DATE: JUNE 7, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: CONSIDERATION OF A RESOLUTION TO MAKE AMENDMENTS TO THE CITY OF ALEXANDRIA FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN IN ORDER TO ALLOW ANNUITIZATION FOR DISABLED PARTICIPANTS AND TO MAKE OTHER CHANGES

ISSUE: Consideration of proposed changes to the City of Alexandria Firefighters and Police Officers Pension Plan.

RECOMMENDATION: That City Council adopt the attached resolution which would be the Fifth Amendment to the City of Alexandria Firefighters and Police Officers Pension Plan (the Defined Benefit Plan).

DISCUSSION: The Firefighters and Police Officers Pension Plan (the “Plan”), a defined benefit or “DB Plan,” became effective January 1, 2004. Prior to that date the City’s sworn firefighters and police officers participated in the Retirement Income Plan for Firefighters and Police Officers (the “Retirement Income Plan” Defined Contribution “DC Plan”) and the Firefighters and Police Officers Disability Income Plan (the “Disability Income Plan”). On February 21, 2004, the DC Plan was converted into a DB Plan and the Disability Income Plan was merged into the new DB Plan.

At that time active firefighters and police officers were given the opportunity to exchange their DC balances for past service credit under the new DB Plan. Not all eligible firefighters and police officers elected to use their Retirement Income Account to purchase past service credit. Additionally, employees who were disabled prior to February 21, 2004, were not all eligible to purchase past service credit. As a result, about 120 out of 460 active firefighters and police officers still have DC balances. Also, about 60 disability retirees have DC balances, in large part because they were disabled prior to the start of the new DB Plan.
As is the case with new Pension Plans in the first few years of operation, issues arise as the Plan is implemented that trigger some rethinking and proposed plan changes. To date, Council has approved Four DB Plan Amendments. This is the case again, and the Plan’s Board has discussed these issues and recommends the following six changes. I and the Council Pension Committee (comprised of Mayor Euille and Councilman Smedberg) concur with the Board’s following recommendations:

1. **Qualified Domestic Relations Order (“First Change”)**
   In calculating the retirement benefit offset, the effect of a qualified domestic relations order should be taken into account for future retirees. The Board recommends that the Plan language be amended so that the amount payable to an alternate payee under a domestic relations order is subtracted from the participant’s benefit, and is not absorbed by the Plan (and indirectly by the City and other participants). Currently, no subtraction is taken from participants monthly retirement checks. This change will be prospective and will not affect those already retired or those who are on disability and are currently subject to a qualified domestic relations order.

2. **Actuarial Assumptions (“Second Change”)**
   Under the terms of the Plan, the disabled participant’s retirement benefit offset is determined using specific plan actuarial assumptions. In addition, benefits payable to a participant who elects an optional form of benefit payment also uses specific actuarial assumptions. This amendment sets the actuarial assumptions to be used to make these calculations, but also allows these assumptions to be changed by the Board in the future. The Board believes that the actuarial assumptions used should not require a plan amendment to change. Having actuarial assumptions not written and fixed in plan documents is a common practice.

3. **Retirement Annuity (“Third Change”)**
   Currently, a participant who is disabled receives disability benefits from the Disability Income Plan. The disability payment is converted into a retirement payment at normal retirement age (age 60). At age 60, a DB calculation of a monthly payment is made based on years of service and assumed earnings. Then the participant’s DC balance is annuitized and the assumed monthly annuity amount deducted from the DB calculation. The participant then gets the DB remainder (i.e., DB benefit – assumed annuity = DB remainder). The participant then gets a DB check from the City and also has a DC balance to either keep or to use to buy a private sector annuity. The Plan document currently requires that a 7.5% rate be used by the City in calculating the assumed private sector annuity, whereas in actuality the private sector annuity rates are currently far lower (due to interest rate market conditions as well as profit factors). The result is that the disabled employee’s retirement DB benefits are lower than many police officers and firefighters expected.

   Last year, when a disabled police officer reached retirement age, that officer brought this issue to the City’s and the Board’s attention. While the calculations were correctly made in the officer’s case, the results were not what the City and the Board desired to occur. As a result, solutions were analyzed and one solution that has no actuarial cost to the City
was developed, and it solves the retirement pay level problem for Plan participants who are disabled.

The proposed plan amendment would create a one-time opportunity for disabled plan participants to choose to annuitize their DC balances by in effect turning them over to the City to invest as part of the DB Plan investments. The participants would then receive a DB benefit that would be set at the assumed 7.5% rate. The City can set this rate at 7.5% since that is the assumed actuarial annual rate-of-return to the DB Plan.

This means that participants would “sign over” their DC funds to the Plan in exchange for the guaranteed annuity benefit from the Plan. Participants would have 120 days after this Plan Amendment is adopted or the date of disability determination to discuss their options with the City’s Retirement Administrator as well as their own financial advisor. This change to allow participants to annuitize their retirement income with the Plan would be retroactive so that it benefits any disabled employee who has reached normal retirement age since September 1, 2006.

4. Qualified Domestic Relation Order (“Fourth Change”)  
This accomplishes the same change as in the “First Change” but for the Disability Income Plan.

5. Death Benefit (“Fifth Change”)  
The beneficiary of a participant who elected to convert the Retirement Income Plan (DC) fund to a monthly benefit will now be able to receive a lump sum death benefit if the participant dies prior to commencement of the monthly benefit. This compares favorably with commercially available annuity products.

6. Plan Experience (“Sixth Change”)  
These various actuarial assumptions in the Plan were estimates made based on the best information available at the time the plan became effective on January 1, 2004. The Plan’s outside actuary has recommended changes in these assumptions. The Plan’s Board believes it is appropriate to amend the Plan to incorporate the changes in actuarial assumptions recommended by the Plan actuary. These assumptions in the future then can be changed by the Board, based on advice by the Plan’s actuary.

These are also not the only potential changes to the Plan that the Board has discussed, or will discuss in the future. However, these changes are ones that have consensus, will immediately benefit the disabled officer who raised the issue of the annuity calculation, and, as such, should be approved at this time.

As required by the New Plan, participants had a 60-day comment period and the opportunity to participate in several meetings where the City’s pension office explained this proposed amendment and answered questions.
FISCAL IMPACT: This Fifth Plan Amendment and its six changes are designed in order to be cost-neutral to the DB Plan. The Plan’s actuary has stated the changes will not change the contribution rates, and in effect are cost neutral.

