

**CITY OF BALTIMORE
COUNCIL BILL 16-0756
(First Reader)**

Introduced by: The Council President

At the request of: The Administration (Department of Finance)

Introduced and read first time: September 19, 2016

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Employees' Retirement System,
Department of Finance, Labor Commissioner, Department of Human Resources

A BILL ENTITLED

1 AN ORDINANCE concerning

2 style="text-align:center">**Retirement Savings Plan – Definition of “Employee” –**
3 style="text-align:center">**Composition of Board of Trustees – Forfeitures**

4 FOR the purpose of clarifying the definition of “employee”; changing the composition of the
5 Board of Trustees; providing for the election of the Board Chair; clarifying the provisions
6 that require Board of Estimates’ approval for the retention of services; revising the rules
7 governing the forfeitures of certain accounts; correcting, clarifying, and conforming related
8 language; and generally relating to the administration and operation of the Retirement
9 Savings Plan of the City of Baltimore.

10 BY repealing and reordaining with amendments

11 Article 22 A - Retirement Savings Plan
12 Section(s) 1-1(h), 2-2(a) and (b), 2-6(a), 2-7(b), 2-8(a), 2-10, and 8-1
13 Baltimore City Code
14 (Edition 2000)

15 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
16 Laws of Baltimore City read as follows:

17 style="text-align:center">**Baltimore City Code**

18 style="text-align:center">**Article 22A. Retirement Savings Plan**

19 **§ 1-1. Definitions.**

20 (h) *Employee.*

21 (1) *In general.*

22 “Employee” means any of the following, if in a job classification that requires at least
23 500 hours per year:

24 (i) except as provided in paragraph (2) of this subsection[,]:

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

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1 (A) any permanent officer or employee of the Mayor and City Council of
2 Baltimore, including any officer or employee of an agency,
3 department, unit, subdivision, or instrumentality of the Mayor and City
4 Council; and

5 (B) ANY PERMANENT OFFICER OR EMPLOYEE, BY WHATEVER AUTHORITY
6 APPOINTED, WHOSE SALARY OR COMPENSATION IS PAID BY THE MAYOR
7 AND CITY COUNCIL OF BALTIMORE, EXCEPT WHEN THE CITY OF
8 BALTIMORE ACTS ONLY AS AN AGENT FOR THE CONVENIENCE OF
9 DISBURSING PAYROLL FUNDS; AND

10 (ii) any employee of the Baltimore City Public School System who is not eligible
11 to participate in the Maryland State Retirement and Pension System.

12 **§ 2-2. Board composition.**

13 (a) *In general.*

14 (1) The Board consists of [14] 11 trustees.

15 (2) Of these:

16 (i) [11] 8 trustees serve with voting privileges (“voting trustees”); and

17 (ii) 3 trustees serve in an advisory capacity only, without voting privileges (“non-
18 voting trustees”).

19 (b) *Voting trustees.*

20 [(1) *In general.*]

21 The [11] 8 voting trustees are:

22 (1) [(i)] the Director of Finance or the Director’s designated representative[, who
23 must be either the Deputy Director of Finance or the Budget Director];

24 (2) [(ii)] the City Comptroller;

25 (3) [(iii)] the Director of Human Resources;

26 (4) [(iv)] the City Labor Commissioner;

27 (5) [(v)] the Executive Director of the Employees’ Retirement System of the City of
28 Baltimore;

29 (6) [(vi)] 2 representatives of the Baltimore City Public School System, to be
30 designated by the Chief Executive Officer of the Baltimore City Public School
31 System; AND

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1 (7) [(vii)] a representative designated jointly by AFSCME Local 44, the City Union
2 of Baltimore (“CUB”), and the Managerial and Professional Society of Baltimore,
3 Inc. (“MAPS”)[; and].

4 [(viii) 3 residents and registered voters of the City of Baltimore, to be appointed by
5 the Mayor in accordance with City Charter Article IV, § 6.]

6 [(2) *Appointed trustees – Qualifications.*]

7 [(i) The 3 voting trustees appointed under paragraph (1)(viii) of this subsection must
8 each have at least 10 years of relevant institutional investment management
9 expertise.]

10 [(ii) None of these appointed trustees may be an official or employee of the City at the
11 time of his or her appointment or during the entire term of office.]

12 [(3) *Appointed trustees – Term of office.*]

13 [(i) Each of the 3 voting trustees appointed under paragraph (1)(viii) of this
14 subsection serves for a term of 4 years, concurrent with the term of the Mayor.]

15 [(ii) At the end of a term, an appointed member continues to serve until a successor is
16 appointed and qualifies.]

17 [(iii) A trustee appointed to fill a vacancy in an unexpired term serves only for the
18 remainder of that term.]

19 **§ 2-6. Officers.**

20 (a) *Chair.*

21 The [Director of Finance (or the Director’s designated representative) serves] THE
22 VOTING TRUSTEES SHALL ELECT A VOTING TRUSTEE TO SERVE as Chair of the Board.

23 **§ 2-7. Meetings; Voting; Records.**

24 (b) *Voting.*

25 (1) Each voting trustee is entitled to 1 vote on the Board.

26 (2) [6] 5 voting trustees constitute a quorum.

27 (3) An affirmative vote by the majority of a quorum is needed for any action by the Board
28 of Trustees.

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§ 2-8. Retention of services; Right of reliance.

(a) *Services.*

(1) From time to time, as the Board of Trustees determines necessary for the efficient administration of the Retirement Savings Plan, the Board may:

(i) retain the services of a third-party administrator to provide administrative and recordkeeping services for the Plan;

(ii) retain the services of 1 or more investment advisors to provide investment assistance and advice;

(iii) retain the services or secure the advice of any other person or entity; and

(iv) appoint an Executive Director for the Plan and delegate to the Executive Director and the Executive Director's staff any of the Board's duties or responsibilities under this subtitle.

(2) The retention of these services is subject to the approval of the Board of Estimates, [if the fees for the services exceed the dollar threshold that generally requires] AS REQUIRED BY THE CITY CHARTER AND THE RULES AND REGULATIONS OF THE Board of Estimates [approval].

§ 2-10. Compensation; Expenses.

(a) *In general.*

[Except as provided in subsection (b) of this section, each Trustee] EACH TRUSTEE serves without compensation.

[(b) *Stipend for appointed trustees.*]

[(1) Each of the 3 trustees appointed under § 2-2(b)(1)(viii) of this subtitle is entitled to a stipend, in an amount determined by the Board of Estimates, for attending meetings of the Board of Trustees.]

[(2) The Board of Trustees may establish meeting-attendance standards that the appointed trustees must satisfy to be eligible for the stipend.]

(B) [(c)] *Expenses.*

All voting and non-voting [Trustees] TRUSTEES are entitled to reimbursement for reasonable expenses incurred in the performance of their duties.

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Subtitle 8. Forfeitures

§ 8-1. Forfeiture of non-vested [Employer Contributions] EMPLOYER CONTRIBUTIONS.

[The Employer Contribution Sub-Account of] IF a member [who] terminates employment with a participating employer before [that sub-account] THE MEMBER'S EMPLOYER CONTRIBUTION SUB-ACCOUNT is vested under § 7-2 {"Vesting: Employer Contribution Sub-Account"} of this article AND THE EMPLOYEE IS NOT SUBSEQUENTLY REEMPLOYED WITHIN 180 DAYS AFTER TERMINATION, THAT SUB-ACCOUNT is forfeited as of the [date of] 180TH DAY AFTER the member's termination of employment.

SECTION 2. AND BE IT FURTHER ORDAINED, That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the 30th day after the date it is enacted.