

493

Bill No. 493 Resolution No. _____

Councilmanic District _____

Introduced by Murphy, Pres. Clarke, D. Adams, Spiker, Ambrose

at the request of Joint Labor Comm. for Fire & Police Pension Reform

Baltimore Fire Fighters Local 734, + Fire Officers Local 904, Balt. City Det.
address Police Department phone number _____

prepared by Leg. Ref.

Bill/Resolution

Referred to	Report Received	Action
<u>City Solicitor</u>	<u>3-19-93</u>	<u>for amendment</u>
<u>Fire & Police Emp. Ret. Sys.</u>	<u>6-1-93</u>	<u>Amend.</u>
<u>Finance / Dr. Finance</u>	<u>6-2-93</u>	<u>Amend.</u>

Reports Journalized on 8-6-7-93 p 1312

Advertised on the following date(s) _____

Paper(s) _____

Property _____

Property Owners _____

READINGS

	Date	Journal Page No.
1st	<u>3-26-93</u>	<u>1066+1067</u>
2nd	<u>for amendment Action 6-14-93</u>	<u>1361-1364</u>
3rd	<u>Passed Action 6-17-93</u>	<u>1399</u>

President Signed 6-17-93 Recalled 9-20-93 + amended

Mayor Signed 9-23-93 Enrolled 3rd Passed 9-20-93 Final Ordinance No. 262 9-1462-1465

REMARKS:

Rescheduled - 6-3-93 - 1:30PM

Hearing notice to: Hearing - 5-20-93 - 1:30PM

Maurice Moody, 1343 Stonewood Rd, 21239

Walter Holtz, 740 Oak Grove Circle, Severn, Md, 21146

TAXATION & FINANCE

Final _____

2nd _____

Date Referral Letters Sent 3-4-93

Referred to Board of Estimates _____

to reduce the growth in future City contributions to the System."

No. 11. On page 5, line 7, strike "July 1, 1993," and insert "the date of enactment,".

No. 12. On page 5, line 8, after "herein." insert "Any benefits payable shall be paid prospectively from the date of enactment."

No. 13. On page 1, line 22, strike "as of"

No. 14. On page 1, line 24, strike "July 1, 1993"

No. 15. On page 1, line 26, strike "as necessary."

No. 16. On page 1, line 28, after "retired" insert "; and to recognize future savings to the City due to little or no pay increase."

No. 17. On page 1, line 32, after "34(K)(2)" insert "34(K)(3)"; strike "34(L)", and insert it after "34(H)(A)".

No. 18. On page 2, line 18, strike "OR IN DETERMINING THE"; strike everything in line 19 up to the period.

No. 19. On page 4, lines 9 and 10, strike "July 1, 1993" and insert "June 30, 1993"

No. 20. On page 4, line 14, strike "CLOSEST TO JULY 1, 1993," and insert "AFTER THE DATE OF ENACTMENT OF ORDINANCE _____ OF 1993,"

No. 21. On page 4, strike lines 24 through 25 and insert:

"NOTWITHSTANDING THE PROVISIONS OF (A) AND (B) ABOVE, \$17.5 MILLION ID OF FUND TRANSFERRED TO THE PENSION FUND TO BE PAID BY _____ OF 1993. THE TOTAL \$17.5 MILLION THE SYSTEM'S UNFUNDED LIABILITY WITH INTEREST AS A CREDIT TO REDUCE THE CITY'S CONTRIBUTION BY \$4.5 MILLION FOR FISCAL YEAR 1993 AND AT A REDUCED IN THE FIFTH YEAR.

THE PROVISIONS OF (D) AND (E) SHALL REMAIN IN EFFECT AFTER THE CHANGES MADE HEREIN (F).

No. 22. On page 4, strike lines 26 through 27 and insert:

"SECTION 1 AND 2 OF THE FURTHER ORDINANCE, THAT THE CITY ANTICIPATED RETIREMENT SAVINGS DUE TO THE ALLOCATION OF THE JULY 1993 PAY INCREASE AND THE AMOUNT OF THE JULY 1993 PAY INCREASE. THESE SAVINGS SHALL BE APPLIED

ENROLLED COPY

CITY OF BALTIMORE

ORDINANCE NO. 262

(Council Bill No. 493)

1 AN ORDINANCE concerning

2 FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM

3 FOR the purpose of increasing the service retirement allowance
4 from 1.8% to 2.0% for years of service in excess of 20, for
5 any member who retires on or after June 29, 1993; ~~providing~~
6 ~~the special death benefit to certain permanently disabled~~
7 ~~children of members who die on or after July 1, 1993, where~~
8 ~~no surviving spouse is entitled to such benefit;~~ in the case
9 of a retired member receiving maximum benefits, who dies on
10 or after July 1, 1993, providing a 50% survivor benefit to
11 the surviving spouse (to whom the member was married at
12 least one year before retirement or at least ~~three~~ five
13 years before and/or after retirement), or to the deceased
14 member's unmarried child or children up to a certain age, ~~or~~
15 ~~to the deceased member's permanently disabled and unmarried~~
16 ~~child or children until the earlier of death or marriage;~~
17 increasing the current survivors' benefit from 42.5% to 50%
18 as of July 1, 1993 for all beneficiaries entitled to receive
19 the 42.5% benefit as of June 30, 1993; applying the value of
20 any net unallocated interest surplus as of June 30, 1992, to
21 offset the cost of the Ordinance as it applies to active
22 members; reducing the members' contribution from 7% of
23 regular compensation to 2% 6% of regular compensation ~~as of~~
24 ~~July 1, 1993;~~ and applying the value of the Contingency
25 Reserve actuarial surplus in the Paid Up Benefit Fund as of
26 June 30, 1992 1993, as necessary to fund the increase in
27 survivor's benefits for those presently retired and
28 beneficiaries of those previously retired; and to recognize
29 future savings to the City due to little or no pay
30 increases.

31
32 BY repealing and reordaining with amendments

33 Article 22 - Retirement Systems

34 Subtitle - Fire and Police Employees

35 Section ~~34(b)(4), 34(i)(3), 34(k), 36(h)~~ 35(b)

36 Baltimore City Code (1983 Replacement Volume, as amended)

37
38 BY adding

39 Article 22 - Retirement Systems

40 Subtitle - Fire and Police Employees

41 Section ~~36(A)(f) 34(b)(4), 34(k)(5), 34(k)(6), 36A(f),~~
42 36(h)(4), 36A(f)

43 Baltimore City Code (1983 Replacement Volume, as amended)

EXPLANATION: CAPITALS INDICATE ADDED TO EXISTING LAW.
[BRACKETS] indicate matter deleted from existing law.
Underlining indicates amendment to bill.

~~Strike-out~~ indicates matter stricken from the bill by
amendment or deleted from the law by amendment.

1 SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF
2 BALTIMORE, That Section(s) of the Baltimore City Code (1983
3 Replacement Volume, as amended) be added, repealed, or amended,
4 to read as follows:

5 ARTICLE 22 - RETIREMENT SYSTEMS

6 Fire and Police Employees

7 34. Benefits.

8 (b) Allowance on service retirement. Upon retirement from
9 service a member shall receive a retirement allowance as follows:

10 (4) FOR ANY MEMBER WHO RETIRES ON OR AFTER JUNE 29,
11 1993, THE SERVICE RETIREMENT ALLOWANCE SHALL CONSIST OF:

12 (A) AN ANNUITY WHICH SHALL BE THE ACTUARIAL
13 EQUIVALENT OF HIS ACCUMULATED CONTRIBUTIONS AT THE TIME OF HIS
14 RETIREMENT.

15 (B) A PENSION, WHICH TOGETHER WITH HIS ANNUITY
16 SHALL BE EQUAL TO 2.5% OF HIS AVERAGE FINAL COMPENSATION FOR EACH
17 YEAR OF THE FIRST TWENTY (20) YEARS OF SERVICE, PLUS 2% OF HIS
18 AVERAGE FINAL COMPENSATION FOR EACH YEAR OF SERVICE THEREAFTER.

19 (C) THE ADDITIONAL ANNUITY PROVIDED AS A RESULT OF
20 VOLUNTARY CONTRIBUTIONS PERMITTED UNDER SECTION ~~34~~ 36(B)(4) SHALL
21 BE PAYABLE AND SHALL NOT BE USED IN DETERMINING THE PENSION
22 PAYABLE UNDER SECTION 34(B)~~(3)~~ (4)(B) ~~OR IN DETERMINING THE~~
23 ~~DISABILITY PENSION UNDER SECTION 34(D)(2)~~.

24 (5)[4] Provided further, however, that members and
25 beneficiaries of members who retired before July 1, 1988, and any
26 surviving beneficiary of a member who began receiving benefits
27 before July 1, 1988, shall receive a 2% increase in periodic
28 benefits as of January 1, 1992.

29 (i) Special Death Benefit. Upon receipt of proper proof of
30 the death of a member in service arising out of and in the course
31 of the actual performance of duty, without willful negligence on
32 his part, and upon determination by the hearing examiner as
33 provided for in Section 33(1) that such death so occurred, there
34 shall be paid:

35 (3) If there be no such widow, or if the widow dies or
36 remarries before the youngest unmarried child of said deceased
37 member shall have either attained the age of eighteen (18) years
38 or, in the event said child is a full-time student, until he
39 shall have attained the age of twenty-two (22) years, then to
40 such child or children, divided in such manner as the Board of
41 Trustees in its discretion shall determine, to continue for the
42 benefit of such child or children until the last child marries,
43 dies or either attains the age of eighteen (18) years, or in the
44 event he is a full-time student attains the age of twenty-two
45 ~~(22) years [; or]. EFFECTIVE AS OF JULY 1, 1993, IF THERE BE NO~~

1 ~~SUCH WIDOW, OR IF THE WIDOW DIES OF REMARRIES, AND ANY UNMARRIED~~
2 ~~CHILD OR CHILDREN OF THE DECEASED MEMBER SHALL HAVE BECOME~~
3 ~~PERMANENTLY DISABLED FROM ENGAGING IN ANY SUBSTANTIAL GAINFUL~~
4 ~~EMPLOYMENT PRIOR TO ATTAINING THE AGE OF EIGHTEEN (18) YEARS OR,~~
5 ~~IN THE EVENT ANY SUCH CHILD IS A FULL-TIME STUDENT, BEFORE HE~~
6 ~~ATTAINED THE AGE OF TWENTY-TWO (22) YEARS, THEN TO SUCH CHILD OR~~
7 ~~CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF TRUSTEES IN ITS~~
8 ~~DISCRETION SHALL DETERMINE, TO CONTINUE FOR THE BENEFIT OF SUCH~~
9 ~~PERMANENTLY DISABLED CHILD OR CHILDREN UNTIL THE LAST SUCH CHILD~~
10 ~~MARRIES OR DIES; PROVIDED, HOWEVER, THAT THE EXISTENCE OF MENTAL~~
11 ~~OR PHYSICAL INCAPACITY RESULTING IN PERMANENT DISABILITY SHALL BE~~
12 ~~DETERMINED BY THE BOARD OF TRUSTEES UNDER PRINCIPLES CONSISTENT~~
13 ~~WITH SUBSECTIONS 34(C) AND (G); OR (22) YEARS; OR~~

14 (k) Optional allowances.

15 (5) EFFECTIVE AS OF JULY 1, 1993, AND ~~SUBJECT TO THE~~
16 ~~PROVISIONS OF (A), (B), (C), (D), (E) AND (F) OF PARAGRAPH 3~~
17 ~~ABOVE,~~ IN THE EVENT THAT A MEMBER WHO RETIRES AND ELECTS TO
18 RECEIVE MAXIMUM BENEFITS WITHOUT OPTIONAL MODIFICATION LATER DIES
19 AND IS SURVIVED BY A SPOUSE TO WHOM THE MEMBER HAD BEEN MARRIED
20 FOR AT LEAST ONE (1) YEAR IMMEDIATELY PRIOR TO RETIREMENT OR AT
21 LEAST ~~THREE (3)~~ FIVE (5) YEARS PRIOR AND/OR SUBSEQUENT TO
22 RETIREMENT, AN AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID MEMBER
23 WAS RECEIVING SHALL BE PAID TO SUCH SURVIVING SPOUSE TO CONTINUE
24 AS LONG AS HE OR SHE REMAINS UNMARRIED. IF THERE BE NO SUCH
25 SPOUSE OF IF THE SPOUSE DIES OR REMARRIES BEFORE THE YOUNGEST
26 UNMARRIED CHILD OF SAID DECEASED MEMBER SHALL HAVE EITHER
27 ATTAINED THE AGE OF EIGHTEEN (18) YEARS, OR, IN THE EVENT SAID
28 CHILD IS A FULL-TIME STUDENT, BEFORE HE SHALL HAVE ATTAINED THE
29 AGE OF TWENTY-TWO (22) YEARS, THEN AN AMOUNT EQUAL TO 50% OF THE
30 ALLOWANCE SAID MEMBER WAS RECEIVING SHALL BE PAID TO SUCH CHILD
31 OR CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF TRUSTEES IN
32 ITS DISCRETION SHALL DETERMINE TO CONTINUE FOR THE BENEFIT OF
33 SUCH CHILD OF CHILDREN UNTIL THE LAST CHILD MARRIES, DIES OR
34 EITHER ATTAINS THE AGE OF EIGHTEEN (18) YEARS OR IN THE EVENT HE
35 IS A FULL-TIME STUDENT, ATTAINS THE AGE OF TWENTY-TWO (22) YEARS.
36 ~~IF THERE BE NO SUCH WIDOW, OR IF THE WIDOW DIES OF REMARRIES, AND~~
37 ~~ANY UNMARRIED CHILD OR CHILDREN OF THE DECEASED MEMBER SHALL HAVE~~
38 ~~BECOME PERMANENTLY DISABLED FROM ENGAGING IN ANY SUBSTANTIAL~~
39 ~~GAINFUL EMPLOYMENT PRIOR TO ATTAINING THE AGE OF EIGHTEEN (18)~~
40 ~~YEARS OR, IN THE EVENT ANY SUCH CHILD IS A FULL-TIME STUDENT,~~
41 ~~BEFORE HE ATTAINED THE AGE OF TWENTY-TWO (22) YEARS, THEN AN~~
42 ~~AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID MEMBER WAS RECEIVING~~
43 ~~SHALL BE PAID TO SUCH CHILD OR CHILDREN, DIVIDED IN SUCH MANNER AS~~
44 ~~THE BOARD OF TRUSTEES IN ITS DISCRETION SHALL DETERMINE, TO~~
45 ~~CONTINUE FOR THE BENEFIT OF SUCH PERMANENTLY DISABLED CHILD OR~~
46 ~~CHILDREN UNTIL THE LAST SUCH CHILD MARRIES OR DIES; PROVIDED,~~
47 ~~HOWEVER, THAT THE EXISTENCE OF MENTAL OR PHYSICAL INCAPACITY~~
48 ~~RESULTING IN PERMANENT DISABILITY SHALL BE DETERMINED BY THE~~
49 ~~BOARD OF TRUSTEES UNDER PRINCIPLES CONSISTENT WITH SUBSECTIONS~~
50 ~~34(C) AND (G) THE SURVIVING SPOUSE BENEFIT PROVIDED UNDER THIS~~
51 ~~PARAGRAPH IS EFFECTIVE AS OF JULY 1, 1993, AND IS NOT PAYABLE TO~~
52 ~~THE SURVIVING SPOUSE OF A MEMBER WHO DIED BEFORE JULY 1, 1993,~~
53 ~~WHERE SUCH SPOUSE WAS NOT PREVIOUSLY ENTITLED TO A SURVIVING~~
54 ~~SPOUSE BENEFIT.~~

1 (6) EFFECTIVE AS OF JULY 1, 1993, ANY BENEFICIARY
2 RECEIVING OR THEREAFTER ELIGIBLE TO RECEIVE THE 42.5% SURVIVOR'S
3 BENEFIT UNDER SUBSECTION (K) (4) SHALL RECEIVE 50% OF THE MEMBER'S
4 ALLOWANCE, IN LIEU OF THE 42.5% PREVIOUSLY PROVIDED UNDER
5 SUBSECTION (K) (4). ANY SUCH INCREASED RATE SHALL BE EFFECTIVE
6 BEGINNING JULY 1, 1993 OR FROM THE DATE OF ELIGIBILITY, WHICHEVER
7 OCCURS LATER.

8 35. Management of funds.

9 (b) Interest.

10 ANY NET UNALLOCATED INTEREST SURPLUS AS OF JUNE 30,
11 1992, SHALL BE APPLIED AS OF JULY 1, 1993, AND AMORTIZED OVER
12 TWENTY (20) YEARS TO OFFSET THE COST OF ORDINANCE NO. _____, AS
13 IT APPLIES TO MEMBERS IN ACTIVE SERVICE ON AND AFTER JULY 1, 1993
14 JUNE 30, 1992.

15 36. Method of financing.

16 (h) Percent of compensation contributable.

17 (4) EFFECTIVE WITH THE FIRST FULL PAYROLL PERIOD
18 COMMENCING CLOSEST TO JULY 1, 1993, AFTER THE DATE OF ENACTMENT
19 OF ORDINANCE NO. _____ OF 1993, EACH MEMBER WHO WOULD OTHERWISE
20 CONTRIBUTE SEVEN PERCENT (7%) OF HIS REGULAR COMPENSATION
21 ACCORDING TO PARAGRAPH (1) ABOVE SHALL INSTEAD CONTRIBUTE TWO
22 PERCENT (2%) SIX PERCENT (6%) OF HIS REGULAR COMPENSATION, SUCH
23 CONTRIBUTION TO CONTINUE THROUGHOUT SUCH MEMBER'S REMAINING
24 PERIOD OF SERVICE.

