

# RECOM

Retired Employees City of Mesa

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RECOMAZ.org

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Executive Board

## Message from the Board

Pay it Forward,

A nice concept but quite impossible in today's world, or is it?

I checked for definitions of this phrase and found several, 1; the act of helping another without expectation of payback, 2; a series of sequential exchanges between parties, 3; blessing another with random acts of kindness. Some are more technical than others but you get the message.

There are many organizations that promote paying it forward and other philanthropic goals. Leave A Legacy Arizona, and the Arizona Community Foundation are two organizations working to improve our communities through charitable giving. They both promote public awareness programs encouraging people to write a personal will and include a charitable bequest. The Merriam-Webster dictionary defines Legacy as a gift by *will* especially of money or other personal property.

Recently a friend of mine was involved in a serious vehicle accident in which he lost his

life. We had, on separate occasions, celebrated his 40<sup>th</sup> birthday and the New Year. Albeit the New Year celebration was a midnight phone call to wake me up and wish me a Happy New Year. I appreciated his effort to include me in the celebration and remind me that I was his older friend.

As the weeks go by I look at what legacy my friend left behind. I know he had not defined a legacy plan or instructions to liquidate his business interests. At his young age why would he? There was no need to have written instructions for his family or fiancé to handle his estate. After all he was so young and death was never a possibility.

I was assisting the family with the final details and happened to see a note on his home office bulletin board. The board contained a handwritten list of names under the header, New People I Have Met Today. I will tell you there were more names than I had seen printed in a small town phone book. If you casually knew this man you might assume that this was his way to increase his sales business or improve business referrals. I don't discount the fact that he was a fabulous salesman but also someone who had another mission in life.

I never really looked at the names he had listed on his bulletin board and I don't know that mine was even there. But I do know why he had the list. This was his serial reciprocity chain. He practiced the philosophy of paying it forward, a series of significant acts of voluntarily helping another without the expectation of payback. This concept is nothing new and will be around as long as there are good people on earth.

I know he attempted to touch someone's life for the better every day. I witnessed evidence of his deeds countless times. Could he have done more, given more time? I believe he would have continued paying forward his entire life. I'm sure we all know or have met someone like this. The world is full of good and giving people. Maybe the list was his reminder for me to ensure that my world is in order. We will never know when the final arrangements will be our own, but we know that day will come sooner or later.

Take a look at your will; see that your family and loved ones' needs are met first. If they are and you have extra, think about paying it forward.

For additional information on the Leave A Legacy and the Arizona Community Foundation please visit their websites at [www.LALAZ.org](http://www.LALAZ.org) and [www.azfoundation.org](http://www.azfoundation.org).

Article offered by,  
Chuck Wennerlund  
RECOM Board Treasurer

**PAY IT FORWARD!**

## January Speaker

The January meeting provided us with lots of food for thought. So get ready to do some tough chewing! Some of this stuff just can't be made really entertaining, but it sure is important.

In November 2007 the City announced that the number of Deferred Comp providers would be reduced from five to one. That one provider is **Great West**. The process of the change-over should take about 90 days and be effective on May 1, 2008. There are still many details to be worked out, but here's what we know so far from Bryan Raines, Deputy City Manager and Scott Taylor, Great West Deferred Comp representative for the City of Mesa, who spoke at our January meeting and answered questions.



### Why the Change?

**In short, contracts were up and the City was looking for a better deal for participants.**

Contracts for all five of the current deferred comp providers expire in spring 2008. The City sent out a Request for Proposal (RFP) to those five as well as other qualified companies that provide deferred compensation services.

Under the current system the participants pay about \$1 million per year in fees for the various services. The City doesn't pay this – the participants do. With lowering of fees, more money is left in accounts to grow. Part of the evaluation process for the RFP was to ask about fees, specifically what companies would charge if:

- They were one of three providers
- They were one of two providers
- They were the only provider of the service in the city.

In all cases, the companies would charge the lowest fee per account if they were the only provider. This is the principle of volume discount: the more volume, the lower cost per unit. Since most companies provided about the same services and investment choices, it made sense to go with one company and save participants about \$400,000. Great West offered the lowest fees.

Another important consideration was how easy it would be for employees **and retirees** to talk to the company representative. Great West made their rep available 2-3 days a week at an office in the City's payroll department.

### **What Happens Now?**

OK, let's assume:

#### **You're already with Great West.**

You don't need to do anything.

#### **You've rolled your account into an IRA or left the City's Deferred Comp program.**

None of this applies to you –and you don't need to read further – unless you find this fascinating!

#### **You're with one of the other companies whose contract is not being renewed, but you want to stay with the City's Deferred Comp program.**

You have to change to Great West. The City will do all the work of switching you and you'll get your statements from Great West. No charges to switch. Your investment options may change a bit and you can discuss those with Scott Taylor after May 1<sup>st</sup>.

If you're getting periodic payouts, they'll continue just as with your previous provider. During the transition they'll likely send your money a little earlier rather than risk sending it late.

