CITY OF BALTIMORE

STEPHANIE RAWLINGS-BLAKE, Mayor



DEPARTMENT OF LAW

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

August 30, 2013

Honorable President and Members of the City Council of Baltimore Room 409, City Hall 100 N. Holliday Street Baltimore, Maryland 21202

Attn: Karen Randle **Executive Secretary**

> Re: City Council Bill 13-0247 - Change to Grow: 10-Year Plan -

Retirement Savings Plan

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 13-0247 for form and legal sufficiency. City Council Bill 247 establishes a new tax-qualified defined contribution plan (the "Retirement Savings Plan of the City of Baltimore") for the benefit of certain employees initially employed or reemployed by the City of Baltimore on or after January 1, 2014. The bill provides for the administration of the Plan and requires Plan members and the City to make contributions to the Plan each payroll period. The bill permits Plan members to select from among various investment options, imposes vesting rules for City contributions, provides for the distribution of a member's account balance upon the occurrence of certain events and provides for ethics rules for employees and trustess of the City's Pension plans.

Art. II, §24 of the Baltimore City Charter gives the Mayor and City Council the authority to establish and maintain a general system of pensions and retirement benefits for its employees. City Council Bill 13-0247 is a valid exercise of that authority. There is no legal prohibition to establishing a new retirement plan that applies only to persons entering City employment after the effective date of the legislation.

Based on the foregoing, the Law Department approves City Coouncil Bill 13-0247 for form and legal sufficiency.

Sincerely,

Elena DiPietro Chief Solicitor

Elena Di Rietro





cc: George Nilson, City Solicitor

Angela C. Gibson, Mayor's Legislative Liaison Elena DiPietro, Chief Solicitor

Elena DiPietro, Chief Solicitor Hilary Ruley, Assistant Solicitor Victor K. Tervala, Assistant Solicitor Jennifer Landis, Assistant Solicitor