

*Roselyn H. Spencer*

<b>FROM</b>	NAME & TITLE	Roselyn H. Spencer, Executive Director
	AGENCY NAME & ADDRESS	EMPLOYEES' & ELECTED OFFICIALS' RETIREMENT SYSTEMS 7 East Redwood Street - 12 <sup>th</sup> Floor
	SUBJECT	<b>City Council Bill 13-0094R (Resolution)</b>

CITY of  
BALTIMORE  
**MEMO**



**TO**

DATE: March 15, 2013

The Honorable President and Members of the Baltimore City Council  
Attention: Karen Randle, Executive Secretary  
Room 400 City Hall

Dear Mr. President and Members of the City Council:

The Board of Trustees of the Elected Officials' Retirement System (EOS) has reviewed Council Bill 13-0094R (Resolution). The Resolution calls upon the Baltimore City Retirement Board to work with the City Council to have a bill readied for introduction by July 1, 2013 that would "transition the EOS from the current defined benefit pension style approach, into a more sustainable 401(k) style defined contribution system."

The EOS Board **SUPPORTS** this Resolution and welcomes the opportunity to work with the City Council on this matter. The Board notes the following for the Council's consideration:

1. The EOS Board supports the Council's goal of moving promptly to introduce a bill and apply a new benefit structure to newly elected officials. The Board cautions, however, that transition to a new EOS benefit structure must be implemented with great care so as to (i) comply with applicable tax and other legal requirements, (ii) assure proper consideration of plan design options, and (iii) assure that, from the outset, the new structure is supported by investment and administrative systems that provide prudent investment of assets and timely and accurate accounting and maintenance of member records and benefits.
2. In developing a new more sustainable 401(k) style defined contribution system for the EOS, it may be wise to explore other types of plan options, including the defined contribution design that the Mayor's Ten Year Financial Plan recommends for the Employees' Retirement System (ERS) and the "hybrid" structure that the Ten Year Plan recommends for the Fire & Police Employees' System. Consistent with the Council request, our goal is to focus on those plan types that are affordable and sustainable for the long term.

JK/dsb

- CC: Angela Gibson, Mayor's Legislative Liaison to the City Council  
Deborah Moore-Carter, Labor Commissioner  
Harry E. Black, Director of Finance  
Avery Aisenstark, Dept. of Legislative Reference  
Ken Kent, Cheiron, Inc.

