

**MINUTES OF JUNE 12, 2006, RETIREMENT BOARD
CITY OF ALEXANDRIA FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN
INTERIM MEETING**

PRESENT

Board Members

Dana Lawhorne (Chair)
Michael Cross
Michele Evans
Henry Howard
Mark Jinks
Bruce Johnson (Alternate)
Chris Lockwood
Shirl Mammarella (Alternate)
Dan Neckel
Joe Seskey

Others

Herb Robinson, Pension Communications Sp.
Ken Hoffman, Venable, LLP
Christopher Spera, Assistant City Attorney
Laura Triggs, Deputy Director of Finance

CALL TO ORDER

Meeting called to order at 8:45a.m., June 12, 2006

AGENDA ISSUES

Buy-back Amendment Discussion

Ken Hoffman, the Board's pension attorney, went over the plan amendment that he prepared for the board's consideration. The amendment specifies that the service buy-back is only available to firefighters and police officers who were participants in the Retirement Income Plan, prior to January 1, 2004, who had a break-in-service prior to January 1, 2004, and who received a distribution of contributions made to the Retirement Income Plan on their behalf as a result of their separating from service. Those participants eligible for the buy-back have the option of purchasing some or all of the prior service and must pay the full actuarial cost of such service. Payment can be made over 48 months as a payroll deduction (on a pre-tax basis), from their remaining Retirement Income Plan account balances or from assets in their 457 plan accounts or individual IRAs. Mr. Hoffman is informally consulting with the IRS to verify that a payment made from a 457 plan would be considered a nontaxable event.

Mr. Hoffman also discussed the 60-day notice period and the employee disclosure. As a result of a question raised by Mr. Lawhorne, Mr. Hoffman explained that the notice period is a city requirement and that it permits citizen/employee comments on the proposed amendment prior to consideration by the City Council.

Since the IRS is currently reviewing the Plan for its Determination Letter, Mr. Hoffman informed the Board that he will ask the IRS to review the proposed amendment as a part of that

review.

During discussion of the service buy-back amendment Board members raised several issues of concern:

1. Ms. Evans asked if there were any plan participants who had retired, had a break-in-service and received service credit that they were not entitled to. Mr. Neckel told the Board that he would research this issue and report back to the Board.

2. Mr. Lawhorne expressed concern that the Board was going through this process and that there was a possibility that none of the eligible Participants would take advantage of the service buy-back opportunity.

3. Ms. Evans questioned whether the 10/2/2006 - 11/30/2006 "window" would be an adequate amount of time for eligible participants to decide whether or not they would buy-back service. After discussion, the Board decided that the "window" would be lengthened. Packages will go out to eligible Participants in mid August, 2006.

4. Mr. Cross pointed out that the wording of section 3.5 (a) (4) of the proposed amendment should be revised to reflect that Participants can buy-back service in increments of whole years or the total amount of service if the total is less than one year.

5. Ms. Mammarella suggested that eligible employees be informed that paying for the service buy-back via the 457 plan may be preferable to financing the buy-back via deductions from current pay.

Mr. Neckel made a motion to approve the proposed amendment with the changes suggested by Mr. Cross. Mr. Cross seconded the motion. The vote to approve the amendment passed with six Board members voting yea, one nay and one abstention.

Minutes

A motion was made by Mr. Neckel, seconded by Mr. Cross to approve the minutes for April 17, 2006 meeting. The motion passed unanimously.

Mr. Cross pointed out that some details (upcoming educational meetings and some issues dealing with Prudential) were omitted from the May 23, 2006 minutes. The Board tabled the approval of the minutes until the next Board meeting which will be held on August 30, 2006.

Mr. Cross also requested that the minutes drafts be sent out within two weeks of the Board meetings.

Board Training

Members of the Board were provided with brochures about retirement trustee (fiduciary/investment) training that's being conducted by IFEBP, the International Foundation of Employee Benefit Plans. Training sessions are being held in July and October in Chicago and Las Vegas, respectively. Alternative training sources, such as Guns & Hoses 2006, will also be researched and considered. Mr. Seskey, has agreed to look into these two and other sources of training and discuss the alternatives with the other public safety members of the Board. This

group will then make a recommendation to Mr. Robinson.

Pension Administrator search

Mr. Neckel reported that the position is being advertised in multiple sources.

August 17, 2006 Board Meeting

The next meeting has been rescheduled to Wednesday, August 30, 2006 at 8:30am.

Mr. Cross asked Mr. Neckel if he had researched the question from the May 23, 2006 Board meeting dealing with the difference in the amount of contributions being made to the plan during the months of January, February and March 2006. Mr. Neckel stated that he had and that a written explanation will be sent to the Board members shortly.

Ms. Evans suggested that Ms. Triggs attend today's meeting to familiarize herself with issues being considered by the board. Ms. Triggs would be the alternate Finance Department representative on the Board should Mr. Jinks and Mr. Neckel not be available.

ADJOURNMENT

Motion to adjourn by Mr. Lawhorne, seconded by Mr. Cross. Meeting adjourned at 9:50am, June 12, 2006.