ATTACHMENT: Resolution: Fifth Amendment to the City of Alexandria Firefighters and Police Officers Pension Plan

STAFF:
Mark Jinks, Deputy City Manager
Michele Evans, Deputy City Manager
Laura B. Triggs, Acting Director of Finance
Steven Bland, Retirement Administrator
FIFTH AMENDMENT
TO THE CITY OF ALEXANDRIA FIREFIGHTERS AND POLICE OFFICERS
PENSION PLAN

Pursuant to the powers of amendment reserved under Section 12.1 of The City of Alexandria Firefighters and Police Officers Pension Plan (the "Plan"), said Plan shall be and the same is hereby amended by the City of Alexandria, Virginia (the "City"), effective as of [insert date amendment is adopted], as follows:

FIRST CHANGE

Section 5.13 is deleted in its entirety and the following new Section 5.13 inserted in lieu thereof:

5.13 Disability Benefits After Normal Retirement Date

(a) A Participant who reaches his or her Normal Retirement Date shall begin receiving his or her Accrued Pension Benefit in accordance with the provisions of Article 6 and may elect to have his or her Accrued Pension Benefit paid in any of the optional annuity forms permitted under Section 7.2(a) or (b) (but not under Section 7.2(c)). The Actuarial Equivalence of the optional annuity forms shall be determined using the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.13) set forth in Appendix A.

(b) When the Participant reaches his or her Normal Retirement Date, Disability benefits under this Plan shall be recomputed so that the Participant’s Disability benefits under Article 5 and the sum of the Participant’s Accrued Pension Benefit under Article 6 and, if applicable, the amount of his or her City Funded Retirement Income Account (all expressed in the form in which Disability Benefits were payable prior to the Participant’s Normal Retirement Date) is actuarially equal in value to the amount of payments that the Participant would have received under Article 5 if the Participant (i) had not been Disabled, (ii) had continued to be employed by the City at the same rank and grade he or she had attained immediately prior to his or her Disability, (iii) for the prior forty-eight (48) months, had received the amount of pay applicable to such
rank and grade (including any cost of living wage adjustment
granted by the City but ignoring any step increases for such rank
and grade), and (iv) had become Disabled and begun receiving
Disability Benefits under this Article 5 immediately prior to his or her
Normal Retirement Date. If the amount of pay applicable to the
Participant's rank and grade is modified by a change in the City's
compensation or classification system, then the Participant shall be
assigned to an equivalent rank and grade within such revised
compensation or classification system for purposes of applying the
provisions of this Section.

(c) Following such recalculation, the Disability Benefits under Article 5
shall continue to be paid to the Participant following his or her
Normal Retirement Date in the same form as such Benefits were
being paid prior to the Participant's Normal Retirement Date (i.e.,
either in the normal form or under the contingent annuitant option),
but only to the extent necessary to provide that the Disability
Benefits under Article 5 and the retirement benefits under Article 6
(including for this purpose any retirement benefits payable with
respect to the Participant's City Funded Retirement Income
Account) are Actuarially Equivalent to the recalculated Disability
Benefits the Participant would have received under Article 5, as
computed in accordance with the preceding paragraph. In the event
that the Participant's retirement benefits under Article 6 (including
for this purpose any retirement benefits payable with respect to the
Participant's City Funded Retirement Income Account) are equal to
or greater than such recalculated Disability Benefit, then all
Disability Benefits payable under this Article 5 shall cease on the
Participant's Normal Retirement Date.

(d) For purposes of the determinations required under this Section
5.13:

1. The amount of retirement income that is payable with
respect to a Participant's City Funded Retirement Income
Account (based on the value as of the Date of Adoption and
any subsequent Investment Adjustments) shall be
determined by the Actuary using the Actuarial Equivalence
for Disabled Participants (for determining Actuarial
Equivalence under Section 5.13) set forth in Appendix A, as
in effect at such Normal Retirement Date.

2. In the case of a Participant whose Accrued Pension Benefit
is subject to a qualified domestic relations order (within the
meaning of Section 13.3(c)(5)), such qualified domestic
relations order shall be ignored in determining the amount of
the Participant's Accrued Pension Benefit under Article 6 (so
that the Participant's entire Accrued Pension Benefit is taken
in account in determining the extent to which the
Participant's retirement benefits are equal to or greater than the Participant's recalculated Disability Benefit and the amount of any Disability Benefit payable to the Participant following his or her Normal Retirement Date).

(3) In the case of a Participant whose Retirement Income Account is subject to a qualified domestic relations order (within the meaning of Section 13.3(c)(5)), such qualified domestic relations order shall be ignored in determining the amount of retirement income that is payable with respect to a Participant's City Funded Retirement Income Account. To the extent that the Participant's Retirement Income Account has been divided into separate accounts pursuant to a qualified domestic relations order, the amount of retirement income that is payable with respect to a Participant's City Funded Retirement Income Account shall be determined by including in the value of the Participant's City Funded Retirement Income Account an amount equal to (i) the portion of the Participant's City Funded Retirement Income Account assigned to the alternate payee, and (ii) imputed earnings on such amount, computed based on the interest rate used for determining Actuarial Equivalence under Appendix A (as in effect on the date such determination is being made), from the date of assignment to the Participant's Normal Retirement Date.

SECOND CHANGE

The second paragraph of Section 5.15 is hereby deleted, and the following is substituted in lieu thereof:

If a Participant elects the contingent annuitant option, the amount of the Disability Benefit to which the Participant is entitled will be adjusted, so that it is the Actuarial Equivalent of the Disability Benefit that the Participant would have received had the election not been made. Actuarial Equivalence shall be determined using the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.15) set forth in Appendix A.

