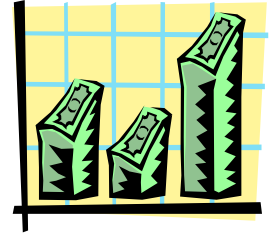


## 9.2% Annual Interest Rate for Members' Contributions Approved by Board of Trustees

The Board of Trustees, at its regular meeting on Thursday, January 15, 2009, approved an annual interest rate of 9.2% for members' contributions for the 2009 calendar year. The equivalent quarterly return is 2.22%. The quarterly interest will be credited to members' accounts beginning the quarter ending March 31, 2009.



### Economic Factors, Investment Returns, and Other Important Matters

The stock market is the principal investment vehicle utilized by the City of Ann Arbor Employees' Retirement System (CAAERS). It is important to note that CAAERS' purpose is to provide long-term benefit payments to its members and it is through long-term investing that these promised benefits will be primarily funded. However, it is recognized that in the short term there will be market fluctuations that may result in negative returns for any given period. Such is the case for the fiscal year ended June 30, 2008 which shows a -5.59% return, and calendar year ended December 31, 2008 which shows a -26.31% return. Through its investment policy asset allocation, the Board has positioned the portfolio for the long-term investment objective to provide benefit payments to its members. In addition, to further maximize investment returns, management carefully monitors the performance of each of its investment managers and takes the necessary corrective action to ensure acceptable investment results.

Since CAAERS receives the majority of its new funding from its plan sponsor, the City of Ann Arbor's annual contribution is critical for the System's long-term viability. The City annually ensures that this actuarially computed amount is paid into CAAERS. The City is expected to contribute \$7,559,781 to the Plan for fiscal year 2009/2010.

#### Retirement System & Retire Health Care Benefits Plan Welcomes New Fire Trustee

At its January 15, 2009 regular meeting, the Retirement Board welcomed Jeremy Flack as the new Fire Trustee.

Jeremy replaces Andrew Boonstra, whose term ended on December 31, 2008.

### Bon Voyage!



The Retirement System bid farewell to one of its dedicated and hard-working Trustees, Andrew Boonstra, who served as the Board's Fire Trustee for two terms from January 1, 2003 to December 31, 2008.

Mr. Boonstra also served as the Chairperson of the System's Administrative Policy Committee, and was instrumental in modifying and updating many policies and Ordinance changes.

Thanks, Andy, for all your years of dedicated service to the Retirement System and Retiree Health Care Benefits Plan!

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# SUMMARY FACT SHEET

## Key Retirement Reports

The City of Ann Arbor Employees' Retirement System is a program to help you meet the financial concerns of retirement, disability and death. There are key Retirement Reports available to give you a brief overview of the operation of the System.

The financial statements are available from the annual audit completed by the firm of Abraham & Gaffney, P.C. The Retirement System is pleased to have received an unqualified opinion from our auditors.

Gabriel, Roeder, Smith and Co., an independent firm of actuaries and employee benefit consultants, conducted an actuarial valuation. The funded ratio for the Retirement System was 99.6% as of June 30, 2008.

The Board has an investment performance analysis performed quarterly by the investment consulting firm, Gray & Company Investment Management Consultants. The Board has dedicated a great deal of attention to investment performance and investment manager structure over the past several years. The Gray & Company Investment Management Consultants Report indicated that the System's total return for the one-year period ending June 30, 2008 was (5.59%). For the three years ending June 30, 2008 the Retirement System's return was 6.57%, and the five-year return ending June 30, 2008 was 8.81%.

The Annual Summary Report is intended to give you a brief overview of the operation of the System. This report is available on the City's website.

A copy of each of the above referenced reports is on file in the Retirement Office for your review. The Retirement office is located at 532 S. Maple Rd., Ann Arbor, Michigan.

It is our hope that you will find these reports both informative and useful in evaluating the progress and growth of your Retirement System. There is a limited number of comprehensive annual reports available for a more detailed review of the Retirement System. Please do not hesitate to contact the Retirement Office at (734) 794-6710 concerning any retirement matter.