25 36A. Post retirement benefit increases to certain retirees and
26 beneficiaries.

27 (F) CONTINGENCY RESERVE PAID UP BENEFIT FUND TO
28 PROVIDE INCREASE IN WIDOW'S AND CHILDREN'S BENEFIT.

29 NOTWITHSTANDING THE PROVISIONS OF (D) AND (E)
30 ABOVE, THE VALUE OF THE CONTINGENCY RESERVE ACTUARIAL SURPLUS IN
31 THE PAID UP BENEFIT FUND AS OF JUNE 30, 1992 1993 SHALL BE
32 APPLIED EFFECTIVE AS OF JULY 1, 1993, TO THE EXTENT ACTUARIALLY
33 NECESSARY TO PROVIDE THE INCREASE IN SURVIVING SPOUSE AND
34 CHILDREN'S BENEFITS WITH RESPECT TO MEMBERS WHO ARE PRESENTLY
35 RETIRED AND BENEFICIARIES OF MEMBERS WHO PREVIOUSLY RETIRED, AS
36 REQUIRED BY ORDINANCE NO. _____. EXCEPT FOR THE APPLICATION OF
37 SUCH CONTINGENCY RESERVE PAID UP BENEFIT FUND VALUE AS OF JUNE
38 30, 1992 1993, THE OPERATION OF THE CONTINGENCY RESERVE PAID UP
39 BENEFIT FUND PURSUANT TO (D) AND (E) ABOVE SHALL NOT OTHERWISE BE
40 AFFECTED BY ORDINANCE NO. _____.

41 NOTWITHSTANDING THE PROVISIONS OF (D) AND (E) ABOVE, \$17.2
42 MILLION FROM THE PAID UP BENEFIT FUND SHALL BE TRANSFERRED TO THE
43 PENSION RESERVE FUND EFFECTIVE JUNE 30, 1993. THE PURPOSE OF THE
44 TRANSFER IS TO PARTIALLY FUND THE BENEFIT IMPROVEMENTS MADE BY
45 THIS ORDINANCE NO. _____ OF 1993. THE TOTAL \$17.2 MILLION
46 TRANSFER SHALL REDUCE THE SYSTEM'S UNFUNDED LIABILITY AND SHALL

1 BE AMORTIZED WITH INTEREST AS A CREDIT TO REDUCE THE CITY'S
2 CONTRIBUTION BY \$4.5 MILLION FOR FOUR YEARS (BEGINNING IN FISCAL
3 YEAR 1995) AND AT A REDUCED LEVEL DOLLAR CREDIT IN THE FIFTH
4 YEAR.

5 THE PROVISIONS OF (D) AND (E) ABOVE SHALL REMAIN IN EFFECT
6 EVEN AFTER THE CHANGES DESCRIBED HERE IN (F).

7 SEC. 2. AND BE IT FURTHER ORDAINED, That the June 30, 1993
8 actuarial valuation of the Fire and Police Employees' Retirement
9 System shall determine the effect on the annual contribution
10 level of the elimination of the salary increase, which was
11 negotiated with the labor organizations representing the
12 membership of the Fire and Police Employees' Retirement System as
13 of July 1, 1992, as approved by the Board of Estimates. The
14 effect on the City's annual contribution level shall be used to
15 the extent necessary to fund benefits for active members under
16 this ordinance.

17 SEC. 2 AND BE IT FURTHER ORDAINED, That the City anticipates
18 retirement savings due to the elimination of the July 1992 pay
19 increase and the amount of the July 1993 pay increase. These
20 savings shall be applied to reduce the growth in future City
21 contributions to the System.

22 SEC. 3. AND BE IT FURTHER ORDAINED, That if any section or
23 part of any section of this ordinance is declared to be
24 unconstitutional, or otherwise illegal, the remainder of this
25 ordinance shall not thereby be invalidated.

26
27 SEC. 2 4. AND BE IT FURTHER ORDAINED, That this ordinance
28 shall take effect as of July 1, 1993, the date of enactment,
29 except as otherwise specifically required herein. Any benefits
30 payable shall be paid prospectively from the date of enactment.

Certified as duly passed this SEP 20 1993 day
of _____ 19 _____

(Signed) Mary Pat Clarke

President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,
this SEP 20 1993 day of _____ 19 _____

(Signed) Leonard F. Wright

Chief Clerk

Approved this _____ day of
SEP 23 1993 19 _____

(Signed) Kurt L. Schmoke

Mayor, Baltimore City

A TRUE COPY
WILLIAM R. BROWN, JR.
DIRECTOR OF FINANCE

Drafted by Department of Legislative Reference

Date - September 15, 1993

Amendments to Bill No. 493 - Third Reader Copy

Submitted by _____ Committee on _____ 19__

Signed _____ Chair.

- No. 1. On page 1, line 23, strike "as of".
- No. 2. On page 1, line 24, strike "July 1, 1993".
- No. 3. On page 1, line 26, strike "as necessary".
- No. 4. On page 1, line 28, after "retired" insert "; and to recognize future savings to the City due to little or no pay increases".
- No. 5. On page 1, line 39, after "34(k)(5)" insert "34(k)(6)"; strike "36A(f)," and insert it after "36(h)(4)".
- No. 6. On page 2, line 18, strike "OR IN DETERMINING THE"; strike everything in line 19 up to the period.
- No. 7. On page 4, lines 9 and 10, strike "July 1, 1993" and insert "June 30, 1992".
- No. 8. On page 4, line 14, strike "CLOSEST TO JULY 1, 1993," and insert "AFTER THE DATE OF ENACTMENT OF ORDINANCE NO. _____ OF 1993,".
- No. 9. On page 4, strike lines 24 through 35 and insert:

"NOTWITHSTANDING THE PROVISIONS OF (D) AND (E) ABOVE, \$17.2 MILLION FROM THE PAID UP BENEFIT FUND SHALL BE TRANSFERRED TO THE PENSION RESERVE FUND EFFECTIVE JUNE 30, 1993. THE PURPOSE OF THE TRANSFER IS TO PARTIALLY FUND THE BENEFIT IMPROVEMENTS MADE BY THIS ORDINANCE NO. _____ OF 1993. THE TOTAL \$17.2 MILLION TRANSFER SHALL REDUCE THE SYSTEM'S UNFUNDED LIABILITY AND SHALL BE AMORTIZED WITH INTEREST AS A CREDIT TO REDUCE THE CITY'S CONTRIBUTION BY \$4.5 MILLION FOR FOUR YEARS (BEGINNING IN FISCAL YEAR 1995) AND AT A REDUCED LEVEL DOLLAR CREDIT IN THE FIFTH YEAR.

THE PROVISIONS OF (D) AND (E) ABOVE SHALL REMAIN IN EFFECT EVEN AFTER THE CHANGES DESCRIBED HERE IN (F).

- No. 10. On page 4, strike lines 36 through 45 and insert:
"SEC. 2 AND BE IT FURTHER ORDAINED, That the City anticipates retirement savings due to the elimination of the July 1992 pay increase and the amount of the July 1993 pay increase. These savings shall be applied

ADOPTED

SEP 20 1993

to reduce the growth in future City contributions to the System."

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

No. 11. On page 5, line 7, strike "July 1, 1993," and insert "the date of enactment,".

No. 12. On page 5, line 8, after "herein." insert "Any benefits payable shall be paid prospectively from the date of enactment."

On page 1, line 23, strike "as of."

On page 1, line 24, strike "July 1, 1993."

On page 1, line 26, strike "as necessary."

On page 1, line 28, after "retired" insert "; and to recognize future savings to the City due to the fact that no pay increases."

On page 1, line 29, after "34(A)(2)" insert "35(X)(2)" and strike "35(A)(1)", and insert it after "35(A)(1)".

On page 2, line 18, strike "ON IN DETERMINING THE;" and strike everything in line 19 up to the period.

On page 4, lines 9 and 10, strike "July 1, 1993" and insert "June 30, 1993."

On page 4, line 14, strike "CLOSEST TO JULY 1, 1993" and insert "AFTER THE DATE OF ENACTMENT OF ORDINANCE NO. _____ OF 1993."

On page 4, strike lines 31 through 33 and insert:

NOTWITHSTANDING THE PROVISIONS OF (D) AND (E) ABOVE \$17.2 MILLION FROM THE PAID UP BENEFIT FUND SHALL BE TRANSFERRED TO THE CITY OF CHICAGO TO BE USED TO PAY THE DEBT SERVICE ON THE IMPROVEMENTS MADE BY THIS ORDINANCE. NO. _____ OF 1993. TRANSFER SHALL REDUCE THE CITY'S DEBT SERVICE AND SHALL BE AMORTIZED WITH INTEREST AS A CREDIT TO REDUCE THE CITY'S COST OF BORROWING IN THE FIFTH YEAR. A REDUCED CREDIT IN THE FIFTH YEAR.

THE PROVISIONS OF (D) AND (E) ABOVE SHALL REMAIN IN EFFECT EVEN AFTER THE PROVISIONS DESCRIBED HEREIN (F).

On page 4, strike lines 35 through 45 and insert:

"SEC. 2 AND BE IT FURTHER ORDERED, that the City anticipates retirement savings due to the elimination of the July 1993 pay increase and the amount of the July 1993 pay increase. These savings shall be applied

SEP 20 1993

CITY OF BALTIMORE

ORDINANCE NO.

(Council Bill No. 493)

1 AN ORDINANCE concerning

2 FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM

3 FOR the purpose of increasing the service retirement allowance
4 from 1.8% to 2.0% for years of service in excess of 20, for
5 any member who retires on or after June 29, 1993; ~~providing~~
6 ~~the special death benefit to certain permanently disabled~~
7 ~~children of members who die on or after July 1, 1993, where~~
8 ~~no surviving spouse is entitled to such benefit;~~ in the case
9 of a retired member receiving maximum benefits, who dies on
10 or after July 1, 1993, providing a 50% survivor benefit to
11 the surviving spouse (to whom the member was married at
12 least one year before retirement or at least ~~three~~ five
13 years before and/or after retirement), or to the deceased
14 member's unmarried child or children up to a certain age, ~~or~~
15 ~~to the deceased member's permanently disabled and unmarried~~
16 ~~child or children until the earlier of death or marriage;~~
17 increasing the current survivors' benefit from 42.5% to 50%
18 as of July 1, 1993 for all beneficiaries entitled to receive
19 the 42.5% benefit as of June 30, 1993; applying the value of
20 any net unallocated interest surplus as of June 30, 1992, to
21 offset the cost of the Ordinance as it applies to active
22 members; reducing the members' contribution from 7% of
23 regular compensation to ~~2%~~ 6% of regular compensation as of
24 July 1, 1993; and applying the value of the ~~Contingency~~
25 ~~Reserve~~ actuarial surplus in the Paid Up Benefit Fund as of
26 June 30, ~~1992~~ 1993, as necessary to fund the increase in
27 survivor's benefits for those presently retired and
28 beneficiaries of those previously retired.

29
30 BY repealing and reordaining with amendments

31 Article 22 - Retirement Systems

32 Subtitle - Fire and Police Employees

33 Section ~~34(b)(4)~~, ~~34(i)(3)~~, ~~34(k)~~, ~~36(h)~~ 35(b)

34 Baltimore City Code (1983 Replacement Volume, as amended)

35
36 BY adding

37 Article 22 - Retirement Systems

38 Subtitle - Fire and Police Employees

39 Section ~~36(A)(f)~~ 34(b)(4), 34(k)(5), 36A(f), 36(h)(4)

40 Baltimore City Code (1983 Replacement Volume, as amended)

41 SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF
42 BALTIMORE, That Section(s) of the Baltimore City Code (1983
43 Replacement Volume, as amended) be added, repealed, or amended,
44 to read as follows:

EXPLANATION: CAPITALS INDICATE ADDED TO EXISTING LAW.

[BRACKETS] indicate matter deleted from existing law.

Underlining indicates amendment to bill.

~~Strike-out~~ indicates matter stricken from the bill by
amendment or deleted from the law by amendment.

ARTICLE 22 - RETIREMENT SYSTEMS

Fire and Police Employees

34. Benefits.

(b) Allowance on service retirement. Upon retirement from service a member shall receive a retirement allowance as follows:

(4) FOR ANY MEMBER WHO RETIRES ON OR AFTER JUNE 29, 1993, THE SERVICE RETIREMENT ALLOWANCE SHALL CONSIST OF:

(A) AN ANNUITY WHICH SHALL BE THE ACTUARIAL EQUIVALENT OF HIS ACCUMULATED CONTRIBUTIONS AT THE TIME OF HIS RETIREMENT.

(B) A PENSION, WHICH TOGETHER WITH HIS ANNUITY SHALL BE EQUAL TO 2.5% OF HIS AVERAGE FINAL COMPENSATION FOR EACH YEAR OF THE FIRST TWENTY (20) YEARS OF SERVICE, PLUS 2% OF HIS AVERAGE FINAL COMPENSATION FOR EACH YEAR OF SERVICE THEREAFTER.

(C) THE ADDITIONAL ANNUITY PROVIDED AS A RESULT OF VOLUNTARY CONTRIBUTIONS PERMITTED UNDER SECTION ~~34~~ 36(B)(4) SHALL BE PAYABLE AND SHALL NOT BE USED IN DETERMINING THE PENSION PAYABLE UNDER SECTION 34(B) ~~(3)~~ (4)(B) OR IN DETERMINING THE DISABILITY PENSION UNDER SECTION 34(D)(2).

(5)[4] Provided further, however, that members and beneficiaries of members who retired before July 1, 1988, and any surviving beneficiary of a member who began receiving benefits before July 1, 1988, shall receive a 2% increase in periodic benefits as of January 1, 1992.

(i) Special Death Benefit. Upon receipt of proper proof of the death of a member in service arising out of and in the course of the actual performance of duty, without willful negligence on his part, and upon determination by the hearing examiner as provided for in Section 33(1) that such death so occurred, there shall be paid:

(3) If there be no such widow, or if the widow dies or remarries before the youngest unmarried child of said deceased member shall have either attained the age of eighteen (18) years or, in the event said child is a full-time student, until he shall have attained the age of twenty-two (22) years, then to such child or children, divided in such manner as the Board of Trustees in its discretion shall determine, to continue for the benefit of such child or children until the last child marries, dies or either attains the age of eighteen (18) years, or in the event he is a full-time student attains the age of twenty-two ~~(22) years [; or].~~ ~~EFFECTIVE AS OF JULY 1, 1993, IF THERE BE NO SUCH WIDOW, OR IF THE WIDOW DIES OR REMARRIES, AND ANY UNMARRIED CHILD OR CHILDREN OF THE DECEASED MEMBER SHALL HAVE BECOME PERMANENTLY DISABLED FROM ENGAGING IN ANY SUBSTANTIAL GAINFUL EMPLOYMENT PRIOR TO ATTAINING THE AGE OF EIGHTEEN (18) YEARS OR, IN THE EVENT ANY SUCH CHILD IS A FULL-TIME STUDENT, BEFORE HE~~

1 ~~ATTAINED THE AGE OF TWENTY-TWO (22) YEARS, THEN TO SUCH CHILD OR~~
2 ~~CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF TRUSTEES IN ITS~~
3 ~~DISCRETION SHALL DETERMINE, TO CONTINUE FOR THE BENEFIT OF SUCH~~
4 ~~PERMANENTLY DISABLED CHILD OR CHILDREN UNTIL THE LAST SUCH CHILD~~
5 ~~MARRIES OR DIES; PROVIDED, HOWEVER, THAT THE EXISTENCE OF MENTAL~~
6 ~~OR PHYSICAL INCAPACITY RESULTING IN PERMANENT DISABILITY SHALL BE~~
7 ~~DETERMINED BY THE BOARD OF TRUSTEES UNDER PRINCIPLES CONSISTENT~~
8 ~~WITH SUBSECTIONS 34(C) AND (G); OR (22) YEARS; OR~~

9 (k) Optional allowances.

