during inclement weather emergencies;

   c. ensuring that supervisory personnel are available to employees by telephone to respond to any questions or concerns on the nature of the inclement weather emergencies;

   d. posting names of designated essential employees so that they understand the department plans and they are able to perform the essential services required; and

   e. ensuring that all employees are aware of their assignments and responsibilities in inclement weather emergencies.

**PPP # 120-105**

**Procedure on Off-the-Job Injury/Illness Leave**

**PURPOSE**

The purpose of this Procedure is to implement the Policy concerning Off-the-Job Injury/Illness Leave (PPP# 120-00).

**PRINCIPLES**

Off-the-Job Injury/Illness Leave is a benefit offered to all regular City employees after completing one year and one day of service. In the event a regular employee who qualifies as stated above sustains an injury or illness off-the-job rendering them unable to perform their job, they may, after a six month waiting period, be entitled to receive their regular base rate of pay in effect at the time of the injury/illness. Off-the-Job Injury Leave is payable to the earlier of the employees' maximum recovery or two years from the date of injury/illness.

Off-the-Job Injury/Illness Leave will not be paid for injuries arising from but not limited to the following activities: underwater diving, hang-gliding, para-sailing, para-kiting, parachuting, skydiving or mountain climbing or racing by automobile, motorcycle, motorboat or snowmobile, or other similar dangerous recreational activities, or civil disorders, or upon conviction of illegal acts. The intent of identifying these activities is to give employees notice of those types of activities which, by their demonstrated danger to participants, shall not be covered.

Payment of Off-the-Job Injury/Illness Leave benefits is subject to the City’s operational needs.

Nothing in this Policy or Procedure will prohibit the City and an eligibly disabled employee from reaching a mutually agreeable settlement in lieu of the Leave benefits described herein.

**ELIGIBILITY**

Regular employees after completing one year and one day of service may be eligible for Off-the-Job Injury Leave benefits.

Eligibility for Off the Job Injury/Illness Leave is contingent upon lack of alternate duty work and inability of the employee to perform their current job with or without reasonable accommodations. All Off-the-Job Injury/Illness Leave is reduced by Social Security or legal settlements related to the injury/illness and may be reduced by outside earnings and workers compensation.
**BENEFITS**

For the first six months of an off-the-job injury/illness, eligible employees use their accrued Sick or Annual Leave or may request Family and Medical Leave Without Pay or general Leave Without Pay or any other appropriate Leave in accordance with PPP# 120-00. Employees who are members of the Sick Leave Bank may apply for additional Sick Leave through the Sick Leave Bank. At the end of this initial six month waiting period, employees may receive Off-the-Job Injury/Illness Leave which is their regular base rate of pay in effect at the time of the injury or onset of illness. Off-the-Job Injury/Illness Leave is payable to the earlier of maximum recovery or two years from the date of the injury or onset of illness.

At the earlier of maximum recovery or two years, when Off the Job Injury/Illness Leave expires, employees may be eligible for continued income at 60 percent of their gross pay as outlined in the Income Protection Policy (PPP# 123-20).

**REQUESTING BENEFITS**

1. Employees should secure medical care and treatment immediately after the injury or onset of illness. The employees' doctors should estimate the projected time off the job by the employees and the employees will provide documentation of all lost time as soon as possible to the City through their supervisors. Such documentation should include but not be limited to the length of time off, the employees' ability to perform their jobs, a prognosis and anticipated duration, as well as their work restrictions indicating their ability to perform alternate duty work.

   In the event of an injury or illness that causes employees to be unable to perform their duties, employees must notify their immediate supervisor as soon as possible after the medical determination has been made.

2. During the first six months of injury/illness, employees may use whatever Leaves are appropriately available to them in accordance with the Policy on Leave (PPP# 120-00) and any associated Procedures.

   Employees will provide current medical certification forms every three months throughout the duration of the illness or injury. All time off must be certified by a licensed physician.

   The City reserves the right to have an independent medical certification and evaluation made by a City-approved physician. In the event of conflicting opinions, the City will be guided by the results of the independent medical examination.

**The Department Director**

return to work immediately,

The employee will then be expected to return to work. If the employees fail to return to work when the medical opinion indicates that they may, employees may continue to use any available, accrued leave after which they may apply for a Leave without Pay. Employees may be terminated if in the opinion of the City Physician they can return to work and they refuse to do so.

perform alternate duty work only,

The employee will be assigned any available alternate duty work, or

If no alternate duty work is available, the Personnel Department will authorize the supervisor to input Off-the-Job Injury/Illness Leave.

Failure to accept alternate duty work when available and when authorized by the City physician may be cause for dismissal.
cannot return to work (in any capacity at that time),

The Personnel Department will obtain an estimation of when the employee will be able to return to work.

During this time, Off-the-Job Injury/Illness Leave will be authorized to the maximum permitted under this Policy;

If the medical opinion indicates that an eligible employee is at maximum recovery (can never return to their job) at the expiration of the six month waiting period, that employee may be entitled to Income Protection Policy benefits as outlined in PPP# 123-20, but will not be eligible for Off-the-Job Injury/Illness Leave.

The Human Resources Department will ensure that an action paper is completed to authorize the payment of Off-the-Job Injury/Illness Leave when appropriate. Authorization of Off-the-Job Injury/Illness payments means that appropriate medical documentation has been received and no alternate duty work is available or reasonable accommodations will be effective.

For any Off-the-Job Injury/Illness Leave time authorized by the Human Resources Department, the Supervisor will complete and submit the appropriate leave slips as determined by the Payroll Division.

**BENEFITS DURING OFF-THE-JOB INJURY/ILLNESS LEAVE**

Employees will continue to be eligible to participate in the City’s employee benefit programs while on Off-the-Job Injury/Illness Leave in accordance with the terms of the contractual benefit agreements. No annual or Sick Leave will accrue during authorized Off-the-Job Injury/Illness Leave. Employees continue to pay their share of the benefits and the City pays its share.

Employees eligible for longevity payments will continue to receive these payments and time on Off-the-Job Injury/Illness Leave will count for purposes of service time with the City.

**PPP # 123-00**


**PURPOSE**

The Purpose of this Policy is to establish rules for the administration of the City’s health, dental insurance, income-protection, income protection benefits, long-term disability and death life insurance benefits, death benefits, and other programs.

**PRINCIPLES**
City Programs

The City provides health, dental, income protection, long-term disability, death, life insurance, death benefits, and other programs for regular employees. Specific program eligibility is determined by an employee's status. These programs are structured to meet the needs of employees and, along with salary, are a part of the total compensation package which is designed to both accommodate the employees and help the City maintain a competitive position in the employment market.

Summaries of these programs are set forth below. More detailed information describing these programs is available in the Human Resources Department.

PPP # 123-10
Procedure on Health and Welfare Dental Benefits Insurance

PURPOSE


GENERAL RULES

Health Care Program and Dental Insurance Enrollments/Changes

Any regular employee who elects to participate in a City-sponsored group health plan must complete submit an appropriate election within 30 days of employment in order to participate in a City-sponsored group health or dental insurance plan membership enrollment forms. These forms are available in the Human Resources Department and must be completed within one month of employment. New employees will be given the enrollment forms along with detailed information about each of their health and dental plan options during their new-hire orientation.

After the initial option to join, employees may only enroll or change health or dental care plans only during the City's annual open enrollment period. The open enrollment period is generally held in November with an effective date of the following January 1st. However, employees may apply for coverage outside of the open enrollment period in cases of extreme need due to qualifying events. Generally, these are considered to be when employees or dependents gain or lose coverage from another source through no fault of their own. Acceptance into the plan is not guaranteed.

As required by IRS Section 125, employees may make certain changes to their benefits outside of open enrollment only under certain circumstances, based on a "qualified change in family status". In such cases, the employee must elect the change and submit appropriate documentation within 30 days of the qualifying event, or may be required to wait until the next open enrollment. Employees may elect to change their type of coverage (i.e., family, two-person, single) under certain circumstances. An employee may add or delete eligible dependents during any open enrollment period. Outside of the open enrollment period, an employee may add newly eligible dependents within 30 days of eligibility. For example, employees who marry may add the new spouse within 30 days of marriage or must wait until the next open enrollment.

Employees may change their status outside of the open enrollment only under certain circumstances. If employees are participants in the City's Pre-Tax Section 125 Premium Reduction Program, changes in coverage type may be made only when a "qualified change in family status" occurs. Other members may apply regardless of a qualified change in family status.

For purposes of this program, a qualified change in family status is defined as may include:

- an employee's marriage, divorce, or legal separation;
- the birth, adoption, or change in custody of a dependent;
- the death of the employee's spouse or dependent;
- change of job location or residence out of the service area of the medical plan;
- the employee's or employee's spouse's switching from part-time to full-time employment status, or...
vice versa, and

- the employee's dependent meeting or failing to meet the plan's eligibility rules
- the employee or employee's dependent gaining or losing other coverage due to a change in employment status
- the employee's or the employee's spouse's taking an unpaid leave of absence.

To effect any change, an employee must always complete an appropriate health plan form within 30 days of the event. Health plan change forms are available in the Human Resources Department.

Premiums required to be paid by the employee will be deducted automatically from paychecks, based upon the effective date and type of coverage specified by the employee. These deductions may be adjusted from time to time to reflect benefit or premium changes in the City's group contracts.

**Dental Credit Plan**

For those employees who participate in the health plan but choose not to participate in the dental plan, the City applies defers its contribution for the dental plan and instead applies it to the health plan premiums. As a result, health premiums are reduced by the City’s dental contribution amount.

**Health and Wellness Program**

The City, through its Wellness Coordinator, may provide a variety of voluntary health fairs, programs, screening, etc., all designed to enhance the physical and mental well-being of its employees. Employees are encouraged to participate in these various activities as designed for their benefit. Programs are either free or are available at a nominal cost.

**Lactation Accommodations**

The City of Rockville supports will provide employees with appropriate accommodations for expression of breast milk employees' need for lactation services. We support employees who choose to breastfeed through:

- The provision of paid-time away from their workstations during their regular working hours for milk expression for women with children up to 18 months of age; employees are expected to take breaks to express milk at normal rest or meal periods whenever possible.
- Further, supervisors are encouraged to consider flexible schedules to accommodate mothers' breastfeeding needs.

The City will look for each individual facility to identify appropriate accommodations for milk expression by:

- Providing a sanitary room or other location, other than a bathroom or toilet stall, where an employee can express milk in privacy and security from intrusion in all City-owned buildings where City employees work
- Ensuring that running water or nearby access to running water is available so employees can wash their hands and equipment
- Ensuring that employees have access to a refrigerator/freezer or other suitable mechanism to keep pumped milk safe; if the workplace refrigerator is used for breast milk storage, employees are required to clearly label breast milk with name and date
- Where possible, electricity should be available in the private spaces to accommodate electric breast pumps.

The City of Rockville will encourage and support employees through:

- Enforcing the expectation that all employees are to respect and support breastfeeding efforts by fellow employees
- Ensuring that all breastfeeding and pregnancy communications with staff and management promote a positive view of breastfeeding
- Notifying all employees of the person or entity to whom employees should give notice of intent to express milk at work; employees are expected to provide reasonable notice to supervisors that they intend to express milk at work
- Encouraging supervisors to make every effort to make employees aware of this breastfeeding policy, as well as the private space, prior to taking maternity leave.

**PPP # 123-40**

**Procedure on Life Insurance**
PURPOSE

This Procedure establishes a system for implementing the Life Insurance described in the Policy on Health and Dental Insurance, Income Protection Benefits, Long-Term Disability and Life Insurance, and Death Benefits Employee Benefits (PPP # 123-00).

The City provides group life insurance which covers all active regular full-time and regular part-time employees, and appointed officials Charter - Appointed Officials. It does not provide benefits for temporary and employees, seasonal employees.

Death benefits under this basic group life insurance are payable to the employee's designated beneficiaries and are usually equal to one hundred and fifty percent (150%) of the employee's base annual salary with a cap of $250,000. Accidental death and dismemberment benefits are included in the plan and are payable under some circumstances as defined in the insurance contract.

New employees may purchase a limited amount of additional life insurance for themselves and certain family members without providing evidence of good health. This must be done within 30 days of the first day of employment. Thereafter, employees and certain family members may apply for additional life insurance by providing evidence of good health in accordance with the terms of the current contract. Pre-existing conditions may not be covered after the initial period of eligibility.

Dental Plan

The City offers a dental plan to its employees. For those employees who participate in the health plan but choose not to participate in the dental plan, the City defers its contribution for the dental plan and instead applies it to the health plan premiums. As a result, health premiums are reduced by the City's dental contribution amount.

Enrollment in the City's dental plan is done upon hire or during the City's open enrollment period. Once enrolled, employees continue to be enrolled unless they make a written application to drop coverage during the annual open enrollment period.

Changes in coverage type are handled as previously described under Health Care Program Enrollment/Changes. As noted, changes in coverage type must be requested within 30 days of the event (e.g., marriage). Once coverage is elected, an employee may drop it only at the annual open enrollment or due to a qualified change in family status.

Ance

PPP # 123-20
Procedure on Income Protection Benefits

PURPOSE

The purpose of this Procedure is to implement the Policy concerning Income Protection benefits for employees receiving Income Protection Benefits prior to the implementation of Long-Term Disability Insurance Benefits. Note that the Income Protection benefit (for non-work-related injuries/illnesses) was replaced by Long-Term Disability Insurance effective July 1, 2018. Individuals who were receiving Income Protection benefits (IPP) on that date are “grandfathered” and must comply with the requirements of this policy.

PRINCIPLES

Income Protection is a self-insured benefit which may be available to regular employees after incurring either a compensable job-related or non job-related injury or illness and after following the policies and procedures for Job-Injury Leave and Off-the-Job Injury/Illness Leave. (See PPP# 120-00, 120-100, and 120-105.)

INCOME PROTECTION BENEFITS - JOB-INJURY

1. Income Protection benefits may be available to regular, benefit-eligible employees after incurring a compensable job-related injury or illness and reaching the earlier of maximum recovery or two years of Job-Injury Leave benefits when the employees cannot do their former jobs or any other available City jobs as a
result of their injury or illness.

2. Income Protection benefits relative to job injuries are payable at 66 2/3 percent of gross pay minus Social Security, Workers’ Compensation, and that portion of any legal settlement required to cover the costs to the City for Income Protection and may be reduced by outside earnings as defined herein.

3. Individuals who can do no work for which they are reasonably suited by education and training may receive a bi-weekly benefit payment equal to 66 2/3 percent of gross pay until the earlier of recovery or normal retirement age.

4. Individuals who can perform some work for which they are reasonably suited by education and training may receive bi-weekly payments of 66 2/3 percent of gross pay until:

   a. The City payment plus any outside earnings, except in cases involving police officers, provided however, that the police officer does not become employed in a similar position as a law enforcement officer or chief, equal to 100 percent of gross pay, at which time the City payment will be offset dollar for dollar for the earnings in excess of 100 percent of gross pay; or,

   b. The injured employee at fullest extent of recovery, the City, the City’s claims service or representatives of same identify a job reasonably accessible in the Washington metropolitan area at a pay level equal to 100 percent of gross pay; or,

   c. The condition for which a payment is made no longer exists.

INCOME PROTECTION BENEFITS - OFF-THE-JOB INJURY/ILLNESS

Note that this benefit was also replaced by Long-Term Disability Insurance effective July 1, 2018. For those employees determined to have pre-existing conditions, Off-the-Job Injury/Illness benefits will be available until June 30, 2020. Such employees need to comply with the requirements of this policy.

1. Income Protection benefits may be available to regular, benefit-eligible employees who have completed one year and one day of service after:

   a. incurring an off-the-job injury or illness which prevents the employee from performing their former job or any other City position, and

   b. completing a six-month waiting period from the date of the injury or onset of illness, and

   c. reaching the earlier of maximum recovery or two years of Off-the-Job Injury/Illness Leave benefits.

2. Income Protection benefits relative to off-the-job injury/illness are payable at 60 percent of gross pay minus Social Security, that portion of any legal settlement required to cover the costs to the City for Income Protection and may also be reduced by outside earnings as described herein or workers’ compensation.

3. For persons who can do no work for which they are reasonably suited by education and training, payment of 60 percent of gross pay may continue for ten years from the date the Income Protection payments begin. For individuals who are permanently and totally disabled, payments may continue until normal retirement.

4. For persons who can do some work for which they are reasonably suited by education and training, payment of 60 percent of gross pay continues until:

   a. The City payment plus any outside earnings from other employment equal 100 percent of gross pay, at which time the City payment will be offset dollar for dollar for the earnings in excess of 100 percent of gross pay; or,

   b. The injured employee at fullest extent of recovery, the City, the City’s claims service or representatives of the same identify a job reasonably accessible in the Washington metropolitan area at a pay level equal to 100 percent of gross pay, at which time the City payment will stop; or,
c. The condition for which a payment is made no longer exists.

Income Protection payments will not be made for injuries arising from but not limited to the following activities: underwater diving, hang gliding, para-sailing, para-kiting, parachuting, skydiving or mountain climbing or racing by automobile, motorcycle, motorboat or snowmobile, or other similar dangerous recreational activities, or civil disorders, or upon conviction of illegal acts. The intent of identifying these activities is to give employees notice of those types of activities, which by their demonstrated danger to participants, shall not be covered. Individuals who choose to pursue these activities must provide their own income protection.

REQUESTING BENEFITS

1. Eligible employees who reach maximum recovery or who have exhausted all Job-Injury or Off-the-Job-Injury/Illness Leave benefits may apply for Income Protection benefits by writing a memorandum to the Human Resources Department through their supervisor and Department Director Department Head requesting consideration of Income Protection payments.

   Employees must provide with the memorandum acceptable medical documentation of the injury or illness and must certify that all data is true and correct to the best of their knowledge.

   The City reserves the right to send employees for an appropriate medical examination to verify the data provided in the employees’ medical certification forms. Should the medical opinions differ, the medical opinion of the City-appointed physician will determine an employee’s eligibility for Income Protection payments.

2. The Human Resources Department, upon receipt of a request for benefits, will review the request in terms of compliance with all Policies and Procedures and will make a recommendation to accept or deny the request to the City Manager through the Department Director Department Head.

3. Once a decision has been made regarding Income Protection payments, the Human Resources Department will notify the employee.

4. At the time Income Protection payments begin, the employee will be separated from employment and placed in a non-active, disability retirement status.

5. The Human Resources Department will arrange an exit interview with employees who will begin receiving Income Protection payments and will notify these employees of their benefits and responsibilities under the Policy.

INCOME PROTECTION PAYMENTS - STATUS OF BENEFITS

Individuals receiving Income Protection payments may be eligible to continue to have deductions made for medical and dental insurance. The City may pay the City's share of medical and dental premiums and employees will pay their share in accordance with the benefit contracts.

Benefits under the retirement and life insurance plans will be provided based on the terms of the City’s contractual agreement or official pension plan at the time Income Protection payments are made.

The City will pay for the total cost of health and dental insurance for individuals who are totally and permanently disabled due to a work-related injury or illness until normal retirement age, where such a benefit is permitted, in accordance with the benefit contracts.

EMPLOYEE RESPONSIBILITIES

1. Individuals receiving payments under this Policy must submit medical certification on a semi-annual basis to continue to be eligible for program benefits.

2. Medical certifications must be submitted on the City’s Medical Certification form. The City may require an individual receiving payments to see a City-appointed physician to verify disability status.

3. Individuals must certify their annual earnings by providing the City with a complete copy of their latest federal tax withholding forms annually.
4. Individuals must notify the City immediately upon learning of a Social Security determination, workers' compensation determination or settlement, legal settlement regarding the illness or incident or upon acceptance of outside employment.

5. Individuals must comply with all of the terms of this Policy and Procedure to continue to be eligible for Income Protection payments. Failure to comply with the terms of this Procedure is grounds for immediate and permanent termination of payments.

GENERAL PROVISIONS/DEFINITIONS

The following provisions apply to Income Protection payments regardless of how the injury or illness occurred.

1. The Human Resources Department will provide assistance to individuals in preparing resumes, copying resumes or reasonable guidance in job seeking and may provide information regarding job seeking reference materials.

2. There is nothing in this provision that would prohibit the City and a disabled employee from reaching a mutually agreeable settlement in lieu of the Income Protection payments provided herein.

3. For purposes of Income Protection payments, the following conditions will be considered 100 percent disabling even if an employee can work: the complete loss of sight of both eyes, or the complete loss of use of both hands, or both feet, or one hand and one foot, or the complete loss of speech. Payments for these conditions will continue until retirement providing the individual complies with the other terms of the Policy and Procedure.

4. Gross pay on which payments will be calculated is the employee's base pay before tax earned and averaged over the twelve months prior to a determination being made.

5. COLAs for Income Protection payments will be distributed on a fiscal year basis consistent with the determination that is made for regular employees.

6. Income Protection payments will not be made for Alcohol and Drug addiction.

7. Employees whose physical conditions improve and who wish to return to City employment may apply for any City vacancy and will be given every consideration for any position for which they qualify.

8. The City may require a waiver option on pre-existing injuries, illnesses or disabilities for new hires.

9. Any money withheld from Income Protection payments will be done in accordance with all applicable Federal and State Income Tax Laws, Internal Revenue Service Rules, etc.

PPP # 123-30
Procedure on Long-Term Disability Insurance

PURPOSE

This Procedure establishes a system for implementing the Long-Term Disability (LTD) Insurance described in the Policy on Health and Dental Insurance, Income Protection Benefits, Long-Term Disability and Life Insurance, and Death Benefits (PPP # 123-00).

The City provides long-term disability insurance as an income protection benefit.

Eligibility

Active regular full-time and regular part-time employees and appointed officials who have worked for the City for 12 months and who work a minimum of 30 hours per week are eligible for this benefit. Contract employees may be eligible in accordance with the terms of their contracts. Temporary and seasonal employees are not eligible.

Benefits
Benefits may be available after a 90 calendar day elimination period, during which time employees may use their own paid leave, unpaid leave, and leave from the Short-Term Disability Leave Bank. Employees will be required to submit a claim to the LTD insurance carrier to apply for benefits by the end of the elimination period.

If an employee’s claim is approved, the insurance carrier will pay the employee up to 60% of their base salary, to a maximum monthly benefit of $10,000. Employees may supplement LTD benefits with their own paid leave to reach up to 100% of their base salary.

LTD benefits may continue for up to nine months with an individual remaining employed by the City. Benefits may then continue until Social Security Normal Retirement Age or for a maximum benefit period (for employees who are age 60 or over), whichever is later.

Individual circumstances and details of the insurance contract will determine actual benefits. Additional information is available from Human Resources.

PPP # 123-30
Procedure on Death Benefits

PURPOSE

This Procedure establishes a system for implementing the Death Benefits described in the Policy on Health, Welfare, Income Protection and Death Benefits (within PPP # 123-00).

GENERAL RULES

Eligibility

This Procedure defines the benefits available to beneficiaries of regular full-time or part-time employees who die while actively employed.

Group Life Insurance

The City provides group life insurance which covers all active regular full-time and regular part-time employees, elected and appointed officials, Charter-Appointed Officials, and may cover contract employees in accordance with the terms of their contracts. It does not provide benefits for temporary and seasonal employees.

Death benefits under the basic group life insurance are payable to the employee's designated beneficiaries and are usually equal to one hundred and fifty percent (150%) of the employee’s base annual salary. Accidental death and dismemberment benefits are included in the plan and are payable under some circumstances as defined in the insurance contract. Copies of the insurance contracts are available in the Human Resources Office.

New employees may purchase additional life insurance equal to their annual base salary without providing evidence of good health. This must be done within 31 days after employment. Thereafter, employees may apply to the carrier for additional life insurance by providing evidence of good health or in accordance with the terms of the current contract. Pre-existing conditions may not be covered after the initial open enrollment.

Line of Duty Work-Related Death Benefit

For all regular benefitted employees, in addition to any life insurance benefit to which a City employee’s beneficiaries may be entitled, the City shall provide an employee’s designated beneficiary a death benefit in the amount of $150,000 if the employee’s death arose out of and occurred during the performance of their job duties.

Line of Duty Death Benefit

If a police officer dies in the line of duty as a direct result of the performance of his or her duty, the City shall provide an employee’s designated beneficiary a death benefit in the amount of $150,000. “Line of duty” means any action the deceased employee was obligated or authorized to perform by rule, regulation, condition of employment or service, or law. This benefit is in addition to any life insurance benefit to which a City employee’s beneficiary may be entitled.
Pension

Certain beneficiaries of employees may be entitled to death benefits from the pension plan. These benefits will vary based on the plan to which the employees belong and the length of credited service at the time of their death.

Health and Dental Insurance

Eligible covered dependents of employees who were participating in a health or dental plan may elect to continue coverage through one of the City's plans in accordance with health plan continuation laws. Generally, a beneficiary may continue coverage for up to 36 months after the death of an employee by paying 102% of the cost of the coverage. This period may be extended in certain circumstances. The Human Resources Department or third-party administrator will provide eligible dependents with appropriate notifications of the length of coverage and the cost at the time of the employee's death.

Long-Term Disability

A death benefit may be available for covered employees.

Application for Death Benefits

The Human Resources Department, upon receipt of an appropriate death certificates (each bearing an official seal to attest to their authenticity), will assist in processing for payment any insurance, leave balances, pension, and other monies as may be due to designated beneficiaries, and will work to ensure disbursements of such funds in accordance with the laws of the State of Maryland.

