

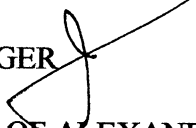
City of Alexandria, Virginia

2-8-05

MEMORANDUM

DATE: FEBRUARY 2, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: RESOLUTION TO AMEND THE CITY OF ALEXANDRIA RETIREMENT INCOME PLAN FOR DEPUTY SHERIFFS AND EMERGENCY RESCUE TECHNICIANS TO LIST FIRE CHIEF AND FIRE MARSHALS AS MEMBERS AND MAKE OTHER PLAN CHANGES

ISSUE: Consideration of proposed revisions to the City of Alexandria Retirement Income Plan for Deputy Sheriffs and Emergency Rescue Technicians.

RECOMMENDATION: That City Council adopt the attached resolution (Attachment 1) which appends the following amendments to the City of Alexandria Retirement Income Plan for Deputy Sheriffs and Emergency Rescue Technicians:

- (1) Specifically lists the Fire Chief and Fire Marshals as employees who participate in the Retirement Income Plan for Deputy Sheriffs and Emergency Rescue Technicians;
- (2) Provides that a non-vested participant who terminates service and is rehired within one year will not forfeit his/her account but will have it restored and will continue to vest; and
- (3) Incorporates formal claims procedures that are based upon the procedures included in the Firefighters and Police Officers Pension Plan.

DISCUSSION: This is a companion docket item to the proposed changes to the Supplemental Plan. It adds the Fire Chief and Fire Marshals to the defined contribution plan of the Deputy Sheriffs and Emergency Rescue Technicians. There are nine Fire Marshals who are uniformed public safety officials and had not been included in either the Firefighters and Police Officers Pension Plan or the Retirement Income Plan for Deputy Sheriffs and Emergency Rescue Technicians. These employees do participate in VRS and the Supplemental Retirement Plan. The City contributes less to the retirement program for the Fire Marshals than all other uniformed public safety employees yet their job duties and responsibilities are similar to other public safety employees, such as Deputy Sheriffs and Emergency Rescue Technicians. By permitting the Fire Marshals to participate in the defined contribution plan, the City will be making the same 22.35% contribution for all uniformed public safety employees.

The Fire Chief is being added to this plan in lieu of participating in the Firefighter and Police Officers Pension Plan. By participating in the Deputy Sheriff and Emergency Rescue Technician Plan, the Fire Chief can continue as a member of the Virginia Retirement System (VRS), in which he was a participant in his former job.

The change in the language for non-vested participants permits an employee who has a break in service of less than one year to remain in the plan without losing vesting or forfeiting service credits. This is a technical change to have the plan follow current practice. The final change is the establishment of formal claims procedures in the event that a member of the plan disputes the administration of the plan's decision in regard to issues such as eligibility and benefit levels. Those claims procedures are based on claims procedures already in place for the City's Firefighters and Police Officers Pension Plan.

FISCAL IMPACT: The cost of having the Fire Marshals participate in the defined contribution program is estimated to be approximately \$30,000 a year. If Council approves this change to be effective this fiscal year, the cost for the remainder of the year will be absorbed in the City's fiscal year (FY) 2005 budget. For FY 2006, the cost will be added to the Fire Department's budget. There is no fiscal impact of adding the Fire Chief to the Deputy Sheriff and Emergency Rescue Technician Plan.

ATTACHMENTS:

Attachment 1 Resolution

Attachment 2 Third Amendment to The City of Alexandria Retirement Income Plan For Deputy Sheriffs and Emergency Rescue Technicians

STAFF:

Mark Jinks, Assistant City Manger

Michele Evans, Assistant City Manger

D. A. Neckel, Director of Finance

Caterina Tarver, Pension Administrator

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ALEXANDRIA, VIRGINIA**

WHEREAS, the City of Alexandria maintains the **City of Alexandria Retirement Income Plan for Deputy Sheriffs and Emergency Rescue Technicians** (the “Plan”); and

WHEREAS, the City of Alexandria desires to adopt and incorporate certain amendments to the Plan as set forth in the “Third Amendment to the City of Alexandria Retirement Income Plan for Deputy Sheriffs and Emergency Rescue Technicians” (the “Plan Amendment”) attached hereto; and

NOW, THEREFORE, BE IT RESOLVED THAT the Alexandria City Council does hereby recognize, adopt, approve and restate the Plan to incorporate the Plan Amendment attached hereto and incorporated fully herein by reference; and

BE IT FURTHER RESOLVED THAT this Resolution shall be effective immediately; provided, however, that the amendments hereby approved shall be effective as stated in the Plan Amendment.

