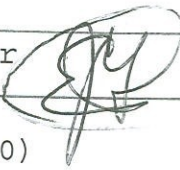



FROM	NAME & TITLE	Edward J. Gallagher, Director 	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 448, City Hall (396-4940)		
	SUBJECT	City Council Bill 08-0220 Technical Amendments		

TO

DATE: March 18, 2009

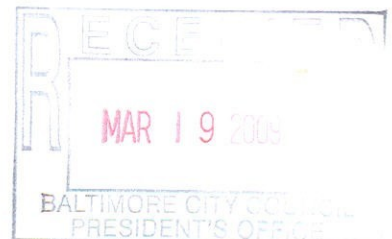
The Honorable President
And Members of City Council
Room 400 City Hall

Attention: Karen Randle

Please find attached a list of technical amendments to City Council Bill 08-0220 as requested by the Fire & Police Employees' Retirement System actuary.

The Department of Finance recommends that the Taxation, Finance and Economic Development Committee provide a favorable report on the requested technical amendments.

Cc: Angela Gibson



Amendments to City Council Bill 08-0220

The following amendments are requested to clarify subsection (d) Variable Increase Account:

On page 6, line 5, after the period insert "The Variable Increase Account will have 2 components: a Net Earnings Differential Component and an Amounts Used To Provide Increases Component."

After page 6, line 15, insert "(III) A positive balance means that the Net Earnings Differential Component exceeds the Amounts Used To Provide Increases Component."

On page 6, line 16, at the beginning of the line, delete "Any unused balance," after "Whether," insert "the Net Earnings Differential Component is", and after "negative" insert "both components".

On page 6, line 25, at the beginning of the line, delete "The balance", and insert "The Net Earnings Differential Component".

On page 6, lines 26 - 27, after "the sum of the" delete "account balance, if any," and insert "Net Earnings Differential Component".

On page 6, line 27, after "June 30" insert "as described under paragraph (5) of this subsection".

After page 6, line 29, insert the following new paragraph: "(8) The Amounts Used To Provide Increases Component of the variable increase account as of each June 30 subsequent to June 30, 2009, shall consist of the sum of the Amounts Used To Provide Increases Component, if any, from the previous June 30 and the amount allocated to provide a variable increase percentage as determined under paragraph (9) of this subsection at the previous June 30, both carried forward with interest in the same manner as described in paragraph (5) of this subsection. "

On page 6, lines 30 and 38, renumber paragraphs (8) and (9) to become paragraphs (9) and (10).

On page 6, line 32, after "the" delete "positive balance" and insert "Net Earnings Differential Component" and change reference to "paragraph (9)" to read "paragraph (10)".

Delete all of lines 33 and 34 on page 6 and insert on line 33 "the Amounts Used To Provide Increases Component."

On page 6, line 35, at the beginning of the line, delete "this subsection".

On page 6, line 39 change reference to "paragraph (8)" to read "paragraph (9)".

Note

After the amendments, subsection (d)(9) should read: If the actuary engaged by the Board determines that there is a positive balance in the variable increase account as of a June 30, a percentage of the Net Earnings Differential Component, as specified in paragraph (10), of this subsection, less the Amounts Used To Provide Increases Component shall be allocated to provide a variable increase percentage, subject to subsection (c) (4) of this section, to eligible retired members and beneficiaries effective as of the following January.

March 18, 2009