


FROM	NAME & TITLE	Henry J. Raymond, Director <i>HJK</i>	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Department of Finance Room 454, City Hall (396-4940)		
	SUBJECT	<b>City Council Bill #15-0589 Employees' Retirement System</b>		

**TO** The Honorable President and Members of the  
City Council  
Room 400, City Hall  
Attention: Natawna Austin

DATE: December 7, 2015

City Council Bill 15-0589 would amend Article 22 of the Baltimore City Code as it relates to the Employees' Retirement System. The legislation would grant a service credit for certain prior contractual services provided to the City by Employees' Retirement System members; provide for computation of that credit, subject to a certain maximum; and specify the provisions for the credit to be applied.

**Fiscal Impact**

While it is not known how many individuals would qualify for credit under this proposed legislation, there would be a negative fiscal impact. The negative fiscal impact would result in additional fiscal liability to the Employees' Retirement System Fund.

Any legislative action resulting in a negative fiscal impact is unwarranted and fiscally imprudent.

**Recommendation**

The Finance Department is strongly opposed to granting service credits to individuals with prior contractual service for the following reasons: 1) These individuals agreed to contractual service fully understanding they were not eligible for retirement benefits; 2) the contractual service may have been many years ago and appropriate records may not be available; 3) the additional service credit represents a benefit that was not bargained for through the labor negotiation process; 4) there will be additional administrative workload for the Employees' Retirement System; and 5) the fiscal liability can not presently be quantified since the number of individuals with contractual service and the length of their contractual service is undetermined.

For these reasons, the Finance Department strongly opposes this bill.

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