Sources of Funds	June 30, 2008	June 30, 2007	1-Year Investment Return
<b>Investment Income</b> <i>(Gross of Fees) (Loss)</i>	(23,490,000)	66,812,000	(5.59)*
<b>City Contributions</b>	7,517,000	5,103,000	
<b>Member Contributions</b>	<u>2,726,000</u>	<u>2,653,000</u>	
	<b>(13,247,000)</b>	<b>74,568,000</b>	

Key Figures (Actual—Last 2 Years)	City Contributions	Benefits Paid	Funded Ratio
<i>Year Ended</i>			
<b>June 30, 2008</b>	7,517,000	23,976,000	99.6%
<b>June 30, 2007</b>	<u>5,103,000</u>	<u>24,505,000</u>	100.1%
<b>Increase (Decrease)</b>	<b>2,414,000</b>	<b>(529,000)</b>	

Key Figures (Projected—Next 2 Years)	Projected City Contributions	Projected Benefits Payable
<i>Year Ended</i>		
<b>June 30, 2010</b>	7,559,781	25,442,000
<b>June 30, 2009</b>	<u>6,894,506</u>	<u>24,487,000</u>
<b>Increase (Decrease)</b>	<b>665,275</b>	<b>955,000</b>

Demographics	June 30, 2008	June 30, 2007	Increase (Decrease)
<b>Active Membership</b>			
General Members	564	561	3
Police Members	149	151	(2)
Fire Members	<u>92</u>	<u>89</u>	<u>3</u>
	<b>805</b>	<b>801</b>	<b>4</b>
<b>Retirees/ Beneficiaries</b>			
General Members	525	525	0
Police Members	149	148	1
Fire Members	<u>146</u>	<u>147</u>	<u>-1</u>
	<b>820</b>	<b>820</b>	<b>0</b>
<b>Types of Retirement</b>			
Age & Service	767	767	(0)
Casualty	<u>53</u>	<u>53</u>	<u>0</u>
	<b>820</b>	<b>820</b>	<b>0</b>

\*City of Ann Arbor Employees' Retirement System Performance Report, Period Ending June 30, 2008

## IDENTITY THEFT

More than 9 million people have been victims of identity theft, the fastest growing crime. Identity thieves can inflict thousands of dollars of debt and damage credit ratings without a person's knowledge.



Many times your first knowledge of the theft is when you receive notification from a collection agency or charges appear on your credit card. Steps you can take to prevent identity theft:

- Never leave your purse or wallet unattended or in your car.
- Only carry credit cards that you need, no more than 2 at one time.
- Never carry your Social Security card or birth certificate.
- Do not keep ATM personal identification numbers (PIN) or passwords in your wallet.
- Carry your passport only when traveling.
- Keep a list or a copy, at home, of all your credit and bank accounts; include account numbers, expiration dates, and telephone numbers of the customer service departments.
- Put passwords on your credit cards, bank and phone accounts.
- Do not have your Social Security or driver's license number printed on your checks.
- Give your Social Security number only when necessary. Try to use other types of identification.
- Review your credit reports every year from a credit bureau.
- Cut up or shred pre-approved credit offers that you will not use. To stop receiving credit offers call 888-5-OPTOUT.
- Never give personal information (credit card number, driver's license number, Social Security number, birth date, mother's maiden name) unless you know to whom you are speaking.
- Place outgoing mail containing personal information (i.e. bills) in a secure mailbox. Make sure your incoming mail is placed in a secure mailbox.
- Do not write account numbers on the outside of envelopes.
- Keep tax records, canceled checks, and bills in a secure place or shred them before throwing them away.
- If you are the victim of identity theft, file a police report to submit to creditors and others that may require proof of the crime.
- Update the virus and firewall protection on your computer frequently to keep your information safe.
- If ordering over the Internet, make sure the site is secure.
- For more information contact [www.idtheftcenter.org](http://www.idtheftcenter.org) or [privacyrights.org](http://privacyrights.org).

If you have been a victim of identity theft contact the Federal Trade Commission's Identity Theft Hotline 877-IDTHEFT or mail Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Avenue, NW H130, Washington, DC 20580 or [www.consumer.gov/idtheft.org](http://www.consumer.gov/idtheft.org).

If you believe someone is using your Social Security number, call the Social Security Administration's Fraud Hotline 800-269-0271.

## - WANTED -

### Prior City Employees Missing

The Retirement System needs your help! If you know any of the following *prior* City employees and are able to contact them, please have them contact the Retirement Office at (734) 794-6710 or toll-free (877) 994-4590.

These employees have left City employment, still have retirement contributions in the System, but have not provided our office with forwarding addresses or contact numbers. Your help is greatly appreciated.