10 (5) ~~EFFECTIVE AS OF JULY 1, 1993, AND SUBJECT TO THE~~
11 ~~PROVISIONS OF (A), (B), (C), (D), (E) AND (F) OF PARAGRAPH 3~~
12 ~~ABOVE, IN THE EVENT THAT A MEMBER WHO RETIRES AND ELECTS TO~~
13 ~~RECEIVE MAXIMUM BENEFITS WITHOUT OPTIONAL MODIFICATION LATER DIES~~
14 ~~AND IS SURVIVED BY A SPOUSE TO WHOM THE MEMBER HAD BEEN MARRIED~~
15 ~~FOR AT LEAST ONE (1) YEAR IMMEDIATELY PRIOR TO RETIREMENT OR AT~~
16 ~~LEAST THREE (3) FIVE (5) YEARS PRIOR AND/OR SUBSEQUENT TO~~
17 ~~RETIREMENT, AN AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID MEMBER~~
18 ~~WAS RECEIVING SHALL BE PAID TO SUCH SURVIVING SPOUSE TO CONTINUE~~
19 ~~AS LONG AS HE OR SHE REMAINS UNMARRIED. IF THERE BE NO SUCH~~
20 ~~SPOUSE OF IF THE SPOUSE DIES OR REMARRIES BEFORE THE YOUNGEST~~
21 ~~UNMARRIED CHILD OF SAID DECEASED MEMBER SHALL HAVE EITHER~~
22 ~~ATTAINED THE AGE OF EIGHTEEN (18) YEARS, OR, IN THE EVENT SAID~~
23 ~~CHILD IS A FULL-TIME STUDENT, BEFORE HE SHALL HAVE ATTAINED THE~~
24 ~~AGE OF TWENTY-TWO (22) YEARS, THEN AN AMOUNT EQUAL TO 50% OF THE~~
25 ~~ALLOWANCE SAID MEMBER WAS RECEIVING SHALL BE PAID TO SUCH CHILD~~
26 ~~OR CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF TRUSTEES IN~~
27 ~~ITS DISCRETION SHALL DETERMINE TO CONTINUE FOR THE BENEFIT OF~~
28 ~~SUCH CHILD OF CHILDREN UNTIL THE LAST CHILD MARRIES, DIES OR~~
29 ~~EITHER ATTAINS THE AGE OF EIGHTEEN (18) YEARS OR IN THE EVENT HE~~
30 ~~IS A FULL-TIME STUDENT, ATTAINS THE AGE OF TWENTY-TWO (22) YEARS.~~
31 ~~IF THERE BE NO SUCH WIDOW, OR IF THE WIDOW DIES OF REMARRIES, AND~~
32 ~~ANY UNMARRIED CHILD OR CHILDREN OF THE DECEASED MEMBER SHALL HAVE~~
33 ~~BECOME PERMANENTLY DISABLED FROM ENGAGING IN ANY SUBSTANTIAL~~
34 ~~GAINFUL EMPLOYMENT PRIOR TO ATTAINING THE AGE OF EIGHTEEN (18)~~
35 ~~YEARS OR, IN THE EVENT ANY SUCH CHILD IS A FULL-TIME STUDENT,~~
36 ~~BEFORE HE ATTAINED THE AGE OF TWENTY-TWO (22) YEARS, THEN AN~~
37 ~~AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID MEMBER WAS RECEIVING~~
38 ~~SHALL BE PAID TO SUCH CHILD OR CHILDREN, DIVIDED IN SUCH MANNER AS~~
39 ~~THE BOARD OF TRUSTEES IN ITS DISCRETION SHALL DETERMINE, TO~~
40 ~~CONTINUE FOR THE BENEFIT OF SUCH PERMANENTLY DISABLED CHILD OR~~
41 ~~CHILDREN UNTIL THE LAST SUCH CHILD MARRIES OR DIES; PROVIDED,~~
42 ~~HOWEVER, THAT THE EXISTENCE OF MENTAL OR PHYSICAL INCAPACITY~~
43 ~~RESULTING IN PERMANENT DISABILITY SHALL BE DETERMINED BY THE~~
44 ~~BOARD OF TRUSTEES UNDER PRINCIPLES CONSISTENT WITH SUBSECTIONS~~
45 ~~34(C) AND (G) THE SURVIVING SPOUSE BENEFIT PROVIDED UNDER THIS~~
46 ~~PARAGRAPH IS EFFECTIVE AS OF JULY 1, 1993, AND IS NOT PAYABLE TO~~
47 ~~THE SURVIVING SPOUSE OF A MEMBER WHO DIED BEFORE JULY 1, 1993,~~
48 ~~WHERE SUCH SPOUSE WAS NOT PREVIOUSLY ENTITLED TO A SURVIVING~~
49 ~~SPOUSE BENEFIT.~~

50 (6) EFFECTIVE AS OF JULY 1, 1993, ANY BENEFICIARY
51 RECEIVING OR THEREAFTER ELIGIBLE TO RECEIVE THE 42.5% SURVIVOR'S
52 BENEFIT UNDER SUBSECTION (k) (4) SHALL RECEIVE 50% OF THE MEMBER'S
53 ALLOWANCE, IN LIEU OF THE 42.5% PREVIOUSLY PROVIDED UNDER

1 SUBSECTION (K)(4). ANY SUCH INCREASED RATE SHALL BE EFFECTIVE
2 BEGINNING JULY 1, 1993 OR FROM THE DATE OF ELIGIBILITY, WHICHEVER
3 OCCURS LATER.

4 35. Management of funds.

5 (b Interest.

6 ANY NET UNALLOCATED INTEREST SURPLUS AS OF JUNE 30,
7 1992, SHALL BE APPLIED AS OF JULY 1, 1993, AND AMORTIZED OVER
8 TWENTY (20) YEARS TO OFFSET THE COST OF ORDINANCE NO. _____, AS
9 IT APPLIES TO MEMBERS IN ACTIVE SERVICE ON AND AFTER JULY 1,
10 1993.

11 36. Method of financing.

12 (h) Percent of compensation C.

13 (4) EFFECTIVE WITH THE FIRST FULL PAYROLL PERIOD
14 COMMENCING CLOSEST TO JULY 1, 1993, EACH MEMBER WHO WOULD
15 OTHERWISE CONTRIBUTE SEVEN PERCENT (7%) OF HIS REGULAR
16 COMPENSATION ACCORDING TO PARAGRAPH (1) ABOVE SHALL INSTEAD
17 CONTRIBUTE ~~TWO PERCENT (2%)~~ SIX PERCENT (6%) OF HIS REGULAR
18 COMPENSATION, SUCH CONTRIBUTION TO CONTINUE THROUGHOUT SUCH
19 MEMBER'S REMAINING PERIOD OF SERVICE.

20 36A. Post retirement benefit increases to certain retirees and
21 beneficiaries.

22 (F) ~~CONTINGENCY RESERVE PAID UP BENEFIT~~ FUND TO
23 PROVIDE INCREASE IN WIDOW'S AND CHILDREN'S BENEFIT.

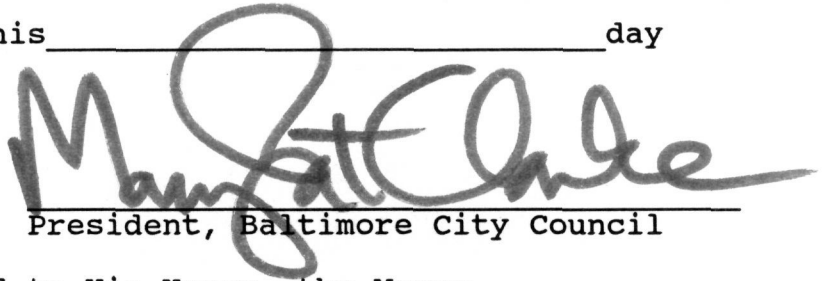
24 NOTWITHSTANDING THE PROVISIONS OF (D) AND (E)
25 ABOVE, THE VALUE OF THE ~~CONTINGENCY RESERVE~~ ACTUARIAL SURPLUS IN
26 THE PAID UP BENEFIT FUND AS OF JUNE 30, 1992 1993 SHALL BE
27 APPLIED EFFECTIVE AS OF JULY 1, 1993, TO THE EXTENT ACTUARIALLY
28 NECESSARY TO PROVIDE THE INCREASE IN SURVIVING SPOUSE AND
29 CHILDREN'S BENEFITS WITH RESPECT TO MEMBERS WHO ARE PRESENTLY
30 RETIRED AND BENEFICIARIES OF MEMBERS WHO PREVIOUSLY RETIRED, AS
31 REQUIRED BY ORDINANCE NO. _____. EXCEPT FOR THE APPLICATION OF
32 SUCH ~~CONTINGENCY RESERVE~~ PAID UP BENEFIT FUND VALUE AS OF JUNE
33 30, 1992 1993, THE OPERATION OF THE ~~CONTINGENCY RESERVE~~ PAID UP
34 BENEFIT FUND PURSUANT TO (D) AND (E) ABOVE SHALL NOT OTHERWISE BE
35 AFFECTED BY ORDINANCE NO. _____.

36 SEC. 2. AND BE IT FURTHER ORDAINED, That the June 30, 1993
37 actuarial valuation of the Fire and Police Employees' Retirement
38 System shall determine the effect on the annual contribution
39 level of the elimination of the salary increase, which was
40 negotiated with the labor organizations representing the
41 membership of the Fire and Police Employees' Retirement System as
42 of July 1, 1992, as approved by the Board of Estimates. The
43 effect on the City's annual contribution level shall be used to
44 the extent necessary to fund benefits for active members under
45 this ordinance.

1 SEC. 3. AND BE IT FURTHER ORDAINED, That if any section or
2 part of any section of this ordinance is declared to be
3 unconstitutional, or otherwise illegal, the remainder of this
4 ordinance shall not thereby be invalidated.
5

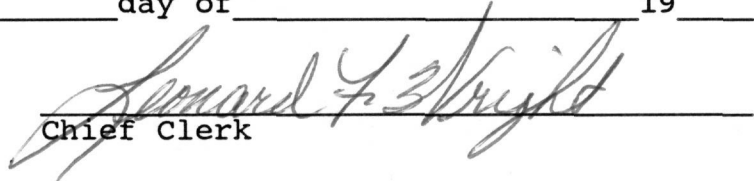
6 SEC. 2 4. AND BE IT FURTHER ORDAINED, That this ordinance
7 shall take effect as of July 1, 1993, except as otherwise
8 specifically required herein.

Certified as duly passed this _____ day
of JUN 17 1993 19____



President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,
this JUN 18 1993 day of _____ 19____



Chief Clerk

Approved this _____ day of _____
_____ 19____

Mayor, Baltimore City

FROM

NAME & TITLE

Ernest J. Glinka, Administrator

AGENCY NAME & ADDRESS

RETIREMENT SYSTEMS - Room 640 City Hall

SUBJECT

City Council Bill No. 493

CITY of
BALTIMORE

MEMO



DATE: June 1, 1993

TO

President and Members of the City Council
c/o Lorraine Laszczynski, Executive Secretary
Baltimore City Council
Room 409 City Hall

The Board of Trustees of the Fire and Police Employees' Retirement System at its meeting of May 27, 1993, reviewed City Council Bill No. 493 and the reports of its staff and the Actuary, William M. Mercer, Inc. These reports outline the problem areas and cost of this bill. The Board instructed the Administrator to forward these reports to the City Council.

If you have any questions, please do not hesitate to contact me on 6-4740.

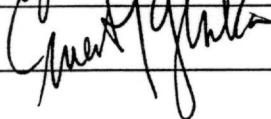

Ernest J. Glinka

EJG/pt

Enclosures:

- May 20, 1993, Memo from the Administrator to the Fire & Police Board
- April 14, 1993, Letter from William M. Mercer, Inc. to the Administrator
- May 24, 1993, Letter from William M. Mercer, Inc. to the Administrator
- March 19, 1993, Memo from the Law Dept. to the City Council

*Rec. 6-1-93
L.L.*

FROM	NAME & TITLE	Ernest J. Glinka, Administrator 
	AGENCY NAME & ADDRESS	RETIREMENT SYSTEMS - Room 640 City Hall
	SUBJECT	City Council Bill 493

CITY of
BALTIMORE
MEMO



TO

DATE: May 20, 1993

Honorable Members of the Board of Trustees:
Fire & Police Employees' Retirement System

Recommendation:

The Board respond to the City Council that City Council Bill 493 is administratively unworkable because it contains vague and unclear language, re: benefits and beneficiaries, and presents a fundamentally and legally unsound method of financing retirement benefits.

Explanation:

The bill contains substantially 5 new benefit proposals and a method to finance some of the proposals.

Benefit #1 is to increase the accrual rate after 20 years by 11% by increasing the accrual rate from 1.8% to 2.0%. With the technical amendments proposed, this part of the bill is administratively workable.

Benefit #2 is to add a new class of beneficiaries, a class of persons known as "...any unmarried child or children of the deceased member...permanently disabled from engaging in any substantial or gainful employment prior to the attaining the age of 18..." This benefit is not administratively workable because of a number of reasons; such as, no definition of the class of beneficiary, no definition of the qualifications necessary to award the benefit, no definition of qualifications necessary to continue to receive the benefit, no definition of the conditions necessary to lose the benefit, no definition of conditions necessary to re-instate the benefit, and proposes using the Board of Trustees to make the determinations necessary under this benefit rather than the Panel of Hearing Examiners. The cost of City health care, prescription plan and any other benefits that may accrue to these beneficiaries are in addition to the retirement cost, can be substantial and have not been included.

Benefit #3 is to increase the surviving spousal benefit for maximum benefits by 18%, by increasing the spousal benefit from 42 1/2% to 50% of the allowance that the retiree was receiving. This proposal is administratively workable.

Benefit #4 is to add a new class of beneficiaries known as the "surviving spouse after retirement". Currently, the surviving spouse after retirement can never be a beneficiary of a retiree under the maximum allowance. This proposal provides for a benefit to a surviving spouse after retirement provided the marriage was for at least 3 years. While this benefit is administratively workable, the Trustees should be aware that such a low threshold of 3 years of marriage to receive a substantially lifetime benefit, can be subject to abuse. For example, the survivor's benefits could be used as an inducement for care in a person's later life. There could be substantial age differences between the retiree and this new class of beneficiary. This factor has not been considered in the Actuary's costing of this benefit and may understate significantly the cost. The cost of City health care, prescription plan and any other benefits that may accrue to spousal beneficiaries are in addition to the retirement cost, can be substantial and have not been included.

Benefit #5 proposes a significant reduction (over 70%) in the member contribution rate by reducing said rate from 7% to 2%. This benefit is administratively workable. The Trustees may want to consider and/or comment on this reversal in contribution policy because the current 7% contribution rate was by request of the members to pay for part of the cost of recently passed benefits. The new 2% rate would be the lowest rate for F&P members in the history of the F&P System and would match the "old" F&P 2% retirement plans that were closed to new members in 1947 because of the excessive costs of the benefits provided by the old plans.

Funding Proposal:

Benefit Improvement #'s 3 and 4 are to be funded by taking designated reserves of the Contingency Reserve Fund to pay for said benefits. This proposal is both fundamentally and legally unsound because it removes benefit insurance and protection from all retirees and beneficiaries by using these funds but the funds used provide only benefits to certain spouses and at different times and amounts. In other words, you take from all but only give to some. In addition, if the reduction in the reserves of the Contingency Reserve Fund should at anytime in the future cause a reduction in variable retirement benefits, this reduction would be across the board to all retirees and beneficiaries.

EJG/dsb

April 14, 1993

Mr. Ernest Glinka, Administrator
City of Baltimore
City Hall, Room 640
100 North Holliday Street
Baltimore, Maryland 21202

FAXED
4/14/93

Re: Cost of F&P Bill 493

Dear Ernie:

We have calculated the cost of the retirement plan changes proposed in City Council Bill 493. A short summary of each change is provided along with the annual cost to the City for each change.

- A. Plan Formula Change: The proposed change in the formula is to increase the accrual for active members from 1.8% to 2.0% of final average compensation for each year of service over 20 years. This will be an increase for those members who retire on or after June 29, 1993.

Increase in Unfunded Actuarial Liability:	\$12,000,000
Increase in Annual City Cost:	\$1,813,000

- B. Special Death Benefit: This provision would provide the special death benefits of 100% of pay to a permanently disabled child (or children). The benefit would continue for the disabled child's lifetime if the member's spouse is no longer eligible. This benefit is effective July 1, 1993. We assume this would only apply where there is currently a benefit being paid or the member's death occurs on or after the effective date. We assume that any child's benefit that ended in the past would not be restored. The cost calculated assumes that there will not be many beneficiaries in this circumstance.

Increase in Unfunded Actuarial Liability:	\$270,000
Increase in Annual City Cost:	\$30,000

- C. Joint and Survivor Percent Change: The bill proposes a change in the maximum benefit form from a joint and 42.5% survivor

1001 22nd Street NW
Suite 400
Washington DC 20037

Office 202 331 5200
Direct 202 331 5220
Fax 202 296 0909

A Marsh & McLennan Company

Mr. Ernest J. Glinka
April 14, 1993
Page 2

benefit to a joint and 50% survivor benefit for married participants. This change applies to both active members retiring after July 1, 1993 and to retired members and beneficiaries as of July 1, 1993.

Increase in Unfunded Actuarial Liability (actives):	\$5,140,000
Active member cost:	\$807,000

Increase in Unfunded Actuarial Liability (inactives):	\$10,930,000
Inactive member cost:	\$1,155,000

Increase in Total Unfunded Actuarial Liability:	\$16,070,000
Total Increase in Annual City Cost:	\$1,962,000

Please note that one of the current payment options is a joint and 50% survivor benefit. This may not be much of an equity problem because there are only six members currently receiving a reduced pension as a result of electing a joint and 50% survivor benefit.

Also note that a disabled child's lifetime benefit was also added.

- D. Decrease Employee Contributions: The bill proposes a decrease in the mandatory employee contributions from 7% to 2% of pay. This provision would be effective 7/1/93.

Increase in Annual City Cost:	\$7,400,000
-------------------------------	-------------

- E. Use of the Contingency Reserve Fund: The bill proposes the use of the Contingency Reserve Fund to fund the bill's increases in benefits for current retirees and beneficiaries. We have assumed that the \$10,930,000 liability to increase the survivor benefit and the \$270,000 liability of the special death change will be funded out of the \$12,291,580 Contingency Reserve Fund and transferred to the Pension Reserve fund. The \$1,091,580 balance of the Contingency Reserve Fund would remain.

Mr. Ernest J. Glinka
April 14, 1993
Page 3

Total Cost

The changes for active members will add \$10,020,000 to the City's annual contribution. The copy of the bill we were given does not describe a special source of funding. Our assumption is that it will be funded by a City contribution increase.

The retiree improvements are funded from \$11,200,000 of the Contingency Reserve Fund which is equivalent to an annual cost of \$1,190,000. This will use most but not all of the contingency reserve fund.

Please call if you have any questions.

Sincerely,



Thomas Lowman, F.S.A.
Principal

TL/plm

April 14, 1993

Mr. Ernest Glinka, Administrator
City of Baltimore
City Hall, Room 640
100 North Holliday Street
Baltimore, Maryland 21202

FAXED
5/24/93

Re: Cost of F&P Bill 493

Dear Ernie:


Our April 14th letter discussed the cost of the proposed F&P changes made by Bill 493. One change that we had not considered was to expand the definition of eligible spouses to include those married just before or sometime after retirement. This letter estimates that additional cost.

