


EXHIBIT NO. 1
City of Alexandria, Virginia

31
6-12-07

MEMORANDUM

DATE: MAY 25, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF A RESOLUTION TO AMEND THE CITY OF ALEXANDRIA SUPPLEMENTAL RETIREMENT PLAN TO REQUIRE A MANDATORY LUMP SUM PAYMENT TO A TERMINATING PARTICIPANT WITH A VESTED BENEFIT PRESENT VALUE OF \$1,000 OR LESS

ISSUE: Consideration of a proposed change to the City of Alexandria Supplemental Retirement Plan (the "Plan").

RECOMMENDATION: That City Council adopt the attached resolution (Attachment 1) amending the City of Alexandria Supplemental Retirement Plan to comply with federal law. The threshold allowing a plan to provide a lump sum payment to a terminated participant with a vested accrued benefit valued at \$5,000 or less is changed to \$1,000 or less.

DISCUSSION: The Supplemental Retirement Plan became effective August 1, 1970, and includes general city employees, sheriff's deputies and paramedics. The Plan currently requires that a single lump sum payment be made to a terminating participant if the present value of the participant's vested accrued pension benefit is \$5,000 or less. The value of the vested accrued pension benefit needs to change for the plan to comply with the federal Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). EGTRRA allows a plan to have a mandatory distribution provision if the present value of the vested accrued benefit is valued at \$1,000 or less.

As required by the Plan document, participants were provided with written notice of these proposed changes, a 60-day comment period and the opportunity to participate in several public meetings.

FISCAL IMPACT: This change should have no fiscal impact.

ATTACHMENT:
Resolution to Amend City of Alexandria Supplemental Retirement Plan

STAFF:
Mark Jinks, Deputy City Manager
Michele Evans, Deputy City Manager
Laura B. Triggs, Acting Director of Finance
Steven Bland, Retirement Administrator

**FOURTH AMENDMENT TO
THE CITY OF ALEXANDRIA
SUPPLEMENTAL RETIREMENT PLAN**

Pursuant to the powers of amendment reserved under Section 14.1 of The City of Alexandria Supplemental Retirement Plan, as amended and restated effective January 1, 1999 (the "Plan"), said Plan shall be and the same is hereby amended by the City of Alexandria, Virginia (the "City"), effective as of March 28, 2005, as follows:

FIRST AND ONLY CHANGE

The "\$5,000" reference in Sections 10.4 is hereby changed to "\$1,000" effective as of January 1, 2006.

The City of Alexandria Supplemental Retirement Plan, as amended and restated effective January 1, 1999, and as previously amended, and further amended by the foregoing changes, is hereby ratified and confirmed in all other respects.

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

CITY OF ALEXANDRIA

By: _____
James K. Hartmann, City Manager

RESOLUTION NO. 2232

FOURTH AMENDMENT TO THE CITY OF ALEXANDRIA SUPPLEMENTAL
RETIREMENT PLAN

Pursuant to the powers of amendment reserved under Section 14.1 of The City of Alexandria Supplemental Retirement Plan, as amended and restated effective January 1, 1999 (the "Plan"), said Plan shall be and the same is hereby amended by the City of Alexandria, Virginia (the "City"), effective as of March 28, 2005, as follows:

FIRST AND ONLY CHANGE

The "\$5,000" reference in Sections 10.4 is hereby changed to "\$1,000" effective as of January 1, 2006.


The City of Alexandria Supplemental Retirement Plan, as amended and restated effective January 1, 1999, and as previously amended, and further amended by the foregoing changes, is hereby ratified and confirmed in all other respects.

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

ADOPTED: June 12, 2007


WILLIAM D. EULLE MAYOR

ATTEST:


Jacqueline M. Henderson, CMC City Clerk