PPP # 127-00
Policy on Employee Assistance Program

PURPOSE

The purpose of this Policy is to define the services offered by the Employee Assistance Program (E.A.P.).

PRINCIPLES

The Employee Assistance Program offers individual counseling as well as referral and follow-up services for employees who need assistance dealing with problems that affect their job performance and personal life.

PPP # 127-10
Procedure on Employee Assistance Program

PURPOSE

The purpose of this Procedure is to implement the Policy on Employee Assistance Program (PPP# 127-00).

GENERAL RULES

Eligibility

Services established by this Policy are available to all regular full or part-time, benefit-eligible employees and their dependents.

Services

Employee Assistance Program services include:

- confidential assessment, counseling, referral, and follow-up for all employees and dependents;
- around-the-clock access to counselors;
- training seminars and workshops for senior-level management, supervisors, and employees;
- consultation with supervisors to assist with employees "at risk";
Critical Incident Stress Debriefings that respond to traumatic events in the workplace such as robberies, sudden deaths, violence in the workplace, or natural disasters;

The terms and conditions of the EAP, including services offered, may change depending upon the EAP provider.

**Self-Referral**

Employees and their dependents may confidentially refer themselves to the EAP for assessment.

*Supervisors may suggest self-referral if an employee approaches them with a personal problem and no work performance problem is involved. In this instance, whether the employee or their dependents utilizes the EAP will remain completely confidential unless the employee chooses to disclose this information.*

Employees who refer themselves to the EAP will not be subject to any adverse employment action as a result of utilizing the EAP, nor will EAP records or utilization information be made part of the City’s personnel records provided to the City.

Self-referral to the EAP does not excuse an employee from disciplinary measures associated with poor performance, such as violations of policies, procedures, or safety rules.

If employees refer themselves and have an appointment with the EAP during working hours, they must take leave as defined in the Policy on Leave (PPP# 120-00). If employees utilize Sick Leave for this purpose, they may be asked to provide documentation as defined in the Procedure on Sick Leave (PPP# 120-0030).

**Supervisory Referral**

Supervisors are responsible for detecting and attempting to correct unsatisfactory job performance. A supervisory referral to the EAP may be used when chronic employee problems show no consistent improvement, particularly when other supervisory attempts have failed.

When supervisors are considering formally referring an employee formally to the EAP, they must contact the Human Resources Director or designee and then contact the EAP staff in advance to inform them of the specific performance problem. With this formal referral, supervisors will receive information regarding the date, time, and duration of the appointment only.

The EAP is an additional resource for supervisors to assist employees and improve job performance and is not designed to replace any normal supervisory or disciplinary procedure.

Employees who have been referred by their supervisor to the City to the EAP will be placed in an Administrative Leave category on Official Leave (PPP# 120-00) for their initial visit. After the initial visit, an employee’s own leave must be taken for any appointments made by the employee with the EAP during working hours, as defined in the Policy on Leave (PPP# 120-00).

**PPP # 130-00**

**Policy on Retirement**

**PURPOSE**

The purpose of this Policy is to describe the various pension options in which employees participate.

**PRINCIPLES**

The Retirement Program for regular eligible employees is sponsored by the City of Rockville and is governed by the terms of the pension plan document, consists of Social Security (FICA) and a pension plan financed by both employee and employer contributions. In addition to the above plans, employees may contribute unilaterally to a deferred compensation (Section 457) plan and/or a Roth 457 plan (if available), offered by the City.
PPP # 130-10
Procedure on Retirement—Regular Employees

PURPOSE

This Procedure implements the Policy on Retirement (PPP# 130-00) governing regular full-time and part-time administrative, union, and police employees.

GENERAL RULES

Effective Date

Employees may retire on any date after meeting eligibility requirements; however, payments will begin only on the first of any month after meeting all eligibility criteria as outlined in the pension plan document, specifically those relating to age and minimum lengths of service for the plan in which they participate.

Employees should consult the Human Resources Department for information specifically relating to their plan.

Eligibility

To be eligible to participate in a retirement option, an employee must be in a regular full-time or regular part-time position and be eligible for benefits.

Administrative employees hired before April 15, 1986 are covered by the Defined Benefit Plan unless they elected to transfer to the Thrift Plan. Administrative employees hired on or after April 15, 1986, are members of the Thrift Plan.

Union employees hired before December 2, 1986, are members of the Defined Benefit Plan unless they elected to transfer to the Thrift Plan. Union employees hired on or after December 2, 1986 are members of the Thrift Plan.

Sworn police employees are members of the Defined Benefit Plan for Police employees regardless of their date of hire.

Contract employees are eligible for retirement plan benefits in accordance with the terms and conditions of their contract.

Temporary and seasonal employees are not eligible to participate in the City's pension plan options.

Plan Types and Contributions

The City of Rockville Pension Plan for regular employees consists of two different plans.

Defined Benefit (Pension) Plan

All regular administrative, and union, and sworn police employees participate in this plan and may contribute a fixed pre-tax amount via payroll deduction.

The police employees participate in the Defined Benefit Plan for all sworn police employees and receive benefits outlined for police employees. All new sworn police officers are placed in the Defined Benefit Plan and contribute a pre-tax amount toward their retirement plan. The City also contributes to this plan. The City’s contribution amount is actuarially determined each plan year by an independent actuarial firm. There is a 10-year vesting period.

Defined Contribution (Thrift) Plan

Certain regular administrative and union employees participate in this plan and make an irrevocable election
to contribute a percentage (1-5%) of their salary, on a pre-tax basis. They elect where to invest their contributions within the funds offered by the plan.

The City makes a $0.50 match for each dollar the employee contributes under the defined contribution portion of the plan. Employees become entitled to these City contributions based on years of credited service. In addition, the City fully funds the defined benefit portion of this plan upon employment separation, if they meet the three (3) year vesting period.

Participation

Participation in the City’s pension plan is mandatory for all regular administrative, union, and police employees. Participation in Social Security (FICA) and Medicare is required by law for all regular administrative, union, police, contract, and temporary employees.

Benefits

The benefits for regular full-time and part-time administrative, union, and police employees are outlined in the City of Rockville Pension Plan which is governed by the Retirement Board.

Benefits are available at termination and retirement. Retirement eligibility and the amount of the benefit varies based on the plan to which an employee belongs, the reason for leaving, and the provisions of the official plan document governing these plans at the time the employee retires.

Benefits and terms of the plans are provided and amended only with the approval of the Retirement Board and the final approval of the Mayor and Council of the City of Rockville.

Retirement Board

The Retirement Board exists for the purpose of generally directing the affairs of the City’s retirement system, reviewing the plan’s structure and investment policy, etc. The members are appointed by the Mayor with the confirmation of the Council. The membership is composed of a member of the Mayor and Council, the City Manager, three City employees below assistant Department Director level, and two persons with previous business experience, one of whom will serve as Chair. Terms are for two years. The Finance Director is the executive secretary to the Board.

Deferred Compensation and Roth 457 Plans

The City of Rockville offers regular full-time and regular, part-time and seasonal (limited benefit) employees the option to participate in a deferred compensation (Section 457) and/or Roth 457 supplemental pension plan.

Participation in this plan is completely voluntary. Pre-tax contributions are made in accordance with the Internal Revenue Code provisions governing these types of plans.

Benefit Review

The Human Resources Department will provide information to any inquiring individual about the benefits to which they will be entitled at retirement and the terms and conditions of the pension plan. Periodically, the Human Resources Department will sponsor training for interested employees regarding eligibility for and benefits of the pension retirement plans. All new employees receive an overview of their plan during their employee orientation.

Benefit Estimates

Employees who are considering retirement may obtain a personalized estimate of their City pension benefits by completing a request form available in the Human Resources Department, contacting the retirement plan administrator. This benefit estimate will be prepared outlining the benefit amounts to which employees may be entitled under the different retirement payment options available to them.
Employees may request only one benefit estimate during a 12-month period. Employees will be asked to provide an estimated retirement date and, for optional payment methods, a spouse’s or other beneficiary’s birth date. Other plan options depend on the pension plan in which an employee participates.

Retirement Notice

To avoid delay in the payment of retirement benefits, retiring employees should contact the retirement plan administrator at least 60 days in advance of their anticipated retirement date so that a pension estimate and required notices can be prepared and sent to the employee for completion. Employees should return the completed paperwork and any required documentation directly to the retirement plan administrator. Employees may be required to provide a certified copy of their birth certificate as well as their beneficiary’s birth certificate and marriage license, if applicable, if contingent benefits are to be provided. This documentation is required to certify age, which is the basis for determining some benefit payments.

Once the decision to retire has been made, an employee should provide notice to their immediate supervisor and the Human Resources Department according to the timing stated in PPP#80-40. Employees may contact Human Resources to discuss the process leading up to and including an exit meeting that will occur prior to the employee’s departure from the City. To avoid delay in the payment of retirement benefits, retiring employees should give written notice to their immediate supervisor and the Human Resources Department at least 60 days in advance of their anticipated retirement date. Once notice is received, the Human Resources Department will schedule a meeting with the retiring employee (and beneficiary, if appropriate) to discuss retirement and other benefit options.

Sick Leave Conversion

Employees hired prior to July 1, 2015 elected how to receive compensation with respect to unused sick leave upon termination/separation from service of employment if they satisfy the criteria for “early retirement” or “normal retirement” (as defined by the City’s Pension Plan). An employee who elected a cash payment will receive a payment equal to one-quarter of the number of days of unused sick leave multiplied by the employee’s hourly rate of pay when they separate from the City. The cash payment will be made promptly upon separation from the City (regardless of when pension benefits begin) and will be subject to tax withholdings. An employee who elected “credited service” will receive full credit for unused sick leave up to one year as described in the Pension Plan. If the employee did not make an election, the employee will receive “credited service”, not cash. Employees hired on or after July 1, 2015 will receive “credited service” for unused sick leave, as described in the pension plan document. Employees may be eligible to convert their accrued, unused Sick Leave at retirement to cash. If a cash payment is elected, employees will receive a payment of one day for every four days of accrued, unused Sick Leave at the time of retirement.

Benefit Elections and Documentation

At retirement, employees will complete an election form indicating they may have options to elect the method of pension benefit payment. They request along with a federal tax withholding form for pension payments. In addition, employees may have options to elect direct deposit, medical insurance continuance up to age 65, life insurance conversion, and other benefits. Employees may request that state taxes be withheld by writing a memorandum stating the dollar amount to be withheld.

These options will be provided to the employee during the retirement exit process. It is recommended that employees consult with a competent financial and/or tax advisor to determine the best method of retirement payments and for tax advice. The Human Resources Department and/or retirement plan administrator will explain all options but cannot advise employees as to the best retirement option.

Retirement Plan Statements

At least once each year, active administrative, union, and police employees will receive a statement of their contributions and an estimate of the amount pension benefit to which they will be entitled at early, normal, and/or late retirement. If less than age 62, employees will receive an estimate of their benefit at age 62 in...
lieu of a late retirement benefit. This annual statement outlines the defined benefit. This amount represents the total retirement benefit for all employees except those in the Thrift Plan.

Participants in the Thrift Plan will receive this annual statement indicating only the City-paid defined benefit portion of their retirement benefit. They will also receive quarterly statements indicating the amounts of their defined contributions, the City’s matching contributions, designated investment directions and investment performance. The quarterly statements will also indicate the amount of City contributions to which an employee is entitled at a given time.

Employees in the Thrift Plan should combine both the annual and quarterly statements to understand the full amount of their retirement benefit.

Social Security Benefits

Because the rules for Social Security benefits are complex, it is recommended that employees discuss their plans with a Social Security representative in the year before the year they plan to retire.

Deferred Compensation Plans

Individuals participating in a deferred compensation program should contact the sponsor of the program for information about benefit entitlements and options. The Human Resources Department keeps forms and information available for these programs.

PPP # 140-00
Policy on Tuition Reimbursement

PURPOSE

The purpose of this Policy is to establish guidelines under which financial assistance may be provided to regular employees who successfully complete pre-approved courses.

PRINCIPLES

The City will provide financial reimbursement to eligible employees who successfully complete courses of instruction from approved external education sources, utilizing their own time and funds, when such training contributes to the employee’s job proficiency and/or benefits the overall operating efficiency of the City of Rockville.

PPP # 140-10
Procedure on Tuition Reimbursement

PURPOSE

This Procedure implements the Policy on Tuition Reimbursement (PPP# 140-00).

GENERAL RULES

Eligibility

This Policy applies to all regular full-time and regular part-time employees working a minimum of 20 hours per week who have successfully completed their initial probation first six months of employment with the City and who are not in a disciplinary probation status at the time of reimbursement application. Contract employees are eligible to participate on an exception basis with approval of the Human Resources Director.

This Policy also applies to police officer candidates when attending an entrance level Police Academy program or the Maryland State Comparative Compliance training even if such training is held during working hours or during the employee’s first six months of employment.

Course Scheduling
Courses must be taken outside of working hours. Employees may take courses during working hours only with written approval of the Human Resources Director and their Department Director and the City Manager. In such cases, a revised work schedule must be established to ensure that the employee's full work load is accomplished without incurring overtime.

Approved Institutions/Courses

The City provides partial reimbursement for tuition and registration fees for an individual course or for an undergraduate or graduate degree, certificate, or diploma program taken at an accredited institution, or for courses sponsored by recognized public, professional, or commercial organizations. When necessary, reimbursement may be made to obtain or retain professional competence or certifications that are required for that employee's job and/or professional development.

Excluded from consideration are fees for seminars and conferences. See the Policy and Procedure on Professional Development (PPP# 150-00 and 150-10) for payment of such expenses.

Reimbursement will be considered for any course which leads to the attainment of an approved graduate or undergraduate job-related degree, including elective credits. Wherever possible, elective courses should be chosen which are most appropriate to the current or projected job responsibilities.

For this policy, job-related is to be considered any undergraduate or graduate degree that is used in City employment. Courses taken toward achievement of high school equivalency may also be considered. Courses for technical or non-traditional scholastic training may be reimbursed provided that prior written approval has been obtained from the Human Resources Director. Additional undergraduate and graduate courses of instruction not leading to a degree but relating to specific areas of current job performance may be permitted subject to justification and approval by the employee’s supervisor, Department Director, and the Human Resources Director.

Courses taken or fees paid to gain credit for past experience or training will not be covered under this policy.

Reimbursements

Reimbursement may be made for direct tuition and registration costs not to include books, materials, equipment, transportation, lab, or other fees. Reimbursement will not apply for tuition costs subsidized by any other source such as fellowships, scholarships, military, or other benefits programs. Employees may apply for partial reimbursements if subsidies have been received by these or similar sources. However, in no instance will the City’s tuition reimbursement payment plus any subsidy equal more than 100 percent of
the cost of the course tuition and registration.

If the employee completes the course and receives a grade of "A" or "B", reimbursement will be made at 100 percent. For a grade of "C", reimbursement will be made at 50 percent (except for graduate courses). No reimbursement will be made for a grade of "D" or below or for course withdrawals and/or course incompletes. For graduate level courses, reimbursements will be made at 100 percent for a grade of "B" or better.

No reimbursement will be made for graduate courses resulting in a grade of "C" or less. Reimbursement will be made as approved in advance for courses which do not result in a letter grade provided that evidence of satisfactory completion is provided.

Part-time employees receive a pro-rated reimbursement. The actual amount reimbursed to eligible part-time employees will be pro-rated based on the number of hours the part-time employee is regularly budgeted to work.

In no event will any employee be entitled to tuition reimbursement benefits exceeding $3,000 the amount established by the Human Resources Department during each fiscal year. Employees are fully responsible for the tax consequences of any reimbursement in accordance with applicable laws.

Reimbursement will be made only for approved courses after the employee has completed the training and furnished proof of its cost, payment, and successful completion.

Any money that the City pays for tuition reimbursement or training must be re-paid by the employee if the employee leaves the employment of the City within one year of receipt of such reimbursement.

Funding for the entrance-level Police Academy and the Maryland State Comparative Compliance Program will be maintained by the Police Department. These expenses may be paid by the City rather than the employee. In such cases, employees will be responsible for repayment to the City for the full amount of the training should they leave prior to completion or within 12 months after completion of the training. Police employees leaving between 12 months and 24 months of completion of the Academy will be responsible for a pro-rated amount of the total cost of training.

Budgeting

The Human Resources Director or designee is responsible for budgeting tuition reimbursement funds and managing the Tuition Reimbursement Program for the City of Rockville. However, funding for the Entrance-Level Police Academy and the Maryland State Comparative Compliance Training is budgeted for by the Police Department.

Process for Reimbursement

1. Completing the Tuition Reimbursement Form:

An eligible employee interested in participating in the Tuition Reimbursement Program must complete and have approved the Tuition Reimbursement Form prior to enrolling in the course. This form is available from the Human Resources Department.

Employees must complete the form, attach a short course description and the fee schedule for tuition and registration, and forward it to their immediate supervisor. Employees applying for initial program or course approval must also attach a description of the institution indicating that it is accredited.

Employees sign the Tuition Reimbursement Form acknowledging that they understand and agree to repay to the City the reimbursement or cost of the training if they leave City employment through voluntary or involuntary termination within one year (12 months) of receiving reimbursement.

2. Approval or Disapproval:

The immediate supervisor signs on the supervisor’s signature line and indicates approval or disapproval of the
requested course/program in accordance with the Tuition Reimbursement PPP# 140-00. If desired, the supervisor may comment by attaching a memorandum.

The immediate supervisor then forwards the Tuition Reimbursement Form through appropriate levels to the Appointed Official or Department Director.

The Appointed Official or Department Director signs the form indicating approval or disapproval and may comment, if desired, by attaching a memorandum. The form is then forwarded to the Human Resources Director.

The Human Resources Director or designee will review the application to ensure compliance with the policy and governing procedures, verifying the information in the application and the qualifications of the educational institution or the sponsoring organization. The Human Resources Director then signs the form indicating either approval or disapproval of the request.

Initial program or course requests are forwarded to the Appointed Official or Department Director, who will sign and return the Tuition Reimbursement Form to the Human Resources Department, indicating approval or disapproval.

If the application is approved, the Human Resources Department will return the employee's copy to the employee and the department copy to the Department Director. The Human Resources Department will hold the Human Resources copy in the pending Request for Tuition Reimbursement folder. Employees should retain their approved application copy until such time as they complete or discontinue the course or training.

If the application is disapproved, the employee's and department's copies will be returned to the Appointed Official or Department Director indicating the reason(s) for this action. The Appointed Official or Department Director in turn will forward the rejected application to the employee concerned, through the employee's immediate supervisor, with appropriate explanation.

At any time during this process should anyone disapprove of the tuition reimbursement, the processing will stop at that level of disapproval and copies of the form and reason for disapproval shall be returned to all previous levels of the routing process.

Approved degree or diploma programs should be reviewed annually by the employee's immediate supervisor to determine progress in meeting objectives. In no case is approval of a degree program to be construed as an actual or implicit guarantee to the employee of a promotion and/or position specifically utilizing such training upon completion of the program or course.

3.1 Requesting Reimbursement:

After completion of the course, the employee will submit a copy of the grade(s) and original receipt of cost, along with verification of payment, to the Human Resources Department. These should be attached to the employee's copy of the approved Tuition Reimbursement Form. For the approved tuition to remain valid, requests for reimbursement must be made as soon as possible after receipt of all required documentation but no later than six weeks following course completion.

The employee must sign the reimbursement request section of the form. If the employee does not complete a course, the employee must notify the Human Resources Department in writing that reimbursement is no longer requested.

Once all required materials are submitted for reimbursement, the Human Resources Department will calculate the amount due an employee and complete a Request for Check Disbursement (RCD). After receipt of this information, the Finance Department will prepare a check for the employee.

Once the reimbursement is prepared, the Human Resources Department will ensure that the employee receives the reimbursement check. The Human Resources Department will keep copies of the approved RCD, Tuition Reimbursement Form, and appropriate receipts in the Approved Tuition Reimbursement folder by fiscal year and in the employee’s file.
**PPP # 150-00**  
**Policy on Professional Development**

**PURPOSE**

The purpose of this Policy is to establish guidelines under which individual employees may be encouraged to advance their knowledge within their field of work by attending conference, seminars, courses and training not covered under the Tuition Reimbursement Policy (PPP# 140-00).

**SCOPE**

This Policy applies to all regular full-time and regular part-time employees working a minimum of 20 hours per week who are not in a disciplinary probation status at the time of reimbursement application. Contract employees are eligible to participate with concurrence of the Human Resources Director and approval of the Appointed OfficialCity Manager.

**PRINCIPLES**

Each City department's budget contains money set aside to defray some or all of the cost of courses, seminars, etc.

Professional development funds can be used to cover registration and other costs involved in attending seminars, conventions, etc., provided that:

- course content relates to the employee's current City occupation;
- the department has professional development funds to cover costs;
- expenditures have been approved in advance in accordance with this Policy; and
- expenses are not covered under the Tuition Reimbursement Policy (PPP# 140-00).

**PPP # 150-10**  
**Procedure on Professional Development**

**PURPOSE**

This Procedure implements the Policy on Professional Development (PPP# 150-00).

**GENERAL RULES**

**Definitions**

Professional development includes conferences, seminars, conventions, courses, and training related to the employee's position and not covered under the Tuition Reimbursement Policy (PPP# 140-00). Included are programs sponsored by professional groups and associations.

**Responsibilities**

- **Appointed Officials** - **Charter -Appointed Officials, Department Director -Department Heads** or designees are responsible for budgeting for the cost of professional development which is not covered by the City’s Tuition Reimbursement Policy (PPP# 140-00) for employees in their department.

Professional journals and similar subscriptions should be budgeted separately in each department's allocation for dues and subscriptions. Whenever possible, **Appointed Officials - Charter -Appointed Officials and Department Director -Department Heads** should not duplicate subscriptions to journals, newsletters, etc. Rather, each department or division should keep these resources available for the use of all City staff.
Leave Use

Employees may be granted official leave to attend such training when offered during scheduled work shifts provided that such absence will not cause an undue hardship to the operation. Time used for such training offered outside of normal work hours shall not be compensable nor shall it be required of employees.

Conditions

Department Directors will be permitted to attend one major conference or seminar out of the area per year. In addition, they are free to attend the state meeting of their association and to attend seminars and training sessions that are provided in this metropolitan area so long as there are funds for professional development in their department's budget. Employees other than Department Directors may attend the state meeting of their professional organization and any conferences or training sessions offered in the metropolitan area, as long as they are properly approved and funds are available. Any exceptions to this policy will require written approval from the Human Resources Director and City Manager.

Application and Approval

Approval for attendance at professional development training must be obtained from the respective Department Director, Department Head or Charter Appointed Official. In the case of the Department Director, Department Heads, approval must also be obtained from the City Manager. Any exception to this policy requires the written approval of the Human Resources Director and the City Manager.

Memorandum

Employees interested in participating in seminars or other forms of professional development should prepare a memorandum to their immediate supervisor. The memorandum should explain the applicability of the professional development to their job and should request official leave (if during work hours) for the time they attend and payment for the cost of the program. The cost of the program should be fully outlined in the memorandum. An original copy of the program and all related material should be attached to the memorandum.

The memorandum should have an approval line for the Department Director (or the City Manager in the case of the Department Director). The immediate supervisor is responsible for ensuring that all signatures are obtained prior to enrollment.

In certain circumstances, the supervisor may direct the employee to attend professional development. In this case, the supervisor will be responsible for preparing the memorandum and registering the employee.

After approval by the Department Director, a copy of the memorandum will be returned to the employee indicating authorization to register.

Once the memorandum is approved, the employee may register for the course. Enrollment should be handled directly by the department or the individual requesting the course. Failure to obtain the required approval in advance of the program will result in the employee being responsible for the full cost of the program and will result in the employee being charged leave without pay for the period of absence.

Payment

The City may pay full reimbursement for professional development training, provided the course content relates to the employee’s current City class position and that the employee’s department has professional development funds available for such training prior to registration.

If the cost of the program is billed to the City, the department representative should prepare a Request for Check Disbursement (RCD) requesting that a check be forwarded to the appropriate organization. Reimbursement for approved expenses paid directly by the employee should be requested on the City’s Expense Reimbursement Form and submitted to the Director of Finance. Travel and related expenses should be handled in accordance with the Department of Finance’s policies.

Certificates of Completion/Achievement

Copies of certificates received for professional development should be forwarded to the Human Resources
Department for inclusion in the employee's personnel file along with any other form of recognition.

**PPP # 160-00**  
**Policy on Grievances**

**PURPOSE**

To establish a Policy which will ensure that all regular non-probationary City employees receive fair and uniform consideration of any properly grievable matter.

**PRINCIPLES**

In general, a properly grievable matter is one arising from a disciplinary action or improper implementation of the policies, procedures, or regulations, or operating orders. Other properly grievable matters include, but are not limited to, the existence of hazardous or unhealthy working conditions, or the improper conduct during work hours of fellow employees which poses a threat to health or well-being of others. This list, while not exhaustive, will serve as a guide in defining possible causes of complaint.

Matters which concern the establishment or alteration of City policy or procedure, performance appraisals, compensation, or other management rights are not grievable.

The City will not retaliate against any employee who files a grievance in good faith.

Employees represented by AFSCME Council 67 Local 1453 shall grieve issues as defined by their collective bargaining agreement.

Employees who are sworn police officers will follow the department's general orders concerning grievances.

**PPP # 160-10**  
**Procedure on Grievances**

**PURPOSE**

This Procedure implements the Policy on Grievances (PPP# 160-00).