THIRD CHANGE

The following new section 5.18 shall be added after Section 5.17:
5.18 Special Election To Use City Funded Retirement Income Account To Purchase Retirement Income at Normal Retirement Date

(a) Disabled Participants Who Have Not Reached Normal Retirement Date

(1) Each Participant:

(i) who reached their Disability Retirement Date before [insert date amendment is adopted];

(ii) who still has a City Funded Retirement Income Account;

(iii) who is currently receiving Disability Benefits under the Plan; and

(iv) who had not reached their Normal Retirement Date as of September 1, 2006,

may elect to transfer his or her City Funded Retirement Income Account to the Pension Plan in exchange for retirement income commencing on the Participant's Normal Retirement Date (or in the case of a Participant that has already reached his or her Normal Retirement Date, on ___________1, 2007 [insert first day of the month following due date of election]). The amount of such retirement income shall be determined in accordance with the provisions of Section 5.18(a)(3) and shall be used to determine the extent to which the Participant's Disability Benefits continue following the Participant's Normal Retirement Date in accordance with Section 5.13. In the case of a Participant who reached his or her Disability Retirement Date before the Date of Adoption, the Participant's Normal Retirement Date shall be determined under the provisions of the Disability Income Plan.

(2) In order to be effective, an election to transfer the Participant's City Funded Retirement Income Account to the Pension Plan in exchange for retirement income commencing on the Participant's Normal Retirement Date under this Section 5.18(a) must be:

(i) made on a form supplied by the City for this purpose;

(ii) irrevocable; and

(iii) returned to (and the receipt acknowledged by) the Department of Finance on or before 5:00 P.M. (Eastern Time) on ___________, 2007 [insert date that is 120 days after the date the amendment is adopted].
Upon a Participant's election pursuant to Section 5.18(a)(2) above, the Participant's City Funded Retirement Income Account shall be transferred to and become a part of the Fund and shall be available to provide benefits to all Participants under the defined benefit portion of the Plan. Upon such transfer, the Participant shall be entitled to receive deferred monthly retirement income from the defined benefit portion of the Plan, with such retirement benefit commencing on the Participant's Normal Retirement Date (or in the case of a Participant that has already reached his or her Normal Retirement Date, on [insert first day of the month following due date of election]) and continuing for the remainder of the Participant's life (with no survivor benefits). The amount of such retirement income shall not exceed the amount of the Participant's Disability Benefits as of the Participant's Normal Retirement Date (as recalculated pursuant to Section 5.13 of the Plan or 4.07 of the Disability Income Plan, as the case may be). For this purpose:

(i) The amount of retirement income shall not exceed the Actuarial Equivalent of the Participant's City Funded Retirement Income Account.

(ii) Actuarial Equivalence shall be determined on the Actuarial Equivalence for Disabled Participants (for conversion of City Funded Retirement Income Account under Section 5.18), as set forth in Appendix A.

(iii) In no event may the amount of retirement income purchased with the Participant's City Funded Retirement Income Account exceed the amount of the Participant's Disability Benefits as of the Participant's Normal Retirement Date (as recalculated pursuant to Section 5.13 of the Plan or 4.07 of the Disability Income Plan, as the case may be). If the Participant had previously elected the contingent annuitant option under Section 5.15 of the Plan or Section 5.02 of the Disability Income Plan, as the case may be, then the amount of retirement income purchased with the Participant's City Funded Retirement Income Account shall not exceed the Actuarial Equivalent of the Participant's Disability Benefits as of the Participant's Normal Retirement Date. In the event that the amount of retirement income purchased with a Participant's City Funded Retirement Income Account is limited by the application of this subsection, the excess of the
value of the City Funded Retirement Income Account over the amount actually used to purchase retirement income (determined as of the Participant's Normal Retirement Date) shall be re-credited to the Participant's Retirement Income Account. Such amount shall be credited on the Participant's Normal Retirement Date and shall include earnings on such excess based on the interest rate used for determining Actuarial Equivalence under Appendix A (as in effect on the Participant's date of election under Section 5.18(a)(2)) from the date the Retirement Income Account was transferred to the Pension Plan to the Participant's Normal Retirement Date.

(iv) In the case of a Participant who reached his or her Normal Retirement Date after September 1, 2006, the amount of retirement income purchased with the Participant's City Funded Retirement Income Account (and the determination of whether the value of the Participant's City Funded Retirement Income Account exceeds the amount of the Participant's Disability Benefits) shall be made as if the purchase and transfer occurred on the Participant's Normal Retirement Date.

(4) In lieu of the straight life retirement annuity described in Section 5.18(a)(3), a Participant who has not reached his or her Normal Retirement Date may elect, at the time the Participant reaches his or her Normal Retirement Date, to receive monthly retirement income in the form of a joint and survivor option or guaranteed period option, subject to the following restrictions:

(i) Such election shall be made in accordance with the provisions of Section 7.2.

(ii) The joint and survivor option shall be limited to the option that provides a monthly income during the Participant's lifetime and continuing after his or her death at a 50% rate (i.e., the 66 2/3% and 100% survivor options are not available).

(iii) The designated contingent annuitant under the joint and 50% survivor option must be the Participant's Spouse.

(iv) The guaranteed period option shall be limited to the 5 or 10 year guaranteed period option (i.e., the 15 or 20 year guaranteed period options are not available).
Any optional form of retirement income elected by a Participant pursuant to this Section 5.18(a)(4) shall be the Actuarial Equivalent of the life annuity described in Section 5.18(a)(3), as determined based on the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.18(a)(4)) set forth in Appendix A.

(b) **Participants Who Become Disabled After [Insert Date Amendment Is Adopted]**

(1) Each Participant:

(i) who reaches their Disability Retirement Date after [insert date amendment is adopted];

(ii) has not reached Normal Retirement Date; and

(iii) who still has a City Funded Retirement Income Account;

may elect to use his or her City Funded Retirement Income Account to purchase retirement income commencing on the Participant's Normal Retirement Date. The amount of such retirement income shall be determined in accordance with the provisions of Section 5.18(b)(3) and shall be used to determine the extent to which the Participant's Disability Benefits continue following the Participant's Normal Retirement Date in accordance with Section 5.13.

(2) In order to be effective, an election to use the City Funded Retirement Income Account to purchase retirement income commencing on the Participant's Normal Retirement Date under this Section 5.18(b) must be:

(i) made on a form supplied by the City for this purpose;

(ii) irrevocable; and

(iii) returned to (and the receipt acknowledged by) the Department of Finance on or before the first business day that occurs 120 days after the Participant's Disability Retirement Date.

