

Anchorage Police & Fire Retirement System Newsletter

July 2025

A Message From The Chair—Paul Honeman

Hello to my fellow retirees of the APFRS!

This is my second term as your Chairperson of the APFRS. I have the duty and honor to provide recent updates that impact and concern our plan and its members through this section of our newsletter. Another busy year it has been, full of ups and downs on the Market sector, and personally – we have lost several retirees, their surviving spouses and one recent passing of a Board Member – Jim Bauman – an ‘O.G’ (Original Guy) of our plan who was a retired Firefighter/Paramedic. To my knowledge, this was the first time an active Board Member passed away while in service to us all. Bau’s boots will be big ones to fill!

A ‘retirement’ of sorts – APD Board Member William ‘Bill’ Herrick with 9 years of service to our APFRS, decided to provide another retired APD member an opportunity to serve. Two such retirees did step up to the ‘plate’: William ‘Bill’ Miller and Anthony ‘Tony’ Henry. Congratulations to Bill Miller who assumes his position as a Fiduciary Board Member on July 1st. Thank you to Tony and Bill – for your willingness to serve all of us in the APFRS.

Other actions taken by your Board, were regarding the safeguarding of YOUR retirement monies. The Board has approved a ‘Death Records Search Service’. We have already benefitted from this reasonable expenditure, by stopping potential payments to bank accounts or potential frauds to our plan, months before the Plan Office was notified of a member or surviving spouse having passed away.

And, speaking of Fraud....the office has implemented new procedures to prevent fraud. Members will now need to contact the APFRS office to make bank, address, phone number and email changes. The “Forms” section that had been on the APFRS Website has been removed.

Our next Investment Conference is set for March 25th and 26th, 2026 and will be at the Captain Cook Hotel. All our meetings are open to any of our members and to the public. Please consider coming for any and/or all of the two-day meeting.

Even though our plan regularly is assessed in the top 10-25 percent of all similar sized plans, the future will present the need to refocus our investment strategy. Our ‘Outflow’ (payments to retiree participants) is about \$2.8 million per month – or approximately \$34 million per year. Using just this data, you can see that investment returns must be strong, to offset distributing nearly 10 % of our fund balance (at present) yearly. Given the tariff talk and shakiness in the current economy, this coming year looks to be a challenge.

I would be remiss if I did not remind each member to check in with the Plan Office Staff to verify benefits should their spouse survive the member. PLEASE – gather this information before there is a crisis in your family.

In closing, wherever you are, be safe and stay healthy in the coming year.

Faternally Yours,
Paul Honeman



Northern Lights
Nancy Lake, AK

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Board Member News

Last fall, the election for one of the Fire Board seats was held. Jim Bauman (Retired Fire) was re-elected by the Fire members for a three year term that began January 1, 2025. Due to Mr. Bauman's passing, a special election is currently being held to fill the remaining time of his term. Brook Goss and Andrew Provencio will be running to fill out this term. Results of the election will be certified by the Board on July 23, 2025.

This spring, the election for one of the Police Board seats was held. William (Bill) Miller was elected by the Police members for a three year term that began July 1, 2025.

The Municipal Board representatives are appointed by the Mayor.

At the June 11, 2025, Board meeting, the Board selected a new Chair and Vice Chair. Paul Honeman (Retired Police) was elected as Chair and Jim Vignola (Retired Fire) as Vice Chair. The Retirement Board members are as follows:

Police Members

Paul Honeman
Everett Robbins
Bill Miller

Fire Members

Paul Burns
Jim Vignola
(Vacant)

MOA Members

Glenn Cipriano (Treasurer)
Raylene Griffith (Director, Labor)
Courtney Petersen (Manager, ECD)

July 2025 COLA for Plan III - Approved by the Board

On July 1st each year, the rate for Cost of Living Adjustments (COLA) for Plan III members goes into effect for the subsequent twelve month period. The COLA rate is based on the Department of Labor average Consumer Price Index for the Western Region. The average CPI in 2024 was 2.8%. The increase to your July 1, 2025 payment will be 1.4%

Surviving Spouses and Disabled Members are eligible for COLA immediately upon receipt of benefits. COLA is equivalent to the lesser of 50% of the CPI rate or 6% of the current benefit. The calculations and changes are automatically processed by the retirement system's staff each year. If you have any questions, please contact the Retirement System Staff.