Angela Braeseker – Police Dept.  
Salli Berghauer - Police Department  
Cynthia Jones – Parks & Recreation  
Regina Kinnison – 15<sup>TH</sup> District Court  
Rachel Riutta – Building Department

## In Memory...

*The following retirees have passed away since our last newsletter.*



**Margie Wade - 2/9/2008**  
**Margaret Hendel - 3/7/2008**  
**Fredick Mammel - 3/7/2008**  
**William Boatwright - 3/15/2008**  
**Shirley Martin - 4/19/2008**  
**Louis Gaudio - 4/25/2008**  
**Paul Barnes - 5/7/2008**  
**Virginia Shehan - 6/23/2008**  
**Arthur Hughes - 6/26/2008**  
**Caren Ketchum - 7/19/2008**  
**Michael Fleming - 8/29/2008**  
**Douglas Reed - 9/16/2008**  
**Norman Hebert - 9/25/2008**  
**Joan Duty - 10/6/2008**  
**Michael Jackson - 11/13/2008**  
**Robert Mueller - 11/21/2008**  
**Hazel Smiley - 12/24/2008**  
**Betty Sweet - 1/3/2009**  
**Virginia Trevithick - 1/21/2009**  
**Gary Woods—2/1/2009**



532 S. Maple Rd.  
Ann Arbor, MI 48103

Phone: 734-794-6710  
Fax: 734-994-9205

## NEW RETIREES

Since our last newsletter, the following employees have retired or have filed their final paperwork:

### BOARD OF TRUSTEES

Nancy Sylvester, Chairperson, General Trustee –  
NSylvester@a2gov.org  
Chris Heatley, Vice-Chairperson, Police Trustee - CHeatley@a2gov.org  
Jeffrey Kahan, Secretary, General Trustee - JKahan@a2gov.org  
Jeremy Flack, Fire Trustee - JFlack@a2gov.org  
Tom Crawford, Chief Financial Officer - TCrawford@a2gov.org  
Roger Fraser, City Administrator - RFraser@a2gov.org  
Atleen Kaur, Citizen Trustee - kaur@millercafield.com  
Alexa Nerdrum, Citizen Trustee - alexa5@comcast.net  
David Hescheles, Citizen Trustee - David\_Hescheles@nylim.com

### RETIREMENT STAFF

Willie J. Powell, Executive Director — WPowell@a2gov.org  
Judi Refalo, Pension Analyst—JRefalo@a2gov.org  
N. Gail Jarskey, Accountant — GJarskey@a2gov.org  
Lora Kluczynski, Mgmt Assistant — LKluczynski@a2gov.org

**We're on the Web!**  
[www.a2gov.org](http://www.a2gov.org)

**Bruce Weeks, Finance - 3/6/2008**  
**Charles Pear, Housing - 3/25/2008**  
**Sharon Fritz, 15<sup>th</sup> Dist. Court - 4/12/2008**  
**Kurt Kaiser, Parks – 7/6/2008**  
**David Konkle, Energy - 7/9/2008**  
**Barbara Zahn, CDBG – 7/12/2008**  
**Judy McAllister, Cust. Svcs. – 7/18/2008**  
**Carol Schuler, H.R. – 7/19/2008**  
**Larry Thoms, Proj. Mgmt. – 7/19/2008**  
**Gary Lutz, Fleet Services – 8/2/2008**  
**James Blake, Public Safety – 8/16/2008**  
**Darylin Green, 15<sup>th</sup> Dist. Court – 10/18/2008**  
**Karin Peterson, Engineering – 11/2/2008**  
**Charles Gaige, Parks – 11/15/2008**  
**Eddie Collins, Street Maint. – 12/2/2008**  
**David Whalen, Utilities – 12/6/2008**  
**Nancy Broxholm, 15<sup>th</sup> Dist. Court – 12/26/2008**  
**Ann Mattson, 15<sup>th</sup> Dist. Court – 1/1/2009**  
**Laurie Foondle, Planning – 1/3/2009**  
**Henry Wilson, Compost Ctr. - 1/4/2009**  
**James Wilson, Parks – 1/23/2009**  
**Karen Fletcher, Public Svcs. – 2/14/2009**  
**Christine Parlett, Clerk's Ofc. – 2/21/2009**  
**Bryan Weinert, PS/Solid Waste— 3/14/2009**

City of Ann Arbor  
Employees' Retirement System  
532 S. Maple Rd.  
Ann Arbor, MI 48103

ADDRESS CORRECTION REQUESTED

### MOVING?

Please remember to report any change of address and telephone numbers to the Retirement Office!

