

RECOM

Retired Employees City of Mesa

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RECOMAZ.org



RECOM Executive Board

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*** SPECIAL UPDATE ***

Jo Ferguson has been busy watching the papers and following HB 2171. The Arizona Republic ran an article on Thursday, June 11th on page B2 with the headline: Retirement System's Funds Eyed". In part, the bill says.

"The Board shall authorize the director to make investments with the nonprofit corporation that entered into a memorandum of understanding with the Commerce and Economic Development Commission pursuant to section 41-1505.09 in an amount of not more than one tenth of one percent of ASRS assets."

In other words, ASRS should "invest" in the Science Foundation Arizona, a 501c3 non-profit research and development organization. Non-profit? Why would ASRS "invest" in an organization that by definition cannot make a profit? Apparently the Elected Officials Pension Fund (which includes legislators' pensions) is not included in this investment opportunity. Why not?

The bill provides for some revenue should there ever be any profits from products or patents of products created by SFA –

" Fifteen percent of gross revenues that are directly allocable to intellectual property that is developed ...shall be remitted to the Arizona State Retirement system Depository , less any unreimbursed costs incurred by a nonprofit research performing institution's technology transfer office in protecting, licensing, maintaining or litigating the intellectual property."

In plain language – if there's ever any money made from a patent or product, and after all parties get done squabbling over it in court, and the legal fees are paid, ASRS gets 15% of what's left over, if anything. It may take many years before an actual product is forthcoming. Calling this an "investment" instead of a donation doesn't change the facts.

The wording of the bill could be interpreted to mean that this "investment" is authorized for multiple years. Since the legislature appropriated \$25 million dollars for FY 07-08, \$22.5 million for FYs 08-09 and 09-10, \$27.5 million in FY 10-11, it appears that ASRS be "authorized" to invest for the next three years to make up this money which the legislature appropriated but now does not have.

The president of the foundation is quoted as saying that this would be more “consistent funding” for the foundation. Is that the pension fund’s purpose?

The bill was approved by members of the Commerce Committee 5-2. Mesa’s Representative Rich Crandall sits on that committee, however he was absent for the vote, and will be out of state for the next two weeks. A member of his office staff said that she would contact him via email and find out where he stands on the bill.

Meanwhile, the bill has gone through two more steps, the Rules Committee and the Republican Caucus. It passed the Rules Committee 4-3, with Kirk Adams absent.

Members of the Commerce Committee are:

Cajero-Bedford – voted no

Campbell- voted yes

Konopnicki – voted yes

Meza – voted no

Pratt – voted yes

Hendrix- Vice Chair – voted yes

Reagan, Chair – voted yes

To find the phone number and email address of your representative, please go to:

www.azhouse.gov

www.azsenate.gov

To find out more information on HB 2171, please go to www.azleg.gov.

A representative from the ASRS told Jo Ferguson the bill probably would not go anywhere, but that the director of ASRS **is already authorized to make investments**. Then why the need for this bill? If ASRS thought it was a good investment, it could “invest” in Science Foundations AZ without this bill. This looks more like a donation to a non-profit, not an investment. This is a dangerous precedent. This is a “striker” bill. Another bill (having to do with guns and restaurants) was completely struck out and this bill was inserted thus eliminating the need for this bill to go into get into line behind other bills. This is a common enough practice – but one wonders why this bill is being fast-tracked?

The Board is following the bill with great interest and may ask membership to help in defeating it before it goes much further.

This Bill is currently scheduled to go before the Committee of the Whole (where all of the Representatives will vote on the bill to determine whether it will pass the House and be forwarded onto the Senate) on Monday, June 22, 2009 at 1:30PM.

MESSAGE FROM THE BOARD

RECOM DEVELOPS ORGANIZATIONAL LEGAL STRUCTURE

Every year the RECOM Board conducts a retreat in early July. We don’t head off to Sedona or Palm Springs; instead we meet right at our same Fire Station to review our past year accomplishments and to set goals for the new year. It’s also a chance for incoming and outgoing Board members to transition responsibilities.

When we met in July of 2008, the Board established an objective of obtaining insurance for RECOM as an organization and for our elected Board. We felt this was important because we conduct a variety of programs and bring in a variety of speakers. Although it may not be pleasant to think so, it may be possible that someone could, for some unforeseen reason, pursue legal action against RECOM as an organization or Board members as individuals. I was given the assignment to look into this topic.

