CAAERS NEWS

For Employees, Retirees & Beneficiaries of the City of Ann Arbor Employees’ Retirement System

Retirement System Updates

COVID-19

As we navigate through this unprecedented time of uncertainty in the world due to the spread of COVID-19, the Board wants to assure you that your monthly pension benefit will not be impacted. The System’s investment portfolio is well diversified to reduce the impact of volatility in the financial markets. The Retirement System is operating in accordance with the Governor’s "Stay Home" Executive Order with staff working remotely and dedicated to providing the expected level of customer service to all employees and retirees. Please continue to check our website for updates and important notices while we continue to adapt to this ever-changing environment. Stay safe and healthy!

New Accountant

On August 19, 2019, Maria Buffone joined the Retirement System replacing Corbin Hammond. She previously worked for The City of Dearborn as a Finance Department Accountant. She is eager to meet and continue to serve our City Employees, Retirees, and Beneficiaries.

Notifications of Death

The Retirement System must be notified as soon as possible of an Active Member, Retiree or Beneficiary death. Notifications can be made by calling the Retirement Office. The person notifying the Retirement Office will be asked to identify the participant’s information, provide contact information and an original death certificate. To make the proper adjustments to the participant’s monthly pension benefit, an original death certificate will be required.

New Member Handbook

The Retirement System’s Member Handbook has been revised! You can view the new handbook by visiting our website or you may contact the Retirement System’s office to have a hard copy mailed.

ICMA-RC

Dan Stewart and Nancy Lange are your Retirement Plan Specialists and are available to both active and retired employees. They are responsible for providing retirement and investment readiness education, and an overall review of all of your options during your working years and retirement. For specific investment advice, please consult your financial advisor. If you have any questions regarding any of your ICMA-RC retirement Plans, please continue to contact Investor Services directly.

Nancy Lange:
Phone: 866-822-3638
E-mail: nlange@icmarc.org

Dan Stewart:
Phone: 866-620-6066
E-mail: dstewart@icmarc.org

Investor Services:
Phone: 800-669-7400
Website: www.icmarc.org
**2020 Educational Webinar For Retirees**

Due to the COVID-19 Pandemic, the Retirement Board has decided to cancel the 2020 Retiree Luncheon. An Educational Webinar has been scheduled in place for those interested. An email invite will be sent.

**Thursday, May 28th, 2020**
1:00 p.m.—2:30 p.m.

“Medicare & Economic Update” Presented by Nancy Lange, Certified Financial Planner, ICMA-RC

You may also register by calling or emailing:
734.794.6710
Retirement@a2gov.org

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**HEALTHCARE BENEFITS**

Have a healthcare benefit question and not sure who to contact? Please see below for your City of Ann Arbor benefit team members. *(Please call to schedule an appointment if you prefer a meeting).*

**Retirees:**

Jessica Hull  
jhull@a2gov.org  
Phone: 734.794.6126  
Fax: 734.794.6136

Kimberly Barry  
kbarry@a2gov.org  
Phone: 734.794.6125  
Fax: 734.794.6136

**Active Employees:**

Maria F. Santana  
msantana@a2gov.org  
Phone: 734.794.6127  
Fax: 734.794.6136

For a quicker response, please contact the designated benefit team member.

You can view your Blue Cross Blue Shield benefit summary list online! You will need to log into your member account at www.bcbsm.com and click on the following:

- Under the My Coverage tab:
- Medical
- Visit Summary
- What’s Covered
- Download Your Benefits

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**KEEP US UPDATED!**

Remember to report any change of address or contact information to the Retirement Office! We can also update your records with the City and Northern Trust.

To complete a change of address form:

- Call the Retirement Office and request the form to be mailed
- Print the change of address form from our website under the “Retiree” Tab
- Stop by the Retirement Office to complete the form, or
- Email the Retirement Office with your updated information

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**New Retirees**

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

- Tarita Fonville, Public Services—4/1/2019
- Ciceley Lawson, Safety Services—4/1/2019
- Henry Estrada, Public Services—4/21/2019
- Michael Lamsa, Public Services—4/27/2019
- Robert Pfannes, Safety Services—5/25/2019
- Craig Anderson, Public Services—5/25/2019
- Terence Sullivan, Safety Services—6/1/2019
- Matthew Horning, Finance—7/10/2019
- Joseph Morehouse, DDA—7/25/2019
- Geoffrey Spickard, Safety Svs.—7/26/2019
- Patricia Staebler, 15th Dist. Court—8/10/2019
- Ryan Doletzky, Admin/Finance—9/7/2019
- James Ratliff, Community Services—9/9/2019
- James Doeden, Public Services—10/12/2019
- Karen Lancaster, Finance—10/26/2019
- James Budd, Safety Services—11/14/2019
- Randy Menard, Safety Services—11/29/2019
- Michael Roberts, Safety Services—12/14/2019
- Richard McGlinn, Public Services—12/21/2019
- Carla Baumann, Public Services—12/22/2019
- Scott Bowling, Fleet/Facilities—1/4/2020
- Anthony Walker, Public Services—1/10/2020
- Steven Shields, Public Services—1/25/2020
- Cresson Slotten, Public Services—2/5/2020
Summary Fact Sheet

Sources of Funds

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Income (Loss) (Net of Fees)</td>
<td>30,599,000</td>
<td>33,235,000</td>
</tr>
<tr>
<td>City Contributions</td>
<td>13,622,000</td>
<td>13,446,000</td>
</tr>
<tr>
<td>Member Contributions</td>
<td>3,265,000</td>
<td>3,185,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>47,486,000</td>
<td>49,866,000</td>
</tr>
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Key Figures (Actual-Last 2 Years)