(3) Upon a Participant's election pursuant to Section 5.18(b)(2) above, the Participant's City Funded Retirement Income Account shall be transferred to and become a part of the Fund and shall be available to provide benefits to all Participants under the defined benefit portion of the Plan. Upon such transfer, the Participant shall be entitled to receive deferred monthly retirement income from the defined benefit portion of the Plan, with such retirement benefit commencing on the Participant's Normal Retirement Date.
and continuing for the remainder of the Participant's life (with no survivor benefits). The amount of such retirement income shall be the Actuarial Equivalent of the Participant's City Funded Retirement Income Account, provided, however, that:

(i) Actuarial Equivalence shall be determined on the Actuarial Equivalence for Disabled Participants (for conversion of the City Funded Retirement Income Account under Section 5.18), as set forth in Appendix A.

(ii) In no event may the amount of retirement income purchased with the Participant's City Funded Retirement Income Account exceed the amount of the Participant's Disability Benefits as of the Participant's Normal Retirement Date (as recalculated pursuant to Section 5.13). If the Participant had previously elected the contingent annuitant option under Section 5.15, then the amount of retirement income purchased with the Participant's City Funded Retirement Income Account shall not exceed the Actuarial Equivalent of the Participant's Disability Benefits as of the Participant's Normal Retirement Date. In the event that the amount of retirement income purchased with a Participant's City Funded Retirement Income Account is limited by the application of this subsection, the excess of the value of the City Funded Retirement Income Account over the amount actually used to purchase retirement income (determined as of the Participant's Normal Retirement Date) shall be re-credited to the Participant's Retirement Income Account. Such amount shall be credited on the Participant's Normal Retirement Date and shall include earnings on such excess based on the interest rate used for determining Actuarial Equivalence under Appendix A (as in effect on the Participant's date of election under Section 5.18(b)(2)) from the date the Retirement Income Account was transferred to the Pension Plan to the Participant's Normal Retirement Date.

(4) In lieu of the straight life retirement annuity described in Section 5.18(b)(3), a Participant may elect, at the time the Participant reaches his or her Normal Retirement Date, to receive monthly retirement income in the form of a joint and survivor option or guaranteed period option, subject to the following restrictions:
Such election shall be made in accordance with the provisions of Section 7.2.

The joint and survivor option shall be limited to the option that provides a monthly income during the Participant's lifetime and continuing after his or her death at a 50% rate (i.e., the 66 2/3% and 100% survivor options are not available).

The designated contingent annuitant under the joint and 50% survivor option must be the Participant's Spouse.

The guaranteed period option shall be limited to the 5 or 10 year guaranteed period option (i.e., the 15 or 20 year guaranteed period options are not available).

Any optional form of retirement income elected by a Participant pursuant to this Section 5.18(b)(4) shall be the Actuarial Equivalent of the life annuity described in Section 5.18(b)(3), as determined based on the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.18(b)(4)) set forth in Appendix A.

FOURTH CHANGE

The following new Section 5.19 shall be added after new Section 5.18:

5.19 Amendments to Disability Income Plan

In the case of a Participant whose rights to a Disability Benefit, and the amount and conditions of such Disability Benefit, are determined under the provisions of the Disability Income Plan, as in effect prior to the Date of Adoption, the provisions of the Disability Income Plan applicable to such Participant are hereby amended as follows:

(a) Section 4.07

Section 4.07 of the Disability Income Plan is hereby deleted in its entirety and the following new Section 4.07 inserted in lieu thereof:

Section 4.07 - Disability Benefits After Normal Retirement Date

When the Participant reaches his Normal Retirement Date (i.e., age sixty (60)), the Participant's benefits from the Disability Income Plan shall be recomputed so that benefits from the Disability Income Plan and benefits from the Participant's City Funded Retirement Income Account (as defined in Section 1.6 of the Pension Plan) shall be actuarially equal in value to the amount of payments that the Participant would have received under Section
4.01, 4.02, 4.03 or 4.04 of the Disability Income Plan if the Participant (i) had not been disabled, (ii) had continued to be employed by the City at the same rank and grade he had attained immediately prior to his disability, (iii) for the prior thirty-six (36) months, had received the amount of pay applicable to such rank and grade (including any cost of living wage adjustment granted by the City but ignoring any step increases for such rank and grade), and (iv) had become disabled and begun receiving Disability Benefits immediately prior to his Normal Retirement Date. If the amount of pay applicable to the Participant’s rank and grade is modified by a change in the City’s compensation or classification system, then the Participant shall be assigned to an equivalent rank and grade within such revised compensation or classification system for purposes of applying the provisions of this Section.

Following such recalculation, the Disability Benefits pursuant to Section 4.01, 4.02, 4.03 or 4.04 of the Disability Income Plan shall continue to be paid to the Participant under the Disability Income Plan following his Normal Retirement Date, but only to the extent necessary to provide that benefits from the Disability Income Plan and benefits from the Participant’s City Funded Retirement Income Account are equal to the recalculated Disability Benefits the Participant would have received under Section 4.01, 4.02, 4.03 or 4.04 of the Disability Income Plan, as computed in accordance with the preceding paragraph. In the event that the actuarially determined benefits from the Participant’s City Funded Retirement Income Account are equal to or greater than such recalculated Disability Benefit, then all Disability Benefits payable under the Disability Income Plan shall cease on the Participant’s Normal Retirement Date.

For purposes of the determinations required under this Section 4.07:

(1) The amount of benefits payable with respect to a Participant's City Funded Retirement Income Account shall be determined by the Actuary using the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.19) set forth in Appendix A to the Pension Plan, as in effect at such Normal Retirement Date.

(2) In the case of a Participant whose Retirement Income Account is subject to a qualified domestic relations order (within the meaning of Section 13.3(c)(5) of the Pension Plan) on or after __________, 2007 [insert date amendment is adopted], such qualified domestic relations order shall be ignored in determining the amount of the benefit that is payable with respect to a Participant's City
Funded Retirement Income Account. To the extent that the Participant's Retirement Income Account has been divided into separate accounts pursuant to a qualified domestic relations order, the amount of benefit that is payable with respect to a Participant's City Funded Retirement Income Account shall be determined by including the sum of (i) the portion of the Participant's City Funded Retirement Income Account assigned to the alternate payee, and (ii) imputed earnings on such amount computed based on the interest rate used for determining Actuarial Equivalence under Appendix A of the Pension Plan (as in effect on the date such determination is being made) from the date of assignment to the Participant's Normal Retirement Date.

