

RECOM

Retired Employees City of Mesa

Volume 3 Issue 2
February, 2009

RECOMAZ.org



RECOM Executive Board

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Message From the Board

RECOM Board Supports Proposition 300

By Frank Mizner, Board Member

On February 2, 2009 the RECOM Board of Directors voted unanimously to support Proposition 300, scheduled for a special election in Mesa on March 10, 2009.

This action is consistent with the adopted Policies & Procedures of RECOM. Paragraph II (E)(2)(b) states, "The Board may take a position on any issue likely to affect retirees, their interests, benefits and welfare, including but not limited to property tax, bond issues, light rail, economic development projects.

Proposition 300 will provide Mesa voters the opportunity to affirm the Mesa City Council's decision in late 2008 to utilize bed tax revenues generated by the new Gaylord Hotel and Convention Center for promotion of tourism to the new property and East Mesa in general.

Currently all hotels and motels in Mesa are subject to a self-imposed "bed tax". These revenues are collected by the City and administered by the Mesa Convention and Visitors Bureau to promote tourism in Mesa. Proposition 300 will not change that

arrangement, except that new revenues from the Gaylord project will be utilized specifically for that project and East Mesa. Unlike other municipal incentive projects, this development does not involve an actual tax incentive; rather, utilizes revenues generated by the project itself.

Gaylord Entertainment is based in Nashville, TN. They operate large hotel/convention facilities in Nashville, Orlando, Washington, DC, and the Dallas area. They also own the Grand Old Opry in Nashville.

The Mesa facility will have a minimum of 1,200 rooms (the largest hotel in Arizona), a large convention center, a championship golf course, and extensive retail and restaurant areas.

The project will create 8,000 construction jobs and 4,000 permanent jobs, and over a 50-year lifespan will generate \$575 million in General Fund revenues and \$150 million in Quality of Life revenues, with total potential municipal revenues of \$838 million.

These are staggering numbers, but this is an immense project. Gaylord is purchasing approximately 100 acres from DMB, located in the northern portion of the previous General Motors Proving Grounds near Ellsworth and Elliot. DMB bought this part of the Proving Grounds in 2006.

They have gone through an extensive planning and zoning process for this area, including annexing the area into Mesa from Maricopa County.

This proposal benefits RECOM members in several ways: provision of jobs for future generations, increased shopping and entertainment options, and enhanced municipal revenues, thus helping to ensure future financial stability.

DMB envisions this area as an intense mix of residential, office, retail, hotel, and entertainment land uses benefiting from its proximity to the Phoenix-Mesa Gateway Airport as well as existing and planned freeways.

It has been very exciting to watch plans develop for this critical portion of the Southeast Valley. The Gaylord Hotel, convention center and golf course will provide an important “kick start” for the entire DMB project and enormous economic development benefits for Mesa and nearby communities.

Proposition 300 is the only issue on the March 10 ballot. Several mailings have already been sent out and there has been extensive publicity in local newspapers. The election publicity pamphlet was mailed to all registered voters on February 2. There are over 40 positive letters in the pamphlet, from a wide variety of Mesa and East Valley leaders and organizations, and none opposing this project.

Early voting begins February 5, and early ballots (mail ballots) may be requested until February 27 at the County Elections office (602-506-1511) or the Mesa City Clerk’s Office (480-644-4868).

The RECOM Board has carefully considered the merits of this proposal and urges a **“Yes”** vote on Proposition 300.

Speaker:

The January speaker was Brad Tennison,



of Tennison Investments. His topic was to be 2009 Forecast: Past and Present, but our astute members peppered him with so many questions that he hardly had time for his prepared presentation. And while he certainly knew the ins and outs of the investment and banking world, it’s hard to summarize his comments! Here are some nuggets gleaned from Brad’s answers:

With the large bail-outs the banks received from the federal government, we in-effect have nationalized the banks. The challenge for the next several years will be for the feds to sit on the banks’ board of directors to keep an eye on operations - without interfering too much. More regulation is a given, since a large part of the problems started with bank deregulation more than 20 years ago. Again, he said a balance needs to be struck so that we don’t descend into Socialism.

In response to a question regarding TV investment advisors, Brad said that we should be aware that Jim Kramer, for example, runs a hedge fund. By the time the average investor hears about it, people like Kramer were in, made their money, and are out.

“What to invest in now?” Brad suggested that the best place is in tax-free municipal bonds, as it is probably the first place that will recover; for the short term, corporate bonds are good. (However - Caveat Emptor has never been more applicable than now!)



