

CITY OF BALTIMORE

STEPHANIE RAWLINGS-BLAKE, Mayor



DEPARTMENT OF LAW

GEORGE A. NILSON, City Solicitor  
101 City Hall  
Baltimore, Maryland 21202

May 11, 2015

The Honorable President and Members  
of the Baltimore City Council  
c/o Natawna Austin, Executive Secretary  
Room 409, City Hall  
100 N. Holliday Street  
Baltimore, Maryland 21202

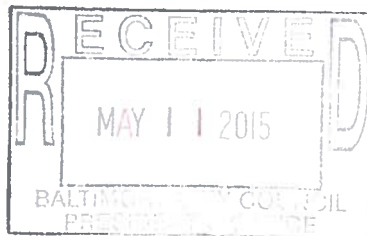
Re: City Council Bill 15-0514 – Fire and Police Retirement System- Benefits  
Payments

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 15-0514. Bill 514 removes outdated language regarding the timing of benefits payments and provides for monthly payment of benefits. The bill clarifies language regarding data to be retained to certify the experience of the FPERs and for establishing the assumptions and actuarial factors. The bill also requires that an experience study be conducted every 3 years to determine the proper valuation of the system's liability. The Board must then use the experience study to adopt and certify the assumptions needed to determine the annual contribution by the City to the FPERs and the annuity factors needed to determine actuarial equivalents for calculating benefits. The actuary must use these assumptions and the rate of regular interest to do an annual valuation of the system's assets and liabilities which the Board will use to adopt a valuation that it certifies to the Director of Finance the amount of the City's annual contribution. The bill also provides for transition provisions for the monthly benefits payments.

Article II, Section 24 gives authority to the Mayor and City Council to establish a pension system and provide for conditions for the applicability and operation of the system. City Council Bill 15-0514 is an appropriate exercise of that authority.

Accordingly, the Law Department approves Council Bill 15-0514 for form and legal sufficiency.



Sincerely,

*Elena R. DiPietro*

Elena R. DiPietro  
Chief Solicitor

cc: George Nilson, City Solicitor  
Angela C. Gibson, Mayor's Legislative Liaison  
Hilary Ruley, Assistant Solicitor  
Victor Tervalo, Assistant Solicitor  
Jenny Landis, Assistant Solicitor