Well, as you might expect, it wasn’t a simple matter. In its 2008 state, RECOM was uninsurable. It was basically a group of well-intentioned individuals. Yes, we had a Board, we had members, we had dues, we had meetings, and we had a bank account, but we had no legal standing or structure to insure.

So our first step was to incorporate under the laws of the State of Arizona as a non-profit corporation.

We did that late in 2008. We then registered with the Internal Revenue Service as a Section 501(c)(4) not-for profit organization, meaning that we are not entitled to receive charitable donations and that our political and lobbying activities are limited. We also filed for and received a Federal Employer Identification Number. As a non-profit we will not be liable for any State or Federal taxes but we will have to file appropriate returns. Don Miller, newly elected Board Treasurer, has taken the lead role in this important area.

Now that we were a legal corporation, we were actually insurable. There are few companies that insure non-profit organizations, especially smaller groups. Many groups are insured through national affiliations. After speaking with several local groups and individuals, obtaining quotes, and reviewing policy coverage, the Board decided to purchase a one year policy from the Philadelphia Insurance Companies, for what is termed “D & O” (Directors & Officers) Liability Insurance. Basically this is a comprehensive liability and fiduciary policy for the organization and for Board members. It is highly recommended for all non-profit organizations.

We will evaluate this policy after one year to determine its effectiveness and the need for additional coverage. Establishing RECOM as a formal non-profit cooperation not only meets our Board objectives, but it provides a high degree of legal stability and financial security for RECOM’s long-term future.

Submitted by Frank Mizner, Board Member

SPEAKER

Many thanks to Mary Jo Petrie for arranging for our May speaker, Dr. Melody Rodarte, an internist affiliated with Banner Gateway Medical Center.

Dr. Rodarte gave some timely advice on two of the major health concerns of today: hypertension and hyperlipidemia – better known as high blood pressure and high cholesterol.

If your blood pressure is higher than 140/90 in the office – and you think it’s just ‘cause you’re nervous about being in the doc’s office (white coat syndrome) it’s not OK. ‘Cause if your blood pressure goes up then, it probably also goes up when you’re behind the lady in the grocery line who can’t find her checkbook and the guy on the road who cuts you off.

Optimal blood pressure is 120/80 – and you know how you get there – diet, exercise, a daily baby aspirin, and less than 2 grams of salt a day.

For that salt part – stay away from canned soups, most ready made dinners, and watch the labels on the bottled water. Some have quite a bit of sodium in them. Salt substitutes are good – and most even taste good.



Dr. Rodarte claims after 2-3 weeks with really reduced salt you won’t even miss it. And if all that doesn’t reduce your blood pressure enough– then there are meds you can take-- about six or seven you can try if the first one doesn’t work.

If you want some numbers to have handy on your fridge (besides the plumber and the A/C repair guy – who, I’ll admit, are very important) here are some that Dr. Rodarte shared about cholesterol:

Total cholesterol - lower than 200

LDL = bad chol. – lower than 130

HDL= good chol. – higher than 45

Triglycerides - less than 150

LDL = bad chol. – lower than 130 – if you're in great shape and have no risk factors. However, a reading of 80-100 if you have risk factors, such as age over fifty, family history (no not the wayward uncle in jail) the relative with heart disease, post menopause (you knew those hormones were good for something), high blood pressure

HDL= good chol. – higher than 45 (HDL starts with an "H" and the number should be High (Just a little memory aid), weight loss and exercise helps – but the primary factor is genetics – that family history again. If you have HDLs over 45, thank your parents.

Triglycerides - less than 150 - If you want a graphic description of how bad fats look in your blood, (I don't either, but the doc said it'll be good for us.) let a test tube of blood sit for a minute or so – and watch the fats coagulate. That would be your triglycerides.

The solution is Omega3 and Omega 6 oils from salmon and herring and other fish. They come in capsules and you can keep the capsules in the freezer. Doesn't hurt the oil and makes the capsules less, well, less unpleasant.

Something that tastes a lot better and is great for you is steeled oatmeal. No, I didn't make up a word – oats that have been cut with sharp steel blades retain more of the bran – and that's where all the good stuff is. Takes about 30 minutes to cook, though. So, Dr. Rodarte suggested cooking it the night before (maybe even enough for several days) and keeping it in the fridge. Scoop out what you need in the morning, add milk and put it in the microwave. Add walnuts, blue berries or almonds and voila – a quick, heart-healthy, artery-healthy breakfast. OK, I know what you're thinking – a pat of butter would be good too ---noooo – that would defeat the purpose now wouldn't it?

