

David A. Randall

FROM	NAME & TITLE	David A. Randall, Executive Director
	AGENCY NAME & ADDRESS	Employees', Elected Officials', Retirement Savings Plan Systems – 7 E. Redwood Street, 12 th floor
	SUBJECT	City Council Bill 21-0066 – Retirement Systems – Precluded Investment and Divestment – Fossil Fuel Companies

CITY OF BALTIMORE
MEMO



DATE: May 20, 2021

TO
The Honorable President and Members of the City Council
Attn: Natawna B. Austin, Executive Secretary
Room 409, City Hall
100 N. Holliday Street

Dear Mr. President and City Council Members:

City Council Bill 21-0066 was referred to the Retirement Savings Plan (“RSP”) Board of Trustees for comment. The bill’s stated purpose is for prohibiting the new investment of certain retirement funds in fossil fuel companies; requiring the divestment of certain retirement funds in fossil fuel companies within a certain timeframe; requiring certain reviews; specifying a certain procedure for the divestiture of investments; authorizing certain exemptions; defining certain terms; and providing for a special effective date.

The RSP Board takes the impact of fossil fuel energy very seriously and the efforts of the Mayor and City Council towards environmental changes.

The RSP is a qualified profit-sharing plan under IRC § 401(a) and a governmental plan under IRC § 414 (d) for the purpose of providing retirement benefits for eligible employees. While the Board of Trustees administers the Plan on behalf of Participants, all investment decisions under the Plan are at the sole discretion of Participants on whose behalf the Plan holds assets. These investments are made up entirely of mutual funds.

For the reasons specified above, the RSP Board takes no position on Bill 21-0066.

DAR/dsb
CC: Henry Raymond, Board Chairman
Nichelle Lashley, Deputy Director
Nina Themelis