

ORDINANCE NO. 4551

AN ORDINANCE to amend and reordain Section 2-5-57 (SALARY DEDUCTIONS AND WITHHOLDINGS FOR RETIREMENT, ETC.) of Article D (RETIREMENT AND INSURANCE), Chapter 5 (OFFICERS AND EMPLOYEES), Title 2 (GENERAL GOVERNMENT), and to amend Chapter 1 (GENERAL PROVISIONS) of Title 3 (FINANCE, TAXATION AND PROCUREMENT), by adding there to a new Section 3-1-7 (POST-EMPLOYMENT NON-PENSION BENEFIT TRUST FUND ACCOUNT), all of the Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 2-5-57 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 2-5-57 Salary deductions and withholdings for retirement; deferred compensation and insurance plans; payment of city's share to maintain plans.

(a) The director of finance is hereby authorized to deduct, withhold and remit employees' contributions, either voluntary or mandatory, for the plans adopted in this article and health insurance plans for city employees authorized by law. The director of finance is further authorized to expend the share of the city toward maintaining or contributing on its behalf or on behalf of its employees to these plans, subject to appropriation of necessary funds by the city council.

(b) The director of finance is further authorized to expend any applicable employee or retiree contributions to fund the Post-Employment Non-Pension Benefit Trust Fund established by section 3-1-7 of this code.

Section 2. That Article 1 of Title 3 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended by adding thereto a new Section 3-1-7 to read as follows:

[The following is all new language]

Sec. 3-1-7 Post-Employment Non-Pension Benefit Trust Fund Account.

(a) *Establishment of account.* There is hereby established for the City of Alexandria a permanent account to be known and designated as The City of Alexandria Post-Employment Non-Pension Benefit Trust Fund Account, which account shall be accounted for and maintained separate and apart from all other accounts maintained by the City of Alexandria. Such trust fund account shall be maintained and administered pursuant to the terms and requirements of Virginia Code Sections 15.2-1544, et seq.

- (b) *Funding of account.* The City Council shall, for the fiscal year commencing July 1, 2008, and in each ensuing fiscal year, assign and appropriate to such trust fund account such funds as deemed reasonably prudent for the ongoing and future payment of post-employment non-pension benefits for retired employees of the City of Alexandria and their eligible beneficiaries. Such appropriated funds, together with any employee or retiree contribution funds deposited in such account, shall be irrevocable, and unexpended appropriations to such account shall not lapse or expire at the end of the fiscal year in which made, irrespective of whether such appropriations were encumbered within such fiscal year. Funds deposited in the account shall be invested in accordance with law, and earnings thereon shall likewise be irrevocably deposited into such account..
- (c) *Expenditures from account.* Notwithstanding any contrary provision of law, appropriations from the said account shall be authorized and made exclusively to pay for post-employment non-pension benefits afforded under any applicable retirement plan for former City of Alexandria employees pursuant to the terms of those plans. Once such trust fund has been fully funded (so as pay the city's actuarially determined liability for such benefits accrued and accruing, excepting only funds required to be deposited in the current fiscal year), such post-employment non-pension benefits shall be paid exclusively from the trust fund.
- (d) *Post-employment non-pension benefits defined.* As used in this section, post-employment non-pension benefits means medical, dental, and life insurance provided to individuals who have terminated their service with the City of Alexandria and to the dependents of such individuals, whether provided by purchasing insurance, by a program of self-insurance, or by a combination of both.
- (e) *Administration of account.* The trust fund account established by this section shall be managed, maintained and invested, as set forth in Virginia State Code Sections 15.2-1544, et. seq., by a three member finance board, comprised of the chief financial officer and director of finance of the city, and one citizen member with proven integrity, business ability, and demonstrated experience in cash management and investments, appointed by city council for a two-year term.

Section 3. That this ordinance shall become effective on July 1, 2008.

WILLIAM D. EUILLE  
Mayor

Final Passage: June 14, 2008