**GENERAL RULES**

**Continuity of City Functions**

Grievances shall be submitted and resolved promptly and equitably in accordance with the Policy and Procedure on Grievances (PPP# 160-00 & 160-10). However, the grievance process may not be used to cause the interruption of the performance of the functions of the City.

**Representation**

Any employee or group of employees presenting a grievance has the right to select a representative of their own choice.

At any step in the grievance process, the selected representative, at the request of the employee or group of employees, may present the employee's grievance or represent the employee or group of employees.

**Presentation and Communication**

Initially, a grievance may be presented by an employee, by a group of employees, or by a selected representative, either orally or in writing. Side one of the City's form titled Employee Petition of Grievance shall be used to present the grievance in writing at Step 1 of the grievance procedure as indicated below.

All grievances which are appealed shall be submitted by preparing side two of City form titled Employee Petition of Grievance Appeal. Each grievance appeal submitted shall have attached to it the originally submitted grievance and subsequent reply, and all succeeding appeals and replies. Grievances involving discrimination may be brought directly to the Human Resources Director for review.
**Time Limit for Presenting Grievances**

No grievance will be considered unless presented within ten (10) calendar days of the date on which the employee reasonably could have been expected to know of the events or conditions which provide the basis for the grievance. In no case shall a grievance be considered after this ten (10) calendar day period.

**Grievance Terminated Unless Appealed**

At the conclusion of any step in the grievance procedure, the grievance shall be considered as finally and satisfactorily resolved by management unless it is appealed to the next higher step within the time limits specified.

**Number of Persons Attending Grievance Meetings**

In the presentation of grievances (except with the prior permission of the person or group designated to hear the grievance), not more than three employees, including the selected employee representative, may be excused from work with pay to attend a grievance meeting. Within these limitations and upon proper notification to their immediate supervisors, employees will be excused for attendance at such grievance meetings.

**Recording of Grievance Meetings**

Notes setting forth the grievance and the action taken shall be written in duplicate at each step of the process by the persons or by the group hearing the grievance as indicated under "Grievance Process" below; this may be done on the appropriate section of the Grievance Form. Whenever the grievance is appealed to the next higher step, the aggrieved employee shall be given a written determination providing the basis for the outcome; including a list of attendees at the grievance meeting, the duplicate copy of such records and the original shall become a part of the official Personnel record.

**Grievance Process**

It is encouraged that all grievances first be settled orally and informally through discussions between the immediate supervisor and the employee(s). However, any timely grievance, which an employee has not been able to adjust informally with the immediate supervisor may be made the subject of a formal grievance, and shall be settled in the following manner:

**Step 1:** The aggrieved employee shall present the grievance, in writing, using the Employee Petition of Grievance Form, to the employee's immediate supervisor within ten (10) calendar-work days after the events or conditions giving rise to the grievance occurred or within ten (10) calendar-work days after the date on which the aggrieved employee reasonably could have known of the event which gave rise to the grievance, whichever is later. The employee shall meet on such grievance with the immediate supervisor and the next level supervisor as designated by the City, within ten (10) calendar-work days after presentation thereof. The City will provide a written determination answer to said grievance shall be furnished by the City to the employee or employees involved within ten (10) calendar-work days after said the meeting. If the employees serve written notice that said written answer is not satisfactory, the determination shall be to the employee or employees involved within ten (10) calendar-work days after said the meeting. If the employees, in writing, to their Department Head or Charter Appointed Official, using the Grievance Form. This form shall be submitted to the Department Head or designee. The employee or employees involved shall meet with the Department Head or Charter Appointed Official and the appropriate immediate and next level supervisors within seven (7) calendar-work days from the date upon which the grievance is presented to the Department Head or Charter Appointed Official, or their designee. A decision will be made by the Department Head or designee and communicated to the employees and any representative in writing, within seven (7) calendar-work days after the meeting. If the meeting cannot be arranged within said seven (7) calendar-work-day period, the Department Head or a designee shall, nevertheless, communicate the decision upon said grievance to the employee and any representative within ten (10) calendar days after the grievance is satisfactorily resolved by management unless it is appealed to the next higher step within the time limits specified.
first presented to the
Department Director or a designee at Step 2. In cases involving dismissal, the City Manager shall hear the Step 2 grievance.

The Step 2 decision shall be the final administrative level for hearing all grievances except those involving disciplinary dismissal. In grievances involving disciplinary dismissal actions, employees may appeal such actions to the Personnel Appeals Board.

Copies of all grievances and all responses shall be furnished to the Human Resources Director at each and every step of the process.

**Personnel Appeals Board**

1. Procedure for appeal to Personnel Appeals Board:

   a. Any regular employees of the classified Civil Service merit system who have been the subject of a disciplinary dismissal action may avail themselves of the grievance procedure as set forth above. If employees are not satisfied with the action taken by the City Manager in the last step of the grievance process, they may, within seven (7) calendar days of such action, file a written notice of appeal to the Personnel Appeals Board. The notice of appeal shall be filed with the City Clerk/Director of Council Operations.

   b. The notice of appeal shall contain particulars details as to the nature of the grievance and the remedy requested, and may not raise any issue not previously raised before the City Manager during the grievance process.

2. Hearing of appeal by Personnel Appeals Board:

   a. The Personnel Appeals Board shall schedule a hearing as soon as practicable, but no longer than thirty-five (35) days after the filing of the notice of appeal, unless a later date is required due to the unavailability of a member of the Personnel Appeals Board.

   b. The procedure of the hearings shall be closed to the public unless requested to be open by the employee filing the appeal and consented to by all employees involved. The employee shall be entitled to counsel, and may present witnesses or other evidence on the employee's own behalf. The employee, insofar as administratively possible, may request the presence of City employees (up to a maximum of three) as witnesses. Such employees shall be considered in a duty status during the time they serve as witnesses. All testimony shall be under oath or affirmation given by a person duly authorized to administer oaths within this State, and a verbatim transcript of the hearing shall be taken. The City Attorney shall act on behalf of the City Manager. The right of cross-examination of all witnesses shall be available.

   c. At any time prior to the decision of the Personnel Appeals Board, the grievant and the City may reach a binding settlement of the grievance.

3. Decision and opinion by Personnel Appeals Board:

   a. Within fifteen (15) calendar days following the required hearing, the Personnel Appeals Board shall render a written decision in which findings of fact are made with respect to the action taken. The Board shall have the power to approve, rescind, or modify the dismissal action, and shall file the decision with the City Clerk/Director of Council Operations.

**PPP # 170-00**

**Policy on Military Furlough**

**PURPOSE**

The purpose of this Policy is to establish rules of employment for regular employees who are called to duty on active military service during a National Emergency or under Presidential Authority.

**PRINCIPLES**
A Military Furlough Leave is the placement of regular employees in an inactive non-work status, with the retention of employee rights, while employees are called to duty on active military service during a National Emergency or under Presidential Authority. Employees are placed on Military Furlough when they enter active service in the Armed Forces of the United States, National Guard, or the Commissioned Corps of the Public Health Service pursuant to a National Emergency or under Presidential Authority.

Employees on Military Furlough have re-employment rights under conditions specified in the Procedure on Military Furlough (PPP#170-10).

Military Furlough is separate and distinct from Military Leave (see PPP# 120-00).

**PPP # 170-10 Procedure on Military Furlough**

**PURPOSE**

This Procedure implements the Policy on Military Furlough (PPP# 170-00).

**GENERAL RULES**

**Pay, Benefits and Employment Status**

Regular employees on military furlough and in an inactive non-work status may continue to receive pay and benefits as though they were in an active working status. Employees in the Federal Services and Maryland National Guard may receive the difference between their military pay and base City pay up to a maximum of their base City pay. These employees must submit their pay statements to the City on at least a monthly basis and the City will pay the difference to the base pay for that same time frame.

**Process for Taking Military Furlough**

Employees notify their supervisors as soon as possible prior to the date they are scheduled to leave for military service. The supervisors notify their Department Director, Department Heads, and the Human Resources Director by way of memorandum with a copy of the military order.

**Re-Employment Rights on Return from Furlough**

In accordance with Federal and State Law, on return from Military Furlough employees are entitled to reinstatement after military service to the position which they left or to one of like status, pay, and seniority, provided the following requirements are met:

a. the employee gave written or verbal notice to the department prior to leaving for military service, unless the employee was not able to give prior notice because of military necessity;

b. the employee’s position was not a temporary job or a job expected to last for a brief period, but instead was expected to continue for a significant period of time;

c. the employee applied promptly for reinstatement after completion of the military service;

d. the employee provides documentation to the department of the length and character of the military service on return from military service of 30 days or more;

e. the employee was not discharged under dishonorable conditions; and

f. the total of the employee’s periods of active duty did not exceed 5 years over the employee’s entire City employment (periods of active duty for training or during which the employee was ordered to active duty during war, emergency or in support of a critical mission are not included in the calculations of the 5-year period.)

An employee is entitled to the following on reinstatement:

1. the same job or the job that the employee would have had or attained if the employee had not left
for military service (if the employee is or can become qualified for that job) or, if the period of
service exceeds 90 days, another job of the same status and same rate of pay;

2. accrued seniority, service increments and proficiency advancements, or noncompetitive promotions
   that the employee would have received if the employee had not left for military service;

3. protection against dismissal, except for cause, during the first 180 days of returning to work (or the
   first year of returning to work if the leave was for more than 180 days);

4. employment in a position of lesser status and pay, but with full seniority, if the person cannot
   become qualified to perform the previous job;

5. reasonable efforts to accommodate a temporary or permanent disability that occurred or was
   aggravated during the military service;

6. credit toward vesting under the employee’s retirement plan for the period of military service; credited
   service for retirement if the employee makes up any required employee contributions; continuation
   of unused sick and annual leave;

7. the same increment date that the employee had before the employee’s military leave; and
   continuation of group insurance coverage.

The period of time that the employee has to apply for reinstatement depends on how long the employee
served in the military. If the employee became ill or was injured during military service, the reinstatement
period may be extended to allow for treatment and recovery.

The above rights apply unless the City’s circumstances have so changed as to make reinstatement impossible
or unreasonable: for example, they could not be applied if a widespread reduction in force has occurred.

Regular employees who volunteer for Active Service will not be paid by the City and will be separated from
service. They will be eligible for all benefits and reemployment as provided by the law.

Employees in the Maryland National Guard not called to Active Duty by order of the Governor or those in the
US Reserves not called to Active Duty by Presidential Order during a national emergency are not eligible to
receive pay during military furlough.

Process for Re-Employment

1. Upon release from active duty, employees must notify the Human Resources Director in writing of their
   status and establish a tentative date for their return to work (within the established time).

2. The Human Resources Director notifies employees of the status of their jobs and their re-employment
   possibilities.

Applicable Laws

All Military Furlough is subject to the provisions of the Uniformed Services Employment and Re-
Employment Rights Act of 1994 with subsequent amendments, as well as applicable Maryland law. Any
questions regarding details on Military Furlough should be referred to the Human Resources Director.

PPP # 180-00
Policy on Employees' Code of Conduct

PURPOSE

This Policy describes what is acceptable behavior in the conduct of all employees in the performance of their
jobs and in conducting their personal business as it relates to their employment with the City.

Employees of the City are prohibited from using their employment in any way for personal gain and are
expected to conduct their personal business in full compliance with the law and with these guidelines. All employees are subject to the City’s Public Ethics Ordinance, Chapter 16 of the Rockville City Code.

**PRINCIPLES**

**Political Activities**

_employees of the City are subject to the provisions of Sections 1501-1508, Title 5 of the U.S. Code (previously known as the Hatch Act with amendments). Prohibited political activities are listed below:_

Political activities, which are prohibited for City employees, are also not to be conducted by anyone, whether employees or not, in any office or property under the jurisdiction of the City, including the public part of any City property. No equipment, materials or facilities owned or operated by the City may be used by anyone in the conduct of any of the prohibited activities. However, the public parts of a City property may be used for non-partisan meetings, at which civic matters may be questioned by those in attendance. Such meetings must be arranged and conducted by responsible non-partisan organizations and all bona fide candidates must be invited and given equal time and treatment, and prior approval in writing must be obtained from the City Manager. The request for such approval must be in writing, giving specific information as to the time and place of the proposed meeting, the method by which candidates will be invited, and the procedures and rules to be followed in the conduct of the meeting. The request must be signed by an authorized official of the organization with certification of such authority by the governing body of the organization.

No employees shall directly or indirectly use or seek to use their official positions, authority, or influence to control or modify the political action of any other person. Employees shall not engage in any form of political activity during duty hours.

_employees are also prohibited from using their positions or influence for the purpose of interfering with or affecting the result of an election or nomination for office; or, directly or indirectly coercing, attempting to coerce, command, or advise other employees to lend or contribute anything of value to a party, organization, or person for political purposes; or, being a candidate for an elective partisan office with the City or County._

With respect to Rockville City elections, employees are not allowed to take part in any political movement nor actively support any candidate or group of candidates in any manner other than by casting a ballot.

_Employees may express their personal opinions privately to others. However, they must remain objective, non-committal, and professional when others wish to discuss City politics with them._

_Employees may not be required to contribute to a political campaign or pay dues to a political party._

_Employees’ job security is not dependent on which candidates are elected to office. Elected officials may not interfere with appointments, promotions, or discipline of any employees._

_Persons violating these rules will may be subject to dismissal._

**Relations with Contractors or Vendors**

**Gifts**

_Employees shall neither solicit nor accept gifts or any form of gratuity from anyone who has submitted a proposal to do business or who is doing business with the City, or who is engaged in activities controlled by the City where the solicitation or acceptance of such gifts or gratuity may form the basis for a conflict of interest._

**Restrictions After Termination**

_For a period of one year after terminating employment from the City, former City employees shall not assist or represent a party other than the City for compensation in a case, contract, or other specific matter involving the City, if that matter is one in which the former employees personally and significantly participated as a City employee._

**Disclosure of Information**

_Employees may not disclose, nor use for their economic benefit or that of any other person, confidential_
information which is not available to the public, acquired by reason of their employment with the City.

**Possession of Weapons**

No employee shall use or have on their person or on City property any weapons or explosives at any time. **Weapons may include but are not limited to: firearms, knives with blades greater than 3", martial arts weapons or accessories, etc.** Violation of this policy **may be** cause for immediate dismissal. The only exception to this rule are those weapons expressly allowed to be carried and used by public safety employees.

**Exploitation of Citizens or Employees**

No employees shall benefit financially from any citizen or group of citizens or employees due to their position in the City. Employees shall not seek to use their official positions or authority to sell or recommend goods or service to any citizen or employee as representatives for any company for such purpose.

**Alcohol or Drug Possession and Use**

Use or possession of alcoholic beverages (except at designated City-sponsored group social events) or non-prescription drugs, or the illegal possession or use of drugs (prescription or non-prescription), being-intoxicated, or under the influence of drugs while on duty and/or on City property **may be** cause for suspension or dismissal of any employee. Although any employee may be terminated immediately for possession or use of drugs or alcohol, those persons working in safety sensitive and/or public contact positions will be terminated immediately, absent extenuating circumstances. (See Policy and Procedure on Drugs and Alcohol (PPP# 190-00 & 190-10).)

**Absence Without Permission**

Employees are subject to dismissal if they have been absent from duty for three consecutive days without permission from their immediate supervisor and/or without notifying the immediate supervisor of their absence and intention to return. Such employees are considered to have abandoned their jobs.

**Conviction of a Criminal Offense**

An employee who has been convicted of a criminal offense that is job related may be subject to dismissal from the City.

**Conflict of Interest**

**Participation in City Business**

Employees shall not participate and shall disqualify themselves from participating in any City business or project which involves, benefits, or has a direct financial impact on themselves, a spouse or domestic partner, parent, child, brother or sister, or a business entity of which they, or any of the family members, are a part.

However, employees may take advantage of City programs and projects available to members of the general public so long as such employees do not control or affect the decision on the program or project in question, as distinct from performing merely routine or clerical duties.

All employees planning to participate in any City program of substantial financial benefit must request written approval of the Human Resources Director disclosing all aspects of their involvement in the program.

Employees are required to report to the Human Resources Director if they are an official of a community organization or non-profit group which has applied for or is receiving funds from the City.

**Personal Relationships in the Workplace**

While members of the same family are eligible for employment with the City, City employees are prohibited from supervising any individual who is a member of their immediate or extended family. Examples of family members include spouse, child, sibling, parent, foster parent, grandparent, grandchild, cousin, aunt, uncle, niece, nephew, other blood relatives, parent-in-law and other in-laws, and step relatives, etc.
In the same vein, it would be inappropriate for City employees to supervise any other individual with whom there exists or develops a personal relationship where such a relationship could give rise to questions about the supervisor's ability to act impartially with regard to that employee. Examples of such personal relationships include, but are not limited to, fiancée, domestic partner, business associate or advisor, or anyone with whom a significant or close personal relationship, such as dating, exists.

Supervisors must notify their Charter Appointed Official, Department Director, Department Head or the Human Resources Director of family and existing or developing personal relationships between himself/herself and a subordinate. A supervisor's failure to notify an Charter Appointed Official, Department Director, Department Head or Human Resources Director of any such family or other personal relationships may result in disciplinary actions.

Department Director, Department Heads will discuss these issues with the City Manager as is appropriate and necessary to maintain a professional work environment. If it is determined that, as a result of the relationship, that a conflict or potential for conflict of interest exists or might be perceived to exist, the City may take appropriate corrective measures. Such measures may include the transfer of either the supervisor or the subordinate employee, at the discretion of the City Manager Charter Appointed Official.

Secondary Employment

The effective operation of government requires public employees to be independent, impartial, and responsive to the community. A public position must never be used for personal gain if government is to maintain the trust between public employees and the citizens they serve. This policy on secondary employment recognizes the special responsibilities and obligations which employees must meet to guard that trust.

Employees may engage in outside employment or private financial activities, provided that such employment or activities do not conflict with regular employment with the City of Rockville government or affect the employee's mental or physical ability to perform normal duties in an acceptable and impartial manner.

- Employees may not, either directly or indirectly, use their official position with the City of Rockville government, or information obtained in connection with their employment, for private gain.
- Employees may not become involved in outside business or financial activities which would constitute a conflict of interest or the appearance of a conflict of interest, or affect the impartial discharge of their duties.
- Employees may not solicit or accept gifts, favors, or anything of monetary value from a private source as compensation for the services performed as an employee of the City of Rockville government.

Some employees may wish to supplement their City income from secondary jobs. A secondary employment form must be filled out for all secondary employment. It shall be filled out and approved by their Department Director, Department Head before an employee begins a secondary job. All secondary employment within the City will be subject to special approval review by their respective Charter Appointed Official or Department Director, Department Head and approval of the Human Resources Director to avoid even the appearance of a conflict of interest.

The following guidelines will be followed to ensure that a secondary job will not harm the interests of the employee or of the City:

1. Employees may work for employers who are not regulated by, hired by, or soliciting business with the City.

2. Employees may work for employers who are located outside of the City limits and who perform work only outside the City limits, which is not related to City business.

3. Employees may work for employers within the City where a Department Director, Department Head and Human Resources Director find that the secondary job represents no basis for a conflict of interest, nor the appearance of a conflict of interest.
Employees may accept a secondary position if the secondary job does not interfere with the
performance of their City duties and does not interfere with the employee's ability to respond to emergency situations for the City.

5.3. Employees may not use City-owned tools, equipment, vehicles, or materials for any secondary job.

6.4. Employees may not enter into a secondary employment in which they work for, or oversee their City supervisor or a City subordinate.

7.5. Employees injured while working a secondary job must notify their City supervisor of the injury. However, it should be noted that City insurance (with the exception of employee health plans) and City employee disability leave benefits will not cover any injury or damage arising from a secondary job.

8.6. Some employees (e.g., police) may be required to provide the City with proof of adequate insurance coverage by their secondary employer.

9.7. Employees may not solicit or perform secondary employment during the hours designated for work for the City.

Ownership and Financial Interest in Real Property Within the City of Rockville

Employees shall not use knowledge of City programs or plans which are not available to the public to speculate or make a profit from any real estate transaction.

Disclosure of personal real property, other than a primary residence, shall be made to the Human Resources Director as follows:

1. Employees who own or contract for the purchase of any interest in real property within the City shall disclose such information within one week of acquiring such property (e.g., signing a contract of sale). “Interest in real property” means an interest held as sole owner or together with other persons or business entities, or an interest in a partnership or corporation which owns, develops, or manages real property in the City. Also, employees who have a financial interest in real property within the City, such as providing a loan or financial guarantee to any other person in connection with the purchase of real property, shall disclose such information.

2. All involuntary acquisition of real or leasehold property within the City by inheritance, gift, etc., shall be disclosed immediately in writing to the Human Resources Director.

3. Employees must notify the Human Resources Director immediately upon any change to their previously reported real property ownership or financial interest status, and keep such notice up to date.

If, in the judgment of the Appointed Official City Manager, any matter disclosed as required above presents a situation where the employee’s ownership of said properties or provision of financial guarantees may cause actual, possible, or apparent conflict of interest, the Appointed Official City Manager may notify the employee and provide an opportunity to be heard. After due consideration of all facts and circumstances, the Appointed Official City Manager may take appropriate action, which may include, but not be limited to, a request not to acquire or to divest oneself of property or any interest therein, disciplinary action, or a reasonable alternative to eliminate such conflict.

Compliance with City of Rockville Laws

Employees shall not use their positions or influence in the City to avoid complying with any City laws or regulations, or to assist any other person in avoiding such compliance.

All employees must take whatever measures are required to ensure that any properties within the City which they own wholly or in part are used and maintained in strict compliance with the Housing, Building, Zoning, and any other Codes of the City of Rockville.

An inspector employed by the City shall not inspect property in the City in which the employee, a member of the employee’s family, someone with whom the employee has a relationship with similar to that of a family member, has an interest. An inspector shall also not inspect property in the City in which the employee has a financial interest.

Information and Enforcement
Questions regarding these rules may be addressed to the Human Resources Director. All information requested to be disclosed shall be kept up to date on a continuing basis. Such information shall be incorporated into the employee's Personnel file and be kept confidential within the City to the extent provided by law. Failure of any employee to comply with these rules and regulations may result in the imposition of disciplinary action. Such action may include, but not be limited to, a verbal warning, a written warning, probation, suspension, or dismissal, depending upon the circumstances of the particular case and the employee's work record.

**Discipline or Dismissal**

Failure to adhere to the provisions stated in this Policy or any other City policy, procedure, rule, regulation, code or order is recognized as sufficient cause for disciplinary actions, including but not limited to, the issuance of a written reprimand, being placed on disciplinary probation, suspension, or dismissal of an employee. (See Procedure on Discipline and Dismissal (PPP# 75-10) and Procedure on Dismissal (PPP# 80-07).)

The type of discipline shall be dependent upon the frequency and/or severity of the employee’s conduct. Nothing in this Policy shall prohibit the City from taking more severe forms of discipline for first offenses or imposing multiple forms of discipline.

Certain offenses may be subject to suspension and/or dismissal. These offenses include, but are not limited to:

- insubordination;
- unsatisfactory job performance;
- cause of personal injury, damage or property loss;
- violation of safety, fire prevention, security, or other rules, regulations, policies, procedures, codes, orders, etc.;
- false, fraudulent, misleading, or harmful statements, action, or omission relating to any City business;
- unauthorized use of, removal, theft, or damage to City property, an employee, or anyone or anything related to City business;
- threatened or actual physical violence;
- use of profane or abusive language;
- carrying any form of weapon while on City business or property;
- the use, possession, being under the influence, transfer, selling or attempting to sell alcohol, illegal drugs, or illegally used drugs on City business or property; or any other violations of PPP #190-00 Policy on Drugs and Alcohol;
- disorderly or immoral conduct on City business or property;
- accepting or engaging in outside employment without proper approval;
- any form of harassment of other individuals, citizens, or staff;
- abuse of leave; unexcused absence from work;
- refusal to work overtime;
- falsifying any records;
- job-related criminal conviction;
- sleeping on duty;
- failure to maintain required certifications; and
- any other misconduct.

This list serves to provide examples only and is not all-inclusive. The City reserves the right to suspend and/or dismiss an employee for any lawful reason.

**PPP # 181-00**

**Policy on Workplace Violence**

**PURPOSE**

The purpose of this Policy is to establish rules for maintaining a workplace free from violence.

**PRINCIPLES**

The City of Rockville is committed to maintaining a workplace free from violence for its employees, citizens,
visitors and guests. It is the City’s intent to take every reasonable step to promote a work environment that
is safe and secure at all times by encouraging a positive and respectful work environment that fosters employee productivity, safety and security.

The following words and phrases, as used in this Policy, are defined as follows:

1. **Disruptive behavior:** disturbs, interferes with, or prevents normal work functions or activities. Disruptive behavior includes yelling, using profanity, aggressively waving arms or fists in a threatening manner, or verbally abusing others; outbursts and instigating interpersonal conflicts between individuals; making inappropriate demands for time and attention; making unreasonable demands for action (demanding an immediate appointment or a response to a complaint on the spot); or refusing a reasonable request for identification.

2. **Threatening behavior:** includes physical actions short of actual contact/injury (e.g., moving closer aggressively); stalking/following another individual; general oral threats based on tone of voice or written threats to people or property (e.g., “you better watch your back” or “I’ll get you”) as well as implicit threats (“you’ll be sorry” or “this isn’t over.”)

3. **Violent behavior:** includes any physical assault, with or without weapons; behavior that a reasonable person would interpret as violent (e.g., throwing things, pounding on a desk or door, or destroying property); and specific threats to inflict physical harm (e.g., a threat to shoot a named victim).

