

## **(UN)HAPPINESS — Mayor brushes aside threat of second lawsuit over pension reform**

By Alan Z. Forman, *Investigative Voice*, June 9, 2010

Despite a threatened second lawsuit over a bill that would dramatically change the pension system for Baltimore police officers and firefighters, the mayor and City Council moved ahead this week with legislation to close a \$121 million budget deficit and preclude retirement payments in excess of \$65 million that officials say the city can't afford.

At its regular meeting Monday evening the council moved a step closer to averting the doomsday scenario envisioned by Mayor Stephanie C. Rawlings-Blake when she presented her initial budget proposal in late March, followed by her immediate pledge to work with lawmakers to avert the draconian cuts she had just proposed.

Last Thursday the police and firefighters' unions filed suit in federal court to block changes to the current retirement system under consideration by the City Council that resulted in new pension reform legislation being introduced at Monday night's meeting.

### **'THERE WILL BE A SECOND LAWSUIT'**

Following the council meeting, Capt. Stephan G. Fugate, president of Baltimore Fire Officers Association Local 964, which represents some 335 fire officers, told *Investigative Voice*: "If indeed the current [pension reform] legislation [just introduced] is adopted there will be a second lawsuit."

"We view it as a violation of the contract," said Fugate, which, according to Rawlings-Blake, is "the same thing, nothing different, from what he's said before."

Asked by *I.V.* if she is concerned about another lawsuit against the pension reform, the mayor sat silently and did not respond.

Fugate said his members were "absolutely not" happy with the proposed legislation that would alter pensions for firemen and police officers as part of the mayor's proposed budget shortfall fix and threatened the additional lawsuit if the city went ahead with plans to change the retirement system.

The city says it can afford to pay less than two-thirds of its future pension obligations — \$121 million of \$166 million required — and that the system therefore must be changed.

If the council doesn't fix the system now, it will be even harder to do so in the future, according to Councilman William H. Cole 4th (D-11th), who said he didn't want to have to answer a future firefighter or police officer's question, "Why didn't you fix it?" in

2010. The firemen and police have reportedly raised more than \$2 million to fight the city in court.

Other legislation, moved ahead for consideration by the council next week, included \$20.3 million in increased taxes, enough to save the more than 600 city jobs, including 193 police department positions and 91 firefighters, as well as preclude the closing of numerous rec centers, the mayor had said three months ago would have to be cut.

### **MACHINES MAKE ILLEGAL PAYOFFS**

A bill to tax “simulated slot machines” — primarily video poker machines that make illegal payoffs in bars and convenience stores — championed by 3rd District Councilman Robert Curran and which had languished in committee for over a year, was resurrected late last month and achieved final passage Monday night by a vote of 10-2, with two members abstaining.

The measure is expected to bring in \$2 million in fees per year and was passed, along with a bill providing for increased fines for “nuisance” behavior, such as public drunkenness and urination, introduced by Council President Bernard C. “Jack” Young, who said an additional \$3.1 million will be added to the revenue-generating package today (Wednesday) when the Board of Estimates approves increases to the city’s parking meter rates.

On Thursday the council’s Taxation, Finance and Economic Development Committee, chaired by Councilwoman Helen L. Holton (D-8th), is expected to vote on a second package of revenue enhancements that will save hundreds of city jobs and fully restore funding to critical services, Young said.

“There is enough money now to completely restore the police and fire budgets,” said Councilman James B. Kraft (D-1st), “plus half the money needed to restore the rec centers.”

The revenue package will prevent police officers from being laid off and will reduce the practice of rotating fire company closures from four to three.

At a neighborhood meeting Tuesday night in Mt. Washington, the mayor told residents, “There will be no layoffs of fire and police” and that “four closures a day [of fire stations] is not acceptable.”

However, without modifying the police and firefighters’ retirement system, it seemed unlikely the budget could be balanced and still save the jobs and recreation centers.

### **'THE GOVERNOR IS IN TOUCH'**

“We are faced in the city with the biggest budget crisis in modern history,” Rawlings-Blake told attendees at the Northwest Baltimore meeting, adding: “The governor is in touch with me on this, I wouldn’t say daily, but on a weekly basis.”

Another controversial measure, a tax on bottled beverages, received so much opposition from supermarket owners and bottlers alike — because it would increase costs for consumers in Baltimore City but not surrounding counties, allegedly causing droves of people to cross county lines to do their shopping — that it has been effectively shelved by the council and replaced by other revenue proposals.

However, in answer to a question after the Monday night council meeting, Council President Young said, “If we have to do the bottle tax, that will be decided by the full council,” indicating that the issue of a four-cent tax on bottles is not yet a totally dead issue.

Two weeks ago, when it was tabled for the second time, Councilwoman Mary Pat Clarke (D-14th) told *I.V.* she didn’t want to vote for it, but “If it becomes necessary, I will.”

With the dropping of the bottle tax, the revamping of the police and firefighters retirement system has become the major sticking point in current budget negotiations.

Replacing a bill originally introduced by Council Members Holton and Cole at the behest of the mayor, the new bill was placed in the hopper by Council President Young and was co-sponsored by seven council members.

Questioned Tuesday by *Investigative Voice* about the revised pension legislation and whether she was happy with it — this time she permitted Young to introduce the legislation for her rather than again pressuring Holton and Cole to do it as before — the mayor responded tersely:

“Why not? It’s my bill. Of course I’m happy with it.”

#### **MAYOR, COUNCILWOMAN LECTURE I.V.**

In an interview at the annual meeting of the Mount Washington Improvement Association, at which she was the featured speaker, the mayor — along with Councilwoman Rochelle “Rikki” Spector (D-5th), who represents Mount Washington despite maintaining residence in a luxury condo near the Inner Harbor (which is in a different councilmanic district) — then lectured *I.V.* on the concept of separation of powers in government.

“I can’t introduce legislation,” the mayor said brusquely, as she and Spector both declined to address the question of why the revised legislation was introduced by Young and not by Holton and Cole as before. Holton had privately expressed annoyance previously at being put in an awkward position by Rawlings-Blake involving the pensions.

Said Young, in a statement released late Monday: “My colleagues on Council and I have worked hard to come up with revenue-generating legislation to close Baltimore’s looming \$121 million budget deficit. The council’s initial revenue package represents tangible steps toward fixing the city’s budget shortfall.

“Over the coming weeks we will put in place the remainder of a package of revenue enhancements that will completely address the city’s budget problems.”

After the meeting, Young told the media: “No one wants to see the police and firefighters laid off [and] the police helicopter gone.

“But if we do nothing, the city will be in a situation of financial disaster.”

On a lighter note, the council meeting concluded with Councilman Cole’s announcement that his daughter Caitlin had won a 5th-grade citywide science award for inventing a way to remove oil from ducks.

“I knew it would be a child that would figure out a way to get oil off ducks,” intoned Councilwoman Clarke, gesturing toward Cole.

“Who knew I would know that child’s father!”