If your periodic payouts are directly deposited into your bank account, you'll have to fill out a form for Great West authorizing them to deposit the money into your account – i.e. give them your account number. You'll get a personal letter from the City or Great West regarding this.

#### **Now, let's assume:**

#### **You're with one of the other companies, and you want to stay with them.**

Are you getting an annuity? You contracted with your company to trade your account for them to pay you a regular income. Then you really aren't part of the Deferred Comp Program with the City anymore – **and this change does not affect you.**

Are you getting a periodic payout from your provider, but it isn't an annuity? Then you're still with the Deferred Comp program and you have to tell the City you want to stay with your provider. Either you contact the provider, or they will contact you, and you leave the City program. There may or may not be charges associated with this. You may go to a rollover IRA or some other investment of your choice with the provider of your choice.

## What To Do About Investment Choices Not Offered by Great West

If you have a particular investment in which you really want to participate, but it is not one of the City's Deferred Comp options, to accommodate you, the City requires Great West to allow you to implement a self-directed brokerage account. Just be aware that it will have additional maintenance fees and there may be transaction fees.

### Other Possible Choices:

They may offer a Fixed Fund or Custom Stable Value Fund – the closest thing to a money market mutual fund, but the decision isn't final yet.

### General Information:

There will be a City of Mesa Deferred Comp website ([www.mesadcp.com](http://www.mesadcp.com)) but for the time being it will be up as a site "under construction" with only basic information. More complete information will be available after May 1. Initially there will be information about the transition process. Eventually individual account information will be accessible.

About 6 weeks prior to the official change-over, you'll get notified about the final details such as meeting dates for further information and answers to specific questions you might have.

### Some questions that were already asked:

#### Can I invest in a particular stock even though Great West doesn't offer it?

Yes -there will be a possibility of a special brokerage account not serviced by Great West.

#### Can retirees contribute to Deferred Comp?

No, it's for active employees only.

## What happened to ING?

When Deferred Comp first started in the 1980s, AETNA Life Insurance was the only provider in the City of Mesa .It eventually became ING, but ING didn't answer some of the required RFP questions adequately. They were considered "non-responsive" and were not under final consideration.

## Got More Questions?

**Scott Taylor**, Great West Representative, lives in Mesa even though his head office is in California: 480-921-2885

The dates and times that Scott will be in his office in the Payroll Department will be posted on [www.cityofmesa.org](http://www.cityofmesa.org)

**Ed Archibald**: Chair, Employee Deferred Compensation Committee 480-644-3102

**Bryan Raines**: Deputy City Manager  
480-644-3381

## And Finally -- Some Really Good News

**Bryan also made an announcement, not specifically related to Deferred Comp, but very good news indeed.**

**In the December 19<sup>th</sup> 2007 edition of the New York Times there is an article which gives the results of a recent survey of pension funds for public employees. It was conducted by the Pew Charitable Trust which has no financial interest in the results of the survey.**

**Arizona was rated a "top performer" in its pension funds investments, one of only five states receiving this rating. Active employees are currently contributing 9.6% of their salaries to the pension fund, so we're happy to hear that the money is being well invested.**

## Reports

### Benefits Task Force

#### Flyer Mailed Out:

By now you should have received a flyer in the mail called "For Your Benefit". It gives information about medical ID cards, reminders that the new year starts a new cycle of deductibles and so on. It's very good information, and if you didn't receive the flyer you can look at the electronic version on [www.mesachip.org](http://www.mesachip.org).

By the way, if you didn't receive a flyer, have you moved and not notified the Benefits Office? Let them know that you didn't get a flyer so that they'll check the address they have for you.

#### ID Cards:

If you **made any changes in your medical or dental plan for 2008**, you should have already received new ID cards.

If you didn't make any changes in your plans – the cards will be coming, but they were delayed for a variety of reasons.

Here's the info about the cards, in case you've forgotten what I said in the November newsletter. (I'm always amazed when that happens!)

1. It will be a combined medical and prescription card, and they'll be mailed within the first two weeks of February. They'll be mailed out by Medco in plain envelopes, so don't throw out any envelopes without looking at what's inside! Calm down, I'm not suggesting that **you** would do such a thing! It's just that, well, some people have accidentally done just that!

2. If there's just you, the ID card will have your name, and the specifics of your medical plan such as cost of office visits etc.

3. If you have family coverage, you'll get **two cards**, but **both** of them will **have your name** on them, not your spouse or other family members.

4. If you need more cards, go to the Medco website, and you'll get instructions on how to get more cards.

**No new dental cards** will be issued.

We'll keep the ones we have.

Whenever you are using medical services and you're asked for your **five digit** ID number, remember it is your former employee number with a zero in front of it.

For example - 01234. I'm making a leap here and guessing that most of us started with the City so long ago that very few RECOM members have a 5 digit number!