The cost will depend on rates of remarriage after a divorce or death of the member's spouse; or a late first marriage. Information is somewhat limited so our estimate is very rough. Our cost assumes that 7% of all retirees will die with a spouse who is currently eligible for a benefit, but would be eligible under the proposed provisions. The cost estimate is as follows:

Increase in Unfunded Actuarial Liability (actives):	\$4,280,000
Active member cost:	\$700,000
Increase in Unfunded Actuarial Liability (inactives):	\$8,560,000
Inactive member cost:	\$900,000
Increase in Total Unfunded Actuarial Liability:	\$12,840,000
Total Increase in Annual City Cost:	\$1,600,000

Please call if you have any questions.

Sincerely,



Thomas Lowman, F.S.A.
Principal

TL/plm

1001 22nd Street NW
Suite 400
Washington DC 20037

Office 202 331 5200
Direct 202 331 5220
Fax 202 296 0909

A Marsh & McLennan Company

NAME & TITLE	Milton Ely Principal Counsel
AGENCY NAME & ADDRESS	Department of Law 130 City Hall
SUBJECT	City Council Bill No. 493 Legislative Report

CITY of
BALTIMORE
MEMO



DATE:

TO

The Honorable President and Members
of the City Council of Baltimore
Room 409, City Hall
Baltimore, Maryland 21202
Attention: Ms. Lorraine Laszczyński
Executive Secretary

March 19, 1993

Per your request, this office has reviewed City Council Bill No. 493. This ordinance provides for increased service retirement allowances, provides for benefits for certain disabled children of members, increases survivor benefits for eligible beneficiaries, reduces members' contributions, and related matters, in the Fire and Police Employees' Retirement System.

Upon such review, we find the following amendments necessary:


1. On page 1 of the title, line 13, delete "before and/or"
2. On page 1, line 30, delete "34(b)" and insert "34(b)(4)," and delete "34(i)" and insert "34(i)(3)"
3. On page 1, line 30, delete "34(k)" and "36(h)"
4. On page 2, line 4, add "34(B)(4)," "34(k)(5)" and "36(h)(4)"
5. On page 2, line 25, delete "34(B)(4)" and insert "36(b)(4)"
6. On page 2, line 27, delete "34(B) (3B)" and insert "34(B) (4)B"
7. On page 3, line 6, delete "Be" and insert "is" and on line 7, delete "of" and insert "or"
8. On page 3, line 21, starting with "and" and ending with line 23 "above," the language is unclear and probably should be deleted.

The Honorable President and Members
of the City Council of Baltimore
March 17, 1993
Page 2

Re: City Council Bill No. 493
Legislative Report

9. On page 3, line 27, delete "PRIOR AND/OR."

Upon adoption of these amendments, we approve the Bill for
legal sufficiency.



Milton Ely
Principal Counsel

ME/alb

cc: Honorable Neal M. Janey, City Solicitor
Otho M. Thompson, Deputy City Solicitor
Peter n. Marudas, Executive Assistant to the Mayor

CITY OF BALTIMORE

KURT L. SCHMOKE, Mayor



DEPARTMENT OF FINANCE

WILLIAM R. BROWN, JR., Director
469 City Hall
Baltimore, Maryland 21202

TO: Council Member Timothy D. Murphy
Chairman, Taxation and Finance Committee

FROM: William R. Brown, Jr. *WRB*
Director of Finance

DATE: May 17, 1993

RE: Council Bill No. 493 - Fire and Police Employees'
Retirement System

The Department of Finance has reviewed the above-referenced legislation being considered for enactment by the City Council and offers the following comments.

- This legislation, in effect, provides compensation for fire and police employees outside the collective bargaining process. The fire employees' union recently negotiated a 2.25% increase in compensation. This bill, if enacted, will provide the equivalent of an additional 6% increase in compensation. Unless compensation or equivalent increases are restricted to the collective bargaining process, it will be difficult for the City to control the costs of government.
- The bill's proposed benefit improvements for active members will cost the City an additional \$10 million annually in contributions to the retirement system. Also, another \$1.2 million in annual City contributions will be required to restore \$11.2 million in the Contingency Reserve Fund which is being proposed as a source to pay for retiree benefit improvements. To put this in proper perspective, General Fund revenues in the fiscal year 1994 are only projected to increase by \$9.1 million. This legislation calls for increasing the cost to the City for the next 9 or so years by \$11.2 million per year and thereafter by \$10 million per year for an additional 11 years.

*Rec-6-2-93
L.L.*

Council Member Timothy D. Murphy
Chairman, Taxation and Finance Committee

- It would take the equivalent of a 14¢ increase in the property tax rate to generate sufficient revenues to cover the annual costs of \$11.2 million in additional benefits under this legislation.
- The changes proposed in this legislation will increase the unfunded liability in the Fire and Police Retirement Systems by \$28.3 million, thus lessening the financial strength of these systems.

Based on the foregoing, we earnestly request that the City Council not enact Council Bill No. 493.

cc: Mayor Kurt L. Schmoke

FROM

NAME & TITLE	Milton Ely Principal Counsel
AGENCY NAME & ADDRESS	Department of Law 130 City Hall
SUBJECT	City Council Bill No. 493 Legislative Report

CITY of
BALTIMORE
MEMO



DATE:

TO

The Honorable President and Members
of the City Council of Baltimore
Room 409, City Hall
Baltimore, Maryland 21202
Attention: Ms. Lorraine Laszczynski
Executive Secretary

March 19, 1993

Per your request, this office has reviewed City Council Bill No. 493. This ordinance provides for increased service retirement allowances, provides for benefits for certain disabled children of members, increases survivor benefits for eligible beneficiaries, reduces members' contributions, and related matters, in the Fire and Police Employees' Retirement System.

Upon such review, we find the following amendments necessary:

1. On page 1 of the title, line 13, delete "before and/or"
2. On page 1, line 30, delete "34(b)" and insert "34(b)(4)," and delete "34(i)" and insert "34(i)(3)"
3. On page 1, line 30, delete "34(k)" and "36(h)"
4. On page 2, line 4, add "34(B)(4)," "34(k)(5)" and "36(h)(4)"
5. On page 2, line 25, delete "34(B)(4)" and insert "36(b)(4)"
6. On page 2, line 27, delete "34(B) (3B)" and insert "34(B) (4)B"
7. On page 3, line 6, delete "Be" and insert "is" and on line 7, delete "of" and insert "or"
8. On page 3, line 21, starting with "and" and ending with line 23 "above," the language is unclear and probably should be deleted.

RECEIVED

MAR 19 1993

CITY COUNCIL

BY L. L.


farfame

The Honorable President and Members
of the City Council of Baltimore
March 17, 1993
Page 2

Re: City Council Bill No. 493
Legislative Report

9. On page 3, line 27, delete "PRIOR AND/OR."

Upon adoption of these amendments, we approve the Bill for
legal sufficiency.



Milton Ely
Principal Counsel

ME/alb

cc: Honorable Neal M. Janey, City Solicitor
Otho M. Thompson, Deputy City Solicitor
Peter n. Marudas, Executive Assistant to the Mayor

INTRODUCED BY Councilmember Murphy, President Clarke *DIADAMU, SFIKAS*
AMBER & CURRAN
AT THE REQUEST OF Joint Labor Committee for Fire and Police Pension Reform (Baltimore Fire Fighters Local 734, Baltimore Fire Officers Local 964, Fraternal Order of Police Lodge 3, Baltimore City Retired Fire Officers and Fire Fighters Association, and Baltimore Retired Police Benevolent Association), c/o Edward C. Heckrotte, Chairman * *Stokes*
O'Malley
Cunningham
Stokes
BRANITT, CAIN,
Dibiasi,
Bell

ADDRESS TELEPHONE
PREPARED BY Dept. of Legislative Reference DATE February 25, 1993
COUNCILMANIC DISTRICT TAXATION & FINANCE
REFERRED TO TAXATION & FINANCE COMMITTEE

Also referred for recommendation and report to Municipal Agencies listed on reverse side.

CITY COUNCIL 493
AN ORDINANCE concerning *A BELL*
FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM *John C. Bell*
Faith D. May
Asly
Perry Splo

FOR the purpose of increasing the service retirement allowance from 1.8% to 2.0% for years of service in excess of 20, for any member who retires on or after June 29, 1993; providing the special death benefit to certain permanently disabled children of members who die on or after July 1, 1993, where no surviving spouse is entitled to such benefit; in the case of a retired member receiving maximum benefits, who dies on or after July 1, 1993, providing a 50% survivor benefit to the surviving spouse (to whom the member was married at least one year before retirement or at least three years before and/or after retirement), or to the deceased member's unmarried child or children up to a certain age, or to the deceased member's permanently disabled and unmarried child or children until the earlier of death or marriage; increasing the current survivors' benefit from 42.5% to 50% as of July 1, 1993 for all beneficiaries entitled to receive the 42.5% benefit as of June 30, 1993; reducing the members' contribution from 7% of regular compensation to 2% of regular compensation as of July 1, 1993; and applying the value of the Contingency Reserve Fund as of June 30, 1992 to fund the increase in survivor's benefits for those presently retired and beneficiaries of those previously retired. *John C. Bell*

BY repealing and reordaining with amendments
Article 22 - Retirement Systems
Subtitle - Fire and Police Employees
Section 34(b), 34(i), 34(k), 36(h)
Baltimore City Code (1983 Replacement Volume, as amended) *John C. Bell*

BY adding
Article 22 - Retirement Systems
Subtitle - Fire and Police Employees
Section 36(A)(f)
Baltimore City Code (1983 Replacement Volume, as amended) *John C. Bell*

**The introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.
John C. Bell
Laurence A. Bell

MUNICIPAL AGENCY REFERRALS

Board of Municipal & Zoning Appeals

Employees' Retirement System

City Solicitor

Fire & Police Employees' Retirement System

COMMISSIONS

Civic Design Commission

Commission for Historical & Architectural Preservation

Planning Commission

Wage Commission

Off-Street Parking Commission

DEPARTMENTS

Department of Housing & Community Development

B.E.D.C.O.

Department of Public Works

Police Department

Department of Recreation & Parks

Department of Real Estate

Fire Department

Department of Education

Health Department

Department of Comptroller

Office of the Mayor

Department of Transportation

Department of Finance *Dr. Finnan*

Board of Finance

Board of Estimates

OTHER

Date

President

CITY OF BALTIMORE

KURT L. SCHMOKE, Mayor



OFFICE OF COUNCIL SERVICES

RONALD L. SCHULTZ, Director
415 City Hall
100 N. Holliday Street
Baltimore, Maryland 21202
396-5607

HEARING FACTS

CC 493 . Ord | Res: CC | MCC | CHT: Fire + Police Retirement System Plan Improvements

The public hearing was:

>held June 13 /93;

>from 1:40 am/pm, to 2:35 am/pm;

>conducted in City Hall (circle one) Chambers | Reeves Cfrm | Curran Cfrm;

>Address, if conducted outside of City Hall:

- Bill synopsis in the file? yes () no () n/a
- Attendance sheet in the file? yes () no () n/a
- Agency reports read? yes () no () n/a
- Amendments offered? yes () no () n/a
- Certification of advert./posting notices in the file? () yes () no n/a
- Evidence of notification to property owners? () yes () no n/a
- Televised or audio recorded (circle one)? () yes () no n/a

Committee hearing chaired by: Timothy D Murphy

Council Members Present (circle):

<u>Clarke</u>	Cain	Ambridge	<u>Cunningham</u>	Bell	Hall	DiBlasi
	<u>D'Adamo</u>	Branch	<u>Curran</u>	Dixon	Reeves	<u>Murphy</u>
	<u>Sfikas</u>	<u>Stokes</u>	<u>O'Malley</u>	Welch	<u>Spector</u>	<u>Stukes</u>

Speakers:

John Baldwin, Robert Bolton, John Seis, Bill Taylor - Joint Labor Committee; William Brown - Finance; Ernest Glinka - Pension System.

Major issues presented which were in addition to those in the bill synopsis:

- > Actuarial difference in calculating cost of Active Members, Demary Benefit - IT Labor Com. (Zero) Pension System (\$700,000).
- > DELETE BENEFIT EXTENSION TO CHILDREN WITH DISABILITY.
- > Reduce Employee contribution from 7% to 5%, Not 2%.
- > Fund improvements with 1) Retires use of Contingency Reserve Fund 2) Active Members unallocated interest surplus 6/30/92 AND Actuarial "DIFFERENTIAL" BETWEEN ASSUMED EMPLOYEES SALARY INCREASE + LOWER ACTUAL -

Was further study requested? () no () yes - as follows:

Salary increases realized by employees over last two years.

Ronald Schultz 6/14/93
Committee Staff, Councilmanic Services Date

cc: Bill File
OCS Chrono File

CITY OF BALTIMORE

KURT L. SCHMOKE, Mayor



OFFICE OF COUNCIL SERVICES

RONALD L. SCHULTZ, Director
415 City Hall
100 N. Holliday Street
Baltimore, Maryland 21202
396-5607

June 3, 1993

BILL SYNOPSIS: Timothy D. Murphy, Chairman and Members
Taxation and Finance Committee

FROM: Ronald L. Schultz, Director

HEARING: June 3, 1993 at 1:30 p.m., City Council Chambers

LEGISLATION: CC 493 Ordinance - Fire and Police
Employees' Retirement System -
plan improvements.

INTRODUCED BY: Councilmembers Murphy, President Clarke,
Members D'Adamo, Sfikas, Ambridge, Curran,
Dixon, Stukes, O'Malley, Cunningham, Stokes,
Branch, Cain, DiBlasi, and Bell on March 1, 1993.

AGENCY REPORTS: City Solicitor - fav/amend
Fire and Police Board - no report
System Administrator - unfav/amend
Finance Department - unfavorable

The bill as introduced, provides several benefit increases and reduces the employee contribution; however, significant amendments have been offered by the Joint Labor Committee which mitigate an increase in City contribution. The Costs/Savings summary on the next page addresses the bill with **proposed amendments**.

The employees are requesting deletion of several benefit improvements contained in the introductory bill. Furthermore, they are proposing to pay for the remaining Plan improvements for retirees by use of \$11.2 million of the contingency reserve fund. Active member Plan improvement costs are proposed to be defrayed by allocating last year's unallocated interest surplus.



Timothy D. Murphy

June 2, 1993

Page Two

CITY OF BALTIMORE

COMPTROLLER

ANNUAL COSTS

(SAVINGS)

RETIREES

Costs:

Increase survivors' benefits for spouses of current retirees from 42.5% to 50%\$ 1.2 million

Increase survivors' benefits for spouses of current retirees who remarry from 42.5% to 50%\$.9 million

Costs\$ 2.1 million

Savings:

Use of portion of contingency reserve fund(\$ 2.1 million)

ACTIVE MEMBERS

Costs:

Additional benefit accrual factor increased from 1.8% to 2.0% per year for years of service beyond 20 years\$ 1.8 million

Increase survivors' benefits to spouses of future retirees at date of retirement from 42.5% to 50%\$.8 million

Contribution rate reduced from 7% to 5%\$ 3.0 million

Costs\$ 5.6 million

Savings:

Amortization of the 6/30/92 interest surplus(2.4 million)

Differential 7/1/92 - no pay increase vs. assumed higher pay increase used by the actuary(3.3 million)

Savings\$(5.7 million)

Though there are numerous methods used to evaluate pension plans, several facts contained in the latest Annual Financial Report (6/30/92) are worth noting in consideration of these amendments. First, the City's contribution to the F&P System, as a percent of sworn personnel payroll, has been dropping steadily over the last ten years. As depicted in the Report (page 32), in 1983 the City contributed an amount equal to 19.4% of the fire and police payroll to the F&P System. Last year the City contributed the equivalent of 12.0%.

Second, the portion of accrued liabilities which are funded by plan assets has increased nearly ten percent since 1983 (page 43). Ten years ago the 82% of the plan liabilities were covered by the plan assets, at the end of last year fully 90% of liabilities were covered by the \$1.2 billion of Plan assets.

