



Legislation Details (With Text)

File #: 07-0317R **Version:** 0 **Name:** Informational Hearing - Retirement Benefit Enhancement
Type: City Council Resolution **Status:** Adopted
File created: 8/13/2007 **In control:** City Council
On agenda: **Final action:** 11/19/2007
Enactment date: **Enactment #:**
Title: Informational Hearing - Retirement Benefit Enhancement

FOR the purpose of requesting the Executive Director of the Employee's Retirement System to report to the City Council on the feasibility of providing optional benefit improvements to better reflect the City's appreciation of it's dedicated workforce; to compare the benefits provided to public safety personnel with those provided for the rest of the city workforce; 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.

Sponsors: Stephanie President Rawlings-Blake, Helen L. Holton, President Young, Nicholas C. D'Adamo, Mary Pat Clarke, Edward Reisinger, Rochelle Spector, Belinda Conaway

Indexes: Employees Retirement System, Resolution

Code sections:

Attachments: 1. 07-0317R - 1st Reader.pdf, 2. 07-0317R - Adopted.pdf

Date	Ver.	Action By	Action	Result
11/19/2007	0	Taxation and Finance Committee	Recommended Favorably	
11/19/2007	0	City Council	Adopted	
9/24/2007	0	Taxation and Finance Committee	Scheduled for a Public Hearing	
8/16/2007	0	The City Council	Referred for a Report	
8/16/2007	0	The City Council	Referred for a Report	
8/16/2007	0	The City Council	Referred for a Report	
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8/16/2007	0	The City Council	Referred for a Report	
8/13/2007	0	City Council	Assigned	
8/13/2007	0	City Council	Introduced	

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INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL R
(Resolution)

Introduced by: President Rawlings-Blake

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning **Informational Hearing - Retirement Benefit Enhancement**

FOR the purpose of requesting the Executive Director of the Employee's Retirement System to report to the City Council on the feasibility of providing optional benefit improvements to better reflect the City's appreciation of its dedicated workforce; to compare the benefits provided to public safety personnel with those provided for the rest of the city workforce; 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.

Recitals

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

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

While we applaud the contributions of those who 'protect and serve', risking their very lives to keep us safe, we must not under-value the contributions of those who perform physically demanding work, risking life and limb to improve the quality of life for all Baltimoreans. An enhanced retirement benefit package would not only reward and validate their many years of dedicated service but would provide the health coverage needed to insure that they can enjoy an active retirement.

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

The Baltimore City Council has a deep appreciation for the contributions of those in service to local government. It

is not acceptable to ask these employees to contribute a career's worth of service in return for financial security, if that remuneration does not, in fact, bring security.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the Executive Director of the Employee's Retirement System is requested to report to the City Council on the feasibility of providing optional benefit improvements to better reflect the City's appreciation of it's dedicated workforce; 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.

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

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