No employee of the City of Rockville shall engage in any disruptive, threatening or violent behavior while on City property or at any other location while performing duties on behalf of the City. Any violation of this provision shall be reported to the immediate supervisor and investigated by the City.

**PPP # 181-10 Procedure on Workplace Violence**

**PURPOSE**

This Procedure implements the Policy on Workplace Violence (PPP# 181-00).

**GENERAL RULES**

**Overview**

This Procedure outlines the responsibilities of managers and employees to report and document violent acts as defined in the Policy on Workplace Violence (PPP# 181-00). In addition, the Procedure provides a format for reporting and investigating violent acts, as well as suggested forms of discipline and reporting, pursuant to City regulations and State/Federal laws.

By establishing a written policy on how to handle violent workplace situations, the City provides managers and employees with a tool to promote a safe work environment as well as guidance as to how to swiftly respond to workplace situations of a violent nature.

**Emergency**

If an employee is a victim/witness to a crime in progress, an incident involving a hostage situation or a weapon, contact the Police **IMMEDIATELY! (DIAL 911.)**

Each City Department is required to develop a duress word or phrase that will signal other employees that an emergency situation is in progress. By hearing the duress word or phrase, employees will know to contact the Police immediately. Each Department Director Department Head is responsible for ensuring that the duress word or phrase is identified and communicated to all current and future employees.

Should an emergency situation occur that warrants contacting the Police, the Supervisor shall contact the Human Resources Department as soon as reasonably practical, possible but no later than the **same business day** next work day to report the incident and receive further instructions.

**Non-Emergency**

If an employee believes that he or she is a victim or a witness to a violent act in the workplace, either actual
or perceived, such employee should immediately report the facts of the incident and the name of the individuals involved in the incident to the employee’s supervisor or the Human Resources Department as soon as reasonably practical but no later than the same business day in which the incident occurred. As the victim or witness, the employee should use the City of Rockville’s Violent Incident Report to record important facts and information regarding the violent act. This report should be submitted directly to the employee’s Supervisor or the Human Resources Department for further action.

Upon receipt of the Violent Incident Report, a report of a violent act in the workplace from the victim or witness, the Supervisor or Human Resources Department shall conduct an investigation, utilizing the City of Rockville’s Violent Incident Investigation Report. This Investigation Report shall be completed within five (5) working days of receipt of the initial Violent Incident Report.

Violations of Policy

Any employee found to have violated the City of Rockville’s Workplace Violence Policy shall be disciplined in accordance with the City of Rockville Personnel Rules and Regulations, and/or applicable Departmental Regulations and Collective Bargaining Agreements.

PPP # 185-00
Policy on Fraud Prevention and Whistleblower Protection

PURPOSE

This Policy affirms the City of Rockville’s commitment to safeguarding the organization and its assets from fraud and other similar improprieties, and establishes guidelines to ensure a safe and confidential environment for reporting any violation of the policies and procedures set forth in the Personnel Manual, including but not limited to, improper financial activities and other fraudulent activities.

PRINCIPLES

Fraud and Other Similar Improprieties

The City of Rockville (City) is committed to protecting the organization, its operations, its employees and its assets against fraud and other similar improprieties. A constructive culture requires integrity in the administration of the City’s resources to ensure public trust. Fraud and any other similar improprieties are contrary to a constructive culture and will not be tolerated under any circumstances.

Fraud is defined as an intentional deception, misappropriation of resources or the manipulation of data to gain financial or other benefits. Fraud and other similar improprieties include, but are not limited to:

1. Forgery or alteration of checks, drafts, promissory notes or securities.
2. Any misappropriation of funds, securities, supplies or any other asset.
3. Any irregularity in the handling or reporting of money transactions.
4. Misappropriation of furniture, fixtures or equipment.
5. Unauthorized use or misuse of City property, equipment, materials or records.
6. Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of City-owned software.
7. Any claim for reimbursement of expenses that are not made for the exclusive benefit of the City.

Training
As a preventive and proactive step, the City will make reasonable efforts to notify employees of this Policy during orientation and through periodic email updates.

**Obligation to Report Activities**

Each employee of the City has an obligation to report any suspected fraud, questionable or improper accounting, auditing, and other financial activities, as well as suspected violations of the Personnel Manual.

**Confidentiality**

The City recognizes that confidentiality is important to all parties involved in any complaint and investigation. Confidentiality will be maintained to the fullest extent provided by law and will be consistent with the Maryland Public Information Act.

**Retaliation and False Claims Prohibited**

The City will not tolerate retaliation against any employee or other person for initiating, pursuing, or assisting with a complaint of alleged fraud or other similar improprieties to the City or to any government agency.

The City also forbids retaliation against any employee or other person for participating in any investigation of a complaint of fraud or similar improprieties. Any individual who engages in retaliation against any City employee in violation of this Policy may be subject to disciplinary action, up to and including dismissal from service.

**Good Faith**

Anyone reporting a concern must act in good faith and have reasonable grounds for believing the information disclosed indicates a violation of this policy. An employee or other person who knowingly make false allegations will be subject to discipline, up to and including dismissal.

**PPP # 185-10**

**Procedure on Fraud Prevention and Whistleblower Protection**

**PURPOSE**

This Procedure implements the Policy on Fraud Prevention and Whistleblower Protection (PPP# 185-00).

**GENERAL RULES**

**Reporting Process**

A. Any City Employee who has knowledge of, directly or indirectly, or has reason to suspect that any act of fraud or similar impropriety has occurred, should immediately report the circumstances to one or more of the following:

1. Fraud Prevention Hotline
2. City Manager
3. Human Resources Director

B. The Human Resources Director or a designee shall conduct an inquiry into any and all complaints of fraudulent activity. Where circumstances require, the City may retain outside assistance to conduct the inquiry and submit a report of the findings to the City. Based on the results of the inquiry, the City will determine whether the reported misconduct occurred, and whether it violates the Policy on Fraud Prevention and Whistleblower Protection (PPP# 85-00). Should the City conclude that there has been a violation of the Policy on Fraud Prevention and Whistleblower Protection, appropriate corrective action will be taken.

**Disciplinary Actions**

Any employee found to be responsible for fraud or similar improprieties in violation of this Policy shall be subject to appropriate disciplinary action, up to and including dismissal.
In addition, employees who knowingly make false allegations or engage in prohibited retaliatory practices will be subject to discipline, up to and including dismissal.

**PPP # 186-00**
**Policy on Computer and Electronic Communications**

**PURPOSE**

This Policy governs the use of the City’s computer and electronic communications system, which includes telephone, voice mail, fax machines, Internet, electronic mail (e-mail), and other computer usage.

**PRINCIPLES**

**Compliance**

City employees and other users are encouraged to use the City’s computer and electronic communications system to assist them in performing their work responsibilities effectively, efficiently, and at the highest level. Violation of this Policy or the Procedure on Computer and Electronic Communications (PPP# 186-10) may result in disciplinary action, including possible dismissal, as well as civil and criminal liability.

This Policy may be revised, expanded, or otherwise modified at any time, and it is the responsibility of City employees to ensure that they are familiar with the current Computer and Electronic Communications System Policy at all times.

**No Expectation of Privacy**

The City is the exclusive owner of all information, messages, data and files (whether electronic, digital, printed audio, video, or other) created or distributed using the City’s electronic communications system. Users do not have an expectation or right of privacy or confidentiality in their use of the computer and electronic communication system, including, but not limited to, the e-mail and voice mail messages they create, store, send and receive, and the Internet sites they visit. Electronic communications are neither private nor secure. E-mail and/or voice mail maybe stored indefinitely on any number of computers, in addition to that of the recipient.

**Monitoring of Computer and Electronic Communication Usage**

The City has the right to monitor any and all aspects of its computer and electronic communication system, including, but not limited to, monitoring sites visited by users on the Internet, reviewing material downloaded or uploaded by users to the Internet, and reviewing email and voice mail sent and received by users. Such monitoring may be conducted without prior notice. Use of the City’s computer and electronic communication system shall constitute consent to such monitoring.

**Maintaining Professionalism**

At all times, users have the responsibility to use computer resources in a professional, ethical, and lawful manner. Users should use the same care in drafting e-mail and other electronic documents as they would for any other written communications. The quality of writing reflects on the City. Users should always strive to use good grammar and correct punctuation, and keep in mind that anything created or stored on the computer system may be reviewed by others.

**Email Retention**

The City’s electronic communications system is configured to automatically delete e-mail messages after a period of time. The purpose is to protect the integrity of the computer system. Once the e-mail message is deleted there is no possible way to retrieve and restore the message. If you wish to save messages that are older than six months, it is recommended that you print your message.

**Ecommerce**

Users should exercise caution when connecting to Internet sites that require credit card information. City credit cards may only be used with approval of a department head and only on secure sites that utilize HTTPS/SSL.
PURPOSE

This Procedure implements the Policy on Computer and Electronic Communications (PPP# 186-00).

GENERAL RULES

Appropriate Uses

The computer and electronic communications system is the property of the City of Rockville government and may only be used for approved purposes. Occasional personal use of the computer and electronic communications system is permitted if the use does not: (1) interfere with the user’s work performance; (2) interfere with any other user’s work performance; (3) compromise the integrity of the computer and electronic communications system; or (4) violate any other provision of this policy or any other policy, guideline, or standard of the City of Rockville. Personal use of the computer and electronic communications system is a privilege that may be revoked at any time.

Inappropriate Uses

Under no circumstances should the City’s computer and electronic communications system be used for sending, transmitting, receiving, copying, or storing any communication that violates any City Policy (including the City’s Unlawful Discrimination and Harassment Policy and Workplace Violence Policy) or is fraudulent, harassing, sexually explicit, profane, obscene, intimidating, defamatory, or otherwise unlawful or inappropriate. Users encountering or receiving this kind of material should immediately report the incident to their supervisor and the Director of Information & Technology (IT). Exceptions are limited to police investigations into criminal activities, which may require the use of the Internet for information and intelligence gathering. This is permissible with the prior approval of the Chief of Police.

Other prohibited uses of the City’s computer and electronic communication systems include: (1) sending chain letters; (2) sending copies of documents, messages, software, or other materials in violation of copyright laws; (3) compromising the integrity of the City and its business in any way; and (4) “moonlighting” or the advertisement of personal business. Users are cautioned to exercise care and good judgment when sending humorous material. Humor, irony, and emotion are difficult to communicate in an e-mail message. Therefore, attempts at either may be misinterpreted by the reader or recipient.

When using group e-mail, users are required to use discretion and to exercise good judgment. For example, sending to the “everyone” group adds to everyone’s workload and taxes the network; examples of such inappropriate use include announcements of leave time and solicitations.

Misuse of Software

Without prior written authorization from the IT Department, users may not do any of the following: (1) copy software for use on their home computers or to other computers; (2) provide copies of software to any independent contractors of the City or to any third person; (3) install software on any of the City’s workstations or servers; (4) download any software from the Internet or other online service to any of the City’s workstations or servers; (5) modify, revise, transform, recast, or adapt any software; or (6) reverse-engineer, disassemble, or decompile any software. Users who become aware of any misuse of software or violation of copyright law should immediately report the incident to the Director of IT.

Virus Detection

Files obtained from sources outside the City, including disks brought from home; files downloaded from the Internet, newsgroups, bulletin boards, or other online services; files attached to e-mail; and files provided by citizens or vendors, may contain dangerous computer viruses that can damage the City’s computer network. Users should never download files from the Internet, accept e-mail attachments from outsiders, or use disks from non-City sources without first scanning the material with City-approved virus checking software. If a user suspects that a virus has been introduced into the City’s network, he or she should notify the IT help desk immediately.
Password Upkeep

The IT department will issue guidelines on the criteria for establishing passwords. Passwords should be obscure and a minimum of four characters in length. For best security, passwords should include special characters (e.g., "@", "!", ",", "%"). All passwords must be changed every ninety days. Users of the network who do not change their passwords will be prompted to make a change or they may be automatically locked out of the system.

PPP # 190-00
Policy on Drugs and Alcohol

PURPOSE

The purpose of this Policy is to establish basic rules to ensure that the City of Rockville maintains a drug- and alcohol-free workplace, and, in appropriate circumstances, offers assistance to employees who have a problem with substance abuse.

SCOPE

The Policy is inclusive of all individuals who are employees of the City or candidates who have been given a conditional offer of employment. Applicants for, and employees in safety-sensitive positions will constitute the primary focus of the testing program. However, employees who are not in safety-sensitive positions may also be tested if there is reasonable suspicion for the need for such testing. The testing will pertain to all forms and manners of drug and alcohol use, abuse, and dependence. In the administration of this policy, the City may perform the following types of drug and/or alcohol tests: pre-employment, random, reasonable suspicion, post-accident, and follow-up testing.

PRINCIPLES

Safe Work Environment

The City of Rockville has a legal obligation under the Drug-Free Workplace Act of 1988 and a responsibility to its employees to provide a safe work environment. The City’s primary goal of providing necessary and essential services to its citizens must also include safe working conditions for its employees. Failure of the City to ensure that its employees can perform their duties without endangering themselves or the public creates the potential for a liability.

The use of illegal drugs or drug or alcohol abuse may seriously impair employees’ ability to perform their jobs. The possession, active use, sale, purchase, transfer, manufacturing, distributing or dispensing of an illegal drug or controlled substance by an employee or any person is a crime, and should it occur by an employee during working hours or on City property, is cause for disciplinary action, up to and including dismissal. The illegal use of drugs and controlled substances by employees will not be tolerated.

Therefore, the City of Rockville has adopted the following rules:

To ensure the fitness of individuals selected to fill positions involving the public safety, as a condition of employment, any candidate who is extended a conditional offer of employment for a safety sensitive position may be required, as part of the pre-employment physical examination, to take and pass a drug and alcohol screening test. Failure of an individual to pass this screening shall result in the withdrawal of the conditional offer of employment. Additionally, employees will be required to take drug tests when required by state or federal regulations, such as the U.S. Department of Transportation Drug and Alcohol Testing regulations. Safety sensitive positions are defined as follows:

1. sworn or not sworn police officers who are required to carry or use firearms and/or handle evidence;
2. drivers of motor vehicles, where vehicle operation is a main job responsibility; and
3. operators of power or other equipment which may, if improperly operated, pose a threat
In addition to the above guidelines, the City will require any employee to undergo drug and/or alcohol testing if reasonable suspicion exists that the employee is under the influence of drugs or alcohol during work hours and/or on City property. Grounds for reasonable suspicion include, but are not limited to:

- an on-the-job injury or accident (regardless of fault), including any “accident” (regardless of fault) as defined in the Procedure on Vehicle Safety Review (PP#200-10);
- following an on the job injury when the City has a reasonable basis for concluding that drug and/or alcohol use could have contributed to the injury or illness;

1. observed use or possession of drugs or alcohol;
2. observed physical symptoms, including the odor of marijuana or alcohol, slurred speech, poor coordination, abnormal gait, glossy or bloodshot eyes, etc.;
3. abnormal or erratic behavior.

Failure of an employee to submit to a drug and/or alcohol test when directed to do so by the Human Resources Director or a designee, constitutes insubordination which will be cause for dismissal.

Confidentiality

All information collected and maintained in connection with drug/alcohol testing is confidential.

Only the following persons are authorized to have knowledge of, or when appropriate, access to any information pertaining to an applicant’s or employee’s involvement in drug/alcohol testing:

1. City Manager
2. Human Resources Director/relevant Human Resources staff
3. Department Director/Department Head/immediate supervisor
4. Employee/applicant who has been tested
5. City Attorney/relevant staff
6. Medical Review Officer
7. Any individual(s) designated by the employee/applicant

Consent

Compliance with the City’s Drug and Alcohol Policy and Testing Program is a condition of continued employment for all City staff positions. Those current employees who refuse to follow the policy and do not consent to testing will be subject to disciplinary action, up to and including which will be cause for dismissal. All candidates who have been extended an offer of conditional employment for safety-sensitive positions must submit to drug/alcohol testing and pass the test.

PPP # 190-10
Procedure on Drugs and Alcohol

PURPOSE

This Procedure implements the Policy on Drugs and Alcohol (PPP# 190-00). Employees within the Police
Department are subject to General Order #5-32 Drug and Alcohol Testing.

GENERAL RULES

Responsibilities

Definitions:
Alcohol – means drinks made by fermenting fruit juices, sugars and fermentable carbohydrates with yeast to form alcohol. These include beer, malt liquor, cider, wines, spirits such as brandy, gin and rum, liqueurs from distilled spirits and fortified wines. The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols including methyl and isopropyl alcohol

Drug – means amphetamines; cannabinoids; cocaine; phencyclidine (PCP); hallucinogens; methaqualone; opiates; barbiturates; benzodiazepines; synthetic narcotics; designer drugs; or a metabolite of any of the substances listed herein and those contained in the Controlled Dangerous Substance statutes. All illegal substances (narcotic and non-narcotic) which are subject to control under the Maryland Uniform Controlled Dangerous Substances Act (Schedule I-V) and those non-controlled substances, inclusive, for which enforcement remedies are available pursuant to the Annotated Code of Maryland.

Drug test – means any chemical, biological, or physical instrumental analysis administered for the purpose of determining the presence or absence of a drug or its metabolites.

Initial drug test – means a sensitive, rapid, and reliable procedure to identify negative and presumptive positive specimens.

Confirmation test – means a second analytical procedure used to identify the presence of a specific drug or metabolite in a specimen. May also be referred to a confirmed test or confirmed drug test.

Prescription or nonprescription medication – means a drug or medication obtained pursuant to a prescription or a medication that is authorized pursuant to federal or state law for general distribution and use without a prescription in the treatment of human diseases, ailments, or injuries.

Property – includes, but is not limited to, city owned buildings or facilities, equipment, vehicles, desks, lockers, containers, storage units and file cabinets.

Reasonable suspicion drug testing – means drug and or alcohol testing based on a belief that an employee is using or has used drugs or alcohol in violation of the Rockville City Police Department policy drawn from specific objective and articulable facts and reasonable inferences drawn from those facts in light of experience. Among other things, such facts and inferences may be based upon but not limited to:

1. Observable phenomena while at work, such as direct observation of drug use or of the physical symptoms or manifestations of being under the influence of a drug.

2. Abnormal conduct or erratic behavior while at work or a significant deterioration in work performance.

3. Evidence an individual has tampered with a drug test during employment with Rockville City Police Department.

4. Information an employee has caused, or contributed to, an accident while at work.

5. Evidence that an employee has used, possesses, sold, solicited, or transferred drugs, outside of Department policy, while working or while on city property or while operating a city vehicle, machinery or equipment.

General Requirements

Employees shall not take an illegal drugs, dangerous substances or prescription drugs unless prescribed by a person authorized to do so.

No employee shall introduce into their body any prescribed or over-the-counter medication in amounts beyond the recommended dosage, or otherwise use a legal drug in an illegal manner.
The City does not permit employees to use or possess marijuana, including medical marijuana, regardless of duty status, even if the employee has a medical marijuana card that conveys on him or her “caregiver” or “patient” status in the state of Maryland.

Employees shall not report for duty under the influence of alcohol or consume alcoholic beverages while on duty, unless permitted pursuant to the Alcohol in the Workplace section below.

Any employee who takes prescription or nonprescription medication which may impair judgment or prohibit an employee from performing regular duties must notify his or her supervisor immediately. The supervisor will advise the employee to contact Human Resources to discuss next steps.

All property belonging to the City is subject to inspection at any time, without notice.

The substances subject to testing may include alcohol, amphetamines, barbiturates, benzodiazepines, cocaine or cocaine metabolites, marijuana (cannabis/cannabinoids) metabolites, methadone, methaqualone, opiates, phencyclidine, steroids, and propoxyphene.

In situations in which the health and safety of any individual may be endangered as the result of behavior suspected to be caused by illegal drugs or alcohol use, the immediate supervisor will take steps to secure a potentially dangerous situation.

**Pre-Employment Testing**

As a condition of employment, any candidate who is extended a conditional offer of employment for a safety sensitive position may be required, as part of the pre-employment physical examination, to take and pass a drug screening test. Failure of an individual to pass this screening shall result in the withdrawal of the conditional offer of employment. Additionally, employees will be required to take drug tests when required by state or federal regulations, such as the U.S. Department of Transportation Drug and Alcohol Testing regulations.

**Random Testing**

As required by law, affected employees will be required to submit to unannounced drug and alcohol testing when selected pursuant to the random selection process established by the Human Resources Department.

**Reasonable Suspicion Testing**

The basis for making a determination on when to conduct a reasonable suspicion test is drawn from specific objective and articulable facts and reasonable inferences drawn from those facts in light of experience. The basis for the determination shall be documented by the supervisor and/or Human Resources Director or their designee.

Employees who are required to undergo a reasonable suspicion test will be placed under Administrative Leave and will not be authorized to return to work until cleared to do so by the Human Resources Director, or designee.

Upon reasonable suspicion, the supervisor will immediately contact the accused employee and advise the employee not to operate any vehicle. The supervisor will contact the Human Resources Department and advise of the situation and request assistance, as needed, to conduct a reasonable suspicion determination.

If an employee is required to undergo reasonable suspicion testing, they will be accompanied by a supervisor or representative from the Human Resources Department who will remain at the facility with the employee until the test is complete. Transportation for the employee will be arranged, they will be placed on Administrative Leave, and will be advised not to return to work until cleared to do so by the Human Resources Director or their designee.

Where reasonable suspicion of drug and/or alcohol use exists, and when health and safety are not endangered, the immediate supervisor will immediately call the employee in for a meeting and question the employee about the observed behavior.

Upon meeting with the employee and their supervisor, the Human Resources Director or their designee will determine which further action should be taken. This further action may include, but not limited to, referral for a drug/alcohol test, referral to the City's Employee Assistance Program, and/or disciplinary action.

a. The Human Resources Director will notify the employee of any decision to test.
Post-Accident Testing
All employees who while operating City-vehicles for City-business, or personal vehicles for City-business, and who are involved in an accident as defined in the City’s Vehicle Safety Policy, will be required to undergo post-accident drug and alcohol testing.

Follow-Up Testing
Employees who had previously tested positive for drugs or alcohol will be required to submit to follow-up testing prescribed by the substance abuse professional and/or the Human Resources Department.

Responsibilities

A. Human Resources Director
The Human Resources Director oversees the implementation and enforcement of all policies relative to substance abuse and drug/alcohol testing through appropriate subordinates, the Employee Assistance Program, Medical Review Officer, and laboratory sources.

The Human Resources Director will ensure that:
1. the drug/alcohol-testing is properly conducted on all candidates who have been extended an offer of conditional employment for safety-sensitive positions, or when such testing is required by laws or regulations on employees where reasonable suspicion exists as specified by the policy;
2. employees referred to the Human Resources Department for reasonable suspicion of drug or alcohol use are properly assessed;
3. employees who are to be tested have appropriate transportation to the specimen collection site. Under no circumstances are employees to be allowed to transport themselves;
4. the samples are taken, maintained, and tested in accordance with current legal requirements;
5. programs are conducted educating employees on the hazards of drug/alcohol abuse, utilizing appropriate available resources; and
6. employees are referred to the Employee Assistance Program or a health care provider when appropriate to do so.

B. Department Director Department Heads
Department Director Department Heads will ensure that:
1. supervisors and employees in the department receive training on drug/alcohol abuse prevention and maintain a list of supervisors and employees who have been trained;
2. disciplinary action is taken as appropriate; and
3. information about the Employee Assistance Program, the Wellness Program, and this Policy are appropriately distributed within the department.

C. Supervisors
Supervisors will be responsible for:
reporting behavior that may amount to reasonable suspicion to the respective Department Director Department Head and the Human Resources Director Department; and
refer employees with acknowledged drug/alcohol problems to the Human Resources Department.

D. Medical Service/Medical Review Officer (MRO)
1. The Medical Service (laboratory) will obtain consent and collect blood and/or urine specimens from applicant/employees, and will maintain the chain-of-custody in the collection, handling, and processing of
specimens, and conduct the drug and alcohol tests in compliance with applicable laws.

2. If the test result determined by the City's Medical Review Officer is positive, the applicant/employee may have a re-test conducted by an independent laboratory. Upon receiving a request for a re-test, the Medical Service will arrange for the original specimen to be delivered to the independent laboratory designated by the applicant/employee. Independent testing is the responsibility of the applicant/employee. Consequently, any testing other than the test conducted by the City's Medical Service will be done at the applicant/employee's expense.

3. The Medical Review Officer will notify the Human Resources Director of test results and provide a copy of the laboratory report within 30 days of the test.

E. City Attorney:

The City Attorney:

1. advises the City Manager, Human Resources Director, Medical Review Officer, and Department Directors on changes in federal, state, and local laws affecting drug/alcohol testing and the treatment of employees with drug/alcohol abuse problems; and

2. provides general advice to the Human Resources Director, Department Directors, Department Heads, and City management on the application of the proper process.

Testing Methodology

Because of the consequences of positive test results on employees, the City will employ a two-stage testing program. Urine and blood samples will be analyzed by an independent and certified laboratory certified by the State of Maryland. All samples will be tested according to appropriate standards, including immunoassay screen for chemical substances and a confirmatory Gas Chromatography/Mass Spectrometry test (GC/MS).

Collection of specimens will be scheduled and performed by certified collectors the Medical Review Officer. This will be done at the Medical Review Officer's location.

1. Initial and confirmatory testing of collected specimens will be performed by a laboratory designated by the City and certified by the National Institute of Drug Abuse.

