

CAAERS NEWS

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

Retirement System Updates

Office Hours & Operations

The Retirement System Office is open by **appointment only**. Please call ahead to make an appointment if you would like to meet in person. If you need to make updates to your account such as change of address or updated banking information, the forms can be found on our website and may be mailed, emailed or placed in the drop box outside the Retirement System entrance. As always, members are welcome to call the Retirement Office with any questions or concerns.

Welcome New Trustee

At the regular meetings on January 20, 2022 for the Retirement System & Retiree Health Care Benefit Plan & Trust, the Trustees welcomed Jen Grimes, General Member Trustee. Jen's term will end December 31, 2024. She will replace Joe Peariso, who had been a Trustee since January 2019. We thank Joe for his service!

ICMA-RC is now



MissionSquare

Dan Stewart is your Retirement Plan Specialist and is available to both active and retired employees. He is responsible for providing retirement and investment readiness education, and an overall review of your options during your working years and retirement. If you're interested in additional financial planning resources, you may sign up for MissionSquare's free webinars hosted by their certified financial planners.

For specific investment advice, please consult your personal financial advisor. If you have any questions regarding any of your MissionSquare retirement plans, please continue to contact Investor Services directly.

Dan Stewart:

Phone: 866-620-6066
E-mail: dstewart@missionsq.org

Investor Services:

Phone: 800-669-7400
Website: www.missionsq.org

Financial Planning Webinars:

www.icmarc.org/cfpwebinars



City of Ann Arbor Employees' Retirement System

532 S. Maple Road
Ann Arbor, MI 48103

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

Email: Retirement@a2gov.org

Monday—Friday
8:00 a.m.—5:00 p.m.

Retirement Staff

Wendy Orcutt, Executive Director
WOrcutt@a2gov.org

Daniel Gustafson, CEBS, GBA, RPA,
Pension Analyst
DGustafson@a2gov.org

Maria Buffone, Accountant
MBuffone@a2gov.org

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LHollabaugh@a2gov.org

BOARD OF TRUSTEES

Jeremy Flack, Chair, Fire Trustee
jflack@a2gov.org

Alexa Nerdrum, Vice-Chair, Citizen Trustee
alexanerdrum@gmail.com

David Monroe, Secretary, Police Trustee
j2option@yahoo.com

Jen Grimes, General Trustee
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Marti Praschan, Chief Financial Officer
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Tony DiGiovanni, Citizen Trustee
tonyd@wpinv.com

Brock Hastie, Citizen Trustee
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Julie Lynch, Citizen Trustee
julie.lynch@skf.com

Jordan Schreier, Citizen Trustee
Jordan.schreier@gmail.com

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HEALTHCARE BENEFITS

There will not be a 2022 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:

Lynda Rathburn, Safety Services—3/20/2021

Brian Rogers, Public Services—3/26/2021

Aldo Ianelli, Community Svcs.—3/27/2021

*Sandra Bird, Finance—4/1/2021

Jeffrey Pelzel, Safety Services—4/14/2021

Douglas Sandall, Public Services—4/11/2021

Michael Pratt, Safety Services—6/5/2021

*Erwin Morey, Finance—7/1/2021

*Randy Kapala, City Admin.—7/1/2021

Elizabeth Cornell, Safety Services—7/7/2021

Ronald Ross, Safety Services—7/10/2021

Brett Paddock, Safety Services—7/10/2021

Pablo Ramirez, Safety Svcs.—7/15/2021

Craig Lee, Safety Services—7/16/2021

Christopher Leadbetter, Sfy. Svcs.—7/21/2021

Michael Nearing, Public Services—7/24/2021

Michael Lusk, Public Services—8/1/2021

Robert Canell, Finance—8/1/2021

Dena Waddell, City Admin.—8/28/2021

*Barbara Scott, Safety Svcs.—9/1/2021

Rebecca Provancher, Safety Svcs.—9/2/2021

George Freeman, Comm. Svcs.—9/10/2021

Charles Fojtik, Public Services—9/27/2021

John Getz, Finance—10/2/2021

Duane Weible, Public Services—10/2/2021

Mauro Cervantes, Safety Svcs.—10/3/2021

Charles Graham, Safety Svcs.—10/25/2021

David Cullip, Public Services—11/1/2021

Kimberly Wendt, 15th Dist. Ct.—11/12/2021

Andrew Rupert, Comm. Svcs.—11/15/2021

Tilvis Bolen, Safety Services—11/21/2021

Daniel Iverson, Safety Services—11/15/2021

Colin Smith, Comm. Services—1/4/2022

Annette Weber, Finance—1/9/2022

Dennis Degrand, Safety Svcs.—1/10/2022

Sarah Singleton, Finance—1/29/2022

*Deferred Retirement

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

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.

