

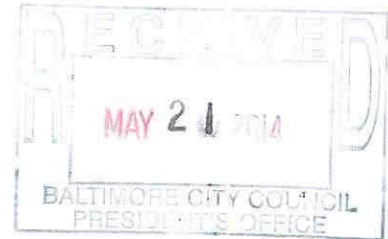


FROM	NAME & TITLE	N. Anthony Calhoun, Executive Director 	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Fire and Police Employees' Retirement System 7 E. Redwood Street, 18 <sup>th</sup> Floor		
	SUBJECT	<b>City Council Bill 14-0366 – F&amp;P Technical Amendments</b>		

DATE: May 20, 2014

TO

The Honorable President and Members  
of the Baltimore City Council  
Attn: Karen Randle, Executive Secretary  
Room 409, City Hall  
100 N. Holliday Street  
Baltimore, Maryland 21202



**Re: City Council Bill 14-0366 – F&P Technical Amendments**

Dear Mr. President and City Council Members:

City Council Bill 14-0366 has been introduced at the request of the Fire and Police Employees' Retirement System (F&P) to amend the F&P law with the following changes:

- The Bill would change the plan's assumed investment interest rate from 8.0% to 7.75% for valuation purposes. The 7.75% rate is currently being used by the City's actuary, so the Bill serves to update F&P law in accordance with the City's current practices and would not result in additional cost to the City.
- The Bill would properly reflect the title for the designee of the Chief of the Fire Department, who is an *ex-officio* F&P Board member.
- The Bill would increase the number of members of the F&P Board of Trustees necessary to achieve a quorum from 5 to 6 members given previous changes in the F&P law adding 2 members to the F&P Board of Trustees creating an 11-member Board.
- The Bill would incorporate into F&P law language required by the Internal Revenue Service regulations relating to plan termination.
- The Bill would allow the Board of Trustees flexibility to set up a retroactive payment system for students under the age of 22 receiving F&P benefits. This would avoid the practical difficulty of recovering payments from students that did not attend school full-time as required, but who were nevertheless paid F&P benefits during the semester.

At their meeting of February 18, 2014, the F&P Board of Trustees reviewed a draft of the legislation that was introduced as CC Bill 14-0366 and directed the F&P Executive Director to introduce the legislation in the City Council.

The Bill's provisions have been reviewed by F&P's actuary and are expected to have no cost impact on the F&P plan.

I will be available to provide testimony at the hearing scheduled for CC Bill 14-0366. Please call me at 410.497.7929 if you would like additional information.

cc: Sheila Wyche, Mayor's Office of Government Relations (via email)