



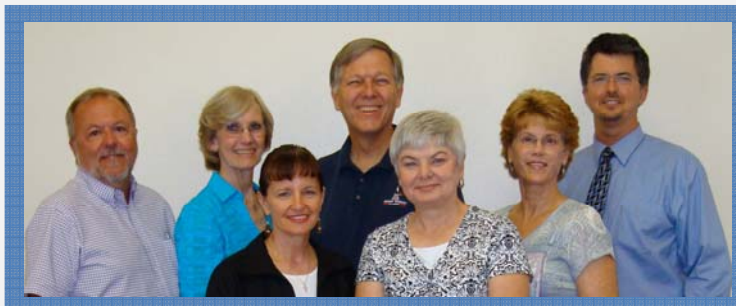
# RECOM

## Retired Employees City of Mesa

Volume 1 Issue 4

RECOMAZ.org

November, 2007



RECOM Executive Board

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### Message from the Board

I'm Kathy Barrett, RECOM Vice President. Like Frank Mizner who wrote last month's article on volunteering, I've taken a circuitous route to Mesa: St. Paul, Minnesota; Niles, Illinois; Los Angeles, California; Scottsdale, and finally Mesa. After working in Court systems in Los Angeles, Scottsdale, and Mesa, I retired from the Court Administrator position in Mesa in 2004 after 22 years with the city. I became involved in RECOM to be able to do whatever I could to help to retain retiree benefits and to stay informed of changes. I currently serve as RECOM's Vice President, and chair the Membership and Bylaws Committees.

Well, enough about me, let's see what you can guess about RECOM's membership. Take the little quiz below; the answers follow.

- How many members does RECOM have?
 

a.	1,215	b.	46
c.	624	d.	892
- What percentage of RECOM members live in Arizona?
 

a.	95%	b.	43%
c.	85%	d.	28%
- How many states have members of RECOM living there?
 

a.	All 50	b.	25
c.	32	d.	15

- What percentage of RECOM retired employees are 62 and older?
 

a.	62%	b.	89%
c.	53%	d.	37%
- What percentage of RECOM retired employees are retired for 5 years or less?
 

a.	75%	b.	87%
c.	42%	d.	23%

### ANSWERS

- C.** RECOM currently has 624 members. This is an increase of about 10% over last year and a little less than half of all City retirees. Spouses and partners are also involved – 20% of RECOM members are spouses and partners. That's really good to see.
- C.** 85% of RECOM members live in Arizona. Of the members living in Arizona, 323 or 52% live in Mesa.
- C.** RECOM members live in 32 states. Texas, with eleven, has the second highest number of members; Illinois is third with nine; and Tennessee is fourth with six. California and Washington follow with five each. The results aren't quite what I expected.

4. **C.** 53% of RECOM members are 62 and older. You know what that means, over half of RECOM members are eligible for Social Security. What about Medicare? Over 42% are 65 and older. On the other hand, of those members providing their year of birth, 177 are in their 50s or less. As you can see, RECOM has quite a diverse age group.
5. **C.** 42% of retirees have been retired for five years or less. One-third for more than ten years; some for 30 years. I've got a ways to go to reach that.

Thanks to all of you for providing the information, it helps to get a better sense of the organization's membership and their interests.

Hope to see you all at the Holiday Social on December 19<sup>th</sup>.

## Guest Speaker

At the November meeting our speaker was Patrick Murphy from the Mesa Downtown Development office. Patrick is a city employee, but he works alongside numerous government and private groups on improving the downtown area.

Even if this writer were still inclined to work (which she is not!) she wouldn't want Patrick's job. Everybody, but everybody in Mesa "knows" that Downtown Mesa isn't exciting. They just can't agree on how to fix that.

What many of us don't know is that we are larger than Miami, St. Louis, Pittsburgh, and Atlanta.