Both the Medical Review Officer and the Medical Service will ensure adherence to chain of custody and confidentiality requirements.

Reporting of Results

1. The laboratory will report test results in writing to the City's Medical Review Officer Designated Employer Representative within the Human Resources Department, as designated by the Human Resources Director.

2. A positive test result will be reported as confirmed only after the Medical Review Officer has reviewed the medical history and other information offered by the applicant/employee.

3. The Medical Review Officer will report the test results to the Human Resources Director. The Human Resources Director will report those results to the City Manager and the Department Director Department Head. The Human Resources Director will also notify the individual of the results. If positive, the individual employee will be provided with a copy of the laboratory report.

4. Test result reports and other information acquired in the testing program are confidential and may not be disclosed except as indicated in the confidentiality section of the Policy on Drugs and Alcohol (PPP# 190-00).

5. Test results will be maintained in the Human Resources Department as part of applicant/employee medical records.

6. The Medical Review Officer will not report on the use of any non-prescription drug, other than alcohol, that is not prohibited by Maryland law, nor will the Medical Review Officer report on the use of any medically prescribed drug unless the employee or applicant is unable to establish that the drug was medically prescribed.
Testing Process and Consequences

Pre-Employment Testing Process

The Human Resources Director, or designee, will notify applicants of requirements for testing and the consequences of positive test results and will schedule appointments for the collection of specimens from designated individuals as appropriate.

For Pre-Employment Testing,

The Human Resources Director will contact the Medical Review Officer to verify that the applicant appeared for the test, presented positive identification, and provided a urine specimen. An applicant’s failure to provide a urine specimen, or inappropriate behavior (e.g., tampering with a urine specimen), may result in withdrawal of an offer of employment.

The Medical Review Officer will process and evaluate the sample appropriately with the City’s Medical Service.

The Medical Review Officer will notify the City’s Human Resources Director of the results of the tests.

The Human Resources Director, consistent with confidentiality requirements, will notify authorized City officials of the test results and determine what further action should be taken.

Pre-employment drug testing for Police Officers will be done in accordance with the State of Maryland, Department of Public Safety and Correctional Services regulations.

If the GC/MS Medical Review Officer has verified that the test is positive, applicants for employment will no longer be considered for employment.

An employee’s refusal to submit to such a test is considered insubordination and constitutes grounds for dismissal.

If test results are confirmed positive for use of illegal drugs, misuse of legal drugs, or alcohol, the City will take appropriate actions, which may include discipline, referral to the EAP, and/or dismissal. The individual may be referred to the Employee Assistance Program for counseling and referred for participation in an acceptable drug rehabilitation program.

- Refusal to submit to testing or comply with the conditions of a rehabilitation program is cause for immediate dismissal.

- Employees who fail any subsequent tests may be subject to dismissal.

Reasonable Suspicion Process

Where reasonable suspicion of drug and/or alcohol use exists, and when health and safety are not endangered, the immediate supervisor will immediately call the employee in for a meeting and question the employee about the observed behavior.

The supervisor will decide whether to allow the employee to return to the worksite or to refer the employee to the City’s Human Resources Department for further assessment.

In the event of a referral, transportation should be arranged for the employee, and the Human Resources Director will be notified.

The supervisor will accompany the employee to the meeting with the Human Resources Director.

The Human Resources Director will meet with the employee and supervisor and determine what further action should be taken. Further action may include, but not be limited to, referral for a drug/alcohol test, referral to the City’s Employee Assistance Program, and/or disciplinary action.

a. The Human Resources Director will notify the employee of any decision to test, and will
schedule an appointment with the Medical Review Officer. An employee's refusal to submit to such a test is considered insubordination and constitutes grounds for dismissal.

b. The Human Resources Director will contact the Medical Review Officer to verify that the employee complied with drug/alcohol testing requirements. The Medical Review Officer will review the laboratory's findings, and upon completion of this review, will notify the Human Resources Director of the test results.

c. If test results are confirmed positive for use of illegal drugs, misuse of legal drugs, or alcohol, the City will take appropriate actions, which may include discipline, referral to the EAP, and/or dismissal. The individual may be referred to the Employee Assistance Program for counseling, and referred for participation in an acceptable drug rehabilitation program.

d. Refusal to submit to testing or comply with the conditions of a rehabilitation program is cause for immediate dismissal.

2. Employees who fail any subsequent tests may be subject to dismissal.

3. Employees who pass the follow-up test will be subject to periodic testing, upon reasonable suspicion, after testing positive the first time. Any employee who subsequently tests positive may be subject to dismissal.

4. In situations in which the health and safety of any individual may be endangered as the result of behavior suspected to be caused by illegal drugs or alcohol use, the immediate supervisor will take steps to secure a potentially dangerous situation.

Testing Sites
Testing for drug and alcohol will take place at:

Adventist HealthCare Urgent Care, 750 Rockville Pike, Rockville, MD 20852 for all tests to take place between 8:00 a.m. to 8:00 p.m.

Shady Grove Emergency Room, 9901 Medical Center Dr., Rockville, MD 20850 for all tests to take place between 8:00 p.m. to 8:00 a.m.

Employee/Applicant Rights

An applicant or employee, prior to any type of drug/alcohol testing, will be advised of: the reason(s) for requiring the test; the consequences of refusing to be tested (disciplinary action, refusal of employment); the name of the laboratory that will perform the test; and that, if the result of the test is confirmed as positive, the individual is entitled to have a test conducted on the same specimen by a different certified laboratory at the individual's own expense (full cost).

An applicant/employee who has a confirmed positive drug test result will be given, within 30 calendar days of the date on which the specimen was taken, a copy of the laboratory report. Notice that he or she is entitled to have a test conducted on the same specimen by a different certified laboratory at his or her own expense will be provided by either the City or the Medical Review Officer; and, if applicable, written notice of the City's intent to terminate, take disciplinary action against the employee or change the conditions of the individual's employment. If the employee in question is a member of a bargaining unit, disciplinary action will be governed by the collective bargaining agreement with the City.

Drug Education

The City may provide educational seminars for all City employees, which may include the following topics:

- City policy on drugs and alcohol (what City employees need to know)
- Drug and alcohol effects
- How drugs affect the health of the employee and family
- How drugs affect productivity and the City
- How drugs affect the community
- The role of the EAP (i.e., services offered, resources available)

Drugs in the Workplace
The use, possession, transfer, sale, or purchase of any illegal drug, or any prescription drug without a valid prescription, on City property (which includes but is not limited to City motor vehicles, City-sponsored functions, or wherever City business/work is being conducted) is prohibited.

If an employee is found to be in violation of this section of the Policy, the employee will be suspended without pay immediately. Further disciplinary action, up to and including dismissal, will then be determined by management in consultation with the Human Resources Director. Management of The City may refer evidence obtained to law enforcement agencies when it is appropriate to do so.

**Alcohol in the Workplace**

The consumption, use, possession, transfer, sale, or purchase of alcohol on City property (which includes but is not limited to City motor vehicles, City-sponsored functions, or wherever City business/work is being conducted) is prohibited with the following exceptions:

1. Consumption, possession, sale or purchase of alcohol at certain City conference, or recreational facilities, where the exception has prior approval of management.

2. The use of alcohol by employees while conducting business, attending a City-sponsored business or social function, or otherwise representing the City off City property as approved by management is permitted only to the extent that it does not lead to impaired performance, inappropriate behavior, endangering the safety of any individual, or violating applicable law.

3. Possession of alcohol while being transported in a City motor vehicle in compliance with applicable legal requirements, with prior approval of management.

4. Possession of alcohol while in an employee’s personal vehicle.

If an employee is found to be in violation of this section of the policy, management will, in consultation with the Human Resources Director, determine the appropriate disciplinary action to be taken, up to and including dismissal.

**PPP # 195-00 Policy on Smoking**

**PURPOSE**

The purpose of this Policy is to define the restrictions on smoking in City buildings and in all City vehicles.

**SCOPE**

The Policy applies to all City employees, applicants, and any member of the general public using City facilities.

**PRINCIPLES**

**Definitions**

The following words and phrases, as used in this Policy and the Procedure on Smoking (PPP# 195-10) are defined as follows:

**Employee:** Any person who is employed by the City of Rockville, including regular, temporary, full-time or part-time, contractual, and provisional employees, as well as contractors and consultants doing business for the City.

**Public Area:** An enclosed area in which members of the public are normally invited or permitted.

**Public Meeting:** Any meeting, wherever held, that is open to the public.

**Smoking:** The act of lighting, smoking, or carrying a lighted or smoldering cigar, cigarette, or pipe of any kind.

**Vehicle:** Any City-owned vehicle, including a car, truck, or van.

**Workplace:** An enclosed area or any part of an enclosed area used in the performance of employment or related activities. Workplace includes any City-owned vehicle, conference room, auditorium, lunchroom,
vending area, locker room, lounge, hallway, or stairwell.

Prohibition on Smoking

Smoking is prohibited in any City-owned or operated facility as well as any City-owned or operated vehicle.

PPP # 195-10
Procedure on Smoking

PURPOSE

This Procedure implements the Policy on Smoking (PPP# 195-00).

GENERAL RULES

RESPONSIBILITIES

The City Manager or designee is responsible for ensuring that all proper signs are posted and that all City employees and the public are aware of and understand the Policy.

The supervisors are responsible for implementing the Policy within the worksite and ensuring that all employees understand and follow the rules of the Policy.

The City employees are responsible for following the rules of the Policy and, whenever necessary, informing the general public, at the worksite, about the Policy.

The Human Resources Director is responsible for the overall implementation and enforcement of the Policy, as it applies to City employees, ensuring that each individual is treated equally and fairly and that discipline for all employee infractions is handled in accordance with the City’s Policy and Procedure on Discipline and Dismissal (PPP# 75-00 and 75-10) and/or contractual agreements.

The Division of Inspection Services is responsible for the overall enforcement of the Policy as it applies to City-owned buildings and vehicles.

GENERAL RULES

All City employees, as well as the general public, are responsible for adhering to the Policy on Smoking.

Signs prohibiting smoking must be posted conspicuously and will comply with existing regulations. Signs need not be permanently attached to a structure.

Employees violating the Policy or Procedures on Smoking are subject to disciplinary action, up to and including dismissal.

The supervisor or person in charge at a City facility must ensure adherence to the City’s Smoking Policy and must ask any individual found smoking to leave the facility or area if the person continues to smoke after proper warning.

The City of Rockville will provide a smoke-free work environment for non-smoking employees to the maximum extent practical.

All complaints concerning the Policy and Procedures on Smoking should be directed to the Human Resources Director, who will keep a record and handle the problem as appropriate.

The restaurant/snack bar area of the Redgate Golf course, a leased facility, will follow the same smoking regulations as any other restaurant located in the City. All other areas of the facility including the pro-shop, bathrooms, hallways, etc. will be operated in accordance with this Policy and Procedure.

PPP # 200-00
Policy on Vehicle Safety Review

PURPOSE
The City of Rockville Vehicle Safety Review Policy has been established in an effort to review and reduce the number of employees' accidents while driving City vehicles or private vehicles on official City business. Other objectives of this program include reducing the rate of motor vehicle insurance premiums; obtaining longer life from City vehicles; improving the safe driving ability of City drivers; improving public relations by demonstrating to the public that City drivers practice good traffic safety; and ensuring consistent treatment of employees when disciplinary action is taken as a result of an accident.

This policy covers all employees who operate City vehicles or private vehicles on official City business while driving for the City:

1. Are involved in an accident;
2. Negligently operate a City vehicle or private vehicle on official City business;
3. Violate the Vehicle Safety Backing Policy;
4. Fail to comply with traffic laws; and
5. Fail to pay a parking citation received while operating a City vehicle.

However, the Vehicle Safety Policy excludes Police Department Officers while operating Emergency Vehicles. The Police Department Officers operating Emergency Vehicles both under emergency conditions and normal patrol, and the pursuit of a suspect/violator follow General Order policy 4-6.

**PPP # 200-10**

**Procedure on Vehicle Safety Review**

**PURPOSE**

The purpose of this procedure is to implement the Policy on Vehicle Safety Review.

**SCOPE**

Operation of vehicles and equipment shall be in accordance with all City, County, State and Federal Laws. Employees assigned to drive vehicles or equipment shall at all times drive in a safe and courteous manner. Vehicles or equipment shall not cross the roadway centerline to be positioned against traffic flow as a maneuver to perform a task unless all traffic control devices along with trained and certified flagger personnel are in place. Passengers will ride only in designated seating and wear safety belts at all times. Employees shall not ride on the running boards, toolbox, tailgate or roof of any vehicle, or in the back of a truck bed or trailer. Refuse truck riding steps should be used sparingly, avoided when slippery conditions exist, and never used when the vehicle is exceeding 105 miles per hour, or traveling more than 0.2 mile.

Drivers are responsible for the cleanliness and proper care of their vehicles and equipment, which includes reporting all needs for repair to Fleet Services the Department of Public Works as they occur. All scheduled servicing, maintenance, and repairs will be done by Fleet Services.

Before vehicles and equipment are placed into operation, drivers are responsible for conducting a daily visual inspection to include all lights, signals, horn, mirrors, body, tires, fluid levels, and leaks of any kind. Operators of vehicles in excess of 25,000 GVW or any bus designated to carry more than ten (10) people (Code of Maryland Regulation 11.22.03.01) are required to possess a Commercial Driver’s License and must perform a pre-trip and post-trip inspection upon use of the vehicle in accordance with State regulations. In addition to the daily inspections, the driver is responsible for ensuring that any operational requirements described in the vehicle or equipment operator’s instruction manual are performed. An incident report must be filled out and submitted to the supervisor whenever any damage is noted.

*With the exception of police officers on an emergency run, red-light and speed camera tickets while operating a city vehicle are the responsibility of the employee.*

*All employees who operate a City vehicle or a private vehicle on official City business are covered by this Procedure.*

Any recommendations made within the scope of this Procedure are not to be interpreted as serving in the place of, or superseding, a decision made in a court of law.

**VEHICLE SAFETY REVIEW**
**Definitions:**

Vehicle – means any land motor vehicle designed for travel on public roads, including any attached machinery or equipment. Examples include, but are not limited to: cars, trucks, sport utility vehicles, pick-up trucks, specialty vehicles, and their appurtenances. Vehicles do not include Mobile Equipment.

Mobile Equipment – means any self-propelled vehicles not otherwise classified as a Vehicle. Mobile Equipment may be licensed or unlicensed and examples include but are not limited to: backhoes, front-end loaders, skidsteers, powered industrial trucks/forklifts, golf carts, all-terrain vehicles, tractors, powered line striper, riding mowers, scissor or aerial lifts, among others.

**General:**

The Safety and Risk Management Administrator (SRMA) or their designee, will review reports of:

1. Vehicle or mobile equipment accidents involving City employees who were operating vehicles or mobile equipment or private vehicles involved on official City business;
2. Negligent operation of any City vehicle, mobile equipment, or private vehicle driven on official City business;
3. Violation of the Vehicle Safety Backing Policy;
4. Failure to obey a traffic law while driving for the City; and
5. Failure to pay a parking citation received while operating a City vehicle.

According to this policy on Vehicle Safety Review an “accident” is defined as any of the following incidents involving an employee who operates a City vehicle, mobile equipment, or a private vehicle on official City business that meets any one of the following:

1. There is a fatality; or
2. Injury to anyone involved in the accident that requires medical treatment; or
3. Any involved vehicle is damaged so that it cannot be legally driven during daylight hours after minor repairs; or
4. As a result of the collision a citation has been issued to the City employee, operator of the City vehicle or the private vehicle operated on official City business; or
5. A supervisor or Safety and Risk Manager has objective facts giving reason to believe that the employee is at least partly responsible for causing or contributing to the accident; or
6. There is property damage to public, private, or City property.

**Exceptions:**

This policy does not apply to unoccupied or parked vehicles.

This policy does not apply if the City employee who while operating a vehicle or mobile equipment on official City business is involved in an accident and did not contribute to the accident occurring. An example of this exception is below:

- A City employee who while driving a vehicle on official City business is stopped legally at a red signal at a traffic light and is struck (rear-ended) by a vehicle behind it.

In certain approved circumstances, (for example, when performing snow plowing and salting operations in inclement weather), discretionary review by the Supervisor and the SRMASafety and Risk Manager will determine the application of these guidelines.

The SRMASafety and Risk Manager may review incident reports, liability notices, police reports, resident complaints, and any other reports as necessary. The Safety and Risk Manager SRMA may also interview employees involved, any witnesses, Police Department personnel, and any other appropriate individual to aid the investigation.

The Safety and Risk Manager SRMA shall make a determination of an accident as either preventable or non-preventable as defined by the National Safety Council. The National Safety Council defines a preventable accident as “a collision in which the driver failed to do everything reasonable to avoid it.” This determination will be utilized in the event of any administrative corrective action taken as a result of the accident.

A determination of preventable and non-preventable also will be made of the other listed occurrences.

The Safety and Risk Manager SRMA may use any available means and devices to administer this Policy.
**VEHICLE BACKING POLICY**

City drivers should avoid backing whenever possible and plan ahead to reduce the amount of backing required. A vehicle should be backed up only if there is no other alternative and then only if any available passenger positions himself/herself behind the vehicle (no riding on the vehicle) to guide the driver. The passengers are equally responsible during the backing maneuver. If they do not request to be allowed to exit the vehicle to be posted at the rear of the vehicle, each passenger will be held accountable.

If the driver refuses the passengers requests, then only the driver is held in violation of the rule. If there is no passenger or anyone available to assist the driver, the driver is responsible for getting out of the vehicle to make a visual inspection behind the vehicle to be sure of no obstructions or other vehicles within the area of intended back up. After the scene has been surveyed the driver should back with great care, and only the distance necessary to begin forward progress. Additionally, this procedure will apply to pickups, sedans, SUVs and vans if conditions are not favorable for driver to back the vehicle, i.e., the driver’s view is blocked or blind spots are a condition of the vehicle being backed up.

**PROCEDURE ON VEHICLE SAFETY REVIEW**

The SRMA will then submit to the Director of Personnel/Director of Human Resources the determination and copies of all pertinent reports and facts. The Director of Personnel/Director of Human Resources will then contact the appropriate supervisor to discuss recommended action. For accidents that are determined to be preventable, the employees who violate this policy may be disciplined in accordance following are recommended disciplinary actions depending on the employee’s number of previous offenses, and/or the severity of the accident and/or traffic violation involved:

1. Oral reprimand;
2. Written reprimand;
3. Probation;
4. Suspension without pay;
5. Reassignment or demotion to a non-driving position if possible; and
6. Dismissal.

All disciplinary actions must be taken in accordance with the Policy on Discipline and Dismissal (PPP # 75-00).

Employees may review the reports regarding accidents in which they were operating the vehicle and the accident was determined to be preventable. Employees should request through their supervisors to set up an appointment with the SRMA to review the reports. Supervisors and Designated Union Representatives shall be in attendance at these reviews.

Accidents that are determined to be preventable, and any violations of this policy, including any resulting disciplinary action will become a part of the driver’s Personnel record. (PPP # 203.)

**PPP # 203-00**

**Policy on Driver’s License Check and Flagging Program**

**PURPOSE**

This Policy establishes a system to verify the validity of driver’s licenses for new employees who will drive for the City, and to maintain a flagging system, which will ensure continued license validity for existing employees who drive for the City. This system will ensure that City drivers meet the City’s standard for driving City vehicles or privately owned vehicles on official City business.

**SCOPE**

This Policy applies to all City employees who operate City owned/leased vehicles or privately owned vehicles driven on official City business.

**PRINCIPLES**

All City employees must possess a valid driver’s license valid in the State of Maryland of the type and class...
appropriate to its use in order to drive a City-owned/leased vehicle or privately owned vehicle on official City business. Employees with suspended or revoked licenses, will have their City driving privilege revoked and will be subject to the revocation process.

**PPP # 203-10**

**Procedure on Driver's License Check and Flagging Program**

**PURPOSE**

This Procedure implements the Policy on the Driver’s License Check and Flagging Program (PPP# 203-00).

**GENERAL RULES**

**City Employees Who Will Drive for the City**  are responsible for:

1. Completing a Driver's License Check and Flagging Form and promptly returning it to their immediate supervisor who will then submit it to the Human Resources Department. Employees who possess a driver's license that is not issued by the State of Maryland must obtain and submit a current original printout of their driving record from the license issuing jurisdiction prior to starting to drive for the City and on an annual basis thereafter. Before driving, new employees who will drive for the City must complete and submit to their supervisor a Driver's License Check and Flagging Form before driving.

2. Completing a Driver's License Check and Flagging Form when there is a name change or a new license issued. The "change existing record" box should be checked and a note describing the change should be made on the form. Renewal of a current license does not require the completion of a Driver's License Check and Flagging Form.

3. Maintaining a driver's license that is valid in the State of Maryland and a driving record that meets the City’s standard for driving City-owned/leased vehicles or privately owned vehicles on official City business.

4. Informing their supervisor, or the Human Resources Department, of all status changes to their driver's license, including any suspensions.

5. Informing the Human Resources Department of any charges related to driving under the influence of drugs and/or alcohol which may affect your driving privileges.

6. In the event that an employee requests that City driving privileges be reinstated, the Reinstatement Process found in this Procedure must be followed. This applies only when an employee’s City driving privilege was revoked and the employee was:

   allowed to remain in the same City position without maintaining a City driving privilege;

   temporarily or permanently transferred or demoted in pay and/or rank without maintaining a City driving privilege.

Reinstatement of the City driving privilege will not necessarily rescind any disciplinary actions taken.

**Immediate supervisors of City drivers** are responsible for:

1. Ensuring that all City drivers under their supervision have completed a Driver's License Check and Flagging Form prior to allowing them to operate vehicles for City business, and that non-Maryland licensed drivers have submitted a current original printout of their driving record.

2. Ensuring that new employees complete a Driver's License Check and Flagging Form prior to performing any driving services for the City.
Completing a Driver's License Check and Flagging Form when an employee will no longer be driving a City-owned/leased vehicle or privately owned vehicle on official City business. The "delete record" box should be checked in this case.

Conducting an annual review of all drivers under their supervision to ensure that all name changes and new license issues have been reported on a Driver's License Check and Flagging Form. This review will be done during the month of July in each year.

Forwarding all Driver's License Check and Flagging forms and original printouts of driving records to the Human Resources Department promptly.

1. Revoking an employee's privilege to drive a City-owned/leased vehicle or a privately owned vehicle used on official City business, when the Department Director Department Head has advised the supervisor that the driver no longer meets the City's driving requirements. The immediate supervisor must ensure that the driving stops immediately and initiate the Revocation Process.

2. Consulting with their Appointed Official or Department Director Department Head on the course of action to recommend to the Human Resources Director to take for drivers under their supervision who have had their City driving privilege revoked.

3. Informing employees of the reinstatement of their City driving privilege. The Reinstatement Process should be followed at this point.

Department director Department Heads are responsible for:

1. Ensuring that all supervisors and employees who drive a City-owned/leased vehicle or privately owned vehicle on official City business in their department are included in the Driver's License Check and Flagging Program.

2. Overseeing the annual review of all drivers in their departments by the immediate supervisors. A written notice that all drivers in their department have supplied current information should be sent to the Human Resources Department along with all updated Driver's License Check and Flagging forms by the end of July in each year.

3. Advising the immediate supervisor of an employee who has had their City driving privilege revoked. The Revocation Process should be followed at this point.

4. Consulting with immediate supervisors on course of action to recommend to the Human Resources Director to take for drivers in their department who have had their City driving privilege revoked.

5. Notifying the Human Resources Director in writing of the recommended course of action for drivers in their department who have had their City driving privilege revoked.

6. Advising the immediate supervisor of an employee who has had the City driving privilege reinstated (when applicable). The Reinstatement Process should be followed at this point.

The Human Resources Department is responsible for:

1. Entering employees who will drive into the flagging system by forwarding the pertinent information from the completed Driver's License Check and Flagging forms to the Motor Vehicle Administration.

2. Conducting a review of all existing employees' driving records to ensure that all drivers meet the minimum requirements for City driving.

3. Advising employees and their supervisors, through their Department Director Department Heads, that their City driving privileges have been revoked. This notice will be in the form of a memorandum, and will be sent to the Department Director Department Head.

4. Maintaining a file that records all actions taken with regard to the Driver's License Check and Flagging Program.
5. Monitoring the Driver’s License Check and Flagging Program to ensure that all procedures are accurately followed.

6. Reviewing driving records for out-of-state licenses supplied by employees to supervisors and verifying that these records are valid.

7. Reviewing driving records supplied by employees to supervisors for the purpose of reinstatement of the City driving privilege (when applicable).

8. Informing Department-Director Department Heads that City driving privileges are reinstated to an employee through a memorandum.

Minimum Criteria to Operate Vehicles for City Business

All City employees must possess a valid driver’s license of the type and class appropriate to its use in order to drive a City-owned/leased vehicle or privately owned vehicle on official City business.

City employees are expected to operate vehicles lawfully and respectfully. Therefore, the City will take the following action(s) if employees are assessed Points by the Maryland Motor Vehicle Administration (MVA) on their driver’s licenses:

- 5 to 7 points – employees will be required to enter and successfully complete a Defensive Driving Course at the direction of the Human Resources Director or designee.
- 8 to 11 points – employees will have their City driving privileges revoked for the greater of six (6) months or the amount of time the license is suspended by the MVA.
- 12 points or more – employees will have their City driving privileges revoked for the greater of twelve (12) months or the amount of time the license is suspended by the MVA.

