

City of Alexandria, Virginia

MEMORANDUM

DATE: SEPTEMBER 9, 2008

TO: PARTICIPANTS IN THE CITY OF ALEXANDRIA FIREFIGHTERS AND
POLICE OFFICERS PENSION PLAN

THRU: MICHAEL CROSS, CHAIRMAN, FIREFIGHTERS AND POLICE OFFICERS
PENSION BOARD
LAURA B. TRIGGS, FINANCE DIRECTOR

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: PROPOSED EIGHTH PENSION PLAN AMENDMENT

The City maintains the City of Alexandria Firefighters and Police Officers Pension Plan (the "Pension Plan") for sworn officers of the Fire and Police Departments. The City administers the Pension Plan with policy advice provided by a Board of Trustees (the "Board") comprised of representatives of the Participants and City management. The Board also oversees the Pension Plan investments.

Recently, the Board proposed an Eighth Amendment to the Pension Plan that is described below. **This Amendment makes no changes to benefits, contributions or eligibility.** City Council has approved seven amendments since the adoption of the Pension Plan.

At its August 6, 2008, meeting, the Board recommended that City Council adopt the proposed Eighth Amendment. At a September 2, 2008, meeting, the City Council Employee Pension Compensation Committee recommended adoption of the Eighth Amendment to accomplish the following:

1. Make changes required to comply with the Pension Protection Act of 2006 so that the Pension Plan maintains its tax-preferred status;
2. Clarify ambiguities in the DROP provisions to ensure that the Plan Document is consistent with intended plan design and administration;
3. Clarify ambiguities in the disability provisions to ensure that the Plan Document is consistent with intended plan design and administration;

4. Maintain the basic Board election rights and representation that the Plan Document guarantees to Participants, but allow the Board to adopt rules for election procedures;
5. Streamline the plan amendment process when the proposed amendment does not affect Participant benefits, contributions, or eligibility;
6. Consolidate the Plan Document, the previous seven plan amendments, and this proposed eighth plan amendment into one restated Plan Document;
7. Make no changes in the benefits, contributions, or eligibility rules.

The Plan Document calls for a 60-day notice to Participants of proposed changes to the Pension Plan. During this period, Participants may examine the text of the proposed amendments. In addition, meetings are scheduled to discuss the proposal. See below for meeting times and places. Each meeting is scheduled for a three-hour period beginning with a short presentation. You are welcome to drop in anytime during the three-hour meeting time to discuss the proposed amendment.

We anticipate the Plan amendment will be as described above. However, if in the drafting of the amendment, legal counsel finds issues that require altering the design of the proposal, the 60-day clock will start over to give you an opportunity to discuss any new changes. We are committed to the principle of full disclosure and open communication. After the meetings take place, if there are no materials changes in the proposed amendment, the Eighth Amendment will be scheduled for City Council consideration.

A copy of the proposed plan amendment is available on line on the City's website. Go to alexandriava.gov/finance and click on *Pension Administration Division* then *Firefighters and Police Officers*. We recommend that you periodically visit this site to view information about your plan. Announcements of meeting times and places and other information will be posted there.

Meeting Location And Address	Room	Date and Time
Lee Center 1108 Jefferson Street	Gold Room One	Tuesday September 30, 2008 8:30 a.m. – 11:30 a.m.
Hoffman Center 2034 Eisenhower Avenue	CIS Roll Call Room Room 210	Thursday October 2, 2008 2:00 p.m. – 5:00 p.m.