First of all, "downtown" covers a little more territory than most of us think --- actually goes from 6<sup>th</sup> Street to Broadway, and from Vineyard to Hobson. It has about 300 businesses, 11,000 visitors and sold about \$263 million worth of goods in 2005. (The writer's husband wants to know who bought the other \$262 million dollars worth of stuff. Not true. He exaggerates... a little.)

Patrick explained "The Urban Village Concept" since that's a current buzz word, but seems a contradiction in terms. Actually, it's a really basic, maybe even old fashioned idea: Live, work, play and dine in one general area of town. And that's the concept toward which the numerous organizations

that have a hand in downtown development are working.

To that end, there has been \$13 million worth of private investment in the last 2 years. There was \$3.3 million in sales tax generated during 2006/07 by the 34 eateries and more than 100 shops.

Love it or hate it, (no, please, no debate on that now!) the most visible piece of development is the Mesa Arts Center, and it has had quite an impact. For example back in 2000 the city earned about \$18 million from cultural activities, which included the Mesa Southwest Museum, the Arizona Museum for Youth, the Serrine House and the Convention Center. In 2005, it earned \$47.5. And during that same time period lots more people came down town too: increased from 658,000 to 822,000.

But man (and woman!) does not live on art and museums alone. Mesa Community College has a downtown campus and is thinking of vastly increasing its presence there.

Other plans include mixed use projects (another buzz word that the writer thinks means about the same thing as "urban village" --see above) including office space, more residential buildings, "sit-down awhile" restaurants (as opposed to drive-through-as-fast-as-you-can). Within the next 18 months there will be more sites available for retail and office space.

OK with all of those plans going on, how will we all get there? Well, Light Rail is scheduled to start running from Dobson Rd. on Main Street to downtown Phoenix sometime in 2008. If it is a success, it will be extended east....but plans are pending as they say.

## Reports

### Secretary

Lin provided an update on terminally ill RECOM member Elmer Young. She also asked members to let her know if they are aware of City employees who are planning to retire.

### Employee Benefits Task Force

#### New Insurance Card Coming

About mid-January the city will mail a health insurance card to those covered by city benefits

and it will be good for both BlueCross/BlueShield and Medco. Saves printing costs, space in your wallet etc. HERE'S THE SCOOP:

1. It will have **only the city retiree's name** on it. The spouse's name will not be on it, even though the spouse will get a card. (I'll feel really good if Benefits doesn't get a bunch of calls from retirees about cards not having the spouse's name on it.)
2. You may destroy the two old cards **after the new one comes**. The old ones aren't really void, but the city would prefer if you used the new ones. (Donna will absolutely kill me if you destroy your old cards before the new one comes – so please, I want to live!)
3. If you are on **Medicare**, you must use your **Medicare card in addition** to the City of Mesa insurance card. Clinical tests have proven that Medicare has no sense of humor in these matters, and will make your life difficult if you don't use both cards.

### **New Vision Services Provider**

As of January 1, 2008 the new vision provider is **Spectra**. Spectra's brochures were handed out at the November RECOM meeting and will also be available at the December meeting. Members were generally unhappy with our current vision services provider and many wanted to return to VSP. Spectra provided better coverage at less cost than VSP.

### **Benefits Trust Fund**

The trust fund had a good month in October, \$434,000 more income than expenses. Current balance is \$14.9 million.

### **Deferred Compensation Changes**

Also at the November Benefits Task Force meeting Donna Salemi announced that the city had been studying the possibility of reducing the number of Deferred Compensation providers to just one. Below is the announcement that describes the reason for the change. There was a special meeting of the Employee Benefits Task Force on Nov 19<sup>th</sup> to explain the specifics of the plan to Task Force members.

This change will affect retirees who do not currently have their deferred compensation accounts with Great West. They will either have to move their money to Great West or roll it into an IRA account. Donna Salemi and Bryan Raines will come to speak at the January 16<sup>th</sup> membership meeting of RECOM, to explain the change and answer questions.