**FIFTH CHANGE**

The following new Section 6.9(f)(3) shall be added after Section 6.9(f)(2):

(3) If a Participant who elected to use his or her City Funded Retirement Income Account to purchase retirement income pursuant to Section 5.18 dies before his or her Normal Retirement Date, the following provisions shall apply:

(i) The amount of retirement income purchased with the Participant's City Funded Retirement Income Account shall not be considered part of the Participant's Accrued Pension Benefit for purposes of determining any benefit payable following the Participant's death; and

(ii) The Participant's Beneficiary shall be entitled to receive, as a single lump sum, an amount equal to the Participant's City Funded Retirement Income Account as of the date of the Participant's election under Section 5.18, together with earnings on such amount computed based on the interest rate used for determining Actuarial Equivalence under Appendix A (as in effect on the date of election under Section 5.18(a)(2) or (b)(2)) from the date of election to the date of the Participant's death.

**SIXTH CHANGE**

Appendix A of the Plan is hereby deleted, and the following is substituted in lieu thereof:
APPENDIX A

ACTUARIAL ASSUMPTIONS

This Appendix A lists all of the Actuarial Assumptions necessary to be included in a Plan document. This Appendix, which may be amended from time to time by the Board (without the necessity of formal amendment to the Plan) to make necessary adjustments in the Actuarial Assumptions, is intended to be incorporated by reference into and made a part of the Plan. Except as otherwise permitted by law, no amendment to this Appendix A shall reduce any Participant’s Accrued Pension Benefit calculated as of the later of the effective date or the adoption of such an amendment.

Actuarial Equivalence

(Non-Disabled Participants):
1. Interest Rate: 7.5% (compounded annually)
   Contingent Annuitant – 1983 Group Annuity Table for females, with no set forward or set back.
3. Cost of Living: 3% (subject to overall Plan limits).

(Disabled Participants – For Determining Actuarial Equivalence under Section 5.13(a), Section 5.15, Section 5.18(a)(4), Section 5.18(b)(4) and Section 5.19):
1. Interest Rate: 7.5% (compounded annually)
2. Mortality: Participant – 1983 Group Annuity Mortality Table for males, with ages set forward nine years.
   Contingent Annuitant – 1983 Group Annuity Table for females, with no set forward or set back.
3. Cost of Living: 3% (subject to overall Plan limits).

(For Conversion Of City Funded Retirement Income Account Under Section 5.18 and For Determining Actuarial Equivalence under
Section 5.13 – Other Than Section 5.13(a), and Section 5.18 – Other Than Section 5.18(a)(4) and Section 5.18(b)(4)):

1. Interest Rate: 7.5% (compounded annually)
2. Mortality: Participant – 1983 Group Annuity Mortality Table for males, with ages set forward three years, assuming no pre-retirement mortality.
   Contingent Annuitant – 1983 Group Annuity Table for females, with no set forward or set back.
3. Cost of Living: 3% (subject to overall Plan limits).

The City of Alexandria Firefighters and Police Officers Pension Plan, as in effect on January 1, 2004, and as previously amended by a First, Second, Third and Fourth Amendment, and as amended by the foregoing changes, is hereby ratified and confirmed in all other respects.

IN WITNESS WHEREOF, the City has caused this Amendment to be executed by its City Manager on this ___ day of __________, 2007.

CITY OF ALEXANDRIA

By: ______________________________
    James K. Hartmann, City Manager
RESOLUTION NO. 2235

FIFTH AMENDMENT TO THE CITY OF ALEXANDRIA FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN

Pursuant to the powers of amendment reserved under Section 12.1 of The City of Alexandria Firefighters and Police Officers Pension Plan (the "Plan"), said Plan shall be and the same is hereby amended by the City of Alexandria, Virginia (the "City"), effective as of June 12, 2007, as follows:

FIRST CHANGE

Section 5.13 is deleted in its entirety and the following new Section 5.13 inserted in lieu thereof:

5.13 Disability Benefits After Normal Retirement Date

(a) A Participant who reaches his or her Normal Retirement Date shall begin receiving his or her Accrued Pension Benefit in accordance with the provisions of Article 6 and may elect to have his or her Accrued Pension Benefit paid in any of the optional annuity forms permitted under Section 7.2(a) or (b) (but not under Section 7.2(c)). The Actuarial Equivalence of the optional annuity forms shall be determined using the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.13) set forth in Appendix A.

(b) When the Participant reaches his or her Normal Retirement Date, Disability benefits under this Plan shall be recomputed so that the Participant’s Disability benefits under Article 5 and the sum of the Participant’s Accrued Pension Benefit under Article 6 and, if applicable, the amount of his or her City Funded Retirement Income Account (all expressed in the form in which Disability Benefits were payable prior to the Participant’s Normal Retirement Date) is actuarially equal in value to the amount of payments that the Participant would have received under Article 5 if the Participant (i) had not been Disabled, (ii) had continued to be employed by the City at the same rank and grade he or she had attained immediately prior to his or her Disability, (iii) for the prior forty-eight (48) months, had received the amount of pay applicable to such rank and grade (including any cost of living wage adjustment granted by the City but ignoring any step increases for such rank and grade), and (iv) had become Disabled and begun receiving Disability Benefits under this Article 5 immediately prior to his or her Normal Retirement Date. If the amount of pay applicable to the Participant’s rank and grade is modified by a change in the City’s compensation or classification system, then the Participant shall be assigned to an equivalent rank and grade within such revised compensation or classification system for purposes of applying the provisions of this Section.

(c) Following such recalculation, the Disability Benefits under Article 5 shall continue to be paid to the Participant following his or her Normal Retirement Date in the same form as such Benefits were being paid prior to the Participant’s Normal Retirement Date (i.e., either in the normal form or under the contingent annuitant option), but only to the extent necessary to provide that the Disability Benefits under Article 5 and the retirement benefits under Article 6 (including for this purpose any retirement
benefits payable with respect to the Participant’s City Funded Retirement Income Account) are Actuarially Equivalent to the recalculated Disability Benefits the Participant would have received under Article 5, as computed in accordance with the preceding paragraph.