ADOPTED: _____, 2005.

WILLIAM D. EUILLE

MAYOR

ATTEST:

Jackie M. Henderson, City Clerk

**THIRD AMENDMENT TO
THE CITY OF ALEXANDRIA RETIREMENT INCOME PLAN
FOR DEPUTY SHERIFFS AND EMERGENCY RESCUE TECHNICIANS**

Pursuant to the powers of amendment reserved under Section 13.1 of The City of Alexandria Retirement Income Plan for Deputy Sheriffs and Emergency Rescue Technicians, as amended and restated effective as of December 31, 2001 (the "Plan"), said Plan shall be and the same is hereby amended by the City of Alexandria, Virginia (the "City"), effective as of the dates specified herein, as follows:

FIRST CHANGE

Effective as of January 1, 2005, all references to the "City of Alexandria Retirement Income Plan for Deputy Sheriffs and Emergency Rescue Technicians" are hereby replaced with "City of Alexandria Retirement Income Plan for Deputy Sheriffs, Emergency Rescue Technicians, and Fire Marshals."

SECOND CHANGE

Effective as of January 1, 2004, Section 1.14 of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

"EMPLOYEE. The term Employee means an individual who is employed by the Employer as the Chief of the Fire Department or as a Deputy Sheriff, or Emergency Rescue Technician."

THIRD CHANGE

Effective as of January 1, 2005, Section 1.14 of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

"EMPLOYEE. The term Employee means an individual who is employed by the Employer as the Chief of the Fire Department or

as a Deputy Sheriff, Emergency Rescue Technician or Fire Marshal."

FOURTH CHANGE

Effective as of January 1, 2004, the last sentence of Section 1.17 (Entry Date) is hereby deleted.

FIFTH CHANGE

Effective as of January 1, 2005, Section 2.1 of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

"SERVICE. The term Service means active employment with the Employer as the Chief of the Fire Department or as an Employee who is classified as a Deputy Sheriff, Emergency Rescue Technician, or Fire Marshal."

SIXTH CHANGE

Effective as of January 1, 2005, Section 2.3 of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

"PERIOD OF SERVICE. The term Period of Service or Service means the Employer-Employee relationship which begins on the Employee's employment date and continues until his Severance from Service Date.

An Employee's Period of Service shall include any Period of Severance beginning on his Severance from Service Date, which is less than 12 months.

If an Employee accrued Service as a Firefighter or Police Officer and subsequently left that job classification to become the Chief of the Fire Department or a Deputy Sheriff, Emergency Rescue Technician, or Fire Marshal, any Service accrued under the "City of Alexandria Firefighters and Police Officers Pension Plan" shall be considered Service under the Plan for the Employee's Vesting Percentage."

SEVENTH CHANGE

Effective as of January 1, 2005, Section 3.1 of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

"ELIGIBILITY AND PARTICIPATION. Each Employee shall be eligible to become a Participant as of the date such Employee becomes the Chief of the Fire Department or becomes employed by the City of Alexandria as a Deputy Sheriff, Emergency Rescue Technician, or Fire Marshal."

EIGHTH CHANGE

Effective as of January 1, 2004, Section 8.1 of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

"8.1 DISTRIBUTION. As of a Participant's Termination of Employment, he shall be entitled to receive a distribution of his entire Vested Interest. Such distribution shall be further subject to the terms and conditions of Article VI.

If at the time of his Termination of Employment the Participant's Vesting Percentage is not 100%, the Participant's non-vested Account will become a Forfeiture upon the date such terminated Participant incurs a One-Year Break-in-Service.

If a Participant with a non-vested Account is rehired by the Employer and resumes participation in the Plan before incurring a One-Year Break-in-Service, then the Participant's non-vested Account shall not be forfeited and the Participant's prior Service shall be restored.

If the Participant, whose non-vested Account became a Forfeiture in accordance with the terms of this Section, is rehired by the Employer and resumes participation in the Plan after incurring a One-Year Break-in-Service, then the Participant's non-vested Account shall remain forfeited, but the Participant's prior Service shall be restored in accordance with Section 2.3 for purposes of determining the extent to which the Participant is vested in amounts credited to his or her Account following resumption of covered employment."