Revocation Process

When an employee no longer satisfies the minimum City criteria for driving a City vehicle or private vehicle on official City business, a memorandum of revocation will be sent by the Human Resources Department to the Department-Director Department Head. The Department-Director Department Head must notify the supervisor immediately to ensure that driving stops immediately.

When the driving privilege is revoked for an employee, the immediate supervisor will then consult with the Department-Director Department Head to determine whether arrangements can be made for the continuation of employment activities for the employee. In the event an employee who has their driving privileges revoked, and whose job requires them to operate City vehicles, The Department-Director Department Head will then recommend in writing to the Human Resources Director the following:

- whether the employee may remain in the same capacity for the City without maintaining a City driving privilege;

- whether the employee may serve in another capacity, in the same department without maintaining a City driving privilege. For an employee, this may include, but may not be limited to, a transfer or demotion in rank and/or pay, which will remain in effect at least until the employee’s driving privileges are reinstated; or

- that the employee cannot remain in the same department in any capacity without maintaining a City driving privilege; and/or.

- whether to proceed with recommending discipline pursuant to the Policy on Discipline and Dismissal (PPP #75-00).

The Human Resources Director will then decide whether to accept the Department-Director Department Head’s recommendation or to pursue a different course of action. In the event of dismissal, the Human Resources Director will follow standard procedures for dismissal of employees through the City Manager.

Reinstatement Process

1. An employee must provide a current original printout of his or her driving record to the supervisor, upon request, and this driving record must reflect that the employee presently meets the minimum criteria for City driving.
2. The supervisor will promptly forward the copy of this driving record to the Human Resources Department.

3. The Human Resources Department will review the driving record, and decide whether to reinstate the City driving privilege to the employee. If the City driving privilege is not reinstated, the Human Resources Department will detail the reason(s) in writing to the immediate supervisor and send copies to the employee and the Department Director/Department Head.

4. When the driving privileges of an employee are reinstated
   a. The Department Director/Department Head and immediate supervisor will be notified in writing through a memorandum of reinstatement from the Human Resources Department;
   b. The Department Director/Department Head will then advise the immediate supervisor of the employee of the reinstatement and supply the immediate supervisor with a copy of the memorandum of reinstatement;
   c. The immediate supervisor will then inform the employee of the notice of reinstatement by giving the employee a copy of the memorandum of reinstatement;
   d. Any temporary demotions in rank and/or pay may be rescinded by the Department Director/Department Head at this time, provided a suitable vacancy exists. Standard procedures for reinstating personnel into their original status should be followed. (See Policy on Personnel Changes (PPP# 80-00).)

Should an employee wish to challenge the results of the Driver’s License Check and Flagging Program, they may contest the findings of the Driver’s License Check and Flagging Program by supplying the immediate supervisor with a current original printout of the driving record. The original printout of the driving record must be dated after any memorandums of revocation in order to be considered current. Any revocations of driving privileges will stay in effect until the validity of the driving record supplied by the employee is verified to be accurate. The immediate supervisor should immediately forward the original printout of the driving record to the Human Resources Department for verification. The Human Resources Department will check the validity of the driving record in a timely fashion. If the information determined through the Driver’s License Check and Flagging Program is found to be in error, driving privileges will be reinstated if they have been revoked.

An employee may review their driving record as kept by the Human Resources Department. A request should be made in advance, when possible.

PPP # 205-00
Policy on Reporting Incidents Involving Property Loss or Personal Injury

PURPOSE

The purpose of this Policy is to establish the general rules to be followed by employees involved in or responding to incidents that result in property damage or personal injury, including motor vehicle accidents.

PRINCIPLES

Employees are responsible for reporting all such incidents to their immediate supervisors and for providing complete information and details necessary to complete appropriate reports.

Employees are responsible to report the location, nature of the incident, and any assistance needed, immediately after such incident to their immediate supervisors and to secure such emergency services as may be appropriate.
PPP # 205-10
Procedure on Reporting Incidents Involving Property Loss or Personal Injury

PURPOSE

This Procedure implements the Policy on Reporting Incidents Involving Property Loss or Personal Injury (PPP# 205-00).

GENERAL RULES

Responsibilities

Employees are responsible for:

Summoning help to the scene of the incident as may be appropriate (fire, emergency medical, police, towing). When possible, a police report must be generated for every incident involving a City vehicle or private vehicle driven on official City business. This includes any incident on City property and any incident involving damage to City, public or property, or vehicles that exceed $1,000 in estimated damages.

Notifying their immediate supervisors and informing them of their location and that of the incident as soon as possible.

Being courteous, cooperative, and responsive to all persons involved in the incident.

Making no statements as to who is at fault or how the damage or injury will be dealt with.

Getting the names, addresses and telephone numbers of all individuals involved in the incident and any individual witnessing the incident, and all other information that may be necessary for properly reporting the incident. Even though the police may file a police report, employees must obtain this information on their own.

Supplying all such pertinent information to their immediate supervisor to enable completion of appropriate claim forms and associated investigative reports. This information shall be supplied to their supervisors as soon thereafter as possible, but no later than the end of the working day in which an incident occurs. Information concerning incidents that occur after the normal business hours for that facility shall be supplied to the supervisor at or before the beginning of the next City workday. Incidents reported by citizens to employees shall be communicated to the supervisors immediately.

In the event of a vehicular accident that meets the Policy on Vehicle Safety Review definition of an “accident”, the employee shall submit for alcohol/drug-testing, in accordance with the Policy on Drugs and Alcohol (PPP# 190-00). The scope of this requirement includes all employees who operate a City vehicle or a private vehicle on official City business.

Immediate supervisors are responsible for:

Ensuring that appropriate action is taken relative to the incident.
Ensuring that employees involved in an incident comply with their responsibilities.

Investigating the incident.

Ensuring that appropriate claim forms and associated investigative reports are completed and are submitted to the Human Resources Department. Reports of incidents shall be completed and forwarded to the Human Resources Department by the end of the workday in which the incidents occur. Reports of incidents occurring after normal business hours shall be completed and forwarded to the Human Resources Department at the beginning of the next City workday. These required reports are available at www.rockvillemd.gov/claims.

Telephoning the Human Resources Department immediately in case of a fatality, any treatment requiring inpatient hospitalization, amputation, loss of an eye, multiple-person injury, or traffic accident in which one or more vehicles are not drivable after the accident. Any injuries that require an injured individual to be transported to a hospital in an ambulance shall also be reported to the Human Resources Department. Reports on the above listed types of serious incidents must be completed as soon as possible and hand-carried to the Human Resources Department immediately on the City’s claims website at www.rockvillemd.gov/claims. Serious incidents occurring after normal business hours shall be reported to the Human Resources Department at the beginning of the next City workday.

Ensuring that vehicles involved in an accident are not moved until a police officer has investigated the accident. After that investigation, the City vehicles should be returned to their storage locations. If towing is necessary, it should be done through the City’s Fleet Services Division’s current policy.

Reporting all incidents involving theft of or vandalism to City property to the City Police Department.

The City Police Department shall forward to the Human Resources Department copies of all reports involving City property.

Ensuring that in the event of an accident necessitating alcohol/drug testing, the Safety and Risk Manager is contacted and the involved City driver is transported for immediate alcohol/drug testing.

Human Resources Department is responsible for:

Ensuring that all incidents involving property damage or personal injury are properly reported to and processed through the self-insurance fund City’s insurers, or third-party administrators.

Sending copies of claim forms to appropriate Department Director Department Heads and/or supplying Department Director Department Heads with timely reports detailing claims that affect their departments.

Review of any alcohol/drug testing results and the facilitation of any appropriate corrective actions.

Reporting all work-related fatalities within 8-hours and all inpatient hospitalizations of one or more employees, amputations, or losses of an eye within 24-hours to the-
Subject
Discussion and Instructions on DEIS for I-495 and I-270 Managed Lanes Project

Recommendation
Staff recommends that the Mayor and Council discuss the Draft Environmental Impact Statement (DEIS) for the I-495 and I-270 Managed Lanes Project and instruct staff on the written comments to be submitted before the November 9, 2020 deadline.

Discussion
This agenda item provides information about the I-495/I-270 Managed Lanes Study Draft Environmental Impact Statement (DEIS). The DEIS was released on July 10, 2020, and the current deadline to submit written comments is November 9, 2020. The information below is divided into three sections: a) Background; b) The DEIS; and c) Draft Letter to MDOT conveying the City’s comments on the DEIS.

The background section provides a short description of the project. The bulk of this agenda is in section b, which consists of feedback received from City staff representing three departments: Public Works, Recreation and Parks, and Planning and Development Services. This section provides a summary of the DEIS and staff concerns. Finally, the Draft Letter section discusses conveying the City’s comments on the DEIS to MDOT.

a) Background:
The I-495/I-270 Managed Lanes Study consists of alternatives along 48 miles of the I-495 Beltway and I-270. The project’s limits include I-495 from the George Washington Memorial Parkway in Fairfax, VA, to MD 5, and I-270 from the Beltway to north of I-370 (see map below.) The Federal Highway Administration (FHWA) is the lead for the project and MDOT/SHA is the local project sponsor. The project’s purpose is to develop a travel demand management solution(s) that address congestion, multimodal mobility and connectivity. The needs for the study are to accommodate existing traffic and long-term traffic growth, enhance trip reliability, provide additional roadway travel choices, accommodate Homeland Security, and improve movement of goods and services. Finally, two goals for the study were identified in addition to the needs: 1) the use of alternative funding approaches for financial viability, and 2) environmental responsibility.
b) The DEIS:

The Draft Environmental Impact Statement (DEIS) consists of ten chapters and appendices A through S. It provides a detailed description of the Study Purpose and Need, different alternatives, existing environmental conditions, and the analysis of the environmental impact of the alternatives and potential mitigation. It also compares the analysis to the No-Build Alternative which will allow the assessment of the potential social, cultural, and natural environmental effects of the study.

A Final Environmental Impact Statement (FEIS) will be conducted for the preferred alternative, which will be chosen from the current retained alternates described on the next page. The following subsections presents staff’s summary and concerns from staff representing Traffic and Transportation, Engineering, Environmental Management, Recreation and Parks, and Planning and Development Services after reviewing the DEIS document.

b.1. Traffic & Transportation:
Before describing the alternatives proposed in the DEIS, it is important to explain what “Managed Lanes” mean and the different forms of these lanes. The DEIS describes Managed Lanes as highway facilities that use strategies to optimize the number of vehicles that can travel
the highway to maintain free-flowing speeds, with the goal of reducing congestion and improving trip reliability. The Managed Lanes may include High Occupancy Vehicle (HOV) lanes, High Occupancy Toll (HOT) lanes, Express Toll Lanes (ETL), and bus-only lanes.

HOV lanes are lanes designated for exclusive use by vehicles with two or more occupants for all or part of a day. HOT lanes are HOV lanes that allow lower-occupancy vehicles, such as solo drivers, to use the facilities in return for toll payments. ETLs are dedicated lanes that motorists may use by paying a variable priced toll. Finally, Reversible Lanes are lanes in which the direction of traffic flow can be changed at different times of the day that match peak direction of traffic. The following table and figures describe the retained alternatives along with the cross sections for each of these alternatives as shown in the DEIS report:

<table>
<thead>
<tr>
<th>Alternative</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative 1</td>
<td>No Build</td>
</tr>
<tr>
<td>Alternative 8</td>
<td>2-Lane, ETL Managed Lanes Network on I-495 and 1-ETL and 1-Lane HOV Managed Lane on I-270</td>
</tr>
<tr>
<td>Alternative 9</td>
<td>2-Lane, HOT Managed Lanes Network on both I-495 &amp; I-270</td>
</tr>
<tr>
<td>Alternative 9 Modified (9M)</td>
<td>2-Lane, HOT Managed Lanes Network on west and east side of I-495 and on I-270; 1-Lane HOT Managed Lane on top side of I-495</td>
</tr>
<tr>
<td>Alternative 10</td>
<td>2-Lane, ETL Managed Lanes Network on I-495 &amp; I-270 plus 1-Lane HOV Managed Lane on I-270 only</td>
</tr>
<tr>
<td>Alternative 13B</td>
<td>2-Lane, HOT Managed Lanes Network on I-495; HOT Managed, Reversible Lane Network on I-270</td>
</tr>
<tr>
<td>Alternative 13C</td>
<td>2-Lane, ETL Managed Lanes Network on I-495, ETL Managed, Reversible Lane Network and 1-Lane HOV Managed Lane on I-270</td>
</tr>
</tbody>
</table>

Figure 2-4: Alternative 1 (No Build) Typical Sections
Figure 2-7: Alternative 9M Typical Sections
I-495 from south of the ALB to I-270 West Spur and I-495 from I-95 to west of MD 5

I-495 from I-270 West Spur to I-95

Figure 2-9: Alternative 10 Typical Sections

I-270
The preliminary effect of the different alternatives is shown in the table below:
Table 2-3: Summary of Effects Comparison of the Build Alternatives

<table>
<thead>
<tr>
<th>Resource</th>
<th>No Build</th>
<th>Alt 5</th>
<th>Alt 8</th>
<th>Alt 9</th>
<th>Alt 9M</th>
<th>Alt 10</th>
<th>Alt 13B</th>
<th>Alt 13C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Potential Impacts to Section 4(f) Properties</td>
<td>0</td>
<td>141.7</td>
<td>146.8</td>
<td>146.8</td>
<td>144.7</td>
<td>149.0</td>
<td>145.5</td>
<td>146.7</td>
</tr>
<tr>
<td>100-Year Floodplain (acres)</td>
<td>0</td>
<td>114.3</td>
<td>119.5</td>
<td>119.5</td>
<td>116.5</td>
<td>120.0</td>
<td>119.5</td>
<td>119.9</td>
</tr>
<tr>
<td>Unique and Sensitive Areas (acres)</td>
<td>0</td>
<td>395.3</td>
<td>408.2</td>
<td>408.2</td>
<td>401.8</td>
<td>410.8</td>
<td>406.7</td>
<td>408.6</td>
</tr>
<tr>
<td>Sensitive Species Project Review Area (acres)</td>
<td>0</td>
<td>151.7</td>
<td>155.0</td>
<td>155.0</td>
<td>153.7</td>
<td>155.0</td>
<td>155.0</td>
<td>155.0</td>
</tr>
<tr>
<td>Forest canopy (acres)</td>
<td>0</td>
<td>1,434</td>
<td>1,497</td>
<td>1,497</td>
<td>1,477</td>
<td>1,515</td>
<td>1,489</td>
<td>1,503</td>
</tr>
<tr>
<td>Wetlands of Special State Concern</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Wetlands – Field Reviewed (acres)</td>
<td>0</td>
<td>15.4</td>
<td>16.3</td>
<td>16.3</td>
<td>16.1</td>
<td>16.5</td>
<td>16.3</td>
<td>16.5</td>
</tr>
<tr>
<td>Wetland 25-foot buffer (acres)</td>
<td>0</td>
<td>51.2</td>
<td>53.1</td>
<td>53.1</td>
<td>52.7</td>
<td>53.6</td>
<td>53.1</td>
<td>53.5</td>
</tr>
<tr>
<td>Waters of the US (linear feet)</td>
<td>0</td>
<td>153,702</td>
<td>155,922</td>
<td>155,922</td>
<td>155,229</td>
<td>156,584</td>
<td>155,882</td>
<td>156,632</td>
</tr>
<tr>
<td>Tier 4 Catchments (acres)</td>
<td>0</td>
<td>55.2</td>
<td>55.3</td>
<td>55.3</td>
<td>55.3</td>
<td>55.3</td>
<td>55.3</td>
<td>55.3</td>
</tr>
<tr>
<td>Noise Receptors? Impacted</td>
<td>0</td>
<td>3,661</td>
<td>4,470</td>
<td>4,470</td>
<td>4,249</td>
<td>4,581</td>
<td>4,411</td>
<td>4,461</td>
</tr>
<tr>
<td>System-Wide Delay Savings vs. No Build (AM/PM)%</td>
<td>0</td>
<td>20%/22%</td>
<td>23%/33%</td>
<td>34%/33%</td>
<td>30%/30%</td>
<td>35%/34%</td>
<td>27%/22%</td>
<td>26%/34%</td>
</tr>
</tbody>
</table>

* - Alternative 5 consists of adding one priced managed lane in each direction on I-495 and converting one HOV lane on I-270 to one priced managed lane in each direction. This alternative was dropped after it was determined to be not reasonable.

Based on the information above, the following summarizes staff’s Traffic and Transportation comments and concerns:

- There are doubts about the Travel Demand Model used to project 2040 traffic volumes and patterns. Travel habits and the extensive use of video meetings, as well as the wide acceptance of teleworking during recent months, suggest that travel demand models should be revised taking into consideration all recent changes, and to project future demand accordingly.

- The study is based on annual average daily traffic of 260,000 vehicles per day in 2018 (on I-270 between MD 28 and I-495). This number, as well as the forecasted 2045 traffic shown on page 1-5 (46 of 353) of the document, should be revised based on new projections in light of the changes in traffic patterns due to the pandemic.

- Transit components are not adequate in the study: No standalone transit alternative has been proposed in the DEIS. Only some transit elements have been introduced, such as allowing free bus usage in the managed lanes and accommodating direct and indirect connections to existing transit stations, and planned Transit Oriented Development at locations such as Shady Grove Metro (I-370) and Twinbrook Metro (Wootton Parkway).
• Bridges impacted in Rockville were listed in the DEIS as follows:
  
  o New interchange at Gude Drive with a new or reconstructed bridge.
  o Extensive bridge and interchange work at MD28; including reconstruction of the pedestrian bridge.
  o New interchange at Wootton Parkway with a new or reconstructed bridge.
  o The major impact on Rockville is the introduction of the two new interchanges proposed at Wootton Pkwy and at Gude Drive, as well as the reconstruction of the pedestrian/bicycle bridge at MD 28. It should be also noted that adjusted interchange ramps to accommodate widened mainline are proposed at Montrose Road, MD 189, MD 28, and Shady Grove Road interchanges.

• While the financial analysis results conclude that Alternative 9 would be the most financially viable alternative, the potential toll rate of $0.77 (for Alternative 9M) per mile is high enough to deter many drivers from using the toll lanes. The $0.77 is the average daily toll rate and it is evident that rates during rush hours will be significantly higher, and could exceed $2/mile.

• The report did not include any data or specific analysis for Rockville streets such as Wootton Parkway and Gude Drive. However, a map was provided showing that Rockville’s street network will experience a delay reduction under 10% on MD 28 and MD 355 in Rockville’s vicinity, and an increase of 1-4% on MD 28 west of I-270.

• Staff reviewed the information related to the noise analysis and found that the study states that any existing noise barrier or portion of barrier falling within the LOD for the Build Alternatives is assumed to be demolished and relocated to accommodate roadway widening and/or stormwater management ponds.

• The study corridors were divided to 133 noise-sensitive areas (NSAs), of which 37 are located along I-270. In Rockville, between I-370 and Montrose Road, 16 NSAs contain noise impacts resulting from Alternatives 8, 9, 9M, 13B, and 13C, while 18 NSAs contain noise impacts resulting from Alternative 10.

• It is worth mentioning that a Final Design Noise Analysis will be performed for this study based on detailed engineering information during the design phase. However, a preliminary determination for noise barrier alignment was made. Appendix D, Map #50, shows potential noise barrier replacement or construction on the west side of I-270 north of Falls Road (between MD 189 and MD 28). Map #51 shows potential noise barrier replacement or construction on the east side of I-270 north of MD 28 and the Woodley Gardens Shopping Center.

b.2. Engineering:
While there is nothing specific in the DEIS regarding utility impacts, major potential impacts were identified through the review of the associated MDOT web map against the City’s GIS. Not knowing the specific work to be done in these areas, it is difficult to quantify what the impacts would be. It should be noted that City staff met with MDOT’s staff and consultant and discussed utility impacts. While MDOT is looking to eventually sign an MOU with the City, no commitments were made from City staff. MDOT has not informed the City of any expectation that the City incur expenses related to the relocation of any City utilities. Rather, City staff is proceeding with the expectation that any cost to relocated City utilities will be paid by the project.

The DEIS states: “The LOD associated with the stormwater management ponds and relocated streams is described further in the Stormwater Management Report.” However, this report was not found on the project website.

There was a separate Appendix E: Community Effects Assessment (CEA)/Environmental Justice Technical Report which had a half page (59) on the Public Utilities within the project limits. It makes no mention of any of Rockville’s utility impacts or services.

b.3. Environmental Management:
Overall, the expansion would impact parkland, streams, wetlands and forests in Rockville. At the current map scale in the DEIS, the extent of Rockville natural resources impacts is difficult to determine. Additionally, the current LOD included in the Draft DEIS does not comprehensively reflect all of the environmental impacts that will be needed to construct, restore and mitigate for the proposed project. The LOD needs adjustment in many locations to factor in access, construction, outfall stabilizations and transitions, stormwater management, and the mitigation of impacted assets.

Water Resources:
- The City is concerned that the DEIS does not address the expected impacts to Rockville’s waterways and stormwater management (SWM). The DEIS provides inadequate stormwater management treatment for current and future impervious surfaces. Additionally, staff believes that proposed roadway changes and the increase in runoff added to already undersized and deteriorated SHA pipes may overwhelm our storm drain system, increase our stream erosion, and cause more issues for the City to deal with in the future.

- Much of the DEIS is targeted to show compliance with State and Federal regulatory requirements. However, Rockville’s local SWM regulations have higher standards that require water quantity control or alternative mitigation for larger storms. These are not currently addressed in the DEIS.

- Some onsite stream mitigation (within the I-270 construction limits of disturbance) is proposed within the city limits at locations of expected impacts from I-270 storm drain outfalls, new or retrofitted stormwater management, culvert replacement, etc.
However, it is not clear how this would address the downstream effects on Rockville streams and storm drains, nor is there information about what type of mitigation is planned.

In summary, City staff are concerned that adequate stormwater treatment is not provided and that multiple adjustments to the City’s drainage system will result from the I-270 construction, many of which will not be compatible with existing downstream infrastructure or capacity. The DEIS does not account for how the meshing of new SHA infrastructure with older lower-capacity City pipes and stream channels can be accomplished, and no downstream mitigation projects within Rockville are mentioned. We strongly urge SHA to add projects from the detailed list provided by the City in Spring 2020, to help mitigate the impact of the new project.

Air Quality and Greenhouse Gases:
  - Appendix I, Air Quality Technical Report, suggests the project’s added toll lanes to Washington-area highways would reduce air pollution, along with congestion, and have minimal impacts on greenhouse gases. The analysis doesn’t account for the long-term likely increase in the number of vehicles traveling on the widened highways because of induced demand, which could offset reductions in congestion-related emissions.
  - The study should assess the air quality and greenhouse gas impacts under the new SAFE Vehicles Rule.

b.4. Recreation and Parks:
  - The main concern from the Recreation and Parks Department is the encroachments into parks, which are not well defined.
  - Since specific impacts are not defined in the documents, avoidance of impacts must be included, as well as justification acceptable to the Mayor and Council. Also, there is not enough detail for all park encroachments to identify wetlands, forest types, historical sites, significant trees and cultural resources. A Natural Resource Inventory (NRI) shall be required by the City prior to approval of all encroachments.

The Recreation and Parks Department also has a concern about the fact that the City’s pedestrian bridge over I-270 was built with Federal and State funding. The City might have grant obligations that will need to be dealt with as the process moves forward.

b.5. Planning and Development Services:
  - Staff found that the DEIS report makes no mention of the City’s Forest Conservation Act (FCA) requirements. The report is limited to discussion of State and County FCA issues.
  - Numerous sections of the report should be modified to include City of Rockville Forest and Tree Preservation ordinance definitions, permitting requirements, existing easements, and the mitigation options that we discussed with them.
• The City requires that the forest conservation easements (FCE) impacts be mitigated by planting trees or acquiring forested parcels within the boundaries of the city or, as a last resort, via fee-in-lieu money paid to the City, not the County. The DEIS report should reflect this requirement.

• For historic resource, 628 Great Falls Road is a designated historic house. It is a triangular lot at the corner of Great Falls Road and Maryland Avenue, and would be impacted by the project.

c. Draft Letter to MDOT
City staff drafted a letter to MDOT conveying City comments to the DEIS for the Mayor and Council’s consideration (Attachment A). Staff included relevant comments from a District 16 state delegation letter and from expected comments from the Maryland National Park and Planning Commission. Besides, conveying that the City supports the No Build Alternative, the Mayor and Council may consider also including in the letter any opinion of what, if anything, they would support. For example, would the Mayor and Council support:

• Adding new lanes, if they were contained within the existing SHA right-of-way, including noise walls.

• Adding new lanes if they were reversible and contained within the existing SHA rights-of-way, including noise walls.

• Repurposing existing lanes as reversible lanes, with no additional new lanes.

Although there are currently no alternatives retained for further study in the DEIS that meet the above criteria, it might be helpful to convey what the City might find acceptable in order to encourage MDOT to downsize the project to satisfy local concerns and keep the cost down.

Mayor and Council History
The Mayor and Council received a presentation on the Managed Lanes project on June 1, 2020.

Public Notification and Engagement
Due to the current COVID-19 health crisis, the public was encouraged to provide public testimony through four virtual hearings in August and September. Two in-person hearings were also held on September 1 in Largo, MD, and September 10, 2020, in Rockville. Mayor Newton testified on September 10.