In the event that the Participant’s retirement benefits under Article 6 (including for this purpose any retirement benefits payable with respect to the Participant’s City Funded Retirement Income Account) are equal to or greater than such recalculated Disability Benefit, then all Disability Benefits payable under this Article 5 shall cease on the Participant’s Normal Retirement Date.

(d) For purposes of the determinations required under this Section 5.13:

(1) The amount of retirement income that is payable with respect to a Participant’s City Funded Retirement Income Account (based on the value as of the Date of Adoption and any subsequent Investment Adjustments) shall be determined by the Actuary using the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.13) set forth in Appendix A, as in effect at such Normal Retirement Date.

(2) In the case of a Participant whose Accrued Pension Benefit is subject to a qualified domestic relations order (within the meaning of Section 13.3(c)(5)), such qualified domestic relations order shall be ignored in determining the amount of the Participant's Accrued Pension Benefit under Article 6 (so that the Participant's entire Accrued Pension Benefit is taken in account in determining the extent to which the Participant's retirement benefits are equal to or greater than the Participant's recalculated Disability Benefit and the amount of any Disability Benefit payable to the Participant following his or her Normal Retirement Date).

(3) In the case of a Participant whose Retirement Income Account is subject to a qualified domestic relations order (within the meaning of Section 13.3(c)(5)), such qualified domestic relations order shall be ignored in determining the amount of retirement income that is payable with respect to a Participant's City Funded Retirement Income Account. To the extent that the Participant's Retirement Income Account has been divided into separate accounts pursuant to a qualified domestic relations order, the amount of retirement income that is payable with respect to a Participant's City Funded Retirement Income Account shall be determined by including in the value of the Participant's City Funded Retirement Income Account an amount equal to (i) the portion of the Participant's City Funded Retirement Income Account assigned to the alternate payee, and (ii) imputed earnings on such amount, computed based on the interest rate used for determining Actuarial Equivalence under Appendix A (as in effect on the date such determination is being made), from the date of assignment to the Participant's Normal Retirement Date.
SECOND CHANGE

The second paragraph of Section 5.15 is hereby deleted, and the following is substituted in lieu thereof:

If a Participant elects the contingent annuitant option, the amount of the Disability Benefit to which the Participant is entitled will be adjusted, so that it is the Actuarial Equivalent of the Disability Benefit that the Participant would have received had the election not been made. Actuarial Equivalence shall be determined using the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.15) set forth in Appendix A.

THIRD CHANGE

The following new section 5.18 shall be added after Section 5.17:

5.18 Special Election To Use City Funded Retirement Income Account To Purchase Retirement Income at Normal Retirement Date

(a) Disabled Participants Who Have Not Reached Normal Retirement Date

(1) Each Participant:

(i) who reached their Disability Retirement Date before June 12, 2007

(ii) who still has a City Funded Retirement Income Account;

(iii) who is currently receiving Disability Benefits under the Plan; and

(iv) who had not reached their Normal Retirement Date as of September 1, 2006,

may elect to transfer his or her City Funded Retirement Income Account to the Pension Plan in exchange for retirement income commencing on the Participant's Normal Retirement Date (or in the case of a Participant that has already reached his or her Normal Retirement Date, on the first day of the month following the date of election.) The amount of such retirement income shall be determined in accordance with the provisions of Section 5.18(a)(3) and shall be used to determine the extent to which the Participant's Disability Benefits continue following the Participant's Normal Retirement Date in accordance with Section 5.13. In the case of a Participant who reached his or her Disability Retirement Date before the Date of Adoption, the Participant's Normal Retirement Date shall be determined under the provisions of the Disability Income Plan.

(2) In order to be effective, an election to transfer the Participant's City Funded Retirement Income Account to the Pension Plan in exchange for retirement income commencing on the Participant's Normal Retirement Date under this Section 5.18(a) must be:

(i) made on a form supplied by the City for this purpose;

(ii) irrevocable; and
(iii) returned to (and the receipt acknowledged by) the Department of Finance on or before 5:00 P.M. (Eastern Time) on October 10, 2007.

(3) Upon a Participant's election pursuant to Section 5.18(a)(2) above, the Participant's City Funded Retirement Income Account shall be transferred to and become a part of the Fund and shall be available to provide benefits to all Participants under the defined benefit portion of the Plan. Upon such transfer, the Participant shall be entitled to receive deferred monthly retirement income from the defined benefit portion of the Plan, with such retirement benefit commencing on the Participant's Normal Retirement Date (or in the case of a Participant that has already reached his or her Normal Retirement Date, on the first day of the month following the date of election) and continuing for the remainder of the Participant's life (with no survivor benefits). The amount of such retirement income shall not exceed the amount of the Participant's Disability Benefits as of the Participant's Normal Retirement Date (as recalculated pursuant to Section 5.13 of the Plan or 4.07 of the Disability Income Plan, as the case may be). For this purpose:

(i) The amount of retirement income shall not exceed the Actuarial Equivalent of the Participant's City Funded Retirement Income Account.

(ii) Actuarial Equivalence shall be determined on the Actuarial Equivalence for Disabled Participants (for conversion of City Funded Retirement Income Account under Section 5.18), as set forth in Appendix A.

(iii) In no event may the amount of retirement income purchased with the Participant's City Funded Retirement Income Account exceed the amount of the Participant's Disability Benefits as of the Participant's Normal Retirement Date (as recalculated pursuant to Section 5.13 of the Plan or 4.07 of the Disability Income Plan, as the case may be). If the Participant had previously elected the contingent annuitant option under Section 5.15 of the Plan or Section 5.02 of the Disability Income Plan, as the case may be, then the amount of retirement income purchased with the Participant's City Funded Retirement Income Account shall not exceed the Actuarial Equivalent of the Participant's Disability Benefits as of the Participant's Normal Retirement Date. In the event that the amount of retirement income purchased with a Participant's City Funded Retirement Income Account is limited by the application of this subsection, the excess of the value of the City Funded Retirement Income Account over the amount actually used to purchase retirement income (determined as of the Participant's Normal Retirement Date) shall be re-credited to the Participant's Retirement Income Account. Such amount shall be credited on the Participant's Normal Retirement Date and shall include earnings on such excess based on the interest rate used for
determining Actuarial Equivalence under Appendix A (as in effect on the Participant's date of election under Section 5.18(a)(2)) from the date the Retirement Income Account was transferred to the Pension Plan to the Participant's Normal Retirement Date.

