


Roselyn H. Spencer

FROM	NAME & TITLE	Roselyn H. Spencer, Executive Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Employees' and Elected Officials' Retirement Systems 7 E. Redwood Street, 12 th Floor		
	SUBJECT	City Council Resolution 08-0087R – Informational Hearing Retirement Benefit Enhancement - Followup		

TO

DATE: December 10, 2008

Honorable Stephanie Rawlings-Blake
President, Baltimore City Council
Room 400, City Hall

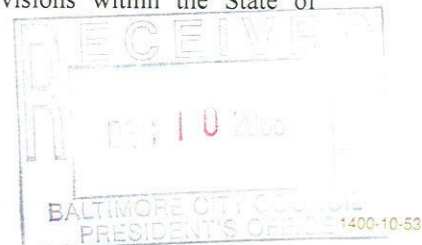
On behalf of the Board of Trustees of the Employees' and Elected Officials' Retirement Systems of the City of Baltimore (ERS and EOS), I hereby submit this response to City Council Resolution 08-0087R.

This resolution requests that the ERS Executive Director follow-up with the City Council on the status of efforts to find cost-neutral options that improve the overall retirement benefits package for City Employees. This resolution is the result of the previous resolution, which had directed the ERS Executive Director to report to the City Council on these issues.¹

Accordingly, the ERS Executive Director, with approval from the ERS Board of Trustees, convened a diverse panel (the "Study Group") of members representing the City employee unions, the City, Fire and Police Employees' Retirement System ("F&P"), and the ERS, to explore these issues in depth. The Study Group held formal meetings, to discuss various options including employee contributions and the resulting impact. The Study Group compared the benefits provided by surrounding jurisdictions, and explored the impact of changes to many different factors that influence a retiree's pension allowance – the benefit accrual rate, the vesting period, the retirement age, additional deferred compensation options, and employee contributions among others. Working with the ERS actuaries from Cheiron, Inc., the Study Group has created a bundle of benefit improvements that will help retirees, while allowing the City to maintain a fiscally-responsible stance. The actuaries are in the closing phases of preparing a formal cost report on the benefit package developed by the Study Group. A formal presentation of the proposed benefit enhancement, along with the actuarial valuation of the proposal, will be presented to the ERS Board for their approval and at the Council's bill hearing.

¹ Specifically, the bill called for the Executive Director:

- to present an analysis of the most appropriate and cost-effective benefit enhancements that could be made available to members of the Retirement System;
- to provide a comparison of benefit enhancements available with mandatory employee contribution, with cost-sharing between employee and employer, as well as cost-neutral options;
- to contrast the benefits provided to Baltimore City employees with those enjoyed by employees of governmental units of similar size and characteristics and well as the benefits enjoyed by members of Retirement Systems in other subdivisions within the State of Maryland.



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Accordingly, the Board of Trustees **SUPPORTS CC RESOLUTION 08-0087R** and looks forward to the presentation of the Study Group findings to the City Council.

CC: Angela Gibson, Mayor's Legislative Liaison to the City Council
Jennifer Coates, Council Services
Avery Aisenstark, Department of Legislative Reference
Edward Gallagher, Department of Finance
Gladys Gaskins, Department of Human Resources
Deborah Moore-Carter, Office of the Labor Commissioner
George Nilson, Department of Law