Investment Manager & Investment Consultant News

The Board and its Investment Consultant, RVK, Inc., reviews the performance of each manager on a quarterly and annual basis. Decisions to terminate a manager or to hire a new manager come after appropriate monitoring of performance.

At the March 27, 2025, Board meeting the Board decided to go out for a Request For Proposal (RFP) for an Investment Consultant due to RVK's contract ending December 31, 2025. RVK was invited to bid. Final interviews will be held at the Board meeting on September 3, 2025, at 9 a.m.

Investment Performance Update

The APFRS trust investment returned 8.94% in 2024. Listed below is our historical investment performance from 2013 to 2024 calculated by our Investment Consultant:

<u>Year</u>	<u>Performance</u>	<u>Year</u>	<u>Performance</u>
2013	18.21%	2019	19.89%
2014	5.96%	2020	11.97%
2015	0.92%	2021	14.22%
2016	8.71%	2022	-11.65%
2017	17.12%	2023	13.39%
2018	-5.01%	2024	8.94%

Annual Actuarial Report

The Actuarial Valuation Report is performed annually by Milliman, Inc. The report dated 1/1/2025, shows funding levels still below 100%. As a result, contributions will continue for the 2026 year. The Municipality of Anchorage (MOA) is required to contribute \$ 9.85 million in 2025 and \$9.354 million in 2026.

Annual Surplus Benefit Board Distribution Decision

Each year, the Board must make a Surplus Benefit decision no later than the regular June Board meeting. This year, the Board made its decision at the April 30, 2025, Board meeting.

As shown in the Plan funding level on page 4, the Annual Actuarial Valuation Report shows that all three Plans are still below the 100% mark, and none of the Plans are at or above 116% of Assets to Liabilities. Therefore, the Board passed a motion stating that no surplus benefit will be available during the 2024 Plan Year. By Anchorage Municipal Code (AMC 3.85), the Board may grant a distribution only if the funding ratio is greater than 116%.

Annual Audit Report

The Retirement System is audited annually. BDO is performing a comprehensive financial and internal controls audit for plan year-end 2024. The audit is ongoing at the time of this newsletter.

Plan Funding Levels (2021-2024)

GASB 67 Disclosure

Assets vs Liabilities (Millions)

<u>12/31/2021</u>	<u>Plan I</u>	<u>Plan II</u>	<u>Plan III</u>
Assets:	\$78.0	\$63.0	\$272.1
Liabilities	\$82.3	\$67.0	\$284.7
Funding Level	94.7%	94.0%	95.6%

<u>12/31/2022</u>	<u>Plan I</u>	<u>Plan II</u>	<u>Plan III</u>
Assets:	\$61.4	\$50.1	\$220.8
Liabilities	\$76.7	\$64.3	\$284.0
Funding Level	80%	77.9%	77.7%

<u>12/31/2023</u>	<u>Plan I</u>	<u>Plan II</u>	<u>Plan III</u>
Assets:	\$61.5	\$50.6	\$227.4
Liabilities	\$73.7	\$62.8	\$281.5
Funding Level	83.5%	80.6%	80.8%

<u>12/31/2024</u>	<u>Plan I</u>	<u>Plan II</u>	<u>Plan III</u>
Assets:	\$59.3	\$49.2	\$225.1
Liabilities	\$70.8	\$61.4	\$278.7
Funding Level	83.8%	80.2%	80.8%



Montana Creek, AK

Participants By Plan as of 12/31/2024

<u>Status</u>	<u>Plan I</u>	<u>Plan II</u>	<u>Plan III</u>	<u>Total</u>
Actives	0	0	0	0
Retired: Service	59	70	315	444
Retired: Disabled	46	24	24	94
Survivors	49	21	58	128
Child Benefits	0	0	0	0
Totals	154	115	397	666

Surviving Spouse Benefit

Last year, we had a number of members requesting a surviving spouse calculation but wanted to re-run this topic due to it's importance.