(iv) In the case of a Participant who reached his or her Normal Retirement Date after September 1, 2006, the amount of retirement income purchased with the Participant's City Funded Retirement Income Account (and the determination of whether the value of the Participant's City Funded Retirement Income Account exceeds the amount of the Participant's Disability Benefits) shall be made as if the purchase and transfer occurred on the Participant's Normal Retirement Date.

In lieu of the straight life retirement annuity described in Section 5.18(a)(3), a Participant who has not reached his or her Normal Retirement Date may elect, at the time the Participant reaches his or her Normal Retirement Date, to receive monthly retirement income in the form of a joint and survivor option or guaranteed period option, subject to the following restrictions:

a. Such election shall be made in accordance with the provisions of Section 7.2.

b. The joint and survivor option shall be limited to the option that provides a monthly income during the Participant's lifetime and continuing after his or her death at a 50% rate (i.e., the 66 2/3% and 100% survivor options are not available).

c. The designated contingent annuitant under the joint and 50% survivor option must be the Participant's Spouse.

d. The guaranteed period option shall be limited to the 5 or 10 year guaranteed period option (i.e., the 15 or 20 year guaranteed period options are not available).

Any optional form of retirement income elected by a Participant pursuant to this Section 5.18(a)(4) shall be the Actuarial Equivalent of the life annuity described in Section 5.18(a)(3), as determined based on the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.18(a)(4)) set forth in Appendix A.

(b) Participants Who Become Disabled After June 12, 2007

(1) Each Participant:

(i) who reaches their Disability Retirement Date after June 12, 2007;

(ii) has not reached Normal Retirement Date; and

(iii) who still has a City Funded Retirement Income Account;

may elect to use his or her City Funded Retirement Income Account to purchase retirement income commencing on the Participant's Normal Retirement Date. The amount of such retirement income purchased with the City Funded Retirement Income Account shall be made as if the purchase and transfer occurred on the Participant's Normal Retirement Date.
income shall be determined in accordance with the provisions of Section 5.18(b)(3) and shall be used to determine the extent to which the Participant's Disability Benefits continue following the Participant's Normal Retirement Date in accordance with Section 5.13.

(2) In order to be effective, an election to use the City Funded Retirement Income Account to purchase retirement income commencing on the Participant's Normal Retirement Date under this Section 5.18(b) must be:

(i) made on a form supplied by the City for this purpose;

(ii) irrevocable; and

(iii) returned to (and the receipt acknowledged by) the Department of Finance on or before the first business day that occurs 120 days after the Participant's Disability Retirement Date.

(3) Upon a Participant's election pursuant to Section 5.18(b)(2) above, the Participant's City Funded Retirement Income Account shall be transferred to and become a part of the Fund and shall be available to provide benefits to all Participants under the defined benefit portion of the Plan. Upon such transfer, the Participant shall be entitled to receive deferred monthly retirement income from the defined benefit portion of the Plan, with such retirement benefit commencing on the Participant's Normal Retirement Date and continuing for the remainder of the Participant's life (with no survivor benefits). The amount of such retirement income shall be the Actuarial Equivalent of the Participant's City Funded Retirement Income Account, provided, however, that:

(i) Actuarial Equivalence shall be determined on the Actuarial Equivalence for Disabled Participants (for conversion of the City Funded Retirement Income Account under Section 5.18), as set forth in Appendix A.

(ii) In no event may the amount of retirement income purchased with the Participant's City Funded Retirement Income Account exceed the amount of the Participant's Disability Benefits as of the Participant's Normal Retirement Date (as recalculated pursuant to Section 5.13). If the Participant had previously elected the contingent annuitant option under Section 5.15, then the amount of retirement income purchased with the Participant's City Funded Retirement Income Account shall not exceed the Actuarial Equivalent of the Participant's Disability Benefits as of the Participant's Normal Retirement Date. In the event that the amount of retirement income purchased with a Participant's City Funded Retirement Income Account is limited by the application of this subsection, the excess of the value of the City Funded Retirement Income Account over the amount actually used to purchase retirement income (determined as of the Participant's Normal Retirement Date) shall be re-credited to
the Participant's Retirement Income Account. Such amount shall be credited on the Participant's Normal Retirement Date and shall include earnings on such excess based on the interest rate used for determining Actuarial Equivalence under Appendix A (as in effect on the Participant's date of election under Section 5.18(b)(2)) from the date the Retirement Income Account was transferred to the Pension Plan to the Participant's Normal Retirement Date.

(4) In lieu of the straight life retirement annuity described in Section 5.18(b)(3), a Participant may elect, at the time the Participant reaches his or her Normal Retirement Date, to receive monthly retirement income in the form of a joint and survivor option or guaranteed period option, subject to the following restrictions:

(i) Such election shall be made in accordance with the provisions of Section 7.2.

(ii) The joint and survivor option shall be limited to the option that provides a monthly income during the Participant's lifetime and continuing after his or her death at a 50% rate (i.e., the 66 2/3% and 100% survivor options are not available).

(iii) The designated contingent annuitant under the joint and 50% survivor option must be the Participant's Spouse.

(iv) The guaranteed period option shall be limited to the 5 or 10 year guaranteed period option (i.e., the 15 or 20 year guaranteed period options are not available).

Any optional form of retirement income elected by a Participant pursuant to this Section 5.18(b)(4) shall be the Actuarial Equivalent of the life annuity described in Section 5.18(b)(3), as determined based on the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.18(b)(4)) set forth in Appendix A.