CITY COUNCIL HEARING ATTENDANCE RECORD

#1

Committee TAXATION & FINANCE		Chairperson TIMOTHY D. MURPHY	
Date 6/3/93	Time 1:00 P.M.	Place CITY COUNCIL CHAMBERS	CC Bill Number 493
Subject ORDINANCE - FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM			

P L E A S E P R I N T A L L I N F O R M A T I O N

NAME	ADDRESS	AGENCY, ORGANIZATION, or COMPANY	FAVOR THIS BILL	OPPOSE THIS BILL	CHECK TO TESTIFY
✓ J.C. BALDWIN	120 E. Ba Ho St	Joint Committee	✓		✓
✓ R.G. Bolton	575 S. Charles St	Joint Committee	✓		✓
✓ John Seiss	Local 964	Joint Committee	✓		✓
✓ Don Helms	FOP 3	Joint Committee	✓		✓
✓ Lonnie Jackson	Local 734	Joint Committee	✓		✓
✓ Bill DAY Jim Fallon	Retired Fire Officers & Fire Fighters	Joint Committee	✓		✓
✓ Joe Sigmund	Retired Police Benevolent Assoc.	Joint Committee	✓		✓

P L E A S E P R I N T

CITY COUNCIL HEARING ATTENDANCE RECORD

Committee TAXATION & FINANCE			Chairperson TIMOTHY D. MURPHY	
Date 6/3/93	Time 1:00 P.M.	Place CITY COUNCIL CHAMBERS	CC Bill Number 493	
Subject ORDINANCE - FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM				

P L E A S E P R I N T A L L I N F O R M A T I O N

NAME	ADDRESS	AGENCY, ORGANIZATION, or COMPANY	FAVOR THIS BILL	OPPOSE THIS BILL	CHECK TO TESTIFY
<i>Don Welch</i>	<i>3804 E. Park</i>	<i>3CPD</i>	<i>X</i>		
<i>✓ Bill Brown</i>	<i>469 CITY HALL</i>	<i>FINANCE</i>		<i>X</i>	<i>✓</i>
<i>Carol J. J. J.</i>	<i>640 " "</i>	<i>Retirement System</i>			<i>✓</i>

P L E A S E P R I N T

CITY COUNCIL HEARING ATTENDANCE RECORD

Committee TAXATION & FINANCE		Chairperson TIMOTHY D. MURPHY	
Date 6/3/93	Time 1:00 P.M.	Place CITY COUNCIL CHAMBERS	CC Bill Number 493
Subject ORDINANCE - FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM			

PLEASE PRINT ALL INFORMATION

NAME	ADDRESS	AGENCY, ORGANIZATION, or COMPANY	FAVOR THIS BILL	OPPOSE THIS BILL	CHECK TO TESTIFY
<i>Ray Skawinski</i>	<i>601 E. ...</i>	<i>BCAD</i>	<input checked="" type="checkbox"/>		

PLEASE PRINT

CITY COUNCIL HEARING ATTENDANCE RECORD

Committee TAXATION & FINANCE		Chairperson TIMOTHY D. MURPHY	
Date 6/3/93	Time 1:00 P.M.	Place CITY COUNCIL CHAMBERS	CC Bill Number 493
Subject ORDINANCE - FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM			

P L E A S E P R I N T A L L I N F O R M A T I O N

NAME	ADDRESS	AGENCY, ORGANIZATION, or COMPANY	FAVOR THIS BILL	OPPOSE THIS BILL	CHECK TO TESTIFY
BOB SLEDGESKI	1513 FILBERT ST 21226	BALTO FF'S 1-734	✓		
JOSEPH SIEGMUND	21371 209 S. WASHINGTON ST	BALTO. RET. POLICE PCW	✓		✓
CHARLES CARROLL	21230 1202 RIDGELY ST	BALTO FF's 734	✓		
JAMES SCHULER	1003 D. CRIMSON TREE WAY 21040	BALTO City Police	✓		

P L E A S E P R I N T

CITY COUNCIL HEARING ATTENDANCE RECORD

Committee TAXATION & FINANCE			Chairperson TIMOTHY D. MURPHY	
Date 6/3/93	Time 1:00 P.M.	Place CITY COUNCIL CHAMBERS	CC Bill Number 493	
Subject ORDINANCE - FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM				

P L E A S E P R I N T A L L I N F O R M A T I O N

NAME	ADDRESS	AGENCY, ORGANIZATION, or COMPANY	FAVOR THIS BILL	OPPOSE THIS BILL	CHECK TO TESTIFY
WILLIAM F. DAY	118 ALLGATE RD 21117	FIRE DEPT RET	✓		
John E. Roberts, Sr.	3207 Woodringh	" " Retd.	✓		X
Frank Kuf	1503 Sandbar	" " "	✓		
Justin Cracke	706 WASHINGTON AVE	" " "	✓		

P L E A S E P R I N T

CITY COUNCIL HEARING ATTENDANCE RECORD

Committee TAXATION & FINANCE		Chairperson TIMOTHY D. MURPHY	
Date 6/3/93	Time 1:00 P.M.	Place CITY COUNCIL CHAMBERS	CC Bill Number 493
Subject ORDINANCE - FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM			

P L E A S E P R I N T A L L I N F O R M A T I O N

NAME	ADDRESS	AGENCY, ORGANIZATION, or COMPANY	FAVOR THIS BILL	OPPOSE THIS BILL	CHECK TO TESTIFY
Jim Payne	9W-JEFFRY ST.	B.C.F.D T/O	✓		

P L E A S E P R I N T

CITY COUNCIL HEARING ATTENDANCE RECORD

Committee TAXATION & FINANCE		Chairperson TIMOTHY D. MURPHY	
Date 6/3/93	Time 1:00 P.M.	Place CITY COUNCIL CHAMBERS	CC Bill Number 493
Subject ORDINANCE - FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM			

P L E A S E P R I N T A L L I N F O R M A T I O N

NAME	ADDRESS	AGENCY, ORGANIZATION, or COMPANY	FAVOR THIS BILL	OPPOSE THIS BILL	CHECK TO TESTIFY
Thom D. Orinoff	1100 W. 43 rd ST	Local 734	X		
Walter ? Ward	3916 PARKINGTON AV	Local 734	X		
Gary McWhinney	2205 cloville Ave.	FOP # 3	X		
Lornie D. Johnson	1416 KINGSWAY Rd ²²¹¹⁸	Local 734	X		

P L E A S E P R I N T

CITY COUNCIL HEARING ATTENDANCE RECORD

Committee TAXATION & FINANCE		Chairperson TIMOTHY D. MURPHY	
Date 6/3/93	Time 1:00 P.M.	Place CITY COUNCIL CHAMBERS	CC Bill Number 493
Subject ORDINANCE - FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM			

P L E A S E P R I N T A L L I N F O R M A T I O N

NAME	ADDRESS	AGENCY, ORGANIZATION, or COMPANY	FAVOR THIS BILL	OPPOSE THIS BILL	CHECK TO TESTIFY
THOMAS J. NIEMIENEN	21225 3500 HORTON AVE	DEPT BALTO. POLICE		✓	
James Merrill	5808 WAYCROSS RD.	BALTO. POLICE		—	

P L E A S E P R I N T

CITY OF BALTIMORE
COUNCIL BILL NO. 493 - FIRST READER

By: Councilmember Murphy, President Clarke, Councilmembers
D'Adamo, Sfikas, Ambridge, Curran, Dixon, Stukes, O'Malley,
Cunningham, Stokes, Branch, Cain, DiBlasi, Bell

Requested by: Joint Labor Committee for Fire and Police Pension
Reform (Baltimore Fire Fighters Local 734, Baltimore Fire
Officers Local 964, Fraternal Order of Police Lodge 3,
Baltimore City Retired Fire Officers and Fire Fighters
Association, and Baltimore Retired Police Benevolent
Association), c/o Edward C. Heckrotte, Chairman

Address:

Introduced: March 1, 1993

Assigned to: Taxation and Finance Committee

REFERRED TO THE FOLLOWING MUNICIPAL AGENCIES: City Solicitor,
Dept. of Finance and Director of Finance, Fire and Police
Employees' Retirement System

A BILL ENTITLED

1 AN ORDINANCE concerning

2 FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM

3 FOR the purpose of increasing the service retirement allowance
4 from 1.8% to 2.0% for years of service in excess of 20, for
5 any member who retires on or after June 29, 1993; providing
6 the special death benefit to certain permanently disabled
7 children of members who die on or after July 1, 1993, where
8 no surviving spouse is entitled to such benefit; in the case
9 of a retired member receiving maximum benefits, who dies on
10 or after July 1, 1993, providing a 50% survivor benefit to
11 the surviving spouse (to whom the member was married at
12 least one year before retirement or at least three years
13 before and/or after retirement), or to the deceased member's
14 unmarried child or children up to a certain age, or to the
15 deceased member's permanently disabled and unmarried child
16 or children until the earlier of death or marriage;
17 increasing the current survivors' benefit from 42.5% to 50%
18 as of July 1, 1993 for all beneficiaries entitled to receive
19 the 42.5% benefit as of June 30, 1993; reducing the members'
20 contribution from 7% of regular compensation to 2% of
21 regular compensation as of July 1, 1993; and applying the
22 value of the Contingency Reserve Fund as of June 30, 1992
23 to fund the increase in survivor's benefits for those
24 presently retired and beneficiaries of those previously
25 retired.

26
27 BY repealing and reordaining with amendments
28 Article 22 - Retirement Systems
29 Subtitle - Fire and Police Employees
30 Section 34(b), 34(i), 34(k), 36(h)
31 Baltimore City Code (1983 Replacement Volume, as amended)
32

EXPLANATION: CAPITALS INDICATE ADDED TO EXISTING LAW.

[BRACKETS] indicate matter deleted from existing law.

1 BY adding
2 Article 22 - Retirement Systems
3 Subtitle - Fire and Police Employees
4 Section 36(A)(f)
5 Baltimore City Code (1983 Replacement Volume, as amended)

6 SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF
7 BALTIMORE, That Section(s) of the Baltimore City Code (1983
8 Replacement Volume, as amended) be added, repealed, or amended,
9 to read as follows:

10 ARTICLE 22 - RETIREMENT SYSTEMS

11 Fire and Police Employees

12 34. Benefits.

13 (b) Allowance on service retirement. Upon retirement from
14 service a member shall receive a retirement allowance as follows:

15 (4) FOR ANY MEMBER WHO RETIRES ON OR AFTER JUNE 29,
16 1993, THE SERVICE RETIREMENT ALLOWANCE SHALL CONSIST OF:

17 (A) AN ANNUITY WHICH SHALL BE THE ACTUARIAL
18 EQUIVALENT OF HIS ACCUMULATED CONTRIBUTIONS AT THE TIME OF HIS
19 RETIREMENT.

20 (B) A PENSION, WHICH TOGETHER WITH HIS ANNUITY
21 SHALL BE EQUAL TO 2.5% OF HIS AVERAGE FINAL COMPENSATION FOR EACH
22 YEAR OF THE FIRST TWENTY (20) YEARS OF SERVICE, PLUS 2% OF HIS
23 AVERAGE FINAL COMPENSATION FOR EACH YEAR OF SERVICE THEREAFTER.

24 (C) THE ADDITIONAL ANNUITY PROVIDED AS A RESULT OF
25 VOLUNTARY CONTRIBUTIONS PERMITTED UNDER SECTION 34(B)(4) SHALL BE
26 PAYABLE AND SHALL NOT BE USED IN DETERMINING THE PENSION PAYABLE
27 UNDER SECTION 34(B)(3)(B) OR IN DETERMINING THE DISABILITY
28 PENSION UNDER SECTION 34(D)(2).

29 (5)[4] Provided further, however, that members and
30 beneficiaries of members who retired before July 1, 1988, and any
31 surviving beneficiary of a member who began receiving benefits
32 before July 1, 1988, shall receive a 2% increase in periodic
33 benefits as of January 1, 1992.

34 (i) Special Death Benefit. Upon receipt of proper proof of
35 the death of a member in service arising out of and in the course
36 of the actual performance of duty, without willful negligence on
37 his part, and upon determination by the hearing examiner as
38 provided for in Section 33(1) that such death so occurred, there
39 shall be paid:

40 (3) If there be no such widow, or if the widow dies or
41 remarries before the youngest unmarried child of said deceased
42 member shall have either attained the age of eighteen (18) years
43 or, in the event said child is a full-time student, until he
44 shall have attained the age of twenty-two (22) years, then to

1 such child or children, divided in such manner as the Board of
2 Trustees in its discretion shall determine, to continue for the
3 benefit of such child or children until the last child marries,
4 dies or either attains the age of eighteen (18) years, or in the
5 event he is a full-time student attains the age of twenty-two
6 (22) years [; or]. EFFECTIVE AS OF JULY 1, 1993, IF THERE BE NO
7 SUCH WIDOW, OR IF THE WIDOW DIES OF REMARRIES, AND ANY UNMARRIED
8 CHILD OR CHILDREN OF THE DECEASED MEMBER SHALL HAVE BECOME
9 PERMANENTLY DISABLED FROM ENGAGING IN ANY SUBSTANTIAL GAINFUL
10 EMPLOYMENT PRIOR TO ATTAINING THE AGE OF EIGHTEEN (18) YEARS OR,
11 IN THE EVENT ANY SUCH CHILD IS A FULL-TIME STUDENT, BEFORE HE
12 ATTAINED THE AGE OF TWENTY-TWO (22) YEARS, THEN TO SUCH CHILD OR
13 CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF TRUSTEES IN ITS
14 DISCRETION SHALL DETERMINE, TO CONTINUE FOR THE BENEFIT OF SUCH
15 PERMANENTLY DISABLED CHILD OR CHILDREN UNTIL THE LAST SUCH CHILD
16 MARRIES OR DIES; PROVIDED, HOWEVER, THAT THE EXISTENCE OF MENTAL
17 OR PHYSICAL INCAPACITY RESULTING IN PERMANENT DISABILITY SHALL BE
18 DETERMINED BY THE BOARD OF TRUSTEES UNDER PRINCIPLES CONSISTENT
19 WITH SUBSECTIONS 34(C) AND (G); OR

20 (k) Optional allowances.

21 (5) EFFECTIVE AS OF JULY 1, 1993, AND SUBJECT TO THE
22 PROVISIONS OF (A), (B), (C), (D), (E) AND (F) OF PARAGRAPH 3
23 ABOVE, IN THE EVENT THAT A MEMBER WHO RETIRES AND ELECTS TO
24 RECEIVE MAXIMUM BENEFITS WITHOUT OPTIONAL MODIFICATION LATER DIES
25 AND IS SURVIVED BY A SPOUSE TO WHOM THE MEMBER HAD BEEN MARRIED
26 FOR AT LEAST ONE (1) YEAR IMMEDIATELY PRIOR TO RETIREMENT OR AT
27 LEAST THREE (3) YEARS PRIOR AND/OR SUBSEQUENT TO RETIREMENT, AN
28 AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID MEMBER WAS RECEIVING
29 SHALL BE PAID TO SUCH SURVIVING SPOUSE TO CONTINUE AS LONG AS HE
30 OR SHE REMAINS UNMARRIED. IF THERE BE NO SUCH SPOUSE OF IF THE
31 SPOUSE DIES OR REMARRIES BEFORE THE YOUNGEST UNMARRIED CHILD OF
32 SAID DECEASED MEMBER SHALL HAVE EITHER ATTAINED THE AGE OF
33 EIGHTEEN (18) YEARS, OR, IN THE EVENT SAID CHILD IS A FULL-TIME
34 STUDENT, BEFORE HE SHALL HAVE ATTAINED THE AGE OF TWENTY-TWO (22)
35 YEARS, THEN AN AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID MEMBER
36 WAS RECEIVING SHALL BE PAID TO SUCH CHILD OR CHILDREN, DIVIDED IN
37 SUCH MANNER AS THE BOARD OF TRUSTEES IN ITS DISCRETION SHALL
38 DETERMINE TO CONTINUE FOR THE BENEFIT OF SUCH CHILD OF CHILDREN
39 UNTIL THE LAST CHILD MARRIES, DIES OR EITHER ATTAINS THE AGE OF
40 EIGHTEEN (18) YEARS OR IN THE EVENT HE IS A FULL-TIME STUDENT,
41 ATTAINS THE AGE OF TWENTY-TWO (22) YEARS. IF THERE BE NO SUCH
42 WIDOW, OR IF THE WIDOW DIES OF REMARRIES, AND ANY UNMARRIED CHILD
43 OR CHILDREN OF THE DECEASED MEMBER SHALL HAVE BECOME PERMANENTLY
44 DISABLED FROM ENGAGING IN ANY SUBSTANTIAL GAINFUL EMPLOYMENT
45 PRIOR TO ATTAINING THE AGE OF EIGHTEEN (18) YEARS OR, IN THE
46 EVENT ANY SUCH CHILD IS A FULL-TIME STUDENT, BEFORE HE ATTAINED
47 THE AGE OF TWENTY-TWO (22) YEARS, THEN AN AMOUNT EQUAL TO 50% OF
48 THE ALLOWANCE SAID MEMBER WAS RECEIVING SHALL BE PAID TO SUCH
49 CHILD OR CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF TRUSTEES
50 IN ITS DISCRETION SHALL DETERMINE, TO CONTINUE FOR THE BENEFIT OF
51 SUCH PERMANENTLY DISABLED CHILD OR CHILDREN UNTIL THE LAST SUCH
52 CHILD MARRIES OR DIES; PROVIDED, HOWEVER, THAT THE EXISTENCE OF
53 MENTAL OR PHYSICAL INCAPACITY RESULTING IN PERMANENT DISABILITY

1 SHALL BE DETERMINED BY THE BOARD OF TRUSTEES UNDER PRINCIPLES
2 CONSISTENT WITH SUBSECTIONS 34(C) AND (G)

3 (6) EFFECTIVE AS OF JULY 1, 1993, ANY BENEFICIARY
4 RECEIVING OR THEREAFTER ELIGIBLE TO RECEIVE THE 42.5% SURVIVOR'S
5 BENEFIT UNDER SUBSECTION (k)(4) SHALL RECEIVE 50% OF THE MEMBER'S
6 ALLOWANCE, IN LIEU OF THE 42.5% PREVIOUSLY PROVIDED UNDER
7 SUBSECTION (K)(4). ANY SUCH INCREASED RATE SHALL BE EFFECTIVE
8 BEGINNING JULY 1, 1993 OR FROM THE DATE OF ELIGIBILITY, WHICHEVER
9 OCCURS LATER.

10 36. Method of financing.

11 (h) Percent of compensation contributable.

12 (4) EFFECTIVE WITH THE FIRST FULL PAYROLL PERIOD
13 COMMENCING CLOSEST TO JULY 1, 1993, EACH MEMBER WHO WOULD
14 OTHERWISE CONTRIBUTE SEVEN PERCENT (7%) OF HIS REGULAR
15 COMPENSATION ACCORDING TO PARAGRAPH (1) ABOVE SHALL INSTEAD
16 CONTRIBUTE TWO PERCENT (2%) OF HIS REGULAR COMPENSATION, SUCH
17 CONTRIBUTION TO CONTINUE THROUGHOUT SUCH MEMBER'S REMAINING
18 PERIOD OF SERVICE.

19 36A. Post retirement benefit increases to certain retirees and
20 beneficiaries.

21 (F) CONTINGENCY RESERVE FUND TO PROVIDE INCREASE
22 IN WIDOW'S AND CHILDREN'S BENEFIT.

