

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2013, Legislative Day No. 32

Bill No. 56-13

VETOED

Introduced by Mr. Walker, Chairman
(by request of the County Executive)

By the County Council June 3, 2013

**LAURA NEUMAN
COUNTY EXECUTIVE**

Introduced and first read on June 3, 2013

Public Hearing set for and held on July 1, 2013⁰

Bill AMENDED and VOTED on July 1, 2013

Bill Expires September 6, 2013

July 2013
DATE

By Order: Elizabeth E. Jones, Administrative Officer

A BILL ENTITLED

1 AN EMERGENCY ORDINANCE concerning: County Pension and Retirement Plans

2
3 FOR the purpose of changing the eligibility for participation in the Deferred Retirement
4 Option Plan (DROP); changing the participation period and interest payments in the
5 Deferred Retirement Option Plan (DROP); making certain technical changes; making this
6 Ordinance an emergency measure; and generally relating to pensions.

7
8 BY repealing and reenacting, with amendments: §§ 5-1-503; 5-1-506(b); and 5-1-508(c)
9 Anne Arundel County Code (2005, as amended)

10
11 BY renumbering: § 5-1-508(d) to be § 5-1-508(e)
12 Anne Arundel County Code (2005, as amended)

13
14 BY adding: § 5-1-508(d)
15 Anne Arundel County Code (2005, as amended)

16
17 SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland,*
18 That § 5-1-508(d) of the Anne Arundel County Code (2005, as amended) is hereby
19 renumbered to be § 5-1-508(e).

EXPLANATION: CAPITALS indicate new matter added to existing law.
[Brackets] indicate matter stricken from existing law.
Underlining indicates amendments to bill.
Strikeover indicates matter stricken from bill by amendment.

1 SECTION 2. *And be it further enacted*, That Section(s) of the Anne Arundel County
2 Code (2005, as amended) read as follows:

3
4
5 **ARTICLE 5 PENSIONS**

6
7 **TITLE 1. GENERAL PROVISIONS**

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9 **5-1-503. Eligibility**

10
11 (a) **Fire Service Retirement Plan.** [Except as provided in subsection (b), a] A participant
12 in the Fire Service Retirement Plan is eligible to participate in the DROP if the participant is
13 actively employed by the County in a position covered by the plan and has completed 20 years
14 of actual plan service.

15
16 [(b) **Fire Service Retirement Plan after January 1, 2015.** After January 1, 2015, an
17 employee in the classification of Fire Battalion Chief will not be eligible to participate in
18 DROP.

19
20 (c) (B) **Police Service Retirement Plan.** A participant in the Police Service Retirement
21 Plan is eligible to participate in the DROP if the participant is actively employed by the
22 County in a position covered by this plan and has completed 20 years of actual plan service.

23
24 **5-1-506. Participation period; mandatory retirement upon expiration.**

25
26 (b) **Term of participation period.** The initial term of a DROP participation period is
27 three years. FOR PARTICIPANTS WHO ARE EMPLOYEES REPRESENTED BY THE INTERNATIONAL
28 ASSOCIATION OF FIREFIGHTERS, LOCAL 1563 [The] THE DROP participation period may be
29 extended by no more than [two] THREE additional one-year terms, AND THE DROP
30 PARTICIPATION PERIOD MAY BE EXTENDED BY NO MORE THAN THREE ADDITIONAL ONE-
31 YEAR TERMS FOR ALL OTHER PARTICIPANTS WHO QUALIFY FOR PARTICIPATION IN DROP
32 UNDER § 5-1-503. A DROP participant shall file an election for each extension on the form
33 required by the Personnel Officer no fewer than 30 days before the end of the current term.
34 Failure of a DROP participant to file a timely election for an extension results in the expiration
35 of the DROP participation period at the end of the current term.