NINTH CHANGE

Effective as of January 1, 2005, Section 11.2 of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

"11.2 CLAIMS PROCEDURE

- (A) Any person claiming a benefit under the Plan (a "Claimant") shall apply for such benefit by filing a claim with the Administrator in writing on the form or forms prescribed by the Administrator. If no form or forms have been prescribed, a claim for benefits shall be made in writing to the Administrator setting forth the basis for the claim. The Claimant shall furnish the Administrator with such documents, evidence, data, authorizations, consents or information in support of such claim as the Administrator considers necessary or desirable to determine the validity of the claim. The Administrator shall respond in writing to any claim for benefits.
- (B) If the claim is denied, either in whole or in part, the written notice of denial shall state, in a manner calculated to be understood by the Claimant:
 - (1) The specific reason or reasons for denial, with specific references to the Plan provisions on which the denial is based;
 - (2) A description of any additional material or information necessary for the Claimant to perfect his or her claim, if possible, and an explanation of why such material or information is necessary; and
 - (3) An explanation of the Plan's claims review procedure and the time limits applicable to such procedures.
- (C) The written notice denying or granting the Claimant's claim shall be provided to the Claimant within 90 days after the

Administrator's receipt of the claim, unless special circumstances require an extension of time for processing the claim. If such an extension is required, written notice of the extension shall be furnished by the Administrator to the Claimant within the initial 90-day period and in no event shall such an extension exceed a period of ninety (90) days from the end of the initial 90-day period. Any extension notice shall indicate the special circumstances requiring the extension and the date on which the Administrator expects to render a decision on the claim.

- (D) Any Claimant whose claim is denied (or such Claimant's authorized representative) may, within sixty (60) days after the Claimant's receipt of notice of the denial, request a review of the denial by notice given, in writing, to the Administrator. Upon such a request for review, the claim shall be reviewed by the Administrator (or its designated representative) which may, but shall not be required to, grant the Claimant a hearing.
- (E) The Claimant shall be provided reasonable access to, and copies of, all relevant documents, records and information directly related to the claim. In connection with the review, the Claimant may have an authorized representative act on the claimant's behalf. The Claimant may submit comments, documents, records and other relevant information in writing to the Administrator.
- (F) The decision on review normally shall be made within sixty (60) days of the Administrator's receipt of the request for review. If an extension of time is required due to special circumstances, the Claimant shall be notified, in writing, by the Administrator, and the time limit for the decision on review shall be extended up to a total of one hundred and twenty (120) days. Any extension notice shall indicate the special circumstance requiring the extension and the date on which the Administrator expect to render a decision on the appeal.

- (G) The Administrator shall notify the Claimant in writing of all benefit determinations as soon as possible, but no later than fifteen (15) days after the benefit determination is made.
- (H) The decision on review shall be in writing and shall state, in a manner calculated to be understood by the Claimant the specific reason or reasons for the decision, with specific references to the relevant Plan provisions on which the decision is based.
- (I) The Administrator has the exclusive discretionary authority to construe and to interpret Plan terms, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters shall be final and conclusive. This grant of discretionary authority extends to all decisions made by the Administrator on review, which shall be final and binding with respect to all concerned parties.
- (J) A Claimant shall be entitled, either in his or her own name or in conjunction with any other interested parties, to bring such actions in law or equity or to undertake such administrative actions or to seek such relief as may be necessary or appropriate to compel the disclosure of any required information, to enforce or protect his or her rights, to recover present benefits due to the Claimant or to clarify rights to future benefits under the Plan. However, in any civil action, in law or equity, any interpretation or determination made pursuant to the discretionary authority conveyed upon the Administrator shall be upheld, unless it is shown that the interpretation or determination made by the Administrator was an abuse of discretion (or was arbitrary and capricious)."

The City of Alexandria Retirement Income Plan for Deputy Sheriffs and Emergency Rescue Technicians, as amended and restated effective as of December 31, 2001, and as previously amended by a First and Second

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 February, 2005.

CITY OF ALEXANDRIA

By: _____
James K. Hartmann, City Manager

RESOLUTION NO. 2137

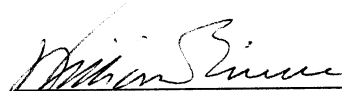
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BE IT FURTHER RESOLVED THAT this Resolution shall be effective immediately; provided, however, that the amendments hereby approved shall be effective as stated in the Plan Amendment.

ADOPTED: February 8, 2005


WILLIAM D. EULLE

MAYOR

ATTEST:


Jacqueline M. Henderson, CMC City Clerk

**THIRD AMENDMENT TO
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IN WITNESS WHEREOF, the City has caused this Amendment to be executed by its City Manager on this ____ day of February, 2005.

CITY OF ALEXANDRIA

By: _____
James K. Hartmann, City Manager