For 2009, if you are 70 and 1/2 years old, you don't have to take a distribution from your IRA. The feds did not want to force people to draw down their principal after having lost money during 2008.

In 2010, people can convert their IRAs to Roth IRAs regardless of age. However they'll to pay the taxes for that year.

Reports: Employee Benefits Task Force

Understandably, most of the meeting was devoted to active employees and how the layoffs would affect them. Without going into great detail, suffice it to say that the City is trying to help where possible such as rehiring qualified people who had been released if openings do occur. For those rehired within 2 years, they get to keep their original hire date for calculating benefits – including retirement benefits.

Another round of staff layoffs is coming. The first group in January was for the most part people who served the public. This shrank some departments to just a few people and others were combined. Now the City is looking at the staff that supported those departments internally to see if more reductions are possible.

At the time of the Benefits Task Force meeting no specific date had been announced, but probably in February or March – subject to change.

Apparently some people were greatly upset when they heard that the retiree benefits totaled about \$670 million over the next 30 years. This was no surprise to the City and the City doesn't have to put all that money into an account now and hold it there. The only thing that is different is that as of July 1, 2009 the City has to calculate this sum each year and submit the result to the Government Accounting Board – just like private corporations were required to do about 10 years ago.

In response to a question from an active member -- the City still is not talking about withdrawing health care insurance from current retirees and employees hired before January 1, 2009. For those **hired after January 1, 2009** – retiree benefits are suspended for the foreseeable future.

Here's a short version of the survey that Benefits staff took regarding retiree benefits in other cities across the Valley:

Phoenix: Benefits for current retirees will be cut (date uncertain) in two to three years.

Chandler: Never offered

Scottsdale: Vacation and unused sick leave is converted at retirement to health care benefits. When that money is used up, coverage ends.

West side: Most cities don't offer retiree benefits at all. Some fund a health care savings account.

Did you get your new dental benefits card? Did you notice the new address on the back?

The new mailing address for sending DENTAL paper claims is:

City of Mesa Employees Benefits
P.O. Box 1818
San Leandro, CA 94577

Medco, our prescription benefits manager, will be sending out the new combined prescription and medical cards. **So you'll have one card for prescriptions and meds and a separate card for dental care.**

Issues Committee

Jo Ferguson reports that Gilbert Hospital at 5660 S. Power Rd (at Galveston) is an in-network provider, as of January 1, 2009. Services **rendered before that date** are billed at **out of network** rates.

Programs Committee

Pat Klein from ASRS spoke at the February meeting. Details in the March Newsletter.

Nominating Committee

Helloo out there! This committee is dying on the vine! We need both committee members and folks who are interested in running for board positions. Bill Petrie is waiting for your call!

Announcements

City Goes to 4/10s

The folks who live here in the Mesa area have probably seen the newspaper articles about the change in hours for city offices, but if you're readin' this up there in Wisconsin or some other cold state, listen up!

City offices, including the Benefits Dept. will be open 4 days a week – ten hours a day and will be closed on Fridays. Hours will be 7:00AM-6:00PM. (And no, the writer is not going to calculate the time difference to various states because she can hardly figure out the time here in AZ!)

This is a pilot project from March 2, through September of 2009 to see how it will affect citizens and if it will save enough money. Trash collection, fire stations, libraries and parks will not be affected by this change.

Be sure you tell your **healthcare providers** so they don't call to verify benefits on Fridays and get frustrated -- because of course when you call your healthcare providers you always get through on the first try. Don't you?

If you're planning to go to the Benefits office **in person** – call them up first and make sure of their location. **They may be moving** -- but that's not certain yet. Any guesses how many times they have moved in the last 30 years?

Do Not Call Registry

Yes, it's still in effect and it's gotten better! If you re-register your number with them, it is good in perpetuity – no re-registering necessary in five years. Call from the number you want to put on the list – including your cell phone. The number to call is:

1-888-382-1222

Course you'll still be (legally) pestered by charities, pollsters, survey companies and companies you've done business with. At the end of 2009 even the folks you've done business with have to stop calling you. Give the feds about two months to get the message to everybody that you don't want to be called. Don't know why it takes so long –maybe they use snail mail.

Membership Meetings

Meetings are in the community meeting room of the fire station at 1st Street and Mesa Drive on the third Wednesday of the month at 9:00AM. Here are the meeting dates for the rest of 2009:

- March 18, 2009
- April 15, 2009
- May 20, 2009
- June 17, 2009
- July 15, 2009
- August 19, 2009
- September 16, 2009
- October 21, 2009
- November 18, 2009
- December 16, 2009