There will be a question at a membership meeting about who had oatmeal for breakfast. No prizes. Virtue and good health are their own rewards.

A quick summary of preventive measures:

1. Get a yearly blood test for cholesterol, diabetes, anemia, thyroid function – especially women.
2. If taking meds, get a blood test every 3-4 months to check liver and kidney function.
3. Some meds and even "natural" supplements adversely affect the liver and kidneys.
4. Once a year, bring all your meds, supplements, over the counter meds to your primary care doctor to evaluate.
5. Stay current with vaccinations like tetanus, shingles(over age 60), pneumonia and flu
6. Stay current on mammograms, pap smears, bone density scans, prostate exams, and colonoscopies or stool cards (to check for hidden blood)
7. Keep a list of all docs you see
8. Keep copies of test results and blood work
9. Keep a list of meds in your wallet and on your fridge
10. Don't smoke – you knew this one already – didn't you?

And finally – your primary care physician is the head coach of your health team. Keep him or her informed about what the other coaches are doing, such as changing meds, ordering tests, admitting you to the hospital. Don't depend on them to do it –some will and others get too busy.

And don't forget about the hospital. If your primary doc doesn't choose to have hospital privileges, keep a folder at the hospital with tests and procedures done, ask for copies of results (they're yours!) and call your primary care doctor to see if the reports got to him or her. If they didn't – well, that was the purpose of the folder.

Reports

Employee Benefits Task Force

The Trust Fund is healthy at this time. However Donna Salemi points out that there have been no premium increases for the past two years and none are planned for 2010. That's the good news. The bad news is that the fund will show a decline. Jody estimates the decline to be about \$4 million without premium increases or co-pay restructuring.

There will be increases in the future. Healthcare costs went up between 10% - 11% this year overall, and 14% for prescriptions.

Costs are expected to rise 25% over the next two years due to very expensive specialty drugs for cancer, arthritis, multiple sclerosis, etc. Some changes have been recommended by the Employee Benefits Office for most plans for 2010.

Beware! Apparently Caremark – the CVS Pharmacy brand-- has been circulating flyers around the city stating that their discount card will cover prescriptions not covered elsewhere. While we are encouraged to save money on prescriptions whenever possible (like the \$4.00 generics at Wal-Mart and other places), the Caremark cards were intended for the general public, – not City of Mesa employees or retirees.

And once again: Yes, there was a committee discussing retiree benefits, but it was on how to offer at least some retiree benefits or even reinstate them to people hired after 1/1/09.

Those already retired will keep their benefits.

From USNews.com 4/21/09

If you're on Medicare and are participating in one of the Advantage Plans, expect higher costs next year. Medicare cut their subsidy to these plans about 4% and this cut will most likely show up in your premiums and co-pays. Jody Topping says this will not cause the City to make any changes to retiree prescription drug coverage, but see elsewhere in the newsletter that premiums on City health insurance will go up after 2010.

Membership

Kathy Barrett said membership renewal notices were going out shortly. She encourages people to use PayPal. Take a look at the RECOM website for instructions on using Pay-Pal and let us know what you think. (Hey – I heard what you're thinking. Be nice! Even this technophobe is going to try PayPal). You don't need a Pay-Pal account. You can use a credit card – or we'll be ever so happy to take a check.

Programming:

Bill Petrie arranged for Robert Brinton from the Visitors and Convention Bureau to speak at the June meeting on "Mesa-The Cubs and Spring Training". Bob is the resident expert on the Cactus league and spring training. Very Interesting – since the Cubs are asking for improvements in the training facility, and there's general musical chairs being played by the other teams in the Valley for spring training. Check the next newsletter for more information.

Deferred Compensation Committee

Don Miller reiterated that some folks still need to declare a beneficiary on their accounts! Since the last month, there are still about 300 folks who haven't updated their accounts at Great West. There was that problem with data not transferring from other investment houses to Great West, so if you still have your deferred comp money with the City, please check! (The editor volunteers to be the beneficiary if you can't think of anyone!)

Meetings:

Meetings are held every third Wednesday of the month in the community room of the fire station at Mesa Drive and 1st Street. 9:00AM.

Next Meeting: July 15th

Speaker:

Sandy Stechnij from Mesa's Solid Waste Division, will speak about the City's Recycling Program. Is there money in it for you?

Got any ideas for topics or speakers? Bill Petrie will be happy to hear from you!