

**CITY OF BALTIMORE
COUNCIL BILL 21-0063R
(First Reader)**

Introduced by: Councilmembers Schleifer, McCray, Glover, Cohen, Middleton

Introduced and read first time: September 20, 2021

Assigned to: Public Safety and Government Operations Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Employees' Retirement System, Fire and Police Employees' Retirement System, Baltimore Police Department, Baltimore City Fire Department, Department of Finance

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

Informational Hearing – An Evaluation of the Deferred Retirement Option Program as a Retention Strategy for Fire and Police Personnel

FOR the purpose of requesting the Executive Director of the Baltimore City Fire and Police Employees' Retirement System, the Board of Trustees for the Baltimore City Fire and Police Employees' Retirement System, the Director of the Department of Finance, representatives from the Baltimore Police Department, and representatives from the Baltimore City Fire Department come before the City Council to discuss the Deferred Retirement Option Plan ("DROP"), analyze current and former participation in the program, brief the Council on policy differences between the original DROP program and DROP 2, and share what modifications the City can make to the policy that would allow us to use it as an incentive to retain veteran fire and police personnel.

Recitals

The Baltimore City Fire and Police Employees' Retirement System ("BCFPERS") is a government pension plan codified in Article 22 of the Baltimore City Code. The BCFPERS provides several different types of benefits, including service retirement benefits, line-of-duty disability benefits, line-of-duty death benefits, ordinary disability benefits, and ordinary death benefits. Membership in the BCFPERS is mandatory for all fire and police employees as a condition of employment.

The BCFPERS was amended in 1996 to add the DROP program, effective July 1, 1996. At the time, members with at least 20 years of service could elect to participate in the DROP program for a maximum of 3 years. Eligible members who elected not to participate in the DROP program could either retire and collect pension benefits, or continue to work and accrue service credit which would be used to calculate their retirement income. One way the program incentivized participation was by allowing participants to earn interest at 8.25% compounded annually on the funds made during the 3-year DROP program until the member actually retired.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

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Throughout the years the compound interest for the DROP program has declined, making it a less desirable retention tool for veteran fire and police department personnel. In light of the current staffing shortages within our public safety agencies and the recent court decision regarding the years of service fire and police department personnel must have to retire, we need to examine all available incentives to retain experienced personnel, particularly those hired between 1998 through 2006.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the Baltimore City Council requests the Executive Director of the Baltimore City Fire and Police Employees' Retirement System, the Board of Trustees for the Baltimore City Fire and Police Employees' Retirement System, the Director of the Department of Finance, representatives from the Baltimore Police Department, and representatives from the Baltimore City Fire Department come before the City Council to discuss the Deferred Retirement Option Plan ("DROP"), analyze current and former participation in the program, brief the Council on policy differences between the original DROP program and DROP 2, and share what modifications the City can make to the policy that would allow us to use it as an incentive to retain veteran fire and police personnel.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Mayor, Executive Director of the Baltimore City Fire and Police Employees' Retirement System, the Board of Trustees for the Baltimore City Fire and Police Employees' Retirement System, the Director of the Department of Finance, the Police Commissioner of the Baltimore Police Department, the Fire Chief of the Baltimore City Fire Department, and the Mayor's Legislative Liaison to the City Council.