FOURTH CHANGE

The following new Section 5.19 shall be added after new Section 5.18:

5.19 Amendments to Disability Income Plan

In the case of a Participant whose rights to a Disability Benefit, and the amount and conditions of such Disability Benefit, are determined under the provisions of the Disability Income Plan, as in effect prior to the Date of Adoption, the provisions of the Disability Income Plan applicable to such Participant are hereby amended as follows:

(a) Section 4.07

Section 4.07 of the Disability Income Plan is hereby deleted in its entirety and the following new Section 4.07 inserted in lieu thereof:
Section 4.07 - Disability Benefits After Normal Retirement Date

When the Participant reaches his Normal Retirement Date (i.e., age sixty (60)), the Participant's benefits from the Disability Income Plan shall be recomputed so that benefits from the Disability Income Plan and benefits from the Participant's City Funded Retirement Income Account (as defined in Section 1.6 of the Pension Plan) shall be actuarially equal in value to the amount of payments that the Participant would have received under Section 4.01, 4.02, 4.03 or 4.04 of the Disability Income Plan if the Participant (i) had not been disabled, (ii) had continued to be employed by the City at the same rank and grade he had attained immediately prior to his disability, (iii) for the prior thirty-six (36) months, had received the amount of pay applicable to such rank and grade (including any cost of living wage adjustment granted by the City but ignoring any step increases for such rank and grade), and (iv) had become disabled and begun receiving Disability Benefits immediately prior to his Normal Retirement Date. If the amount of pay applicable to the Participant's rank and grade is modified by a change in the City's compensation or classification system, then the Participant shall be assigned to an equivalent rank and grade within such revised compensation or classification system for purposes of applying the provisions of this Section.

Following such recalculation, the Disability Benefits pursuant to Section 4.01, 4.02, 4.03 or 4.04 of the Disability Income Plan shall continue to be paid to the Participant under the Disability Income Plan following his Normal Retirement Date, but only to the extent necessary to provide that benefits from the Disability Income Plan and benefits from the Participant's City Funded Retirement Income Account are equal to the recalculated Disability Benefits the Participant would have received under Section 4.01, 4.02, 4.03 or 4.04 of the Disability Income Plan, as computed in accordance with the preceding paragraph. In the event that the actuarially determined benefits from the Participant's City Funded Retirement Income Account are equal to or greater than such recalculated Disability Benefit, then all Disability Benefits payable under the Disability Income Plan shall cease on the Participant's Normal Retirement Date.

For purposes of the determinations required under this Section 4.07:

(1) The amount of benefits payable with respect to a Participant's City Funded Retirement Income Account shall be determined by the Actuary using the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.19) set forth in Appendix A to the Pension Plan, as in effect at such Normal Retirement Date.

(2) In the case of a Participant whose Retirement Income Account is subject to a qualified domestic relations order (within the meaning of Section 13.3(c)(5) of the Pension Plan) on or after June 12, 2007, such qualified domestic relations order shall be ignored in determining the amount of the benefit that is payable with respect to a Participant's City Funded Retirement Income Account. To the extent that the Participant's
Retirement Income Account has been divided into separate accounts pursuant to a qualified domestic relations order the amount of benefit that is payable with respect to a Participant's City Funded Retirement Income Account shall be determined by including the sum of (i) the portion of the Participant's City Funded Retirement Income Account assigned to the alternate payee, and (ii) imputed earnings on such amount computed based on the interest rate used for determining Actuarial Equivalence under Appendix A of the Pension Plan (as in effect on the date such determination is being made) from the date of assignment to the Participant's Normal Retirement Date.

**FIFTH CHANGE**

The following new Section 6.9(f)(3) shall be added after Section 6.9(f)(2):

(3) If a Participant who elected to use his or her City Funded Retirement Income Account to purchase retirement income pursuant to Section 5.18 dies before his or her Normal Retirement Date, the following provisions shall apply:

(i) The amount of retirement income purchased with the Participant's City Funded Retirement Income Account shall not be considered part of the Participant's Accrued Pension Benefit for purposes of determining any benefit payable following the Participant's death; and

(ii) The Participant's Beneficiary shall be entitled to receive, as a single lump sum, an amount equal to the Participant's City Funded Retirement Income Account as of the date of the Participant's election under Section 5.18, together with earnings on such amount computed based on the interest rate used for determining Actuarial Equivalence under Appendix A (as in effect on the date of election under Section 5.18(a)(2) or (b)(2)) from the date of election to the date of the Participant's death.

**SIXTH CHANGE**

Appendix A of the Plan is hereby deleted, and the following is substituted in lieu thereof:

**APPENDIX A**

**ACTUARIAL ASSUMPTIONS**

This Appendix A lists all of the Actuarial Assumptions necessary to be included in a Plan document. This Appendix, which may be amended from time to time by the Board (without the necessity of formal amendment to the Plan) to make necessary adjustments in the Actuarial Assumptions, is intended to be incorporated by reference into and made a part of the Plan. Except as otherwise permitted by law, no amendment to this Appendix A shall reduce any Participant's Accrued Pension Benefit calculated as of the later of the effective date or the adoption of such an amendment.
Actuarial Equivalence

(Non-Disabled Participants):
1. Interest Rate: 7.5% (compounded annually)
2. Mortality: Participant - 1983 Group Annuity Table for males, with ages set back one year.
   Contingent Annuitant - 1983 Group Annuity Table for females, with no set forward or set back.
3. Cost of Living: 3% (subject to overall Plan limits).

(Disabled Participants - For Determining Actuarial Equivalence under Section 5.13(a), Section 5.15, Section 5.18(a)(4), Section 5.18(b)(4) and Section 5.19):
1. Interest Rate: 7.5% (compounded annually)
2. Mortality: Participant - 1983 Group Annuity Mortality Table for males, with ages set forward nine years.
   Contingent Annuitant - 1983 Group Annuity Table for females, with no set forward or set back.
3. Cost of Living: 3% (subject to overall Plan limits).

(For Conversion Of City Funded Retirement Income Account Under Section 5.18 and For Determining Actuarial Equivalence under Section 5.13 - Other Than Section 5.13(a), and Section 5.18 - Other Than Section 5.18(a)(4) and Section 5.18(b)(4)):
1. Interest Rate: 7.5% (compounded annually)
2. Mortality: Participant - 1983 Group Annuity Mortality Table for males, with ages set forward three years, assuming no pre-retirement mortality.
   Contingent Annuitant - 1983 Group Annuity Table for females, with no set forward or set back.
3. Cost of Living: 3% (subject to overall Plan limits).

The City of Alexandria Firefighters and Police Officers Pension Plan, as in effect on January 1, 2004, and as previously amended by a First, Second, Third and Fourth Amendment, and as amended by the foregoing changes, is hereby ratified and confirmed in all other respects.

IN WITNESS WHEREOF, the City has caused this Amendment to be executed by its Mayor.

ADOPTED: June 12, 2007

WILLIAM D. EUILLE MAYOR

ATTEST:
Jacqueline M. Henderson, CMC City Clerk