

# CAAERS NEWS



City of Ann Arbor Employees' Retirement System

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Monday—Friday  
8:00 a.m.—5:00 p.m.

**Retirement Staff**

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

### Retirement System Updates

#### Continuing Remote Operations

As we pass the one-year mark of remote operations since the COVID-19 pandemic, the Employees' Retirement System staff has continued to successfully conduct business operations in a virtual environment while ensuring seamless service to members.

The Retirement System will remain in remote operations to protect the health and safety of staff, Trustees and members as local health officials provide the latest information about the ongoing pandemic. We will continue to review the advice and guidelines of local health officials and will keep members informed of when in-person operations will resume. 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!

#### Welcome New Trustee

Marti Praschan is the new Chief Financial Officer for the City of Ann Arbor and will be joining the Board as a Trustee. Marti previously held the position of Chief of Staff for Public Services and has over 20 years of experience working at the City in various financial related positions. She will replace Matt Horning, who had been a Trustee since March 2020 as the Interim CFO. We thank Matt for his service!

#### ICMA-RC



Dan Stewart, Gina John 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. ICMA-RC is changing their name to MissionSquare Retirement in June 2021.

**Dan Stewart:**

Phone: 866-620-6066  
E-mail: [dstewart@icmarc.org](mailto:dstewart@icmarc.org)

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E-mail: [gjohn@icmarc.org](mailto:gjohn@icmarc.org)

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Phone: 866-822-3638  
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**Investor Services:**

Phone: 800-669-7400  
Website: [www.icmarc.org](http://www.icmarc.org)

#### BOARD OF TRUSTEES

**Jeremy Flack, Chair, Fire Trustee**  
[jflack@a2gov.org](mailto:jflack@a2gov.org)

**Alexa Nerdrum, Vice-Chair, Citizen Trustee**  
[alexanerdrum@gmail.com](mailto:alexanerdrum@gmail.com)

**David Monroe, Secretary, Police Trustee**  
[dmonroe@a2gov.org](mailto:dmonroe@a2gov.org)

**Joseph Peariso, General Trustee**  
[jpeariso@a2gov.org](mailto:jpeariso@a2gov.org)

**Marti Praschan, Chief Financial Officer**  
[mpraschan@a2gov.org](mailto:mpraschan@a2gov.org)

**Tony DiGiovanni, Citizen Trustee**  
[tonyd@wpinv.com](mailto:tonyd@wpinv.com)

**Brock Hastie, Citizen Trustee**  
[brockhastie@risadvisory.com](mailto:brockhastie@risadvisory.com)

**Julie Lynch, Citizen Trustee**  
[julie.lynch@skf.com](mailto:julie.lynch@skf.com)

**Jordan Schreier, Citizen Trustee**  
[jschreier@dickinson-wright.com](mailto:jschreier@dickinson-wright.com)

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## HEALTHCARE BENEFITS

There will not be a 2021 Retiree Luncheon due to the pandemic.

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).*

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

### For Retirees:

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

### For Active Employees:

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

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

### New Retirees

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

Michael Whitehead, Public Svcs.—2/21/2020

Jeffrey Dehring, Comm. Services —3/1/2020

Jessie Rogers, Safety Services—3/25/2020

Renee Bush, Safety Services—4/26/2020

Alicia Green, 15th District Court—5/1/2020

Amy Ellinger, Safety Services—5/26/2020

Jeffrey Ballou, Public Services—5/30/2020

Jacqueline Steinaway, Finance—6/13/2020

Kathleen Summersgill, Saf. Svcs—6/20/2020

Jeffrey Zabel, Public Services—7/5/2020

Jefferson Robinson, Saf. Services—7/5/2020

Stephen Kreger, Safety Services—7/9/2020

Christopher Foerg, Saf. Services—7/25/2020

Eric Ronewicz, Safety Services—8/1/2020

William Stanford, Safety Services—8/1/2020

Craig Ferris, Safety Services—8/3/2020

Anissa Bowden, City Admin.—8/7/2020

Jane Allen, City Attorney—8/15/2020

Mark Edman, Safety Services—8/29/2020

Scott Fouty, Safety Services—9/1/2020

Bradley Tanner, Safety Services—9/1/2020

William Dale, Public Services—9/27/2020

Linnae Bellaver, Def. 15th D. Ct.—11/1/2020

Elizabeth Hines, 15th Dist. Court—11/1/2020

Susan Smith, Safety Services—11/7/2020

William Gamble, Saf. Services—11/19/2020

Kathleen Dolan, Def., 15th D. Ct.—12/29/2020

Kristen Larcom, City Attorney—1/5/2021

Christopher Rachwal, Pub. Svcs.—1/9/2021

Jamie Adkins, Safety Services—1/16/2021

Rick Norman, Safety Services—1/9/2021

William Clock, Comm. Services—1/16/2021

Douglas McCartney, Saf. Svcs.—1/23/2021

Susan Pollay, DDA—2/1/2021

Daniel Smith, City Admin.—2/6/2021

Karl Schuler, Public Services—2/11/2021

Jennifer Sartori, Safety Services—2/17/2021

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](http://www.bcbsm.com) and click on the following:



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

## 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.

## UPDATE YOUR CONTACT INFORMATION WITH US!

Be sure 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 a form to be mailed/emailed
- Print the change of address form from our website under the "Retiree" Tab
- Email the Retirement Office with your updated information

# Summary Fact Sheet

Sources of Funds	June 30, 2020	June 30, 2019
Investment Income (Loss) (Net of Fees)	23,144,000	30,599,000
City Contributions	14,124,000	13,622,000
Member Contributions	<u>3,165,000</u>	<u>3,265,000</u>
<b>Total</b>	<b>40,433,000</b>	<b>47,486,000</b>

Key Figures (Actual-Last 2 Years)	City Contributions	Benefits Paid
FYE June 30, 2020	14,124,000	39,605,000
FYE June 30, 2019	13,622,000	37,622,000
Increase (Decrease)	<b>502,000</b>	<b>1,983,000</b>

Key Figures (Projected-Next 2 Years)	Projected City Contributions	Projected Benefits Payable
FYE June 30, 2022	16,126,000	42,145,000
FYE June 30, 2021	15,251,000	40,385,000
Increase (Decrease)	<b>875,000</b>	<b>1,760,000</b>

Demographics	June 30, 2020	June 30, 2019
<b>Active Membership</b>		
General Members	522	513
Police Members	122	118
Fire Members	<u>81</u>	<u>80</u>
	<b>725</b>	<b>711</b>
<b>Retirees/Beneficiaries</b>		
General Members	711	695
Police Members	222	220
Fire Members	<u>169</u>	<u>166</u>
	<b>1,102</b>	<b>1,081</b>

## Pension Benefit

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.

## 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 84.7%. 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, 2020. Total Plan assets decreased by 0.04% on a financial basis. Investments returned 4.6% net of fees for the year ended June 30, 2020.

## 7.6% Annual Interest Rate for Members' Contributions

The Board of Trustees at its regular meeting on Thursday, December 17, 2020, approved an annual interest rate of 7.6% for members contributions for the 2021 calendar year. The equivalent quarterly return is 1.85%. The quarterly interest will be credited to members' accounts beginning the quarter ending March 31, 2021.

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

## Assume Rate of Investment Return (Discount Rate)

During 2020, the Board of Trustees approved a change to the assumed rate of investment return (i.e., the discount rate) from 7.0% to 6.5% over a 5-year period, via a reduction of 0.1% per year starting with the 2020 valuation analysis.

The Board will annually review the reduction in the assumed rate of return over this 5-year period to determine if additional modifications or time-line considerations should be addressed.

Visit us online!  
[www.a2gov.org](http://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.

Robert Peer—11/11/2019	James Stimac—4/18/2020	Celestine Perry—10/17/2020
Jenneane Hawkins—11/29/2019	Barbara Deborde—5/8/2020	Philip Rosewarne—10/25/2020
Kristen Jean—12/29/2019	Robert Ferri—5/6/2020	James Rushton—11/4/2020
Marilyn Schmid—1/21/2020	Kenneth Harris—5/29/2020	Barbara Stimac—11/16/2020
Margaret Hatchard—1/9/2020	Harold Renz—6/13/2020	Dessie Hartman—11/21/2020
Stephanie Vogel—1/25/2020	William Yadlosky—7/2/2020	Donelda Hughes—12/18/2020
Evelyn Heining—1/20/2020	Thomas Seyfried—8/4/2020	Marion Olmstead—1/11/2021
Jimmie Kennedy—1/19/2020	Margaret Mueller—8/10/2020	Judy McAllister—1/17/2021
Charles Cole Sr.—2/26/2020	Cyril Murray—8/12/2020	Craig Sidelinger—1/4/2021
Maxine Rosasco—3/9/2020	Anthony Savoni—10/4/2020	Jerry Reynard—1/9/2021
Norman Naebeck—4/4/2020	Andrew Pomo—10/23/2020	Jeff Rentschler—1/21/2021

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#### 2021 Board Meeting Schedule

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

<b>April 15, 2021</b>	<b>July 15, 2021</b>	<b>October 21, 2021</b>
<b>May 20, 2021</b>	<b>August 19, 2021</b>	<b>November 18, 2021</b>
<b>June 17, 2021</b>	<b>September 16, 2021</b>	<b>December 16, 2021</b>

#### 2021/22 Retiree Ex-Officio Meeting Schedule

<b>September 30, 2021</b>	<b>January 27, 2022</b>	<b>March 31, 2022</b>
<b>October 28, 2021</b>	<b>February 24, 2022</b>	<b>April 28, 2022</b>

All meetings are held at the Retirement System's Office located at 532 South Maple Road, Ann Arbor, MI 48103, unless otherwise noted.

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.