

CAAERS NEWS

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

Retirement System Updates



Northern Trust Retiree Portal

The Retirement System is pleased to welcome retirees to Benefit Payment Participant Web Passport. This secure portal provides immediate and secure access to your benefit payment information 24 hours a day, 7 days a week.

ENROLL TODAY:

- Visit northerntrust.com/bppweb
- Follow prompts to register (you will see the link to register on the bottom right-hand of the screen.)
- To complete the secure enrollment process, you will be asked to provide key data elements to create a unique identification and password.

For assistance with online enrollment, please contact 888-259-6835.



Voya Financial

In November 2023, Voya Financial replaced MissionSquare as the recordkeeper for the 401(a) and 457 plans. Voya is a top-five provider of retirement products and services in the U.S. and is equally committed to conducting business in a way that is ethically, economically, socially and environmentally responsible. Mike Landolt is our 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.

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

Mike Landolt:

Phone: 419-534-4413 ext. 1
E-mail: mikelandolt@voyafa.com

Investor Services:

Phone: 800-584-6001

Website: VoyaRetirementPlans.com

Voya Financial Website:
VoyaRetirementPlans.com



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
BY APPOINTMENT ONLY
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

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MBuffone@a2gov.org

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LHollabaugh@a2gov.org

BOARD OF TRUSTEES

David Monroe, Chair, Police Trustee
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Alexa Nerdrum, Vice-Chair, Citizen Trustee
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Jeremy Flack, Secretary, Fire Trustee
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Inside this issue

Retiree Luncheon 2
Health Care Benefits 2
Summary Fact Sheet 3
Meeting Schedules 4



2024 Educational Luncheon For Retirees

Thursday, May 30th, 2024
Weber's Ann Arbor
3050 Jackson Ave.
11:30 a.m.—2:30 p.m.
 Spouses are welcome!

"Bulls, Bears, and Investing During Volatile Election Cycles"
Presented by Mike Landolt, Voya Financial

Call or email to make reservations by Friday, May 17, 2024!

734.794.6710
 Retirement@a2gov.org

New Retirees

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


- Brent Kostanko, Safety Svs.—12/12/2022*
- Janel Hensen, Safety Services—12/16/2022*
- Douglas Martelle, Safety Svs.—12/30/2022*
- Adam Ajam, Public Services—1/4/2023*
- Scott Zeleny, Safety Services—1/4/2023*
- Cheryl Saam, Comm. Services—1/4/2023*
- Stephanie Warner, Safety Svs.—1/10/2023*
- Earle Fox, Safety Services—1/28/2023*
- Jack Foster, Safety Services—2/21/2023*
- *Marianne Howard, Public Svs.—3/1/2023*
- Kevin Ernst, Comm. Services—3/11/2023*
- Jeff Butts, Public Services—3/11/2023*
- Michael Lencioni, Safety Svs.—3/14/2023*
- Patrick Maino, Public Services—3/18/2023*
- Thomas Kolpacki, Safety Svs.—3/25/2023*
- Dennis Crum, City Admin.—4/1/2023*
- Francis Burchett, City Admin.—4/1/2023*
- Gary Shivley, Public Services—4/7/2023*
- Kevin Warner, Safety Services—5/6/2023*
- Troy Burke, Safety Services—5/10/2023*
- Kirk Pennington, Public Services—5/12/2023*
- Kathleen Crum, Finance/Admin—5/13/2023*
- Carl Strom, 15th Dist. Ct.—5/20/2023*
- Matthew Waldsmith, Pub. Svs.—6/11/2023*
- Jeffrey Kahan, Comm. Svs.—7/10/2023*
- Mark Raab, Safety Services—7/11/2023*
- Janet Sheets-Carpenter, City Admin.—7/26/2023*
- Eileen Canfield, Public Services—7/29/2023*
- Robin Lee, Safety Services—7/29/2023*
- Deborah Carmack, City Admin.—8/12/2023*
- Roberta Niedson, City Admin.—9/16/2023*
- Ernest Close, Safety Services—10/1/2023*
- Hope Hughes, Comm. Services—10/7/2023*
- Andrew Boonstra, Safety Svs.—10/15/2023*
- Roman Morrow, Safety Svs.—10/19/2023*
- Aimee Metzger, Safety Services—10/21/2023*
- Scott Peterson, Safety Services—10/26/2023*
- Andrew Box, Safety Services—11/11/2023*
- Michael Culpepper, Public Svs.—12/13/2023*
- Michael Montgomery, Safety—12/21/2023*

**Deferred Retirement*

HEALTHCARE BENEFITS

Medical and prescription drug coverage is offered through Blue Cross Blue Shield of Michigan (BCBSM). Your benefit summary can be accessed online through www.bcbsm.com under the 'My Coverage' tab.

For additional questions regarding coverage please contact BCBSM directly.

| BCBSM Contact Information: | |
|---|--|
| Smartphone App: |  |
| Website: | www.bcbsm.com |
| Customer Service: | 877-790-2583 |
| Mail Order Pharmacy for Maintenance Rx: (OptumRx) | 855-811-2223 |
| Mail Order Pharmacy for Specialty Rx: (AllianceRx Walgreens) | 866-515-1355 |

Should you need additional assistance after speaking with BCBSM, please contact the City of Ann Arbor benefit team members listed below.