UPDATING YOUR ACCOUNT INFORMATION

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, 2021	June 30, 2020
Investment Income (Loss) (Net of Fees)	136,319,000	23,144,000
City Contributions	15,284,000	14,124,000
Member Contributions	<u>3,194,000</u>	<u>3,165,000</u>
Total	154,797,000	40,433,000

Key Figures (Actual-Last 2 Years)	City Contributions	Benefits Paid
FYE June 30, 2021	15,284,000	40,576,000
FYE June 30, 2020	14,124,000	39,605,000
Increase (Decrease)	1,160,000	971,000

Key Figures (Projected-Next 2 Years)	Projected City Contributions	Projected Benefits Payable
FYE June 30, 2023	16,448,000	43,713,000
FYE June 30, 2022	16,126,000	42,018,000
Increase (Decrease)	322,000	1,568,000

Demographics	June 30, 2021	June 30, 2020
Active Membership		
General Members	518	522
Police Members	114	122
Fire Members	<u>75</u>	<u>81</u>
	707	725
Retirees/Beneficiaries		
General Members	716	711
Police Members	228	222
Fire Members	<u>177</u>	<u>169</u>
	1,121	1,102

2021 Investment Highlights

Given the lower return projections from the capital markets, the Board of Trustees approved new asset allocations for both the Retirement System and VEBA. Pursuant to the new allocations, new managers were added for both infrastructure and direct lending strategies. Both will be funded early in calendar year 2022.

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 88.4%. The long-term basis uses a "smoothed asset value" when calculating the funded status of the Plan. The Retirement System's financial experience during the year ended June 30, 2021 exceeded the target return. Total Plan assets increased by 22.10% on a financial basis. Investments returned 27.1% net of fees for the year ended June 30, 2021.

8.4% Annual Interest Rate for Members' Contributions

The Board of Trustees at its regular meeting on Thursday, December 16, 2021, approved an annual interest rate of 8.4% for members contributions for the 2022 calendar year. The equivalent quarterly return is 2.04%. The quarterly interest will be credited to members' accounts beginning the quarter ending March 31, 2022.

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

Assume Rate of Investment Return (Discount Rate)

In 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. For the fiscal year end 2021, the assumed rate of return was 6.80%.

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

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.

Marion Olmstead—1/11/2021	Kevin Johnston—4/17/2021	Judith Nolan—9/22/2021
Judy McAllister—1/17/2021	Douglas Smith—4/22/2021	Ruth Weber—9/22/2021
Marlene Naebeck—1/24/2021	Ethel Smith—5/15/2021	Charles Sanders—9/29/2021
Marilyn Miller—2/1/2021	David Godfrey—5/15/2021	Vida Weber—10/18/2021
Phyllis Shelton—2/11/2021	Ophelia McDonald—6/4/2021	Joyce Teichow—10/19/2021
Curtis Hanselman—3/4/2021	Grace Brennock—6/12/2021	Gary Woodard—11/23/2021
Bobbie Santure—3/4/2021	Carol Robertson—6/18/2021	Gene Prain—11/26/2021
Alvin Hardwick—4/7/2021	Jack Kerr—6/21/2021	Dean Kapp—11/26/2021
Michael Painter—4/9/2021	David Luick—9/1/2021	Anna Bauer—12/26/2021
Gail Mullreed—4/11/2021	Ronel Collins—9/20/2021	John Aylward—12/31/2021

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2022 Board Meeting Schedule

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

May 19, 2022	August 18, 2022	November 17, 2022
June 16, 2022	September 15, 2022	December 15, 2022
July 21, 2022	October 20, 2022	January 19, 2023

2022/23 Retiree Ex-Officio Meeting Schedule

March 31, 2022	September 29, 2022	January 26, 2023
April 28, 2022	October 27, 2022	February 23, 2023

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

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.