Next Steps
In July 2020, it was announced that three private-sector teams were qualified to respond to the Request for Proposals to design, build, finance, operate, and maintain this project. After the DEIS public hearings are conducted this fall, final requests for proposals is scheduled for December 2020, with a selection of the preferred firm in March 2021. This will also be the time
that the preferred alternative will be chosen, followed by the Final Environmental Impact Statement (FEIS).

The deadline for written comments on the DEIS is November 9, 2020. The Mayor and Council are scheduled to approve a letter with the City comments to the DEIS at its November 2, 2020 meeting.

**Attachments**
Attachment 19.a: Draft 12701495 DEIS Letter 102620 (DOCX)

[Signature]
Rob DiSpirito, City Manager 10/21/2020
November 2, 2020

Maryland Department of Transportation
Lisa B. Choplin, DBIA
707 North Calvert Street, Mail Stop P-601
Baltimore, Maryland 21202

Dear Ms. Choplin,

The City of Rockville’s Mayor and Council are writing to express the City’s extreme concern with the Draft Environmental Impact Statement (DEIS) for the I-495 & I-270 Managed Lanes Study. The DEIS is severely flawed, and until its erroneous assumptions are corrected, the City of Rockville supports the only rational alternative in compliance with the National Environmental Policy Act: The No-Build Alternative.

The DEIS is flawed because it completely neglects the impact of the pandemic altogether since the Travel Demand Model assumes traffic volumes will resume to pre-COVID levels and then further increase. In fact, the DEIS concludes that the Average Daily Traffic (ADT) in the No-Build Alternative increases 15-17% on I-270 by 2040. This increase in ADT is over the pre-COVID ADT because that is when the traffic counts were conducted. Accurate 2040 traffic projections require looking forward into the post-pandemic future.

It is obvious that travel habit and demands have changed significantly this year. In fact, our entire world has changed due to the pandemic. Just as pre-COVID traffic counts do not accurately forecast travel demand in 2040, neither does current traffic demand. Transit ridership has been more heavily impacted than auto traffic. Thus, while current auto ridership is beginning to increase as we progress through the pandemic, much of this is due to people not wanting to ride public transportation during the public health emergency. Therefore, the current traffic volumes also do not accurately predict post-pandemic travel.

The wide acceptance of teleworking and use of technology, such as virtual meetings, strongly suggests that post-pandemic travel will be much different than pre-pandemic or pandemic travel. Many businesses are letting office leases expire and are planning for downsized, or even no permanent office space. This pattern requires that travel demand models be revised taking into consideration all recent changes and project more realistic future demand accordingly.

A recent study performed by AECOM, a widely respected transportation consultant, for the Northern Virginia Transportation Authority (NVTA), predicts far lower vehicle miles traveled across the region in 2025 than would have otherwise occurred and, as a result, fewer traffic delays for the area’s commuters. The study predicts that the reduction in vehicle miles traveled (VMT) in 2025 will range from 16 percent in a “quick recovery,” in which the economy recovers this fall, to 38 percent in a “cautious recovery.” It also predicts much lower transit ridership. The study further
predicts that the new normal is expected to see 10-15 percent more telework than pre-COVID levels, more than 30 percent reduction in transit trips, and possibly more than 40 percent reduction in auto trips. Traffic congestion is simply going to improve dramatically, which is the main objective of the P3 project. Short of a new traffic study showing otherwise, the No-Build Alternative is not only the right choice at this time, it is the only defensible alternative.

The faulty assumption that traffic returns to pre-COVID levels in the DEIS undermines the whole DEIS process and project decision-making. The National Environmental Policy Act (NEPA) requires federal agencies (or others using federal funds) to comply with the NEPA, including completion of an EIS. The EIS is supposed to convey not only the environmental impacts, but also the benefits of the project so they can be properly weighed. An assumption which significantly overstates the benefits of a project (reduction of traffic congestion) will cause the impacts to be improperly compared.

The potential toll rate of $0.68 (for Alternative 10) to $0.77 (for Alternative 9M) per mile is high enough to deter many drivers from using the toll lanes. It should be noted that this rate is the projected average throughout the day, which means that the rates during the peak periods will be significantly higher and expected to exceed $2 per mile. This also exemplifies a lack of transparency of the peak toll rates in the DEIS. Since the peak toll usage is the most beneficial for drivers, rates this high will certainly discourage usage.

The current experience with the Purple line P3 is a demonstration of the unexpected risks of a P3 project, and it shows we should not be proceeding with another large P3 project. The P3 project is too expensive and not self-sufficient, as evidenced by requiring taxpayer funds.

MDOT should consider the rigorously-documented studies which have been produced concluding that adding lane capacity generates increased traffic and higher emissions, which directly conflict with congestion relief and environmental goals. Additionally, we believe it is crucial for MDOT to reinstate better solutions for traffic congestion relief, including transit options.

If MDOT is still interested in pursuing this project, it can wait until after the pandemic is over and traffic adjusts to its “new normal,” conduct new traffic counts, update the DEIS, and conduct the public review process again. Alternatively, the agency can conduct a study to better estimate the post-COVID traffic levels, such as the study undertaken by NVTA, then update the DEIS and conduct the public review process again. Until then, the No-Build Alternative is the only responsible and defensible alternative in compliance with NEPA.

Below are some of the City’s major concerns, and more technical concerns are attached to this letter:

- The DEIS fails to look at the human health and environmental impacts of the proposed expansion and understand the balancing and tradeoffs required. Instead, the DEIS repeatedly notes that many project details remain unknown. This is insufficient and prevents the public from understanding the consequences of the proposed expansion.
The Mayor and Council are vigorously advocating with MDOT and the Governor to protect the homes, businesses and infrastructure of the nine Rockville neighborhoods that abut I-270 from being affected. Many residents are anxious about the uncertainty surrounding their homes, neighborhood and community.

The City remains strongly opposed to any alternative that will take residences, businesses or infrastructure, or include multi-parcel takings, or any potential loss of City property in order to add lanes or widen I-270 in either direction through Rockville. It is essential that the State understands that leaving a home untouched, while potentially taking a portion of a yard, playground, park, or other amenity would damage our community.

The limits of disturbance (LOD) will likely need to be expanded because the LOD does not adequately address likely environmental impacts to natural resources. This includes inadequate allowance for stable outfall transitions, stormwater management, and rehabilitation of impacted resources, some that occur outside the limits of the LOD, in addition to other factors and incomplete analysis.

The recommended alternatives retained for detailed study do not include public mass transit. It is critical that MDOT reinstate transit as a key project element. The DEIS did not analyze reasonable public transit options, smaller-scale roadway improvements, or transportation systems and transportation demand management options. Suggestions to improve Park & Ride lots and enhance current transit lines will not be acceptable, since the benefit of these transit improvements is expected to be negligible.

The daily impacts of Climate Change nationwide are obvious. This proposed project will add a devastating loss of parks, adverse impacts to the Chesapeake watershed, wetlands and tree canopy, as well as the air and noise pollution that comes with increased speed and traffic. Rockville’s effort to develop a Climate Action Plan to reduce municipal and community-wide greenhouse gas emissions will be undermined by the widening of I-270, which will generate more global warming pollution from increased traffic.

The DEIS does not sufficiently address impact to economically-challenged populations or social equity as required under NEPA. The need to conduct an equity evaluation on the transportation benefits of each of the Alternatives is of utmost importance. The DEIS’s conclusory statements that everyone benefits, particularly given the widely held perception that managed lanes are intended solely for those with the ability to pay, is not acceptable. To simply conclude that everyone is benefiting with travel time savings when the project design does not provide equitable access to the managed lanes creates another layer of inequity. The equity/environmental justice evaluation in the DEIS falls far short of any best-practice equity analysis and does not make any reasonable recommendations to address the inequities, such as adding or modifying access locations or developing a toll subsidy program. More detailed information is needed as part of the Environmental Justice evaluation to help determine whether equity mitigation might be necessary with the project, and what that equity mitigation would entail.
The City of Rockville requests MDOT to make the fiscally, environmentally and socially responsible decision, and to continue to work with the City, and all impacted jurisdictions, to identify the best solution that would achieve our mutual goals of reducing traffic congestion and protecting our residents’ quality of life. The Mayor and Council ask that you give every possible consideration to our comments and concerns.

Sincerely,

Mayor and Council

City of Rockville

cc: Rockville City Manager
    District 17 Delegation
Additional City comments and concerns:

1. The numbers included in the Executive summary (Table ES-2) are slightly different than those included in Table 2-3 in the main report.

2. Transit components are not adequate in the study: No standalone transit alternative has been proposed in the DEIS.

3. There are doubts about the Travel Demand Model used to project 2040 traffic volumes and patterns. Travel habits and the extensive use of video meetings, as well as the wide acceptance of teleworking during recent months, suggest that travel demand models should be revised taking into consideration all recent changes, and to project future demand accordingly.

4. The study is based on annual average daily traffic of 260,000 vehicles per day in 2018 (on I-270 between MD 28 and I-495). What is the current daily traffic in 2020? And how will it affect the purpose and need of this study? The forecasted 2045 traffic shown on page 1-5 (46 of 353) of the document should be revised accordingly.

5. The report did not include any data or specific analysis for Rockville’s local networks and surrounding arterials, such as Wootton Parkway and Gude Drive.

6. There are no sections of the DEIS which speak specifically to utility impacts.

7. Appendix B: Alternatives Technical Report section 5.5 Structures speaks to bridges but does not identify each specific bridge that would be impacted.

8. There are no specifics in the DEIS regarding utility impacts.

9. Appendix E: Community Effects Assessment (CEA)/Environmental Justice Technical Report: The Public Utilities section within the project limits makes no mention of any of Rockville's utility impacts or services.

10. The project would impact parkland, streams, wetlands and forests in Rockville. At the current scale, the extent of impact to Rockville natural resources is difficult to determine. Additionally, the current LOD included in the Draft DEIS does not comprehensively reflect...
all of the environmental impacts that will be needed to construct, restore and mitigate for the
proposed project. The LOD needs adjustments in many locations to factor in access,
construction, outfall stabilizations and transitions, stormwater management, and the
mitigation of impacted assets.

11. The City is concerned that the DEIS does not address the expected impacts to Rockville’s
waterways and stormwater management (SWM). The DEIS provides inadequate stormwater
management treatment for current and future impervious surfaces. Additionally, staff
believes that proposed roadway changes and the increase in runoff added to already
undersized and deteriorated SHA pipes may overwhelm our storm drain system, increase our
stream erosion, and cause more issues for the City to deal with in the future.

12. Much of the DEIS is targeted to show compliance with State and Federal regulatory
requirements. However, Rockville’s local SWM regulations have higher standards that
require water quantity control or alternative mitigation for larger storms. These are not
currently addressed in the DEIS.

13. Some onsite stream mitigation (meaning within the I-270 construction limits of disturbance)
is proposed within the city limits at locations of expected impacts from I-270 storm drain
outfalls, new or retrofitted stormwater management, culvert replacement, etc. However, it is
not clear how this would address the downstream effects on Rockville streams and storm
drains, nor is there information about what type of mitigation is planned.

14. Given that Rockville has an extensive section of I-270 that will be impacted, staff
recommends that SHA commit to also addressing Rockville’s waterway and stormwater
impacts by providing mitigation projects located inside city limits.

15. City staff are concerned that adequate stormwater treatment is not provided and that
multiple adjustments to the City’s drainage system will result from the I-270 construction,
many of which will not be compatible with existing downstream infrastructure or capacity.
The DEIS does not account for how the meshing of new SHA infrastructure with older,
lower-capacity City pipes and stream channels can be accomplished, and no downstream
mitigation projects within Rockville are mentioned. We strongly urge SHA to add projects
from the detailed list provided by the City in the Spring of 2020, to help compensate closer
to the source of increased runoff.

16. Appendix I, Air Quality Technical Report, suggests the project’s added toll lanes to
Washington-area highways would reduce air pollution, along with congestion and have
minimal impacts on greenhouse gases. The analysis doesn’t account for the long-term likely increase in the number of vehicles traveling on the widened highways because of induced demand, which could offset reductions in congestion-related emissions. The study should assess the air quality and greenhouse gas impacts under the new SAFE Vehicles Rule.

17. The main concern from the Recreation and Parks Department is the encroachments into parks, which are not well defined.

18. Since specific impacts are not defined in the documents, avoidance of impacts must be included, as well as justification acceptable to the Director of Recreation and Parks. Also, there is not enough detail for all park encroachments to identify wetlands, forest types, historical sites, significant trees, cultural resources. A Natural Resource Inventory (NRI) shall be required prior to approval of all encroachments, and based on the resources, encroachment maybe denied.

19. Staff found that the DEIS report makes no mention of the City's Forest Conservation Act (FCA) requirements. The report is limited to discussion of State and County FCA issues.

20. Numerous sections of the report should be modified to include City of Rockville Forest and Tree Preservation ordinance definitions, permitting requirements, existing easements, and the mitigation options we discussed with them.

21. The City requires the forest conservation easements (FCE) impacts be mitigated by planting trees or acquiring forested parcels within boundaries of the city or, as a last resort, via fee-in-lieu money paid to the City, not the County. The report should reflect this requirement.

22. For historic resource, 628 Great Falls Road is a designated historic house. It is a triangular lot at the corner of Great Falls Road and Maryland Avenue, and would be impacted if the project were to proceed as planned.
Subject
Action Report

Recommendation
Staff recommends that the Mayor and Council review and comment on the Action Report.

Attachments
Attachment 20.A.a: Action Report (PDF)

Rob DiSpirito, City Manager 10/21/2020
**Mayor and Council Action Report**

### Future Agenda Items to Schedule

<table>
<thead>
<tr>
<th>Topic: Daytime Support for Youth during Virtual Learning</th>
<th>Notes: Councilmember Ashton will share information from the Black and Brown Coalition for Educational Equity and Excellence about supporting families struggling with access to affordable childcare and successful virtual learning. Councilmember Ashton shared information with the Mayor and Council regarding the Children’s Opportunity Fund equity hubs. She connected with the organization, requested that Rockville sites be included, and they are exploring it. Councilmember Ashton will continue to share information as it becomes available.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drones and Public Safety</td>
<td>Mayor and Council asked staff to explore potential public safety issues associated with drones and how the City could consider monitoring, regulating and penalizing criminal activity.</td>
</tr>
<tr>
<td>False Police Reports</td>
<td>Mayor and Council requested a discussion of false Police reports. False reporting has long been codified in Maryland Criminal Code (Criminal Law, Title 9).</td>
</tr>
<tr>
<td>Retirement Incentive/Employee Buyout Program</td>
<td>Staff will provide information about employee buyout programs and discuss the potential for a Rockville program.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Meeting Date</th>
<th>Staff/Dep</th>
<th>Response Method</th>
<th>Direction to Staff / Action Taken / Status</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-23</td>
<td>9/8/11</td>
<td>R&amp;P</td>
<td>Future agenda</td>
<td><strong>King Farm Farmstead</strong></td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Status:</strong> On April 20, 2020, the Mayor and Council discussed the responses to the request for information (RFI) on potential future uses of the Farmstead. Security system installation for the Dairy Barns and house is complete and staff is securing a cost estimate to bring water to the property as the first step in designing/constructing a fire suppression system during FY21 and FY22.</td>
<td></td>
</tr>
<tr>
<td>2015-14</td>
<td>7/13/15</td>
<td>CMO</td>
<td>Future agenda</td>
<td><strong>Purchasing Study Response</strong></td>
<td>January 2021</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Status:</strong> An update on the Procurement Action Plan was shared on August 3, 2020. The next update is tentatively scheduled for January 2021.</td>
<td></td>
</tr>
<tr>
<td>Ref. #</td>
<td>Meeting Date</td>
<td>Staff/ Dep</td>
<td>Response Method</td>
<td>Direction to Staff / Action Taken / Status</td>
<td>Timeline</td>
</tr>
<tr>
<td>--------</td>
<td>--------------</td>
<td>------------</td>
<td>----------------</td>
<td>------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>2016-12</td>
<td>9/26/16</td>
<td>HR</td>
<td>Future agenda</td>
<td>Vacancy Report/Hiring Freeze Update</td>
<td>November 16, 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Provide a Vacancy Report to the Mayor and Council at the first meeting of each month.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Status:</strong> The next report will be on the <strong>November 16, 2020 agenda.</strong></td>
<td></td>
</tr>
<tr>
<td>2016-16</td>
<td>10/10/16</td>
<td>PDS</td>
<td>Future agenda</td>
<td>Global Issues on BRT</td>
<td>November 2, 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Schedule another discussion on BRT with the City of Gaithersburg and Montgomery County, to include broader issues such as governance and finance. Consider holding the meeting in Gaithersburg.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Status:</strong> County staff will present an update on the Viers Mill Rd/MD 586 project to the Mayor and Council <strong>on November 2, 2020.</strong> County transportation is determining a recommended alternative for design of the MD 355 route.</td>
<td></td>
</tr>
<tr>
<td>2016-18</td>
<td>10/24/16</td>
<td>PDS</td>
<td>Future agenda</td>
<td>FAST – Faster, Smarter, More Transparent (Site Plan/Development Review Improvements)</td>
<td>October 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Provide regular updates on the status of the work.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Status:</strong> A FaST update was provided to the Mayor and Council on November 18, 2019. The next update was provided by email in October 9, 2020 as an alternative to a Mayor and Council agenda item. The first edition of an updated monthly Development Watch newsletter was prepared to offer the community more information and an improved design.</td>
<td></td>
</tr>
<tr>
<td>2017-6</td>
<td>2/27/17</td>
<td>CMO</td>
<td>Email</td>
<td>Minority-, Female- &amp; Disabled-Owned Businesses</td>
<td>July 2021</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Provide updates on the Procurement Division’s activities to engage and support minority-, female- and disabled-owned businesses.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Status:</strong> The MFD Report for FY19 and FY20 was shared with the Mayor and Council by email on May 1, 2020. A Mayor and Council agenda item on October 19, 2020 provided a forward-looking discussion of the City’s MFD outreach program, including program metrics, program successes, potential program adjustments. <strong>The next update will be provided in July 2021.</strong> A local preference approach for also will be discussed with the Mayor and Council on a future agenda.</td>
<td></td>
</tr>
<tr>
<td>Ref. #</td>
<td>Meeting Date</td>
<td>Staff/ Dep</td>
<td>Response Method</td>
<td>Direction to Staff / Action Taken / Status</td>
<td>Timeline</td>
</tr>
<tr>
<td>---------</td>
<td>--------------</td>
<td>------------</td>
<td>-----------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------</td>
</tr>
</tbody>
</table>
| 2017-11 | 6/12/17      | R&P        | Agenda item     | Deer Population in Rockville  
Continue to monitor the deer population. Consider action steps and gather community input.  
Status: The Mayor and Council approved the location, dates and required City Code changes for the pilot deer culling program on June 1 and June 22, 2020. The pilot will be underway on November 21 – 29, December 19 – 27, and January 9 – 16. | January 2021     |
| 2018-1  | 1/22/18      | Finance    | Action Report   | Utility Billing System  
Provide updates on the replacement of the Velocity Payment System, powered by Govolution.  
Status: Implementation with the system vendor is nearly complete and the new tool will be rolled out for customer use in November 2020. | November 2020    |
| 2018-7  | 6/18/18      | CMO        | Agenda Item     | LGBTQ Initiatives  
Identify and implement Mayor and Council suggestions.  
Status: The Adopted FY21 budget includes a new family/gender neutral bathroom at Dogwood Park, to be constructed in FY22. The Human Rights Campaign 2020 Municipal Equality Index results will be issued in the fall. The LGBTQ community will be included in the Mayor and Council’s ongoing work on social justice, racism and bias. | Ongoing          |
| 2018-8  | 6/18/18      | CMO/RCPD/ R&P | Town Meeting    | Rockville Goes Purple  
Status: The final component of the 2020 National Recovery Month activities is the release of a Rockville 11 interview with Rona Kramer, State Secretary of Aging, on opioids and older adults. View the special at: https://youtu.be/NoksgFBBY7I. | Ongoing          |
| 2018-11 | 8/1/18       | PDS        | Agenda Item     | Neighborhood Shopping Centers  
Discuss mechanisms to encourage neighborhood shopping center revitalization and explore additional zoning and uses. | TBD              |
<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Meeting Date</th>
<th>Staff/Dep</th>
<th>Response Method</th>
<th>Direction to Staff / Action Taken / Status</th>
<th>Timeline</th>
</tr>
</thead>
</table>
| 2018-15 | 10/8/18      | PDS       | Future Agenda  | **Short-Term Residential Rentals**  
Discuss how to manage short-term residential rentals’ (e.g., Airbnb) impact on city neighborhoods and explore options for taxing users.  
| 2018-19 | 10/15/18     | HR        | Future Agenda  | **Volunteer Program**  
Status: A report on the number of volunteers and volunteer hours for the first half of FY20 was provided on the January 13, 2020 agenda. On November 2, 2020, staff will provide an FY20 volunteer update and discussion of strategies to increase volunteerism. The Mayor and Council will also discuss recruitment of volunteers for boards and commissions during the November 23 agenda item on new boards and commissions. | November 2 and 23, 2020 |
| 2019-1  | 10/29/18     | PDS       | Future Agenda  | **Accessory Structures**  
Status: On April 20, 2020, the Mayor and Council discussed potential revisions to the development standards for accessory structures. The Mayor and Council directed staff to conduct additional neighborhood outreach to educate and inform residents of the proposed changes and to bring back the item for discussion and instruction. Discussion and instruction on Accessory Buildings and Accessory Dwelling Units is tentatively scheduled for the November 16th Mayor and Council meeting. | November 16, 2020 Tentative |
| 2019-2  | 2/25/19      | R&P/PDS/CMO | Future Agenda  | **RedGate Park Planning**  
Status: The Mayor and Council provided staff direction on June 22, 2020 to engage the public in a planning process for a new destination park at RedGate. Staff is procuring new public engagement software to support the effort and will begin the engagement process this fall. The Mayor and Council will receive updates during the planning process and will be engaged in the public outreach portion of the work. | Ongoing |
<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Meeting Date</th>
<th>Staff/Dep</th>
<th>Response Method</th>
<th>Direction to Staff / Action Taken / Status</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-4</td>
<td>3/25/19</td>
<td>PDS</td>
<td>Future Agenda</td>
<td>Business Improvement Districts (BIDs) and Tax Increment Financing (TIF) Status: The Mayor and Council requested background information and a briefing on Business Improvement Districts, Arts &amp; Entertainment Districts, and Tax Increment Financing. The Mayor and Council will discuss special districts and other financing tools during the January 4, 2021 meeting.</td>
<td>January 4, 2021</td>
</tr>
<tr>
<td>2019-7</td>
<td>4/1/19</td>
<td>R &amp; P</td>
<td>Memo</td>
<td>Early Childhood Education and Child Care Services Discuss city provision of early childhood education services (history of the current program, community need for the service, private sector market, expansion to additional Rockville locations) and future services. Status: The Mayor and Council will take up this topic again on January 11, 2021. To prepare for the discussion, staff will obtain the results of a childcare user survey conducted for Montgomery County’s Early Childhood Coordinating Council (ECCC) and will incorporate information requested in recent conversations with the Mayor and Council.</td>
<td>January 11, 2021</td>
</tr>
<tr>
<td>2019-10</td>
<td>4/1/19</td>
<td>HR</td>
<td>Email</td>
<td>Personnel Policy and Procedures Manual Update Share an update on the status of this effort. Status: In follow up to the Feb. 24 presentation of the updated PPM, the Mayor and Council is scheduled to discuss again on October 26, 2020. Staff provided the revised draft PPM and responses to Mayor and Council questions on October 9, in advance of the October 26 brief book.</td>
<td>October 26, 2020</td>
</tr>
<tr>
<td>2019-12</td>
<td>4/1/19</td>
<td>Police</td>
<td>Future Agenda</td>
<td>Parking Enforcement at Street Meters Share an overview of Rockville’s current program and how other local jurisdictions handle parking enforcement at street meters, including hours of enforcement. Status: Town Center parking meter spaces have been signed as 15- minute curbside pick-up and a system for improved food pick up is in place in Town Square to support food service establishments.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Ref. #</td>
<td>Meeting Date</td>
<td>Staff/Dep</td>
<td>Response Method</td>
<td>Direction to Staff / Action Taken / Status</td>
<td>Timeline</td>
</tr>
<tr>
<td>--------</td>
<td>--------------</td>
<td>-----------</td>
<td>----------------</td>
<td>------------------------------------------</td>
<td>----------</td>
</tr>
</tbody>
</table>
| 2019-19 | 12/16/2019   | City Clerk/Director of Council Operations | Worksession | **Boards and Commissions Task Force Work Session**  
Continue the Mayor and Council’s discussion of the Boards and Commission Task Force (BCTF).  
**Status:** The Mayor and Council discussed the Task Force’s report and next steps on July 6, 2020. The Mayor and Council directed the three appointed officials to return on agenda, on November 2, 2020 with specific updates and responses to the recommendations in the report and an action plan for next steps. The Mayor and Council will also discuss recruitment of volunteers for boards and commissions during the November 23 agenda item on new boards and commissions. | November 2, 2020 |
| 2020-02 | CAO          | Future Agenda | 5G Wireless Technology  
**Status:** On March 18, 2020 and May 11, 2020, the Mayor and Council discussed and introduced Zoning Text Amendment TXT2019-00251 on regulating the Installation of Small Cell Antennas. Staff is researching topics and questions raised by the Mayor and Council prior to scheduling adoption of the Ordinance. In addition, the FCC has issued another order which requires that this text amendment be modified prior to adoption. Staff is currently evaluating what changes must be made. It is likely that the text amendment may be modified significantly and would require beginning the public review process again. The CAO has hired an outside attorney who is assisting with the ordinance rewrite. This item is tentatively on the Mayor and Council’s November 23rd agenda. | November 23, 2020 |
| 2020-03 | 1/13/2020    | DPW       | Memo and Future Agenda | **Climate Change Efforts**  
Brief the Mayor and Council on City efforts related to climate change.  
**Status:** The Mayor and Council discussed the Climate Action Plan on September 21, 2020. Staff will follow up on the community input / open house process and the analysis of electric vehicles in the City fleet as part of the Climate Action Plan. | Winter 2020 |
<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Meeting Date</th>
<th>Staff/Dep</th>
<th>Response Method</th>
<th>Direction to Staff / Action Taken / Status</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-07</td>
<td>1/13/2020</td>
<td>PDS</td>
<td>Future Agenda</td>
<td><strong>Affordable Housing Goals</strong>&lt;br&gt;Discuss Rockville’s strategy to meet the affordable housing goals established by the Metropolitan Washington Council of Governments (COG).&lt;br&gt;&lt;br&gt;<strong>Status:</strong> Multiple future agenda items will explore a variety of strategies to meet the affordable housing goals, including adjustments to the City’s Moderately-Priced Dwelling Unit (MPDU) program, tax exemptions for affordable housing, fees and other subsidized housing programs. Staff will explore with the Mayor and Council other barriers to affordable housing by reviewing the zoning ordinance, identifying developable and under-utilized parcels, and seeking additional affordable housing funding opportunities and tools. To inform the future agenda items, staff will conduct public forums to solicit feedback on strategies.&lt;br&gt;&lt;br&gt;The City’s Homeowners Tax Credit Program and the County’s Senior Tax Credit Program will be included in the Mayor and Council’s discussion during the first FY22 Budget worksession on November 9, 2020.&lt;br&gt;&lt;br&gt;Staff is also developing a system for tracking MPDU expiration dates (there are about 900 units with different expiration dates) to be discussed on January 25, 2021.</td>
<td>November 9, 2020 and January 25, 2021</td>
</tr>
<tr>
<td>2020-09</td>
<td>1/27/2020</td>
<td>DPW</td>
<td>Future Agenda</td>
<td><strong>Corridor Cities Transitway</strong>&lt;br&gt;Provide background information to facilitate the current Mayor and Council taking an official position on the CCT route.&lt;br&gt;&lt;br&gt;<strong>Status:</strong> Discussion will be scheduled for a future Mayor and Council meeting.</td>
<td>TBD</td>
</tr>
<tr>
<td>2020-10</td>
<td>1/27/2020</td>
<td>DPW</td>
<td>Future Agenda</td>
<td><strong>I-270 widening</strong>&lt;br&gt;Establish a strategy for negotiating with the State.&lt;br&gt;&lt;br&gt;<strong>Status:</strong> Mayor Newton spoke at the public hearing on Sept. 10. The comment period on the DEIS was extended from Oct. 8 to Nov. 9. The Mayor and Council will discuss the DEIS on October 26 and approve written comments to SHA on November 2, 2020.</td>
<td>October 26 and November 2, 2020</td>
</tr>
<tr>
<td>Ref. #</td>
<td>Meeting Date</td>
<td>Staff/ Dep</td>
<td>Response Method</td>
<td>Direction to Staff / Action Taken / Status</td>
<td>Timeline</td>
</tr>
<tr>
<td>---------</td>
<td>--------------</td>
<td>------------</td>
<td>-----------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------</td>
</tr>
</tbody>
</table>
| 2020-08 | 1/27/2020    | CMO/PDS/ Finance/ DPW | Workshop        | **Town Center**  
Follow up on Mayor and Council direction from the Town Hall meeting and Urban Land Institute (ULI) report.  
**Status:** A status update and discussion of Town Center initiatives will be provided to the Mayor and Council on January 4, 2021.  
**Parking** – Explore improvements to parking in Town Center.  
**Status:** Parking will be included in the January 4, 2021 Town Center discussion.  
**Town Center Road Diet** – Study and report to Mayor and Council on suggestions in the TAP report and Mayor and Council’s discussion.  
**Status:** The consultant presented their analysis of No. Washington St and East Middle Ln to the Mayor and Council on October 5, 2020, when staff received direction on the preferred approach.  
**Real Estate/Broker/Economist Assessment** – In the context of the next update on the ULI recommendations, invite industry experts to dialogue on competitive challenges to Town Center.  
**Status:** REDI and city staff will continue to provide their professional insights on competitive challenges to Town Center. The next Mayor and Council discussion of Town Center is scheduled for January 4, 2021.  
**Undergrounding of Route 355** – Revisit the information provided to the Mayor and Council, including community impacts, to formulate an official Mayor and Council position post COVID-19.  
**Status:** The Mayor and Council discussed this item on October 19, 2020. No official position was taken. | Ongoing  |
**Status:** On the October 26, 2020 Mayor and Council agenda, resident companies will share information about their plans to resume operations and their business plans to support ongoing operations. | October 26, 2020 |