For Retirees:

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

For Active Employees:

| | |
|---|--|
| <p> Gwen Burrell gburrell@a2gov.org Phone: 734.794.6131 Fax: 734.794.6136 </p> | <p> Shannon Stearns sstearns@a2gov.org Phone: 734.794.6127 Fax: 734.794.6136 </p> |
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RETIREMENT ACCOUNT UPDATES

Banking & Tax Updates:

Northern Trust
 Phone: 312-557-9700

Contact & Address Updates:

Retirement System Office
 Phone: 734-794-6710
 Email: Retirement@a2gov.org

Summary Fact Sheet

| Sources of Funds | June 30, 2023 | June 30, 2022 |
|--------------------------------|-------------------|---------------------|
| Investment Income (Loss) (Net) | 61,022,000 | (31,380,000) |
| City Contributions | 14,639,000 | 16,255,000 |
| Member Contributions | <u>3,295,000</u> | <u>3,223,000</u> |
| Total | 78,956,000 | (11,902,000) |

| Key Figures (Actual-Last 2 Years) | City Contributions | Benefits Paid |
|--------------------------------------|--------------------|------------------|
| FYE June 30, 2023 | 14,639,000 | 44,201,000 |
| FYE June 30, 2022 | 16,255,000 | 42,549,000 |
| Increase (Decrease) | (1,616,000) | 1,652,000 |

| Key Figures (Projected-Next 2 Years) | Projected City Contributions | Projected Benefits Payable |
|---|------------------------------|----------------------------|
| FYE June 30, 2025 | 16,250,000 | 46,906,000 |
| FYE June 30, 2024 | 15,428,000 | 45,670,000 |
| Increase (Decrease) | 822,000 | 1,236,000 |

| Demographics | June 30, 2023 | June 30, 2022 |
|-------------------------------|---------------|---------------|
| Active Membership | | |
| General Members | 556 | 532 |
| Police Members | 91 | 101 |
| Fire Members | <u>81</u> | <u>78</u> |
| Total | 728 | 711 |
| Retirees/Beneficiaries | | |
| General Members | 746 | 734 |
| Police Members | 252 | 242 |
| Fire Members | <u>179</u> | <u>180</u> |
| Total | 1177 | 1156 |

MI RETIREMENT TAX CHANGES

The Lowering MI Costs Plan (Public Act 4 of 2023), signed into Michigan law on March 7, 2023, took effect on February 13, 2024. These changes will be phased in over four years and begin with tax year 2023.

More information can be found on the “Retiree” page of the Retirement System’s website by visiting:

www.a2gov.org/departments/retirement-system

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 87.9%. 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, 2023 exceeded the target return. Total Plan assets increased by 6.0% on a financial basis. Investments returned 10.93% net of fees for the year ended June 30, 2023. As of June 30, 2023 assets were \$605.6 Million.

7.5% Annual Interest Rate for Members’ Contributions

The Board of Trustees at its regular meeting on Thursday, December 21, 2023, approved an annual interest rate of 7.5% for members contributions for the 2024 calendar year. The equivalent quarterly return is 1.82%. The quarterly interest will be credited to members’ accounts beginning the quarter ending March 31, 2024.

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

Assumed 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 2023, the assumed rate of return remained at 6.70%.

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.

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.

| | | |
|-----------------------------|------------------------------|----------------------------|
| Dorothy Fink—2/1/2023 | Robert Smith—6/8/2023 | Charles Vogel—10/14/2023 |
| Walter Johnson—2/9/2023 | Margaret Piotrowski—6/9/2023 | Sandra Bird—10/20/2023 |
| Patra Kobeck—2/20/2023 | Henry Mallory—6/25/2023 | Patricia Abbott—10/23/2023 |
| Charles Moody—2/20/2023 | Carol Massie—7/3/2023 | Jan Blaine—11/12/2023 |
| John Kryda—3/7/2023 | Sarah Bunnell—7/16/2023 | Beverly Sanders—11/24/2023 |
| Ayssa Humesky—3/31/2023 | Carol Hollis—7/3/2023 | Aldonis Bond—12/3/2023 |
| Mary Wagner—4/3/2023 | George Gallas—8/18/2023 | Charlotte Payne—1/2/2024 |
| Dennis Roberdeaux—4/21/2023 | Dorothy Zeck—8/20/2023 | Christina Postema—1/7/2024 |
| Jan Suomala—6/7/2023 | George Bolly—9/5/2023 | |

City of Ann Arbor Employees' Retirement System

532 S. Maple Road
Ann Arbor, MI 48103



2024 Board Meeting Schedule

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

| | | |
|-----------------------|---------------------------|--------------------------|
| April 18, 2024 | July 18, 2024 | October 17, 2024 |
| May 16, 2024 | August 15, 2024 | November 21, 2024 |
| June 20, 2024 | September 19, 2024 | December 19, 2024 |

2024/25 Retiree Ex-Officio Meeting Schedule

| | | |
|-----------------------|---------------------------|--------------------------|
| March 28, 2024 | September 26, 2024 | January 30, 2025 |
| April 25, 2024 | October 31, 2024 | February 27, 2025 |

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 Employees' Retirement System.