1. Do you know what your surviving spouse will receive after your death?

At the time of death, if you are legally married and meet all plan requirements your surviving spouse is entitled to a benefit. This benefit is separate and distinct from your benefit.

There are several variables in calculating the benefit. The plan document for plans I, II and III outlined in the Anchorage Municipal Code (AMC 3.85) determines the calculation method used. Other factors include cause of death (occupational vs non-occupational), service retirement, disability, final average monthly compensation for the last 26 pay periods and more. Because of these complexities, please contact a retirement specialist in our office for questions and have a calculation performed specifically for you. Even if you think you know, please contact us if you do not have a calculation in your files.

Power of Attorney (POA)

There are many who think they do not need to worry about their estate plans until they are old and have significant assets, but there's one document you should have in place as soon as you are a legal adult: a financial power of attorney. A serious illness can strike anyone at any time no matter how invincible you feel, and you might not have time to prepare your affairs.

What is power of attorney?

A power of attorney (POA) is a document granting authority to another person to make certain decisions on a person's behalf. POA authority ends when the person granting authority revokes authority or dies. The requirements for a valid power of attorney vary by state.

If you have a POA, we can place a copy in your file. Please contact the retirement office for instructions. If you do not have a POA, The Alaska Court System has forms free of charge to establish a POA. The website is www.courts.alaska.gov/shc/family/shcpoa.htm

Deceased Members (July 2024 - June 2025)

	<u>Name</u>	<u>Death</u>	<u>Plan</u>	<u>Dept</u>
)				

Need a Notary?

The retirement office is happy to assist you with your notary needs. There is no charge for members and their families. Should you need a notary, please call the retirement office and make an appointment.

Plan I Members—Heart, Lung, Disability Conversion Benefit

When the Retirement System was re-organized after the legal settlement with the Municipality of Anchorage in 2000, additional benefits were given to Plan I members, AMC 3.85.090(A). One of these benefits is a conversion from a service retirement to an Occupational Disability should a member qualify. The Occupational Disability is defined below:

Occupational Disability

Definition:

Any injury received while performing official duties for the Municipality of Anchorage, or any heart, lung, or respiratory system illnesses occurring before or after retirement, or which renders a member incapable of performing normal assigned duties. Heart, lung or respiratory system illness or injury shall be construed as an illness contracted or injury received in the performance of official duty.

Benefit:

A monthly pension of 66-2/3% of the Member's gross monthly compensation at the time of disability, payable for life or until the Member is capable of resuming similar duty with any police or fire department.

If you have a heart, lung, or respiratory system condition that you believe qualifies for this benefit, please contact the retirement office to discuss your situation.

Surplus Benefit Account

Should you have questions contact Vanguard:

Web Page: www.Vanguard.com

Phone Number: 1- 800-523-1188 / Plan Number: 093161

Help Topics

Note: Please contact the retirement office to change your personal information.

Change of Address or email:

Please call the Retirement Office to change your address, phone number or email address.

Direct Deposit Changes:

If you need to change your direct deposit (bank or credit union) information you must call the retirement office.

Tax Withholding Changes:

If you need to change your withholding on your benefit payments, please call the office to receive an IRS W-4P Withholding Election Form. Please complete and return the form to the APFRS office for processing.

Beneficiary Designation:

It is a good idea to periodically review and update your beneficiary designation information. For Spousal Survivor Benefits, the procedures are dictated by the Anchorage Municipal Code. But for the Surplus Benefit Account Program, you need to have a current Beneficiary Form on file here in this office.