36
37 **5-1-508. DROP account.**

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39 (c) **Account Balance.** The account balance credited to a DROP participant includes:

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41 (1) the amount of the retirement benefit determined under subsection (b); and

42
43 (2) interest on [that amount] AMOUNTS EARNED IN YEARS ONE THROUGH FIVE OF A
44 MEMBER'S DROP PARTICIPATION:

45
46 (i) compounded on the account balance as of the first day of each month;

1 (ii) for members of the Police Service RETIREMENT Plan whose DROP
2 participation began prior to July 1, 2009, at an interest rate of 0.6434%, which provides an
3 effective annual yield of 8%;

4 (iii) for members of the Police Service RETIREMENT Plan whose DROP
5 participation began after June 30, 2009, at an interest rate of .34745%, which provides an
6 effective annual yield of 4.25%;

7
8 (iv) for members of the Fire Service RETIREMENT Plan whose DROP participation
9 began prior to July 1, 2010, at an interest rate of 0.6434%, which provides [and] AN effective
10 annual yield of 8%; AND

11
12 (v) for members of the Fire Service RETIREMENT Plan whose DROP participation
13 began after June 30, 2010, at an interest rate of .34745%, which provides an effective annual
14 yield of 4.25%]; and

15
16 (vi) credited to the DROP participant from the beginning to the expiration of the
17 DROP participation period].

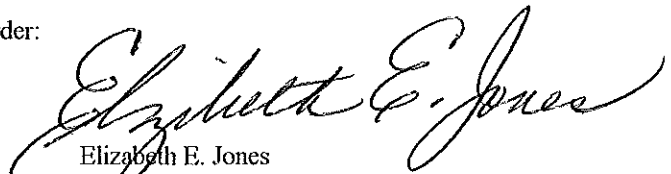
18
19 (D) **Limitations on interest.** NO INTEREST WILL BE EARNED OR CREDITED DURING THE
20 SIXTH YEAR OF A DROP PARTICIPATION PERIOD OR AFTER THE EXPIRATION OF ANY DROP
21 PARTICIPATION PERIOD.

22
23 SECTION 3. *And be it further enacted,* That this Ordinance is hereby declared to be an
24 emergency ordinance and necessary for the immediate preservation of the public peace,
25 health, safety, welfare, and property, and being passed by the affirmative vote of five members
26 of the County Council, the same shall take effect from the date it becomes law.


AMENDMENT ADOPTED: July 1, 2013

READ AND PASSED this 1st day of July, 2013

By Order:

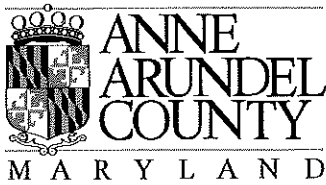

Elizabeth E. Jones
Administrative Officer

PRESENTED to the County Executive for her approval this 2nd day of July, 2013


Elizabeth E. Jones
Administrative Officer

APPROVED AND ENACTED this _____ day of July, 2013

Laura Neuman
County Executive



County Executive Laura Neuman
P.O. Box 2700, Annapolis, MD 21404
410-222-1821

July 9, 2013

The Anne Arundel County Council
Arundel Center
44 Calvert Street
Annapolis, Maryland 21401

RE: Veto and Veto Statement, Bill No. 56-13

Dear Members of the County Council:

In accordance with Section 307(j) of the Anne Arundel County Charter, I hereby exercise my Executive Veto as to Bill No. 56-13. My reasons for not approving the Bill are stated below and are incorporated by reference to the bill, which is returned to you.

I have vetoed Bill No. 56-13, Ordinance concerning: County Pension and Retirement Plans because it provides a benefit, a sixth year in the DROP, for employees represented by the International Association of Firefighters, Local 1563, which was not part of its collective bargaining agreement. Attempting to add a provision that was not part of the collective bargaining agreement undermines the union negotiation process.

I will re-introduce Bill 56-13 to the County Council as it was originally written to allow the other four public safety unions that collectively bargained and came to good faith agreements with the Administration to expand their eligibility in the DROP to a sixth year.

Sincerely,

A handwritten signature in black ink, appearing to be "Laura Neuman", written in a cursive style.

Laura Neuman

Enclosure