## **Recommended Changes to Mesa's Deferred Compensation Program**

You may be aware that Mesa has evaluated Requests for Proposals (RFPs) for providing services under Mesa's Deferred Compensation program. The current contracts with each of the City's five deferred compensation vendors are set to expire during the first quarter of 2008. The City's Deferred Compensation Committee chaired by Deputy City Manager Bryan Raines hired an independent pension consultant, Innovest Portfolio Solutions to assist the committee in the RFP process.

The committee advertised the RFP process nationally and personally invited each of the current vendors to submit proposals. Seven vendors submitted proposals, ING did not agree to the terms in the statement of work and was deemed non responsive. Therefore, the following qualified proposals were reviewed:

CitiStreet	ICMA-RC
Great West	MetLife
Hartford	Nationwide

From these six, three finalists Nationwide, ICMA-RC and Great West were invited to make presentations to the committee reviewing their qualifications and experience, participant communication and education strategies, investment management services and their fee structure.

Based on the result of these processes the City's Deferred Compensation Committee has unanimously recommended to the City Manager that the City utilize a single vendor going forward and that the recommended vendor be Great West Retirement Services.

This arrangement will benefit participant employees and retirees alike in a number of ways, including but not limited to:

- By focusing on a single vendor and through the competition of the RFP process, the administrative fees paid by City of Mesa participants will be reduced by more than **\$375,000** annually from what they are currently paying. This is money that participants will now be able to retain in their own account adding to their individual balances each year.
- Great West will provide 2-3 days of on-site assistance at the City **each week** and a dedicated Web site for City of Mesa deferred compensation participants.
- Providing a single point of contact will allow Great West representatives to better focus on the investment needs of the individual participants.
- Opportunity to provide investment options that are selected utilizing a “best of breed” strategy to ensure that the Mesa participants have access to “top notch” mutual funds in each asset class.

Due to contract expirations, the transition to Great West Retirement Services will occur during the first quarter of 2008. Participants will not incur any expense as a result of this transition and assets are moved automatically into comparable investments.

In the coming days, weeks and months you will be hearing more from both the City and Great West Retirement Services about this important improvement to the City’s Deferred Compensation Program.

### **Program Committee**

Our next meeting is on **December 19<sup>th</sup>**. After a short business meeting we will mix and mingle at the holiday party hosted by RECOM. You don’t need to bring anything for the party, except maybe a COM retiree or potential retiree, if you like.

And, if you can, please bring a couple of cans of food or non-perishable items which we’ll donate to United Food Bank.

Not that you need an incentive to come to a party – but remember there will be three door prizes.

Meeting will be in the usual place – Fire station at 1<sup>st</sup> Street and Mesa Dr. 9:00AM.

## **Announcements**

### **January**

Donna Salemi and Bryan Raines will give a brief presentation and answer questions regarding changes in deferred compensation which will affect retirees.

### **February**

In **February** we’ll host a **Candidates’ Forum**. Once the filing deadline of December 12<sup>th</sup> has passed, RECOM will contact the candidates for mayor and council and invite them to address our membership. This will be just before the primary election, and will give you a great opportunity to see them up close and personal.

### **Later in spring**

RECOM will organize a “Pre-retirement Seminar”, and we would appreciate any help you can give us in terms of printed material that you might have saved from your own retirement process, or suggestions of information to include or omit. Please let Frank Mizner ([planner1@cox.net](mailto:planner1@cox.net)) or Barb Seperich([bseperich@aol.com](mailto:bseperich@aol.com)) know.

You can also jot your thoughts on a piece of paper and give them to us at one of the membership meetings. You can include your name and contact information, if you like, or you can be like the famous author, Anonymous.

### **Pop Quiz**

Which city does not belong in this list, and why?  
Miami, St. Louis, Boston, Pittsburgh, Atlanta.

Hope to see you on December 19<sup>th</sup> at the Holiday Party, but if not:

The Board of Directors of RECOM  
wishes you and your loved ones

**Merry and Blessed Christmas  
Happy New Year**