23 NOTWITHSTANDING THE PROVISIONS OF (D) AND (E)
24 ABOVE, THE VALUE OF THE CONTINGENCY RESERVE FUND AS OF JUNE 30,
25 1992 SHALL BE APPLIED EFFECTIVE AS OF JULY 1, 1993 TO PROVIDE THE
26 INCREASE IN SURVIVING SPOUSE AND CHILDREN'S BENEFITS WITH RESPECT
27 TO MEMBERS WHO ARE PRESENTLY RETIRED AND BENEFICIARIES OF MEMBERS
28 WHO PREVIOUSLY RETIRED, AS REQUIRED BY ORDINANCE NO._____.
29 EXCEPT FOR THE APPLICATION OF SUCH CONTINGENCY RESERVE FUND VALUE
30 AS OF JUNE 30, 1992, THE OPERATION OF THE CONTINGENCY RESERVE
31 FUND PURSUANT TO (D) AND (E) ABOVE SHALL NOT OTHERWISE BE
32 AFFECTED BY ORDINANCE NO._____.

33 SEC. 2. AND BE IT FURTHER ORDAINED, That this ordinance
34 shall take effect as of July 1, 1993, except as otherwise
35 specifically required herein.

CITY OF BALTIMORE
COUNCIL BILL NO. 493 - FIRST READER

By: Councilmember Murphy, President Clarke, Councilmembers
D'Adamo, Sfikas, Ambridge, Curran, Dixon, Stukes, O'Malley,
Cunningham, Stokes, Branch, Cain, DiBlasi, Bell

Requested by: Joint Labor Committee for Fire and Police Pension
Reform (Baltimore Fire Fighters Local 734, Baltimore Fire
Officers Local 964, Fraternal Order of Police Lodge 3,
Baltimore City Retired Fire Officers and Fire Fighters
Association, and Baltimore Retired Police Benevolent
Association), c/o Edward C. Heckrotte, Chairman

Address:

Introduced: March 1, 1993

Assigned to: Taxation and Finance Committee

REFERRED TO THE FOLLOWING MUNICIPAL AGENCIES: City Solicitor,
Dept. of Finance and Director of Finance, Fire and Police
Employees' Retirement System

A BILL ENTITLED

1 AN ORDINANCE concerning

2 FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM

3 FOR the purpose of increasing the service retirement allowance
4 from 1.8% to 2.0% for years of service in excess of 20, for
5 any member who retires on or after June 29, 1993; providing
6 the special death benefit to certain permanently disabled
7 children of members who die on or after July 1, 1993, where
8 no surviving spouse is entitled to such benefit; in the case
9 of a retired member receiving maximum benefits, who dies on
10 or after July 1, 1993, providing a 50% survivor benefit to
11 the surviving spouse (to whom the member was married at
12 least one year before retirement or at least three years
13 before and/or after retirement), or to the deceased member's
14 unmarried child or children up to a certain age, or to the
15 deceased member's permanently disabled and unmarried child
16 or children until the earlier of death or marriage;
17 increasing the current survivors' benefit from 42.5% to 50%
18 as of July 1, 1993 for all beneficiaries entitled to receive
19 the 42.5% benefit as of June 30, 1993; reducing the members'
20 contribution from 7% of regular compensation to 2% of
21 regular compensation as of July 1, 1993; and applying the
22 value of the Contingency Reserve Fund as of June 30, 1992
23 to fund the increase in survivor's benefits for those
24 presently retired and beneficiaries of those previously
25 retired.

26 BY repealing and reordaining with amendments

27 Article 22 - Retirement Systems

28 Subtitle - Fire and Police Employees

29 Section 34(b), 34(i), 34(k), 36(h)

30 Baltimore City Code (1983 Replacement Volume, as amended)

31
32
EXPLANATION: CAPITALS INDICATE ADDED TO EXISTING LAW.

[BRACKETS] indicate matter deleted from existing law.

1 BY adding

2 Article 22 - Retirement Systems

3 Subtitle - Fire and Police Employees

4 Section 36(A)(f)

5 Baltimore City Code (1983 Replacement Volume, as amended)

6 SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF
7 BALTIMORE, That Section(s) of the Baltimore City Code (1983
8 Replacement Volume, as amended) be added, repealed, or amended,
9 to read as follows:

10 ARTICLE 22 - RETIREMENT SYSTEMS

11 Fire and Police Employees

12 34. Benefits.

13 (b) Allowance on service retirement. Upon retirement from
14 service a member shall receive a retirement allowance as follows:

15 (4) FOR ANY MEMBER WHO RETIRES ON OR AFTER JUNE 29,
16 1993, THE SERVICE RETIREMENT ALLOWANCE SHALL CONSIST OF:

17 (A) AN ANNUITY WHICH SHALL BE THE ACTUARIAL
18 EQUIVALENT OF HIS ACCUMULATED CONTRIBUTIONS AT THE TIME OF HIS
19 RETIREMENT.

20 (B) A PENSION, WHICH TOGETHER WITH HIS ANNUITY
21 SHALL BE EQUAL TO 2.5% OF HIS AVERAGE FINAL COMPENSATION FOR EACH
22 YEAR OF THE FIRST TWENTY (20) YEARS OF SERVICE, PLUS 2% OF HIS
23 AVERAGE FINAL COMPENSATION FOR EACH YEAR OF SERVICE THEREAFTER.

24 (C) THE ADDITIONAL ANNUITY PROVIDED AS A RESULT OF
25 VOLUNTARY CONTRIBUTIONS PERMITTED UNDER SECTION 34(B)(4) SHALL BE
26 PAYABLE AND SHALL NOT BE USED IN DETERMINING THE PENSION PAYABLE
27 UNDER SECTION 34(B)(3)(B) OR IN DETERMINING THE DISABILITY
28 PENSION UNDER SECTION 34(D)(2).

29 (5)[4] Provided further, however, that members and
30 beneficiaries of members who retired before July 1, 1988, and any
31 surviving beneficiary of a member who began receiving benefits
32 before July 1, 1988, shall receive a 2% increase in periodic
33 benefits as of January 1, 1992.

34 (i) Special Death Benefit. Upon receipt of proper proof of
35 the death of a member in service arising out of and in the course
36 of the actual performance of duty, without willful negligence on
37 his part, and upon determination by the hearing examiner as
38 provided for in Section 33(1) that such death so occurred, there
39 shall be paid:

40 (3) If there be no such widow, or if the widow dies or
41 remarries before the youngest unmarried child of said deceased
42 member shall have either attained the age of eighteen (18) years
43 or, in the event said child is a full-time student, until he
44 shall have attained the age of twenty-two (22) years, then to

1 such child or children, divided in such manner as the Board of
2 Trustees in its discretion shall determine, to continue for the
3 benefit of such child or children until the last child marries,
4 dies or either attains the age of eighteen (18) years, or in the
5 event he is a full-time student attains the age of twenty-two
6 (22) years [; or]. EFFECTIVE AS OF JULY 1, 1993, IF THERE BE NO
7 SUCH WIDOW, OR IF THE WIDOW DIES OF REMARRIES, AND ANY UNMARRIED
8 CHILD OR CHILDREN OF THE DECEASED MEMBER SHALL HAVE BECOME
9 PERMANENTLY DISABLED FROM ENGAGING IN ANY SUBSTANTIAL GAINFUL
10 EMPLOYMENT PRIOR TO ATTAINING THE AGE OF EIGHTEEN (18) YEARS OR,
11 IN THE EVENT ANY SUCH CHILD IS A FULL-TIME STUDENT, BEFORE HE
12 ATTAINED THE AGE OF TWENTY-TWO (22) YEARS, THEN TO SUCH CHILD OR
13 CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF TRUSTEES IN ITS
14 DISCRETION SHALL DETERMINE, TO CONTINUE FOR THE BENEFIT OF SUCH
15 PERMANENTLY DISABLED CHILD OR CHILDREN UNTIL THE LAST SUCH CHILD
16 MARRIES OR DIES; PROVIDED, HOWEVER, THAT THE EXISTENCE OF MENTAL
17 OR PHYSICAL INCAPACITY RESULTING IN PERMANENT DISABILITY SHALL BE
18 DETERMINED BY THE BOARD OF TRUSTEES UNDER PRINCIPLES CONSISTENT
19 WITH SUBSECTIONS 34(C) AND (G); OR

20 (k) Optional allowances.

21 (5) EFFECTIVE AS OF JULY 1, 1993, AND SUBJECT TO THE
22 PROVISIONS OF (A), (B), (C), (D), (E) AND (F) OF PARAGRAPH 3
23 ABOVE, IN THE EVENT THAT A MEMBER WHO RETIRES AND ELECTS TO
24 RECEIVE MAXIMUM BENEFITS WITHOUT OPTIONAL MODIFICATION LATER DIES
25 AND IS SURVIVED BY A SPOUSE TO WHOM THE MEMBER HAD BEEN MARRIED
26 FOR AT LEAST ONE (1) YEAR IMMEDIATELY PRIOR TO RETIREMENT OR AT
27 LEAST THREE (3) YEARS PRIOR AND/OR SUBSEQUENT TO RETIREMENT, AN
28 AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID MEMBER WAS RECEIVING
29 SHALL BE PAID TO SUCH SURVIVING SPOUSE TO CONTINUE AS LONG AS HE
30 OR SHE REMAINS UNMARRIED. IF THERE BE NO SUCH SPOUSE OF IF THE
31 SPOUSE DIES OR REMARRIES BEFORE THE YOUNGEST UNMARRIED CHILD OF
32 SAID DECEASED MEMBER SHALL HAVE EITHER ATTAINED THE AGE OF
33 EIGHTEEN (18) YEARS, OR, IN THE EVENT SAID CHILD IS A FULL-TIME
34 STUDENT, BEFORE HE SHALL HAVE ATTAINED THE AGE OF TWENTY-TWO (22)
35 YEARS, THEN AN AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID MEMBER
36 WAS RECEIVING SHALL BE PAID TO SUCH CHILD OR CHILDREN, DIVIDED IN
37 SUCH MANNER AS THE BOARD OF TRUSTEES IN ITS DISCRETION SHALL
38 DETERMINE TO CONTINUE FOR THE BENEFIT OF SUCH CHILD OF CHILDREN
39 UNTIL THE LAST CHILD MARRIES, DIES OR EITHER ATTAINS THE AGE OF
40 EIGHTEEN (18) YEARS OR IN THE EVENT HE IS A FULL-TIME STUDENT,
41 ATTAINS THE AGE OF TWENTY-TWO (22) YEARS. IF THERE BE NO SUCH
42 WIDOW, OR IF THE WIDOW DIES OF REMARRIES, AND ANY UNMARRIED CHILD
43 OR CHILDREN OF THE DECEASED MEMBER SHALL HAVE BECOME PERMANENTLY
44 DISABLED FROM ENGAGING IN ANY SUBSTANTIAL GAINFUL EMPLOYMENT
45 PRIOR TO ATTAINING THE AGE OF EIGHTEEN (18) YEARS OR, IN THE
46 EVENT ANY SUCH CHILD IS A FULL-TIME STUDENT, BEFORE HE ATTAINED
47 THE AGE OF TWENTY-TWO (22) YEARS, THEN AN AMOUNT EQUAL TO 50% OF
48 THE ALLOWANCE SAID MEMBER WAS RECEIVING SHALL BE PAID TO SUCH
49 CHILD OR CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF TRUSTEES
50 IN ITS DISCRETION SHALL DETERMINE, TO CONTINUE FOR THE BENEFIT OF
51 SUCH PERMANENTLY DISABLED CHILD OR CHILDREN UNTIL THE LAST SUCH
52 CHILD MARRIES OR DIES; PROVIDED, HOWEVER, THAT THE EXISTENCE OF
53 MENTAL OR PHYSICAL INCAPACITY RESULTING IN PERMANENT DISABILITY

1 SHALL BE DETERMINED BY THE BOARD OF TRUSTEES UNDER PRINCIPLES
2 CONSISTENT WITH SUBSECTIONS 34(C) AND (G)

3 (6) EFFECTIVE AS OF JULY 1, 1993, ANY BENEFICIARY
4 RECEIVING OR THEREAFTER ELIGIBLE TO RECEIVE THE 42.5% SURVIVOR'S
5 BENEFIT UNDER SUBSECTION (k)(4) SHALL RECEIVE 50% OF THE MEMBER'S
6 ALLOWANCE, IN LIEU OF THE 42.5% PREVIOUSLY PROVIDED UNDER
7 SUBSECTION (K)(4). ANY SUCH INCREASED RATE SHALL BE EFFECTIVE
8 BEGINNING JULY 1, 1993 OR FROM THE DATE OF ELIGIBILITY, WHICHEVER
9 OCCURS LATER.

10 36. Method of financing.

11 (h) Percent of compensation contributable.

12 (4) EFFECTIVE WITH THE FIRST FULL PAYROLL PERIOD
13 COMMENCING CLOSEST TO JULY 1, 1993, EACH MEMBER WHO WOULD
14 OTHERWISE CONTRIBUTE SEVEN PERCENT (7%) OF HIS REGULAR
15 COMPENSATION ACCORDING TO PARAGRAPH (1) ABOVE SHALL INSTEAD
16 CONTRIBUTE TWO PERCENT (2%) OF HIS REGULAR COMPENSATION, SUCH
17 CONTRIBUTION TO CONTINUE THROUGHOUT SUCH MEMBER'S REMAINING
18 PERIOD OF SERVICE.

19 36A. Post retirement benefit increases to certain retirees and
20 beneficiaries.

21 (F) CONTINGENCY RESERVE FUND TO PROVIDE INCREASE
22 IN WIDOW'S AND CHILDREN'S BENEFIT.

23 NOTWITHSTANDING THE PROVISIONS OF (D) AND (E)
24 ABOVE, THE VALUE OF THE CONTINGENCY RESERVE FUND AS OF JUNE 30,
25 1992 SHALL BE APPLIED EFFECTIVE AS OF JULY 1, 1993 TO PROVIDE THE
26 INCREASE IN SURVIVING SPOUSE AND CHILDREN'S BENEFITS WITH RESPECT
27 TO MEMBERS WHO ARE PRESENTLY RETIRED AND BENEFICIARIES OF MEMBERS
28 WHO PREVIOUSLY RETIRED, AS REQUIRED BY ORDINANCE NO._____.
29 EXCEPT FOR THE APPLICATION OF SUCH CONTINGENCY RESERVE FUND VALUE
30 AS OF JUNE 30, 1992, THE OPERATION OF THE CONTINGENCY RESERVE
31 FUND PURSUANT TO (D) AND (E) ABOVE SHALL NOT OTHERWISE BE
32 AFFECTED BY ORDINANCE NO._____.

33 SEC. 2. AND BE IT FURTHER ORDAINED, That this ordinance
34 shall take effect as of July 1, 1993, except as otherwise
35 specifically required herein.

INTRODUCTORY*

CITY OF BALTIMORE COUNCIL BILL

By: Councilmember Murphy, President Clarke
Requested by: Joint Labor Committee for Fire and Police Pension Reform (Baltimore Fire Fighters Local 734, Baltimore Fire Officers Local 964, Fraternal Order of Police Lodge 3, Baltimore City Retired Fire Officers and Fire Fighters Association, and Baltimore Retired Police Benevolent Association), c/o Edward C. Heckrotte, Chairman

A BILL ENTITLED

AN ORDINANCE concerning

FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM

FOR the purpose of increasing the service retirement allowance from 1.8% to 2.0% for years of service in excess of 20, for any member who retires on or after June 29, 1993; providing the special death benefit to certain permanently disabled children of members who die on or after July 1, 1993, where no surviving spouse is entitled to such benefit; in the case of a retired member receiving maximum benefits, who dies on or after July 1, 1993, providing a 50% survivor benefit to the surviving spouse (to whom the member was married at least one year before retirement or at least three years before and/or after retirement), or to the deceased member's unmarried child or children up to a certain age, or to the deceased member's permanently disabled and unmarried child or children until the earlier of death or marriage; increasing the current survivors' benefit from 42.5% to 50% as of July 1, 1993 for all beneficiaries entitled to receive the 42.5% benefit as of June 30, 1993; reducing the members' contribution from 7% of regular compensation to 2% of regular compensation as of July 1, 1993; and applying the value of the Contingency Reserve Fund as of June 30, 1992 to fund the increase in survivor's benefits for those presently retired and beneficiaries of those previously retired.

BY repealing and reordaining with amendments
Article 22 - Retirement Systems
Subtitle - Fire and Police Employees
Section 34(b), 34(i), 34(k), 36(h)
Baltimore City Code (1983 Replacement Volume, as amended)

EXPLANATION: CAPITALS INDICATE ADDED TO EXISTING LAW.
[BRACKETS] indicate matter deleted from existing law.

* WARNING: THIS IS THE INTRODUCTORY COPY OF THIS BILL.

THE OFFICIAL COPY UNDER CONSIDERATION BY THE CITY COUNCIL IS THE FIRST READER COPY.

BY adding

Article 22 - Retirement Systems
Subtitle - Fire and Police Employees
Section 36(A)(f)
Baltimore City Code (1983 Replacement Volume, as amended)

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That Section(s) of the Baltimore City Code (1983 Replacement Volume, as amended) be added, repealed, or amended, to read as follows:

ARTICLE 22 - RETIREMENT SYSTEMS

Fire and Police Employees

34. Benefits.

(b) Allowance on service retirement. Upon retirement from service a member shall receive a retirement allowance as follows:

(4) FOR ANY MEMBER WHO RETIRES ON OR AFTER JUNE 29, 1993, THE SERVICE RETIREMENT ALLOWANCE SHALL CONSIST OF:

(A) AN ANNUITY WHICH SHALL BE THE ACTUARIAL EQUIVALENT OF HIS ACCUMULATED CONTRIBUTIONS AT THE TIME OF HIS RETIREMENT.