A-8
<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Meeting Date</th>
<th>Staff/ Dep</th>
<th>Response Method</th>
<th>Direction to Staff / Action Taken / Status</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-13</td>
<td>4/27/20</td>
<td>CMO</td>
<td>Email</td>
<td><strong>Census Outreach Update</strong>&lt;br&gt;Provide an update on the efforts completed, underway and planned to continue encouraging Rockville residents to complete the 2020 Census.&lt;br&gt;&lt;br&gt;<strong>Status:</strong> Updates on Census outreach efforts were emailed to the Mayor and Council on May 17, July 19, and Sept. 3, 2020. The Mayor and Council sent a letter to Rockville’s federal delegation on September 17, 2020 requesting support to extend the Census collection period through October. <strong>On October 13, the Census Bureau issued a press release stating that data collection efforts would conclude on October 15, 2020.</strong></td>
<td>Ongoing</td>
</tr>
<tr>
<td>2020-14</td>
<td>4/20/20</td>
<td>CMO/CAO</td>
<td>Future Agenda</td>
<td><strong>Smoking/Vaping Awareness Campaign (Public Rights-of-Way &amp; multi-family residential developments)</strong>&lt;br&gt;Develop a public awareness campaign about the negative impacts of smoking generally, on people with underlying health conditions and on neighbors in multi-family residential communities.&lt;br&gt;&lt;br&gt;<strong>Status:</strong> The Mayor and Council discussed this topic on July 20, 2020. As a next step, staff will prepare a communications plan that reflects the Mayor and Council’s feedback. A proclamation for the Great American Smokeout is scheduled for the October 26 Mayor and Council meeting.</td>
<td>October 26, 2020</td>
</tr>
<tr>
<td>Ref. #</td>
<td>Meeting Date</td>
<td>Staff/Dep</td>
<td>Response Method</td>
<td>Direction to Staff / Action Taken / Status</td>
<td>Timeline</td>
</tr>
<tr>
<td>---------</td>
<td>--------------</td>
<td>------------</td>
<td>-----------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------</td>
</tr>
</tbody>
</table>
| 2020-16 | 6/1/20       | RCPD       | Future Agenda   | **Social Justice, Racism and Bias**<br>Prepare suggestions for Mayor and Council discussion of ways to further engage with and educate our community.  
**Status:** On June 22, 2020, the Mayor and Council discussed the Rockville City Police Department’s (RCPD) fair and impartial policing strategies. Frequently Asked Questions were posted online to educate the community. The Mayor and Council provided direction on a new Community Policing Advisory Board, to be discussed on November 16, 2020.  
On September 21, 2020, the Mayor and Council discussed short, mid and long-term action ideas, aspirations and directives and directed staff to further revise the table and develop a plan for next steps. The follow-up discussion is on the Mayor and Council’s December 14, 2020 agenda.  
Staff is monitoring activity at the State level on changes to the Law Enforcement Officers Bill of Rights (LEOBR) and will bring this topic to the Mayor and Council in the development of the 2021 State Legislative program.                                                                 | November 16, 2020 & December 14, 2020 |
| 2020-17 | 6/1/20       | CMO        | Email           | **Spanish Language Article in Rockville Reports**<br>Provide background information about the City’s former practice of translating to Spanish one of the articles of priority interest to the community into each edition of Rockville Reports.  
**Status:** Staff shared the requested information by email on June 16, 2020.                                                                 | TBD                             |
| 2020-18 | 6/8/20       | CC/DCO     | Future Agenda   | **New Education Commission/Committee**<br>Discuss the possibility of establishing a new commission or committee on education.  
**Status:** Discussion is tentatively scheduled for November 23, 2020.                                                                 | November 23, 2020               |
| 2020-19 | 9/21/20      | DPW/R&P    | Future Agenda   | **Pesticide Restriction**<br>Status: The Environment Commission and the Recreation and Parks Board will have this item on their October meeting agendas. Staff will follow up on any additional questions that come up. Discussion with the Mayor and Council is scheduled for January 25, 2021.                                                                 | January 25, 2021               |
### Completed:

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Meeting Date</th>
<th>Staff/Dep</th>
<th>Response Method</th>
<th>Direction to Staff / Action Taken / Status</th>
<th>Timeline</th>
</tr>
</thead>
</table>

Subject
Future Agendas

Recommendation

Attachments
Attachment 21.A.a: Mock Agenda 11.02.2020 (DOC)
Agenda item times are estimates only. Items may be considered at times other than those indicated.

Any person who requires assistance in order to attend a city meeting should call the ADA Coordinator at 240-314-8108.

Rockville City Hall is closed due to the state directives for slowing down the spread of the coronavirus COVID-19 and continue practicing safe social distancing.

Viewing Mayor and Council Meetings
To support social distancing, the Mayor and Council are conducting meetings virtually. The virtual meetings can be viewed on Rockville 11, channel 11 on county cable, livestreamed at www.rockvillemd.gov/rockville11, and available a day after each meeting at www.rockvillemd.gov/videoondemand.

Participating in Community Forum & Public Hearings:

If you wish to submit comments in writing for Community Forum or Public Hearings:
- Please email the comments to mayorandcouncil@rockvillemd.gov by no later than 10:00 a.m. on the date of the meeting.
- All comments will be acknowledged by the Mayor and Council at the meeting and added to the agenda for public viewing on the website.

If you wish to participate virtually in Community Forum or Public Hearings during the live Mayor and Council meeting:
1. Send your Name, Phone number, the Community Forum or Public Hearing Topic and Expected Method of Joining the Meeting (computer or phone) to mayorandcouncil@rockvillemd.gov no later than 9:00 am on the day of the meeting.
2. On the day of the meeting, you will receive a confirmation email with further details, and two Webex invitations: 1) Optional Webex Orientation Question and Answer Session and 2) Mayor & Council Meeting Invitation.
3. Plan to join the meeting no later than 5:40 p.m. (approximately 20 minutes before the actual meeting start time).
4. Read for https://www.rockvillemd.gov/DocumentCenter/View/38725/Public-Meetings-on-Webex meeting tips and instructions on joining a Webex meeting (either by computer or phone).
5. If joining by computer, Conduct a WebEx test: https://www.webex.com/test-meeting.html prior to signing up to join the meeting to ensure your equipment will work as expected.
6. If joining by phone or computer, join the optional Webex Orientation Question and Answer Session at 3 p.m. the day of the meeting, for an overview of the Webex tool, or to ask general process questions.

Participating in Mayor and Council Drop-In (Mayor Newton and Councilmember Feinberg)
Drop-In Sessions will be held by phone on Monday, November 9 from 5:30-6:30 p.m. Please sign up by 2 p.m. on the meeting day using the form at: https://www.rockvillemd.gov/formcenter/city-clerk-11/sign-up-for-dropin-meetings-227
6:00 PM  1. Convene

2. Pledge of Allegiance

3. Agenda Review

6:05 PM  4. City Manager's Report

6:15 PM  5. COVID-19 Update

6:30 PM  6. Proclamation

A. Municipal Government Works Proclamation

B. Proclamation Declaring November 2020 as National Alzheimer's Awareness Month

C. Proclamation Declaring November 2020 as National Family Caregivers Awareness Month

D. Proclamation Declaring National Native American Heritage Month

E. Proclamation Declaring November 2020 as Pancreatic Cancer Awareness Month

7:00 PM  7. Boards and Commissions Appointments and Reappointments

7:05 PM  8. Community Forum

Any member of the community may address the Mayor and Council for 3 minutes during Community Forum. Unless otherwise indicated, Community Forum is included on the agenda for every regular Mayor and Council meeting, generally between 7:00 and 7:30 pm. Call the City Clerk/Director of Council Operation's Office at 240-314-8280 to sign up to speak in advance or sign up in the Mayor and Council Chamber the night of the meeting.
9. Mayor and Council's Response to Community Forum

7:25 PM 10. Presentation

A. Presentation of the MD 586 Bus Rapid Transit (BRT) Project

8:10 PM 11. Consent

A. 2021 State Legislative Priorities

B. Approval of Letter to SHA Regarding Comment on the DEIS for the I-495 and I-270 Managed Lanes Project

8:15 PM 12. Feedback on County Council Growth Policy

8:20 PM 13. Staff Recommendations on Boards and Commissions Task Force Follow-Up

9:50 PM 14. Volunteer Program Update

10:20 PM 15. Review and Comment - Mayor and Council Action Report

16. Review and Comment - Future Agendas

17. Old/New Business

10:35 PM 18. Adjournment

The Mayor and Council Rules and Procedures and Operating Guidelines establish procedures and practices for Mayor and Council meetings, including public hearing procedures. They are available at: http://www.rockvillemd.gov/mcguidelines.
<table>
<thead>
<tr>
<th>Category</th>
<th>Estimated Agenda Time Needed (in minutes)</th>
<th>Title</th>
</tr>
</thead>
</table>

**Meeting : 11/9/20 07:00 PM (7 items)**

**Update**
- **15** minutes COVID-19 Update

**Proclamation**
- **5** minutes Proclamation Declaring Sunday November 15, 2020 as America Recycles Day

**Work Session**
- **45** minutes FY 2022 Budget Worksession (Calendar, Process, Preview, GFOA Changes)

**Public Hearing**
- **45** minutes Short-Term Rental Public Hearing: Potential Permissions & Regulations

**Consent**
- **5** minutes Adoption of a Resolution to Approve Amendments to the Stormwater Management Regulations So as to Revise the As-Built Submission and Certification Requirements for Single-Family Development Projects in Accordance with Rockville’s FAST Initiative

**Discussion, Instructions and Possible Adoption**
- **60** minutes Recreation and Parks Strategic Plan

**Approval**
- **45** minutes Arts in Public Places - Arts Projects - Rockville Swim and Fitness Center & Rockville Gateway Projects

**Total Meeting Time (In Hours)**
- **3 HR 40 MINS**

---

**Meeting : 11/16/20 06:00 PM (10 items)**

**Update**
- **15** minutes COVID-19 Update

**Discussion**
- **60** minutes Request to Increase Ethics Commission, Board of Supervisors of Elections and Rockville Housing Enterprises, Inc. Membership

**Appointments & Announcement of Vacancies**
- **5** minutes Boards and Commissions Appointments and Reappointments

**Discussion**
- **10** minutes Vacancy Report/Hiring Freeze Status

**D & I, Possible Introduction & Possible Adoption**
- **30** minutes East Rockville Design Guidelines, TXT2020-00257, Discussion, Introduction & Possible Adoption
### Future Agendas
As of 10/26/2020

<table>
<thead>
<tr>
<th>Category</th>
<th>Estimated Agenda Time Needed (in minutes)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consent</td>
<td>5</td>
<td>Approval of New City-REDI Agreement</td>
</tr>
<tr>
<td>Discussion and Instructions</td>
<td>60</td>
<td>Discussion and Instructions to Staff on Further Actions for Zoning Text Amendment Application TXT2019-00254 - to Revise the Height Standards, Maximum Footprint, and Rear Yard Coverage Requirements for Accessory Buildings and Structures in Residential Zones; Mayor and Council of Rockville, Applicants</td>
</tr>
<tr>
<td>Discussion and Instructions</td>
<td>45</td>
<td>Discussion and Instructions to Staff on Further Actions on Zoning Text Amendment TXT2019-00255, to Allow for Accessory Dwelling Units in Accessory Buildings on Properties Single Unit Detached Dwellings as a Conditional Use, and Allow for Accessory Apartments Within Single Unit Detached Dwellings as a Conditional Use; Mayor and Council of Rockville, Applicants</td>
</tr>
<tr>
<td>Discussion and Possible Approval</td>
<td>60</td>
<td>Community Policing Advisory Board - Next Steps</td>
</tr>
<tr>
<td>Award</td>
<td>10</td>
<td>Modification of Fairfax County Contract #4400006452 for Wet Fire Suppression Systems (Sprinkler System) Inspections, Testing and Hydro Testing, Repair, Service Alterations and New Installations.</td>
</tr>
</tbody>
</table>

**Total Meeting Time (In Hours)** 5 HR 05 MINS

---

Meeting: 11/23/20 06:00 PM (9 items)

<table>
<thead>
<tr>
<th>Category</th>
<th>Estimated Agenda Time Needed (in minutes)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update</td>
<td>15</td>
<td>COVID-19 Update</td>
</tr>
<tr>
<td>Discussion and Instructions</td>
<td>60</td>
<td>Discussion and Instruction - Small Cell Antennas</td>
</tr>
<tr>
<td>Discussion and Instructions</td>
<td>45</td>
<td>Discussion on New Boards and Commissions (Education and Youth) Outreach and Recruitment</td>
</tr>
<tr>
<td>Presentation</td>
<td>20</td>
<td>Revised FY19 Procurement Annual Report</td>
</tr>
<tr>
<td>Presentation</td>
<td>20</td>
<td>FY20 Procurement Annual Report</td>
</tr>
<tr>
<td>Discussion</td>
<td>30</td>
<td>Discussion of Proposed Annexation Plan and Potential Annexation of Properties Near the Intersection of MD 355 and Shady Grove Road</td>
</tr>
<tr>
<td>Introduction</td>
<td>20</td>
<td>Introduction of Annexation Resolution</td>
</tr>
<tr>
<td>Public Hearing</td>
<td>20</td>
<td>Public Hearing on Zoning Text Amendment TXT2020-00256, to Amend Section 25.21.21 of the Zoning Ordinance to Modify the Tree Planting Requirements for New Residential Lots Containing Townhouses, Duplexes and Other Attached Units (FAST Initiative); Mayor and Council of Rockville, Applicants</td>
</tr>
<tr>
<td>Presentation</td>
<td>45</td>
<td>Presentation on Proposed Parkland Dedication Requirements</td>
</tr>
</tbody>
</table>

**Total Meeting Time (In Hours)** 4 HR 35 MINS

<table>
<thead>
<tr>
<th>Category</th>
<th>Estimated Agenda Time Needed (in minutes)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting : 12/07/20 07:00 PM (12 items)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Update</td>
<td>15</td>
<td>COVID-19 Update</td>
</tr>
<tr>
<td>Presentation</td>
<td>10</td>
<td>First Quarter FY 2021 Financial Report</td>
</tr>
<tr>
<td>Presentation and Discussion</td>
<td>60</td>
<td>FY 2022 Budget Priorities and Survey Results</td>
</tr>
<tr>
<td>Presentation</td>
<td>20</td>
<td>Fiscal Year 2020 Audited Comprehensive Annual Financial Reports (CAFR)</td>
</tr>
<tr>
<td>Presentation</td>
<td>10</td>
<td>Fiscal Year 2020 Popular Annual Financial Report (PAFR)</td>
</tr>
<tr>
<td>Presentation</td>
<td>30</td>
<td>FY 2021 Revenue Update (If Needed)</td>
</tr>
<tr>
<td>Approval</td>
<td>5</td>
<td>Approval of FY2022 CDBG Grant Application Submission</td>
</tr>
<tr>
<td>Presentation</td>
<td>30</td>
<td>Fireside Annual and Closeout Report</td>
</tr>
<tr>
<td>Presentation and Discussion</td>
<td>60</td>
<td>Historic Resources Management Plan Presentation and Discussion</td>
</tr>
<tr>
<td>Consent</td>
<td>5</td>
<td>Approval to Extend Contract #44-15, Water Main Rehabilitation to Sagres Construction Corporation and Emergency Utility Repairs to Mid Atlantic Utilities Inc. through December 31, 2021</td>
</tr>
<tr>
<td>Consent</td>
<td>5</td>
<td>Approval to Increase Contract #01-18, Professional Engineering Services at the Water Treatment Plan: Electrical Distribution Systems Upgrade, to CDM Smith Inc., in an Amount Not to Exceed $435,000</td>
</tr>
<tr>
<td>Consent</td>
<td>5</td>
<td>Award of Maryland State Rider Contract #060B7400088, Two-Way Radio, to Communications Electronics in the Amount of $309,859.47</td>
</tr>
</tbody>
</table>
### Meeting: 12/14/20 07:00 PM (8 items)

<table>
<thead>
<tr>
<th>Category</th>
<th>Estimated Agenda Time Needed (in minutes)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update</td>
<td>15</td>
<td>COVID-19 Update</td>
</tr>
<tr>
<td>Appointments &amp; Reappointments</td>
<td>5</td>
<td>Boards and Commissions Appointments and Reappointments</td>
</tr>
<tr>
<td>Recognition</td>
<td>60</td>
<td>Good Neighbor Awards</td>
</tr>
<tr>
<td>Discussion</td>
<td>90</td>
<td>Social Justice, Racism and Bias Follow-Up Discussion</td>
</tr>
<tr>
<td>Discussion</td>
<td>10</td>
<td>Vacancy Report/Hiring Freeze Status</td>
</tr>
<tr>
<td>Introduction</td>
<td>5</td>
<td>Introduction and Discussion of Ordinance to Amend Chapter 9 (Fire Code) to Adopt the 2018 Editions of the Fire Code (NFPA 1) and the Life Safety Code (NFPA 101), and All Associated NFPA Codes or Standards Incorporated by Reference and the Latest Editions of Certain Other NFPA Codes Not Incorporated by Reference into NFPA 1 or NFPA 101.</td>
</tr>
<tr>
<td>Authorization</td>
<td>5</td>
<td>Authorization to File Zoning Text Amendment to Implement the Zoning Recommendations in the North Stonestreet Avenue and Park Road Master Plan Amendment Areas</td>
</tr>
<tr>
<td>Authorization</td>
<td>5</td>
<td>Authorization to File Sectional Map Amendment - to Apply the Zoning Recommended by the Comprehensive Master Plan for the North Stonestreet Avenue and Park Road Plan Amendment Areas</td>
</tr>
</tbody>
</table>

### Meeting: 1/4/21 07:00 PM (6 items)

<table>
<thead>
<tr>
<th>Category</th>
<th>Estimated Agenda Time Needed (in minutes)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update</td>
<td>15</td>
<td>COVID-19 Update</td>
</tr>
<tr>
<td>Discussion</td>
<td>60</td>
<td>Town Center Initiative - Update</td>
</tr>
<tr>
<td>Consent</td>
<td>5</td>
<td>Award Requirements Contract for Construction, Repair, and Maintenance of Concrete Sidewalk, Curb, Driveway Aprons, and Miscellaneous Appurtenances and Infrastructure to (Vendor) in the Amount Not to Exceed (TBD)</td>
</tr>
<tr>
<td>Category</td>
<td>Estimated Agenda Time Needed (in minutes)</td>
<td>Title</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Consent</td>
<td>5</td>
<td>Award IFB <em>(TBD)</em>, Thin Lift Asphalt Rehabilitation, Patching, and Milling Related Asphalt Maintenance Work on Various Streets, to (Vendor) in the Amount Not to Exceed <em>(TBD)</em></td>
</tr>
<tr>
<td>Presentation and Discussion</td>
<td>45</td>
<td>Presentation and Discussion and Instructions on Wayfinding</td>
</tr>
</tbody>
</table>

**Total Meeting Time (In Hours)** 2 HR 40 MINS

**Meeting : 1/11/21 07:00 PM (5 items)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Estimated Agenda Time Needed (in minutes)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointments &amp; Reappointments</td>
<td>5</td>
<td>Boards and Commissions Appointments and Reappointments</td>
</tr>
<tr>
<td>Discussion and Instructions</td>
<td>60</td>
<td>Part-Two Discussion of the Personnel Policy and Procedures Manual</td>
</tr>
<tr>
<td>D &amp; I, Possible Introduction &amp; Possible Adoption</td>
<td>30</td>
<td>Discussion, Instruction and Possible Adoption 2021 Mayor and Council Meeting Dates</td>
</tr>
<tr>
<td>Update</td>
<td>15</td>
<td>COVID-19 Update</td>
</tr>
<tr>
<td>Discussion</td>
<td>60</td>
<td>Rockville Early Childhood Education</td>
</tr>
</tbody>
</table>

**Total Meeting Time (In Hours)** 2 HR 50 MINS

**Meeting : 1/25/21 07:00 PM (3 item)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Estimated Agenda Time Needed (in minutes)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presentation</td>
<td>60</td>
<td>Presentation on Proposed Water and Sewer Rate Structures Based on Property Classification</td>
</tr>
<tr>
<td>Discussion</td>
<td>60</td>
<td>Moderately Priced Dwelling Unit Term Expiration</td>
</tr>
<tr>
<td>Presentation and Discussion</td>
<td>60</td>
<td>Presentation and Discussion on Pesticide Practices and Policy Options for the City</td>
</tr>
</tbody>
</table>

**Total Meeting Time (In Hours)** 3 HR 00 MINS