

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

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Introduced by: Councilmembers Schleifer, McCray, Glover, Cohen, Middleton  
Introduced and read first time: September 20, 2021  
Assigned to: Public Safety and Government Operations Committee

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Committee Report: Favorable  
Adopted: Yes

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**A COUNCIL RESOLUTION CONCERNING**

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

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

**12 Recitals**

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

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

EXPLANATION: Underlining indicates matter added by amendment.  
~~Strike out~~ indicates matter stricken by amendment.

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

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

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