(B) A PENSION, WHICH TOGETHER WITH HIS ANNUITY SHALL BE EQUAL TO 2.5% OF HIS AVERAGE FINAL COMPENSATION FOR EACH YEAR OF THE FIRST TWENTY (20) YEARS OF SERVICE, PLUS 2% OF HIS AVERAGE FINAL COMPENSATION FOR EACH YEAR OF SERVICE THEREAFTER.

(C) THE ADDITIONAL ANNUITY PROVIDED AS A RESULT OF VOLUNTARY CONTRIBUTIONS PERMITTED UNDER SECTION 34(B)(4) SHALL BE PAYABLE AND SHALL NOT BE USED IN DETERMINING THE PENSION PAYABLE UNDER SECTION 34(B)(3)(B) OR IN DETERMINING THE DISABILITY PENSION UNDER SECTION 34(D)(2).

(5)[4] Provided further, however, that members and beneficiaries of members who retired before July 1, 1988, and any surviving beneficiary of a member who began receiving benefits before July 1, 1988, shall receive a 2% increase in periodic benefits as of January 1, 1992.

(i) Special Death Benefit. Upon receipt of proper proof of the death of a member in service arising out of and in the course of the actual performance of duty, without willful negligence on his part, and upon determination by the hearing examiner as provided for in Section 33(1) that such death so occurred, there shall be paid:

(3) If there be no such widow, or if the widow dies or remarries before the youngest unmarried child of said deceased member shall have either attained the age of eighteen (18) years or, in the event said child is a full-time student, until he shall have attained the age of twenty-two (22) years, then to such child or children, divided in such manner as the Board of Trustees in its discretion shall determine, to continue for the benefit of such child or children until the last child marries,

dies or either attains the age of eighteen (18) years, or in the event he is a full-time student attains the age of twenty-two (22) years [; or]. EFFECTIVE AS OF JULY 1, 1993, IF THERE BE NO SUCH WIDOW, OR IF THE WIDOW DIES OR REMARRIES, AND ANY UNMARRIED CHILD OR CHILDREN OF THE DECEASED MEMBER SHALL HAVE BECOME PERMANENTLY DISABLED FROM ENGAGING IN ANY SUBSTANTIAL GAINFUL EMPLOYMENT PRIOR TO ATTAINING THE AGE OF EIGHTEEN (18) YEARS OR, IN THE EVENT ANY SUCH CHILD IS A FULL-TIME STUDENT, BEFORE HE ATTAINED THE AGE OF TWENTY-TWO (22) YEARS, THEN TO SUCH CHILD OR CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF TRUSTEES IN ITS DISCRETION SHALL DETERMINE, TO CONTINUE FOR THE BENEFIT OF SUCH PERMANENTLY DISABLED CHILD OR CHILDREN UNTIL THE LAST SUCH CHILD MARRIES OR DIES; PROVIDED, HOWEVER, THAT THE EXISTENCE OF MENTAL OR PHYSICAL INCAPACITY RESULTING IN PERMANENT DISABILITY SHALL BE DETERMINED BY THE BOARD OF TRUSTEES UNDER PRINCIPLES CONSISTENT WITH SUBSECTIONS 34(C) AND (G); OR

(k) Optional allowances.

(5) EFFECTIVE AS OF JULY 1, 1993, AND SUBJECT TO THE PROVISIONS OF (A), (B), (C), (D), (E) AND (F) OF PARAGRAPH 3 ABOVE, IN THE EVENT THAT A MEMBER WHO RETIRES AND ELECTS TO RECEIVE MAXIMUM BENEFITS WITHOUT OPTIONAL MODIFICATION LATER DIES AND IS SURVIVED BY A SPOUSE TO WHOM THE MEMBER HAD BEEN MARRIED FOR AT LEAST ONE (1) YEAR IMMEDIATELY PRIOR TO RETIREMENT OR AT LEAST THREE (3) YEARS PRIOR AND/OR SUBSEQUENT TO RETIREMENT, AN AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID MEMBER WAS RECEIVING SHALL BE PAID TO SUCH SURVIVING SPOUSE TO CONTINUE AS LONG AS HE OR SHE REMAINS UNMARRIED. IF THERE BE NO SUCH SPOUSE OF IF THE SPOUSE DIES OR REMARRIES BEFORE THE YOUNGEST UNMARRIED CHILD OF SAID DECEASED MEMBER SHALL HAVE EITHER ATTAINED THE AGE OF EIGHTEEN (18) YEARS, OR, IN THE EVENT SAID CHILD IS A FULL-TIME STUDENT, BEFORE HE SHALL HAVE ATTAINED THE AGE OF TWENTY-TWO (22) YEARS, THEN AN AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID MEMBER WAS RECEIVING SHALL BE PAID TO SUCH CHILD OR CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF TRUSTEES IN ITS DISCRETION SHALL DETERMINE TO CONTINUE FOR THE BENEFIT OF SUCH CHILD OF CHILDREN UNTIL THE LAST CHILD MARRIES, DIES OR EITHER ATTAINS THE AGE OF EIGHTEEN (18) YEARS OR IN THE EVENT HE IS A FULL-TIME STUDENT, ATTAINS THE AGE OF TWENTY-TWO (22) YEARS. IF THERE BE NO SUCH WIDOW, OR IF THE WIDOW DIES OR REMARRIES, AND ANY UNMARRIED CHILD OR CHILDREN OF THE DECEASED MEMBER SHALL HAVE BECOME PERMANENTLY DISABLED FROM ENGAGING IN ANY SUBSTANTIAL GAINFUL EMPLOYMENT PRIOR TO ATTAINING THE AGE OF EIGHTEEN (18) YEARS OR, IN THE EVENT ANY SUCH CHILD IS A FULL-TIME STUDENT, BEFORE HE ATTAINED THE AGE OF TWENTY-TWO (22) YEARS, THEN AN AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID MEMBER WAS RECEIVING SHALL BE PAID TO SUCH CHILD OR CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF TRUSTEES IN ITS DISCRETION SHALL DETERMINE, TO CONTINUE FOR THE BENEFIT OF SUCH PERMANENTLY DISABLED CHILD OR CHILDREN UNTIL THE LAST SUCH CHILD MARRIES OR DIES; PROVIDED, HOWEVER, THAT THE EXISTENCE OF MENTAL OR PHYSICAL INCAPACITY RESULTING IN PERMANENT DISABILITY SHALL BE DETERMINED BY THE BOARD OF TRUSTEES UNDER PRINCIPLES CONSISTENT WITH SUBSECTIONS 34(C) AND (G)

(6) EFFECTIVE AS OF JULY 1, 1993, ANY BENEFICIARY RECEIVING OR THEREAFTER ELIGIBLE TO RECEIVE THE 42.5% SURVIVOR'S BENEFIT UNDER SUBSECTION (k) (4) SHALL RECEIVE 50% OF THE MEMBER'S ALLOWANCE, IN LIEU OF THE 42.5% PREVIOUSLY PROVIDED UNDER

SUBSECTION (K)(4). ANY SUCH INCREASED RATE SHALL BE EFFECTIVE BEGINNING JULY 1, 1993 OR FROM THE DATE OF ELIGIBILITY, WHICHEVER OCCURS LATER.

36. Method of financing.

(h) Percent of compensation contributable.

(4) EFFECTIVE WITH THE FIRST FULL PAYROLL PERIOD COMMENCING CLOSEST TO JULY 1, 1993, EACH MEMBER WHO WOULD OTHERWISE CONTRIBUTE SEVEN PERCENT (7%) OF HIS REGULAR COMPENSATION ACCORDING TO PARAGRAPH (1) ABOVE SHALL INSTEAD CONTRIBUTE TWO PERCENT (2%) OF HIS REGULAR COMPENSATION, SUCH CONTRIBUTION TO CONTINUE THROUGHOUT SUCH MEMBER'S REMAINING PERIOD OF SERVICE.

36A. Post retirement benefit increases to certain retirees and beneficiaries.

(F) CONTINGENCY RESERVE FUND TO PROVIDE INCREASE IN WIDOW'S AND CHILDREN'S BENEFIT.

NOTWITHSTANDING THE PROVISIONS OF (D) AND (E) ABOVE, THE VALUE OF THE CONTINGENCY RESERVE FUND AS OF JUNE 30, 1992 SHALL BE APPLIED EFFECTIVE AS OF JULY 1, 1993 TO PROVIDE THE INCREASE IN SURVIVING SPOUSE AND CHILDREN'S BENEFITS WITH RESPECT TO MEMBERS WHO ARE PRESENTLY RETIRED AND BENEFICIARIES OF MEMBERS WHO PREVIOUSLY RETIRED, AS REQUIRED BY ORDINANCE NO. _____. EXCEPT FOR THE APPLICATION OF SUCH CONTINGENCY RESERVE FUND VALUE AS OF JUNE 30, 1992, THE OPERATION OF THE CONTINGENCY RESERVE FUND PURSUANT TO (D) AND (E) ABOVE SHALL NOT OTHERWISE BE AFFECTED BY ORDINANCE NO. _____.

SEC. 2. AND BE IT FURTHER ORDAINED, That this ordinance shall take effect as of July 1, 1993, except as otherwise specifically required herein.

ACTION BY THE CITY COUNCIL

FIRST READING (INTRODUCTION) _____ MAR 01 1993 _____ 19 _____

PUBLIC HEARING HELD ON _____ JUNE 3, 1993 _____ 19 _____

COMMITTEE REPORT AS OF _____ ~~1993~~ JUNE 14, 1993 _____ 19 _____

_____ FAVORABLE _____ UNFAVORABLE _____ FAVORABLE AS AMENDED _____ WITHOUT RECOMMENDATION

Timothy D. Kelly
Chair

COMMITTEE MEMBERS:
[Signature]

COMMITTEE MEMBERS:
[Signature]
[Signature]

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

_____ JUN 14 1993 _____ 19 _____

Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING _____ JUN 17 1993 _____ 19 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (ENROLLED) _____ SEP 20 1993 _____ 19 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (RE-ENROLLED) _____ 19 _____

WITHDRAWAL _____ 19 _____

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.

Margaret Lake
President

Edward F. Knight
Chief Clerk

CC 493
File Copy

CITY OF BALTIMORE
COUNCIL BILL NO. 493 - SECOND READER

By: President Clarke, Councilmembers Murphy, D'Adamo, Sfikas, Ambridge, Curran, Dixon, Stukes, O'Malley, Cunningham, Stokes, Branch, Cain, DiBlasi, Bell

Requested by: Joint Labor Committee for Fire and Police Pension Reform (Baltimore Fire Fighters Local 734, Baltimore Fire Officers Local 964, Fraternal Order of Police Lodge 3, Baltimore City Retired Fire Officers and Fire Fighters Association, and Baltimore Retired Police Benevolent Association), c/o Edward C. Heckrotte, Chairman

Introduced: March 1, 1993

Assigned to: Taxation and Finance Committee

REFERRED TO THE FOLLOWING MUNICIPAL AGENCIES:

City Solicitor, Dept. of Finance and Director of Finance, Fire and Police Employees' Retirement System

A BILL ENTITLED

1 AN ORDINANCE concerning

2 FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM

3 FOR the purpose of increasing the service retirement allowance from 1.8% to 2.0% for
4 years of service in excess of 20, for any member who retires on or after June 29,
5 1993; ~~providing the special death benefit to certain permanently disabled children~~
6 ~~of members who die on or after July 1, 1993, where no surviving spouse is entitled~~
7 ~~to such benefit;~~ in the case of a retired member receiving maximum benefits, who
8 dies on or after July 1, 1993, providing a 50% survivor benefit to the surviving
9 spouse (to whom the member was married at least one year before retirement or at
10 least ~~three~~ five years before and/or after retirement), or to the deceased member's
11 unmarried child or children up to a certain age, ~~or to the deceased member's~~
12 ~~permanently disabled and unmarried child or children until the earlier of death or~~
13 ~~marriage;~~ increasing the current survivors' benefit from 42.5% to 50% as of July 1,
14 1993 for all beneficiaries entitled to receive the 42.5% benefit as of June 30, 1993;
15 applying the value of any net unallocated interest surplus as of June 30, 1992, to
16 offset the cost of the Ordinance as it applies to active members; reducing the
17 members' contribution from 7% of regular compensation to ~~2%~~ 5% of regular
18 compensation as of July 1, 1993; and applying the value of the Contingency Reserve
19 Fund as of June 30, 1992, as necessary to fund the increase in survivor's benefits for
20 those presently retired and beneficiaries of those previously retired.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[BRACKETS] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

1 By repealing and reordaining with amendments

2 Article 22 - Retirement Systems

3 Subtitle - Fire and Police Employees

4 Sections ~~34(b)(4)~~, ~~34(i)(3)~~, ~~34(k)~~, 35(b), ~~36(h)~~

5 Baltimore City Code (1983 Replacement Volume, as amended)

6 By adding

7 Article 22 - Retirement Systems

8 Subtitle - Fire and Police Employees

9 Section 34(b)(4), 34(k)(5), 36(A)(f), 36(h)(4)

10 Baltimore City Code (1983 Replacement Volume, as amended)

11 SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF
12 BALTIMORE, That Section(s) of the Baltimore City Code (1983 Replacement Volume,
13 as amended) be added, repealed, or amended to read as follows:

14 ARTICLE 22 - RETIREMENT SYSTEMS

15 FIRE AND POLICE EMPLOYEES

16 34. Benefits.

17 (b) Allowance on service retirement. Upon retirement from service a member
18 shall receive a retirement allowance as follows:

19 (4) FOR ANY MEMBER WHO RETIRES ON OR AFTER JUNE 29,
20 1993, THE SERVICE RETIREMENT ALLOWANCE SHALL CONSIST OF:

21 (A) AN ANNUITY WHICH SHALL BE THE ACTUARIAL
22 EQUIVALENT OF HIS ACCUMULATED CONTRIBUTIONS AT THE TIME OF HIS
23 RETIREMENT.

24 (B) A PENSION, WHICH TOGETHER WITH HIS ANNUITY
25 SHALL BE EQUAL TO 2.5% OF HIS AVERAGE FINAL COMPENSATION FOR
26 EACH YEAR OF THE FIRST TWENTY (20) YEARS OF SERVICE, PLUS 2% OF
27 HIS AVERAGE FINAL COMPENSATION FOR EACH YEAR OF SERVICE
28 THEREAFTER.

29 (C) THE ADDITIONAL ANNUITY PROVIDED AS A RESULT
30 OF VOLUNTARY CONTRIBUTIONS PERMITTED UNDER SECTION 34 36(B)(4)
31 SHALL BE PAYABLE AND SHALL NOT BE USED IN DETERMINING THE

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[BRACKETS] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

1 PENSION PAYABLE UNDER SECTION 34(B)(3)(4)(B) OR IN DETERMINING THE
2 DISABILITY PENSION UNDER SECTION 34(D)(2).

3 (5)[4] Provided further, however, that members and beneficiaries of members
4 who retired before July 1, 1988, and any surviving beneficiary of a member who began
5 receiving benefits before July 1, 1988, shall receive a 2% increase in periodic benefits as of
6 January 1, 1992.

7 (i) Special Death Benefit. Upon receipt of proper proof of the death of a
8 member in service arising out of and in the course of the actual performance of duty,
9 without willful negligence on his part, and upon determination by the hearing examiner as
10 provided for in Section 33(1) that such death so occurred, there shall be paid:

11 (3) If there be no such widow, or if the widow dies or remarries before the
12 youngest unmarried child of said deceased member shall have either attained the age of
13 eighteen (18) years or, in the event said child is a full-time student, until he shall have
14 attained the age of twenty-two (22) years, then to such child or children, divided in such
15 manner as the Board of Trustees in its discretion shall determine, to continue for the
16 benefit of such child or children until the last child marries, dies or either attains the age
17 of eighteen (18) years, or in the event he is a full-time student attains the age of twenty-two
18 (22) years ~~}; or}. EFFECTIVE AS OF JULY 1, 1993, IF THERE BE NO SUCH~~
19 ~~WIDOW, OR IF THE WIDOW DIES OR REMARRIES, AND ANY UNMARRIED~~
20 ~~CHILD OR CHILDREN OF THE DECEASED MEMBER SHALL HAVE BECOME~~
21 ~~PERMANENTLY DISABLED FROM ENGAGING IN ANY SUBSTANTIAL~~
22 ~~GAINFUL EMPLOYMENT PRIOR TO ATTAINING THE AGE OF EIGHTEEN (18)~~
23 ~~YEARS OR, IN THE EVENT ANY SUCH CHILD IS A FULL TIME STUDENT,~~
24 ~~BEFORE HE ATTAINED THE AGE OF TWENTY TWO (22) YEARS, THEN TO~~
25 ~~SUCH CHILD OR CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF~~
26 ~~TRUSTEES IN ITS DISCRETION SHALL DETERMINE, TO CONTINUE FOR THE~~
27 ~~BENEFIT OF SUCH PERMANENTLY DISABLED CHILD OR CHILDREN UNTIL~~
28 ~~THE LAST SUCH CHILD MARRIES OR DIES; PROVIDED, HOWEVER, THAT~~
29 ~~THE EXISTENCE OF MENTAL OR PHYSICAL INCAPACITY RESULTING IN~~
30 ~~PERMANENT DISABILITY SHALL BE DETERMINED BY THE BOARD OF~~
31 ~~TRUSTEES UNDER PRINCIPLES CONSISTENT WITH SUBSECTIONS 34(C) AND~~
32 ~~(G); OR~~

33 (k) Optional allowances.

