# Retirement News Highlights

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## Baltimore mayor vetoes bill that would make city officials pension-eligible after 8 years instead of 12

By Emily Opilo
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Baltimore Mayor Brandon Scott has vetoed a bill that would make the city's elected officials eligible for a pension after eight years instead of the current 12.

The veto, only Scott's second since taking office, was delivered Wednesday, shortly after the city's Board of Ethics implored him via a letter to delay making a decision on the matter until the board could issue an ethics opinion. The board cited a possible violation of the city's ethics ordinance by the members of the City Council.

The council passed the legislation last week by an 8-5 vote, with two members abstaining, after less than a month of consideration. Council President Nick Mosby, the bill's sponsor, argued it was necessitated by the Election Day passage of Question K, a charter amendment that will establish term limits for the city's mayor, comptroller and City Council.

Question K, funded almost entirely by a $805,000 investment from David Smith, chairman of Hunt Valley-based Sinclair Broadcast Group, was approved by 72% of the city's voters on Nov. 8. The charter amendment will limit officials to two four-year terms in each of the affected offices, but is not effective until 2024.

Council's legislation, however, would affect sitting officials, making them pension-eligible in four fewer years.

The council now will need to decide whether to override or sustain the veto, but will need 10 votes to do so.

In a letter Wednesday to Mosby, Scott said maintaining public trust is "paramount to my ability to perform my duties of my office." The mayor said he could not in good conscience sign the bill.

"Given the potential for ethical issues with the bill and the need for adequate time to perform due diligence and to provide recommendations for true cost-effective alternatives to the legislation, it is my duty to consider the advice of our expert agency heads and make the decision that is in the city's best interest," Scott wrote.

Mosby’s office did not respond to a request for comment Wednesday.

City ethics officials said they were troubled by the appearance of current officeholders making a decision on their own retirement benefits. The move could undermine or already may have undermined public confidence in city government, wrote Stephan Fogleman, the ethics board chairman, wrote in the board’s letter to Scott sent Monday.

“The Ethics Board is concerned it is impossible for the current council, while in term, to have voted in favor of the amendment without giving the appearance of a conflict of interest,” Fogleman wrote.

Baltimore’s ethics law requires public officials to disqualify themselves from decisions in which they have an interest, the board noted.

Fogleman said Wednesday that the board still intends to provide a comprehensive formal advisory opinion on the pension issue to guide future elected officials.

The council was warned ahead of its vote that changing its own benefits would be an unconventional move.

David Randall, executive director of the Baltimore Employees’ and Elected Officials’ Retirement Systems, wrote in a letter to the council that “while it may not be unconstitutional, it is highly unusual for elected officials to enhance their benefits while in term.”

City finance and retirement officials pleaded with the council to wait to pass the bill, arguing a full financial analysis should be performed first. The city’s elected official pension plan, which is currently fully funded, paid out about $1.5 million in fiscal year 2022 to 31 retired officials and beneficiaries.

Two members of the City Council, Eric Costello and Mark Conway, abstained from the council’s final vote on the measure last week. Costello noted during an earlier vote that he would immediately become vested were the bill to pass and said voting on the measure would be “inappropriate.”

## What will the council do?

Scott’s decision, which came well before a January deadline set by the city charter, marks the start of a window for the City Council to consider whether to override or sustain the veto. The city’s charter requires the council to read Scott’s veto into the record. After a five-day wait, the group has 20 days to reconsider the bill or, if no meeting is held during that 20-day period, its first regularly scheduled meeting.

The council’s next meeting is Dec. 5. Ten members are required to override a veto — a margin greater than what the bill passed with.

The veto is Scott’s second since taking office. His first struck down a bill intended to give renters more options when paying security deposits. Critics of that bill, which included numerous housing advocacy groups, argued it would have created a system that preyed on tenants. The council did not attempt to override the veto.

Baltimore’s retirement plan for elected officials has two tiers of benefits: one for officials who were elected before December 2016 and one for those elected after. Officials elected before 2016 receive 2.5% multiplied by their years of service and their annual salary of their highest position held.

Officials elected after 2016 receive a pension based on the same formula, but it is capped at 60% of their compensation at the time of retirement.

Currently, the mayor is paid $189,044. Both the comptroller and City Council president make $131,798. Council members are paid $73,966.

There are also built-in increases. After two years of receiving benefits, officials elected before 2016 receive an increase tied to the current compensation of the position held before they retired. An official who retired as the city’s mayor, for example, would receive an increase at the same rate as the current mayor.

Officials elected after 2016 are capped at a 1.5% increase until age 65 and 2% thereafter, but they have to wait only one year for the increases to begin.

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