## To See or Not to See

**Spectera is the new vision care provider.**

**They are not providing cards – after everything you just learned about cards!**

**You can get a list of their providers two ways:**

**Get on their website ([www.spectera.com](http://www.spectera.com)) and log in with your 5 digit ID number preceded by 4 0s –for example 0000 01234 (Yes, there's actually an explanation about why this number has so many zeroes. They used to use the social security number, and now that that's a no-no, we have to satisfy the pre-programmed computers with a "0" in place of a number. 'Course if we were that inflexible when we were working, they've had a few things to say... but computers, well that's different!)**

**Or, call them at 1-800-638-3120.**

When you go to one of the providers, you just need to give them your name and the above mentioned ID number. You should be on their list. It's possible that if you are using an independent optometrist or ophthalmologist – he may not be on Spectera's list of providers. This company is geared toward using "big box" providers like Costco and Walmart.

If you are using an **out-of-network** provider (someone not on Spectera's list), **you** must **pay for the services** up front and send the receipt to **Spectera**, for any possible **reimbursement**.

There are no reimbursement forms. If your receipt is a standard 8x11 size, make sure your name, and 9 digit ID number are on the receipt, clearly visible. If it is a small piece of paper, tape it to a standard 8 x 11 sheet so that the receipt doesn't get lost or overlooked. Again, be sure your name and ID number are on it.

**Keep a copy** and mail the original to:

**Spectera Inc, Corp. Office**  
**Liberty 6, Suite 200**  
**6220 Old Dobbin Lane**  
**Columbia, MD 21045**

If you run into problems, such as excessive wait times for glasses (some folks have been told 4-6 weeks!) report them to the Benefits Department.

Jody Topping needs to be aware of them so that she can either get them resolved or use the info when evaluating the company when it comes time to renew their contract.

Contact Jody at: 480-644-3009 or via email at [jody.topping@cityofmesa.org](mailto:jody.topping@cityofmesa.org)

## Problems Encountered

### 1. Excessive wait times for glasses or contacts.

Some folks have been told 4-6 weeks. Jody has talked to the Spectera rep and she said that glasses should be ready within a week plus mailing time.

### 2. Must Use Spectera Lab

Yes, Spectera wants you to use their labs, even if the providers, such as Costco or Walmart, have their own labs. They still have to send your prescription to Spectera's lab – it's part of their contract with Spectera. If they don't use Spectera's lab, you'll be charged out of network costs. But it still shouldn't take 4-6 weeks! If they try to tell you that, tell them you'll contact your Spectera rep – and then call Jody.

Spectera vision plan coverages and costs are outlined on page 2 of the flyer "For Your Benefit".

## Program Committee

### Feb 20 – Candidate Forum

All three mayoral candidates as well as the district candidates will be there. Get your questions ready.

Main Library  
Saguaro Room 2<sup>nd</sup> Floor  
64 East 1<sup>st</sup> Street  
**1:00PM - 3:00PM**

Did you notice? The date is the same as our RECOM meeting date, but the time and place are different!

## March 19 – Pat Esparza Mesa Life Options

Pat is Executive Director of this program that is co-sponsored by MCC and Mesa Public Schools and funded by a grant from the Virginia Piper Charitable Trust. The program is aimed at helping active retirees look at what's out there to do to keep life interesting. In January they had programs on the Mesa Arts Center, on light rail, and one with the police department.

## Announcements & Requests

### Christmas Social

We not only had a good time at the Christmas social, we also collected 140 pounds of non-perishable food, which we donated to United Food Bank. And taking a suggestion we received, next year, we'll be more on the ball and actually identify the people in the pictures!

### Know Anyone Retiring?

Do you know of someone who is retiring soon, or has retired recently who is not a member of RECOM? Heck, we'll even take someone who retired a while ago!

Ask them if you can give their name and contact information to RECOM! If so, just let one of the board members know (see the front of the newsletter) and we'll contact them.

Just be sure you ask their permission. We don't want to get a cold reception – you know like the one you give to those people who call you during dinner time!

## Board Elections

And, it's elections time not only for those pesky national and city elections, but for our very own RECOM Board. John Smoyer has graciously (well, OK we had to twist his arm) agreed to serve as nominations chair. So, if you would like to serve on the RECOM Board, or you would like to nominate someone (see above – ask their permission first!), please send an email to John at [SmoyerHR@cox.net](mailto:SmoyerHR@cox.net) or send a nomination to him at 805 N. Penrose Circle, Mesa AZ 85205.

A nomination form is available on the RECOM website [www.recomaz.org](http://www.recomaz.org) under Downloads. You can also use this link: <http://recomaz.org/downloads/NominationForm.pdf>

Six of the seven board positions are open. Frank Mizner has another year on his sentence – errr --term.

The open positions are:

President,  
Vice-president,  
Secretary,  
Treasurer, and  
two board members at large.

Barbara Seperich is definitely stepping down after 4 years on the board, but other board members may run again. However, it's important to get new people on the Board, so don't just leave it to the previous board to run again.

We really encourage members to run for board positions. There's a nice transition period with lots of help from outgoing board members, as well as a handbook that's very helpful. If you get elected, you won't be tossed to the wolves. After all, these are not the national elections!