34 (5) ~~EFFECTIVE AS OF JULY 1, 1993, AND SUBJECT TO THE~~
35 ~~PROVISIONS OF (A), (B), (C), (D), (E) AND (F) OF PARAGRAPH 3 ABOVE, IN~~
36 ~~THE EVENT THAT A MEMBER WHO RETIRES AND ELECTS TO RECEIVE~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[BRACKETS] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by
amendment or deleted from the law by amendment.

1 MAXIMUM BENEFITS WITHOUT OPTIONAL MODIFICATION LATER DIES AND
2 IS SURVIVED BY A SPOUSE TO WHOM THE MEMBER HAD BEEN MARRIED
3 FOR AT LEAST ONE (1) YEAR IMMEDIATELY PRIOR TO RETIREMENT OR AT
4 LEAST ~~THREE~~ (3) FIVE (5) YEARS PRIOR AND/OR SUBSEQUENT TO
5 RETIREMENT, AN AMOUNT EQUAL TO 50% OF THE ALLOWANCE SAID
6 MEMBER WAS RECEIVING SHALL BE PAID TO SUCH SURVIVING SPOUSE TO
7 CONTINUE AS LONG AS HE OR SHE REMAINS UNMARRIED. IF THERE BE
8 NO SUCH SPOUSE OR IF THE SPOUSE DIES OR REMARRIES BEFORE THE
9 YOUNGEST UNMARRIED CHILD OF SAID DECEASED MEMBER SHALL HAVE
10 EITHER ATTAINED THE AGE OF EIGHTEEN (18) YEARS, OR, IN THE EVENT
11 SAID CHILD IS A FULL-TIME STUDENT, BEFORE HE SHALL HAVE ATTAINED
12 THE AGE OF TWENTY-TWO (22) YEARS, THEN AN AMOUNT EQUAL TO 50%
13 OF THE ALLOWANCE SAID MEMBER WAS RECEIVING SHALL BE PAID TO
14 SUCH CHILD OR CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF
15 TRUSTEES IN ITS DISCRETION SHALL DETERMINE TO CONTINUE FOR THE
16 BENEFIT OF SUCH CHILD OR CHILDREN UNTIL THE LAST CHILD MARRIES,
17 DIES OR EITHER ATTAINS THE AGE OF EIGHTEEN (18) YEARS OR IN THE
18 EVENT HE IS A FULL-TIME STUDENT, ATTAINS THE AGE OF TWENTY-TWO
19 (22) YEARS. ~~IF THERE BE NO SUCH WIDOW, OR IF THE WIDOW DIES OR~~
20 ~~REMARRIES, AND ANY UNMARRIED CHILD OR CHILDREN OF THE~~
21 ~~DECEASED MEMBER SHALL HAVE BECOME PERMANENTLY DISABLED~~
22 ~~FROM ENGAGING IN ANY SUBSTANTIAL GAINFUL EMPLOYMENT PRIOR TO~~
23 ~~ATTAINING THE AGE OF EIGHTEEN (18) YEARS OR, IN THE EVENT ANY~~
24 ~~SUCH CHILD IS A FULL TIME STUDENT, BEFORE HE ATTAINED THE AGE OF~~
25 ~~TWENTY TWO (22) YEARS, THEN AN AMOUNT EQUAL TO 50% OF THE~~
26 ~~ALLOWANCE SAID MEMBER WAS RECEIVING SHALL BE PAID TO SUCH~~
27 ~~CHILD OR CHILDREN, DIVIDED IN SUCH MANNER AS THE BOARD OF~~
28 ~~TRUSTEES IN ITS DISCRETION SHALL DETERMINE, TO CONTINUE FOR THE~~
29 ~~BENEFIT OF SUCH PERMANENTLY DISABLED CHILD OR CHILDREN UNTIL~~
30 ~~THE LAST SUCH CHILD MARRIES OR DIES; PROVIDED, HOWEVER, THAT~~
31 ~~THE EXISTENCE OF MENTAL OR PHYSICAL INCAPACITY RESULTING IN~~
32 ~~PERMANENT DISABILITY SHALL BE DETERMINED BY THE BOARD OF~~
33 ~~TRUSTEES UNDER PRINCIPLES CONSISTENT WITH SUBSECTIONS 34(C) AND~~
34 ~~(G).~~ THE SURVIVING SPOUSE BENEFIT PROVIDED UNDER THIS PARAGRAPH
35 IS EFFECTIVE AS OF JULY 1, 1993, AND IS NOT PAYABLE TO THE SURVIVING
36 SPOUSE OF A MEMBER WHO DIED BEFORE JULY 1, 1993, WHERE SUCH
37 SPOUSE WAS NOT PREVIOUSLY ENTITLED TO A SURVIVING SPOUSE
38 BENEFIT.

39 (6) EFFECTIVE AS OF JULY 1, 1993, ANY BENEFICIARY
40 RECEIVING OR THEREAFTER ELIGIBLE TO RECEIVE THE 42.5% SURVIVORS

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[BRACKETS] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

1 BENEFIT UNDER SUBSECTION (K)(4) SHALL RECEIVE 50% OF THE MEMBER'S
2 ALLOWANCE, IN LIEU OF THE 42.5% PREVIOUSLY PROVIDED UNDER
3 SUBSECTION (K)(4). ANY SUCH INCREASED RATE SHALL BE EFFECTIVE
4 BEGINNING JULY 1, 1993 OR FROM THE DATE OF ELIGIBILITY, WHICHEVER
5 OCCURS LATER.

6 35. Management of funds.

7
8 (b) Interest.

9
10 ANY NET UNALLOCATED INTEREST SURPLUS AS OF JUNE 30, 1992, SHALL
11 BE APPLIED AND AMORTIZED OVER THE ACTUARIALLY APPROPRIATE
12 NUMBER OF YEARS TO OFFSET THE COST OF ORDINANCE NO. _____, AS IT
13 APPLIES TO MEMBERS IN ACTIVE SERVICE ON AND AFTER JULY 1, 1993.

14 36. Method of financing.

15 (h) Percent of compensation contributable.

16 (4) EFFECTIVE WITH THE FIRST FULL PAYROLL PERIOD
17 COMMENCING CLOSEST TO JULY 1, 1993, EACH MEMBER WHO WOULD
18 OTHERWISE CONTRIBUTE SEVEN PERCENT (7%) OF HIS REGULAR
19 COMPENSATION ACCORDING TO PARAGRAPH (1) ABOVE SHALL INSTEAD
20 CONTRIBUTE ~~TWO~~ FIVE PERCENT (~~2%~~) (5%) OF HIS REGULAR
21 COMPENSATION, SUCH CONTRIBUTION TO CONTINUE THROUGHOUT SUCH
22 MEMBER'S REMAINING PERIOD OF SERVICE.

23 36A. Post retirement benefit increases to certain retirees and beneficiaries.

24 (F) CONTINGENCY RESERVE FUND TO PROVIDE INCREASE IN
25 WIDOW'S AND CHILDREN'S BENEFIT.

26 NOTWITHSTANDING THE PROVISIONS OF (D) AND (E)
27 ABOVE, THE VALUE OF THE CONTINGENCY RESERVE FUND AS OF JUNE 30,
28 1992 SHALL BE APPLIED EFFECTIVE AS OF JULY 1, 1993, TO THE EXTENT
29 ACTUARIALLY NECESSARY TO PROVIDE THE INCREASE IN SURVIVING
30 SPOUSE AND CHILDREN'S BENEFITS WITH RESPECT TO MEMBERS WHO ARE
31 PRESENTLY RETIRED AND BENEFICIARIES OF MEMBERS WHO PREVIOUSLY
32 RETIRED, AS REQUIRED BY ORDINANCE NO. _____. EXCEPT FOR THE
33 APPLICATION OF SUCH CONTINGENCY RESERVE FUND VALUE AS OF JUNE

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[BRACKETS] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by
amendment or deleted from the law by amendment.

(Bill No. 493)

1 30, 1992, THE OPERATION OF THE CONTINGENCY RESERVE FUND PURSUANT
2 TO (D) AND (E) ABOVE SHALL NOT OTHERWISE BE AFFECTED BY
3 ORDINANCE NO. _____.

4 SECTION 2. SEVERABILITY. If any section or part of any section of this Ordinance is
5 declared to be unconstitutional, or otherwise illegal, the remainder of this Ordinance shall
6 not thereby be invalidated.

7 SECTION ~~2.3.~~ AND BE IT FURTHER ORDAINED, That this Ordinance shall take
8 effect as of July 1, 1993, except as otherwise specifically required herein.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[BRACKETS] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

00493
File Copy

Council Bill
No. 493
Financial Summary

Funded Status of System
as of 6/30/92

Assets	\$1,034,175,115
---------------	------------------------

Unfunded Actuarial Liabilities	\$43,251,525
---	---------------------

Percent Funded	96%
-----------------------	------------

Cost/Funding Summary of Benefit Changes for Active Members

Funding Sources (in millions)

No Pay Increase 7/1/92	\$3.3
Unallocated Interest Surplus	2.4
Total Active Employee Surplus	\$5.7

Benefit Costs

Increase Spouse's Benefit from 42 1/2% to 50%	\$0.8
Increase Benefit Accrual 20 Years from 1.8% to 2.0%	1.8
Change Employee Contribution Rate to 5%	3.0
Expand Eligibility for Spouse Benefit to Include Spouse of 5 Years	0.0
	\$5.6

Net Savings **\$0.1**

Note:

\$0.1 million cost reduction occurs in Fiscal 1995. Additional cost reduction of approximately \$2.2 million occurs in Fiscal 1996 because pay increase at 2% versus actuarial assumption from 6% to 12%.

Variable Benefit Fund Analysis

Paid Up Benefit Fund*	\$115.7 Million
Assets Required for Paid Up Benefits**	\$98.5 Million
Paid Up Benefit Fund Surplus	\$17.2 Million
Additional Contingency Reserve Fund*	\$12.3 Million
Total Variable Benefit Surplus and Contingency Reserve	\$29.5 Million
Reserve Required for Spouse Benefits	\$11.2 Million
Remaining Surplus and Contingency Reserve	\$18.3 Million

*As reported by City Actuary 6/30/92

** As reported by Lincoln Capital, investment manager of the Paid Up Fund

June 3, 1993

SUMMARY OF CITY COUNCIL BILL 493
FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM
(PROPOSED SECOND READER)

1. Amount of Widow's Pension: The widow's pension would increase from 42.5% to 50% as of July 1, 1993, for all widows receiving the benefit as of June 30, 1993, and in the future.
2. Eligibility for Widow's Pension: The widow's pension would be made available to a broader classification of people: not only a spouse to whom the member was married for at least one year before retirement, but also, a spouse to whom the member was married for at least five years, where some or all of the five year period occurs after retirement. This change applies only to the surviving spouse of a member who dies after June 30, 1993.
Example: A member was married on July 1, 1992, and retired on January 1, 1993. He remained married until his death on July 2, 1997. His spouse would receive the 50% widow's pension.
3. Disabled Children's Pension: The benefit originally provided for permanently disabled children of a deceased member has been deleted from the proposed second reader.
4. Older Members' Benefit Accrual: The service retirement allowance for members who retire on or after June 29,

June 3, 1993

1993, has been increased slightly for years of service in excess of 20 years. It is currently 1.8% of average final compensation for each year after 20, and would increase to 2.0% for each year after 20.

5. Member Contributions: The Bill originally provided that the member contribution rate would be reduced from 7% to 2%. The proposed second reader bill now provides for a member contribution of 5%.
6. Funding: The proposed second reader bill provides for using the unallocated interest surplus to offset part of the cost, and also provides for using part of the Contingency Reserve Fund to offset part of the cost of the bill.

Fire and Police Employees' Retirement System
 City of Baltimore, Maryland
 SCHEDULE OF BENEFICIARIES BY ATTAINED AGE AND TYPE OF RETIREMENT

Age	Number of Recipients	TYPE OF RETIREMENT*								
		<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>
0-24	6	3			1	1			1	
25-29	1								1	
30-34	2						1	1		
35-39	8	1						4	3	
40-44	23	1			2	1	2	12	5	
45-49	40	5			6	6	2	14	7	
50-54	44	4			9	5	9	9	8	
55-59	88	19			17	17	18	10	7	
60-64	109	34	1		20	16	26	5	7	
65-69	165	58			28	38	18	10	13	
70-74	146	70			25	23	13	5	9	1
75-79	89	52			15	8	10	2	2	
80-84	53	37			2	6	6		2	
85-and up	30	26			1	2	1			
Totals	804	310	1	0	126	123	106	72	65	1
Average Annual Benefit	\$7,780	\$5,743	\$4,594	\$ 0	\$4,117	\$6,518	\$11,768	\$7,308	\$21,010	\$10,871

243

*Type of Retirement

- 0-Normal retirement for age and service
- 1-Early retirement
- 2-Discontinued service
- 3-Non-line of duty disability
- 4-Line of duty disability
- 6-Non-line of duty death, member eligible for service retirement at death
- 7-Non-line of duty death, 25% of compensation
- 8-Line of duty death
- 9-Line of duty disability, 100% of compensation

CE493
 FIRE007

89



OFFICE OF THE PRESIDENT

MARY PAT CLARKE
BALTIMORE CITY COUNCIL

March 15, 1993

Officer Walter Holtz
740 Oak Grove Circle
Severna Park, Maryland 21146

Dear Officer Holtz,

Thanks for my copy of your letter of February 16 to the Mayor. In response to your inquiries, please be advised of the introduction of City Council Bill 493, a copy of which is enclosed, which proposes to allocate a portion of retiree assets to increased benefits for the widows of Fire and Police beneficiaries. By copy of this letter, I am requesting that Mr. Edward C. Heckrotte forward to you a complete summary of enhanced benefits per this pending legislation.

Bill 493 has been referred for hearing to the City Council's Taxation and Finance Committee, chaired by Councilman Timothy Murphy. To be notified once a hearing date is set, please contact Council's Executive Secretary Lorraine Laszczynski, at 396-4804. For more information, please contact Mr. Bill Henry of the President's Office, at 396-4804. Thanks.

Sincerely yours,

MARY PAT CLARKE

MPC:ss:mcg

Enclosure

cc: Mr. Edward C. Heckrotte
Ms. Lorraine Laszczynski
Mr. Bill Henry



Made from
Recycled Paper



To: Interested Parties

From: MARY PAT CLARKE, President, City Council of Baltimore

Re: Notification of Public Hearing

Title of Hearing: TAXATION & FINANCE COMMITTEE
(FIRE & POLICE EMPLOYEES' RETIRMENT SYSTEM)

A Public Hearing on CC 493 will be held:

Date: Thursday, May 20, 1993

Time: 1:30 pm

Location: City Council Chambers, 4th Floor-City Hall

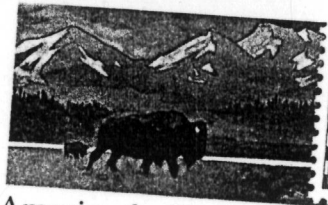
MARY PAT CLARKE, PRESIDENT
Baltimore City Council
100 N. Holliday Street
Baltimore, Maryland 21202



America the Beautiful USA 15

Mr. Walter Holtz
740 Oak Grove Circle
Severna, Maryland 21146

MARY PAT CLARKE, PRESIDENT
Baltimore City Council
100 N. Holliday Street
Baltimore, Maryland 21202



This U.S. stamp,
along with 25¢
of additional
U.S. postage,
is equivalent to
the 'F' stamp rate

America the Beautiful USA 15

Maurice Moody
1343 Stonewood Road
Baltimore, Maryland 21239

© USPS 1988

To: Interested Parties

From: MARY PAT CLARKE, President, City Council of Baltimore

Re: Notification of Public Hearing

Title of Hearing: TAXATION & FINANCE COMMITTEE
(FIRE & POLICE EMPLOYEES' RETIRMENT SYSTEM)

A Public Hearing on CC 493 will be held:

Date: Thursday, May 20, 1993

Time: 1:30 pm

Location: City Council Chambers, 4th Floor-City Hall

MARY PAT CLARKE, PRESIDENT
Baltimore City Council
100 N. Holliday Street
Baltimore, Maryland 21202



This U.S. stamp,
along with 25¢
of additional
U.S. postage,
is equivalent to
the 1st stamp rate

America the Beautiful USA 15

Mr. Maurice Moody
1343 Stonewood Rd.
Baltimore, Maryland
21239

2 USES 1988

To: Interested Parties

From: MARY PAT CLARKE, President, City Council of Baltimore

Rescheduled from 5/20/93 1:30 P.M.

Re: Notification of Public Hearing

Title of Hearing: TAXATION & FINANCE
FIRE & Police EMPLOYEES' RETIREMENT SYSTEM

A Public Hearing on CC 493 will be held:

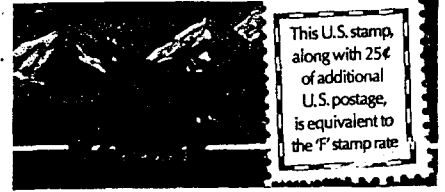
To: Date: June 3, 1993

Time: 1:30 PM

Location: CITY COUNCIL CHAMBERS
4TH FLOOR - CITY HALL

5/19/93

MARY PAT CLARKE, PRESIDENT
Baltimore City Council
100 N. Holliday Street
Baltimore, Maryland 21202



America the Beautiful USA 15

*Mr. Walter Halty
740 Oak Grove Circle
Sewers, Md. 21146*

To: Interested Parties

From: MARY PAT CLARKE, President, City Council of Baltimore

Rescheduled from 5/20/93 1:30 PM

Re: Notification of Public Hearing

Title of Hearing: TAXATION & FINANCE
FIRE AND POLICE EMPLOYEES' RETIREMENT SYSTEM

A Public Hearing on CC 493 will be held:

To: Date: June 3, 1993

Time: 1:30 P.M.

Location: CITY COUNCIL CHAMBERS - 4TH FLOOR
CITY HALL

5/19/93