

Police and Fire Expectations

At the behest of the City of Alexandria, the FPOPP Pension Board was founded for the expressed purpose of implementing a defined benefit plan that incorporated “a cost containment plan in advance of a crisis as a prudent measure for protecting the City from out-of-control costs and the employees from arbitrary and surprising benefits and/or contribution changes.”

This board was comprised of employee representatives and city staff. The FPOPP Board was overseen by the City of Alexandria City Council.

In 2004, the FPOPP Pension Board and the City of Alexandria mutually established The City of Alexandria Firefighters and Police Officers Pension Plan (“FPOPP”.) This plan was enacted and members voluntarily paid the highest percentage of salary than that of any other participant in a City of Alexandria recognized pension plan. Since its inception, there was the expressed agreement and understanding of the FPOPP Board and its members that we would share the responsibility of managing costs relating to our pension with the City of Alexandria. Additionally, as a result of a failed Defined Contribution plan, it was understood that now the City of Alexandria would assume the market rate fluctuations as the City was in a better position to cope with these market variations rather than an individual employee.

It should be noted that the pension plan’s rates were carefully crafted and negotiated with the City of Alexandria. At the onset of the plan, the employee contribution amount was determined based on an offset of oscillating future social security benefits as well as the variability of the stock market. In spite of increasing healthcare costs and loss of COLA increases, plan participants have remained steadfast in contributions because the FPOPP plan was designed with adjustment rate mechanisms in place to create a solid long term investment despite a fluctuating economy. Other pension plans that operate in the City contribute far less than the members of the FPOPP, thus placing a greater financial burden on the taxpayers of the City of Alexandria.

Per its pact, the FPOPP Pension Board remained well educated with regard to this pension plan and continued to make recommendations on an as needed basis. The expectation of the FPOPP Board is that the City of Alexandria would also abide by our agreement and discuss any pension changes with the FPOPP Board prior to implementation.

Additionally, the FPOPP Board recognized that the City of Alexandria has already shifted the employee costs of the pension office and its required worker related disability payments into the total pension costs thus placing an artificial burden on FPOPP members. This shift allowed for the appearance of higher pension costs to the City of Alexandria tax payers. It is the expectation of the FPOPP Board that again prior to the enactment of any change to the FPOPP Pension Plan, these fabricated costs will be considered by the FPOPP, tax payers, and City Council.

Furthermore, we are confident that the City of Alexandria will recognize the inequity amongst multiple pension plan contributions and only discuss plan increases with retirement systems that have failed to prepare for an unpredictable economy and encumber City of Alexandria tax payers.

The FPOPP Board is unwavering in our commitment to work with the City of Alexandria.

It is the FPOPP Board's position that the City of Alexandria will continue their commitment to fund minor market fluctuations and furthermore confer with the FPOPP Board on all matters that affect the FPOPP membership.

The FPOPP Board pledges to continually evaluate the pension plan, however, there is no need for modification of The City of Alexandria Firefighters and Police Officers Pension Plan at this time.