Retirement System Contact Information

Main Office Number

907.343.8400

Fax Number

907.343.8439

Toll Free Number

877.650.8400

Address

3600 Dr. Martin Luther King Jr. Ave.
Suite 207
Anchorage, AK 99507

Office Hours

Monday—Friday
8:00 am—4:30 pm

Web Page Address

Access Board meeting agendas, newsletters, Board members listings and Plan summaries at the following address:
<http://www.muni.org/apfrs>

STAFF

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907.343.8401

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907.343.8409

Marie Berry, Retirement Specialist III
907.343.8405

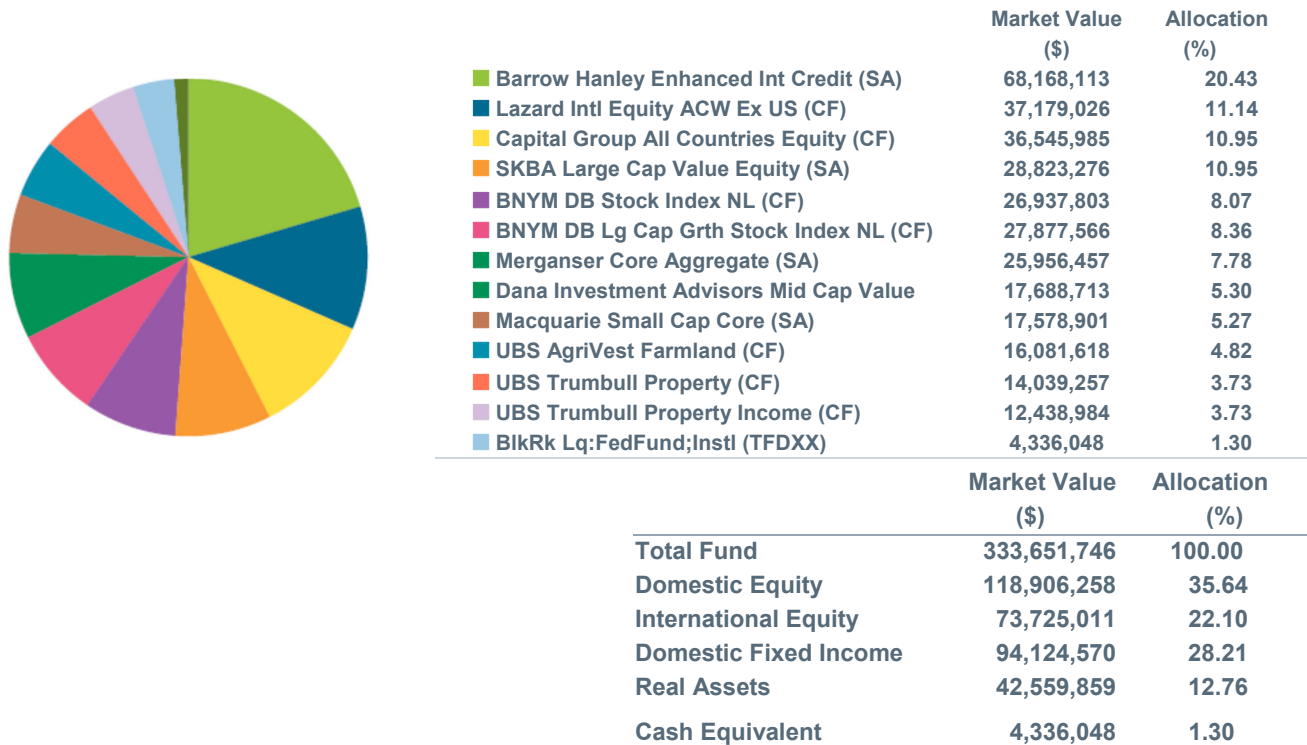


Portage Glacier

Anchorage Police & Fire Retirement System Total Fund

December 31, 2024: \$333,651,746

Asset Allocation by Manager



Anchorage Police & Fire Retirement Surplus Account

December 31, 2024: \$12,596,862



Allocations shown may not sum up to 100% exactly due to rounding.