

**CITY OF BALTIMORE
COUNCIL BILL 07-0317R
(Resolution)**

Introduced by: President Rawlings-Blake, Councilmembers Holton, Young, D'Adamo, Clarke,
Reisinger, Spector, Conaway

Introduced and read first time: August 13, 2007

Assigned to: Taxation and Finance Committee

Committee Report: Favorable

Adopted: November 19, 2007

A COUNCIL RESOLUTION CONCERNING

Informational Hearing – Retirement Benefit Enhancement

1
2 FOR the purpose of requesting the Executive Director of the Employee's Retirement System to
3 report to the City Council on the feasibility of providing optional benefit improvements to
4 better reflect the City's appreciation of its dedicated workforce; to compare the benefits
5 provided to public safety personnel with those provided for the rest of the city workforce; to
6 present an analysis of the most appropriate and cost-effective benefit enhancements that
7 could be made available to members of the Retirement System; to provide a comparison of
8 benefit enhancements available with mandatory employee contribution, with cost-sharing
9 between employee and employer, as well as cost-neutral options; to contrast the benefits
10 provided to Baltimore City employees with those enjoyed by employees of governmental
11 units of similar size and characteristics and well as the benefits enjoyed by members of
12 Retirement Systems in other subdivisions within the State of Maryland.

Recitals

13
14 As Baltimore City retirees continue to face growing price inflation the ability of many
15 retirees to meet their financial responsibilities has become increasingly precarious and there is
16 growing concern about the raising cost of medical benefits. The results of AARP Maryland
17 member opinion research survey released in February 2006, found that, of those responding,
18 90% were most concerned about the availability, cost, and quality of health care; 88% about
19 making prescription drugs more affordable and; 86% percent about protecting access to
20 promised pensions and retiree health benefits.

21 Currently there are 9,193 working, 8,688 retired, and 1,163 vested, but not as yet claiming
22 benefits, members of the Employees Retirement System who have provided or are actively
23 providing valuable civil service to the citizens of Baltimore. Some of these employees,
24 particularly members represented by AFSCME and CUB unions, do physically demanding work
25 and often experience chronic health issues after 20 years. Unlike members of the police and fire
26 unions they are not eligible to take a 50% pension retirement at this point but must continue to
27 work for a full 30 years until they are eligible for a mere 48% pension retirement benefit.

28 While we applaud the contributions of those who 'protect and serve', risking their very lives
29 to keep us safe, we must not under-value the contributions of those who perform physically
30 demanding work, risking life and limb to improve the quality of life for all Baltimoreans. An

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

Council Bill 07-0317R

1 enhanced retirement benefit package would not only reward and validate their many years of
2 dedicated service but would provide the health coverage needed to insure that they can enjoy an
3 active retirement.

4 To provide an enhanced benefits package, it is necessary to revisit a system that has not had a
5 mandatory employee contribution since 1979 and that provides retirement benefits for members
6 solely as a function of an employee's years of service, average final compensation, and the
7 benefit multipliers. In order to affect the retirement structure in a meaningful way, the City must
8 consider adjusting the retirement age, the required years of service, or the benefit multipliers. In
9 addition, any exploration of a benefit enhancement must, of necessity, consider the introduction
10 and implementation of an employee contribution, as a means of sharing the fiscal burden of such
11 an enhancement between the employees and the City along with the exploration of the benefits
12 of making available a contributory option that allow workers to increase their defined benefit.

13 The Baltimore City Council has a deep appreciation for the contributions of those in service
14 to local government. It is not acceptable to ask these employees to contribute a career's worth of
15 service in return for financial security, if that remuneration does not, in fact, bring security.

16 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
17 Executive Director of the Employee's Retirement System is requested to report to the City
18 Council on the feasibility of providing optional benefit improvements to better reflect the City's
19 appreciation of it's dedicated workforce; to present an analysis of the most appropriate and cost-
20 effective benefit enhancements that could be made available to members of the Retirement
21 System; to provide a comparison of benefit enhancements available with mandatory employee
22 contribution, with cost-sharing between employee and employer, as well as cost-neutral options;
23 to contrast the benefits provided to Baltimore City employees with those enjoyed by employees
24 of governmental units of similar size and characteristics and well as the benefits enjoyed by
25 members of Retirement Systems in other subdivisions within the State of Maryland.

26 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the
27 Executive Director of the Employees Retirement System, the City Solicitor, the Director of
28 Finance, the Director of the Department of Human Resources, the Labor Commissioner, the
29 President or Head of AFSCME Local 44, AFSCME Local 558, AFSCME 2202, the City Union
30 of Baltimore, the Fire Fighters Union, the Fire Officers Union, the Fraternal Order of Police, and
31 MAPS, and the Mayor's Legislative Liaison to the City Council.