

**MINUTES OF FEBRUARY 28, 2007, RETIREMENT BOARD
CITY OF ALEXANDRIA FIREFIGHTERS AND POLICE OFFICERS
PENSION PLAN
SPECIAL MEETING**

PRESENT

<u>Members</u>	<u>Others</u>
Dana Lawhorne (Chair)	Steven Bland, Retirement Administrator
Michael Cross	Kenneth Hoffman (Venable) – Telephonic
Michele Evans	
Henry Howard	
Mark Jinks	
Bruce Johnson (Alternate)	
Chris Lockwood	
Shirl Mammarella (Alternate)	
Joe Seskey	
Laura Triggs	

CALL TO ORDER

The meeting was called to order at 8:40 A.M. on February 28, 2007

CALENDAR

The October 4th Meeting was rescheduled to October 3rd 8:30 AM in the Sister Cities Conference Room.

DISABILITY COMMITTEE REPORT

The Committee's Chair, Mr. Seskey, provided a report. His overview included the January 30th, February 22nd, and February 26th meetings. He thanks the members of the Disability Committee – Laura Triggs and Michael Cross, for their contributions.

Mr. Ken Hoffman joined the meeting via telephone. Mr. Hoffman reviewed the Fifth Amendment to the Plan Document sequentially.

The first change addresses: Actuarial assumptions, the Retirement Income Account and Voluntary Employee Contributions, and Qualified Domestic Relations Orders (QRDOS). Where

QDROS have been filed and disbursements been made from Retirement Income Accounts in the past the result was that the offset calculation was impacted. The value of the disability benefits at retirement was increased by an offsetting amount. In effect the retirement plan funded the member's divorce. It was emphasized the QDROS filed and executed in the past would not be impacted by the proposed plan amendment. However, future QDROS would no longer be funded by the plan.

The second change addressed actuarial equivalence.

The third change enabled Defined Benefit participants who still have Retirement Income Accounts to turn over the City Funded portion of their defined contribution plan to the Defined Benefit plan to effectively lock in 50%, 66 2/3% or 70% of their average earnings – determined by their disability classification. The change was in two parts, those currently disabled and future disablements.

The fourth change was analogous to the third change but it is for participants in the Disability Income Plan.

The fifth change addresses death benefits for those that make an election to transfer their Retirement Income Account but die before normal retirement date.

The sixth change addresses actuarial assumptions in the Appendix A.

Ms. Mammarella made a motion:

The board recommends to the City Council the Approval of the Fifth Amendment to the Firefighters and Police Officers Pension Plan.

Ms. Evans seconded the motion.

The motion passed unanimously (8-0).

Ms Evans expressed concern the subject matter was very complicated and the communications effort would be critical. Staff explained there would be a window of four months following the effective date of the plan amendment for members to receive information, seek investment advise from an investment professional, and then make an irrevocable election.

Staff referenced the Sixth Amendment to the Fire and Police plan, previously distributed by e-mail. This is a technical change required by the Federal Government for continued status as a tax qualified plan. The Cashout threshold is lowered from \$5,000 to \$1,000.

Ms Evans requested the first paragraph of the sixth amendment state it is a technical amendment required by the U.S. government.

Ms. Evans made a motion:

The board recommends to the City Council the Approval of the Sixth Amendment to the Firefighters and Police Officers Pension Plan with language referencing the federal mandate for it.

Ms. Triggs seconded the motion.

The motion passed unanimously (8-0).

March 14th at 4:30 PM there will be a special meeting of the Council subcommittee on Pensions and Employee Benefits to discuss several items: Disability, Service Credit buyback, Sixth Amendment on lump sum cash outs, and an issue for the City Supplemental Plan.

ELECTION PROCEDURES

Staff distributed the current draft of the election procedures. Ms. Evans asked Mr. Hoffman to review the procedures before they are presented to the board. Also, a timeline/calendar should be added.

OTHERS

Staff was developing investment handouts for the board. Two volunteers were sought to review the content and formatting of the initial report. Mr. Lockwood and Ms. Mammarella volunteered.

Staff indicated the communications position had been advertised and the process was progressing. Mr. Howard indicated his willingness to help move the process along wherever possible.

ADJOURNMENT

Mr. Seskey made a motion to adjourn. Mr. Cross seconded the motion. The motion passed unanimously (7-0). The meeting adjourned at 10:13 AM.