<table>
<thead>
<tr>
<th></th>
<th>City Contributions</th>
<th>Benefits Paid</th>
<th>Funded Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE June 30, 2019</td>
<td>13,622,000</td>
<td>37,622,000</td>
<td>85.4%</td>
</tr>
<tr>
<td>FYE June 30, 2018</td>
<td>13,446,000</td>
<td>36,715,000</td>
<td>86.5%</td>
</tr>
<tr>
<td>Increase (Decrease)</td>
<td>176,000</td>
<td>907,000</td>
<td></td>
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Key Figures (Projected-Next 2 Years)

<table>
<thead>
<tr>
<th></th>
<th>Projected City Contributions</th>
<th>Projected Benefits Payable</th>
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</thead>
<tbody>
<tr>
<td>FYE June 30, 2021</td>
<td>15,251,454</td>
<td>40,496,054</td>
</tr>
<tr>
<td>FYE June 30, 2020</td>
<td>14,092,066</td>
<td>38,879,662</td>
</tr>
<tr>
<td>Increase (Decrease)</td>
<td>1,159,388</td>
<td>1,616,392</td>
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Demographics

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2019</th>
<th>June 30, 2018</th>
<th>Increase (Decrease)</th>
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<tbody>
<tr>
<td>Active Membership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Members</td>
<td>513</td>
<td>499</td>
<td></td>
</tr>
<tr>
<td>Police Members</td>
<td>118</td>
<td>118</td>
<td>0</td>
</tr>
<tr>
<td>Fire Members</td>
<td>80</td>
<td>78</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>711</td>
<td>695</td>
<td>16</td>
</tr>
<tr>
<td>Retirees/Beneficiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Members</td>
<td>695</td>
<td>693</td>
<td></td>
</tr>
<tr>
<td>Police Members</td>
<td>220</td>
<td>214</td>
<td></td>
</tr>
<tr>
<td>Fire Members</td>
<td>166</td>
<td>160</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,081</td>
<td>1067</td>
<td>14</td>
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Active Employees Self-Service Website

Pension contribution account statements are available at the City of Ann Arbor Employee Self Service website:

https://www.benefitmodeling.com/annarbor/default.aspx

After registering, you will be able to:
- Download/print your contribution account statement and your accrued benefit from the AAERS pension plan at your convenience
- Estimate your pension benefits using various retirement dates
- Verify your current beneficiary designation (Beneficiary Change forms can be found on our website)

Economic Factors, Investment Returns, and Other Important Matters

The Retirement System’s funding objective is to meet the City’s long-term benefit commitment to retirees through contributions that meet or exceed the Actuarial Determined Contribution (ADC). On a long-term investment basis, the Retirement System is funded at 85.4%. The long-term basis uses a “smoothed asset value” when calculating the funded status of the Plan. The Retirement System’s financial experience was below target during the year ended June 30, 2019. Total Plan assets increased by 1.8% on a financial basis. Investments returned 6.2% net of fees for the year ended June 30, 2019.

8.1% Annual Interest Rate for Members’ Contributions

The Board of Trustees at its regular meeting on Thursday, December 19, 2019, approved an annual interest rate of 8.1% for members contributions for the 2020 calendar year. The equivalent quarterly return is 1.97%. The quarterly interest will be credited to members’ accounts beginning the quarter ending March 31, 2020.

Note: Members in retirement do not receive interest on contribution accounts.

Visit us online!
www.a2gov.org
With Deepest Sympathy

We extend our condolences to the family and friends of those retirees of CAAERS who have passed away since our last publication.

John Schnur—11/7/2018
Betty Tedder—2/27/2019
Mary King—3/12/2019
George Hastings—3/7/2019
Margaret Frederick—3/14/2019
Horace Hawkins—3/28/2019
Jerome Hall—3/29/2019
Gary Hubler—4/24/2019
Edith Gibson—5/6/2019
Anna Straub—5/15/2019
Marjorie Jenks—5/17/2019
Paul Scheffler—5/31/2019
James Sexsmith—6/7/2019
Charlie Thompson—6/22/2019
David Sebolt—7/18/2019
Lula Jones—8/3/2019
Peter Janovits—8/26/2019
Kris Trombley—9/27/2019
Leroy Dibble—10/3/2019
Robert Bond—10/9/2019
Gladys Finkbeiner—11/16/2019
Ronald Fulton—11/28/2019
Ronald Cummings—11/25/2019
Kenneth Koch—12/3/2019
Gregory Jones—12/9/2019

2020 Board Meeting Schedule
Retirement Board Meetings are held on the Third Thursday of every month.

<table>
<thead>
<tr>
<th>April 16, 2020</th>
<th>July 16, 2020</th>
<th>October 15, 2020</th>
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<tbody>
<tr>
<td>May 21, 2020</td>
<td>August 20, 2020</td>
<td>November 19, 2020</td>
</tr>
<tr>
<td>June 18, 2020</td>
<td>September 17, 2020</td>
<td>December 17, 2020</td>
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</tbody>
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2019/20 Retiree Ex-Officio Meeting Schedule

<table>
<thead>
<tr>
<th>March 26, 2020</th>
<th>September 24, 2020</th>
<th>January 28, 2021</th>
</tr>
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<tbody>
<tr>
<td>April 30, 2020</td>
<td>October 29, 2020</td>
<td>February 25, 2021</td>
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This Committee represents and is comprised of City retirees and beneficiaries. All City retirees and beneficiaries are invited to attend the meetings, get involved, and provide any input that they wish to express to the Board of Trustees of the City of Ann Arbor.