



# COPRA CHRONICLE

Issued by and for the City of Phoenix Retirees Association  
*Your advocate in pension and insurance matters*

December 2011

**MEMBERSHIP IS OUR STRENGTH**

Issue 5

## INSIDE THIS ISSUE

	Page
President's Message.....	2
President's Message (Cont.).....	3
Protecting Your Legacy.....	4
Year-End Renewal Notice.....	4
City Manager's Corner.....	5
City Manager's Corner (Cont.)...6	6
Holiday Shopping Tips.....	6
In Remembrance.....	7
New Retirees.....	7
January Pension Payment.....	7
COPRA Board.....	7
Meeting Dates.....	8

## COPRA BOARD ELECTIONS

There were five members seeking election this year for the term of office 2012 – 2013. Voting was conducted by a “voice vote” at the December 1st COPRA Annual Meeting and Holiday Party.

Congratulations to Jack Thomas and Barbara Kellogg the incumbents that were re-elected for the upcoming term. We also have three new board members that were elected and will start in 2012. We are excited to have Sheryl Jeremiah, Cathleen Gleason, and Robert Salemi joining us!

### NEWLY ELECTED BOARD MEMBERS



Incumbent  
Barbara Kellogg



Incumbent  
Jack Thomas



Sheryl Jeremiah



Robert Salemi



Cathy Gleason



### MEMBERSHIP

Changed your address or phone number? For address and/or telephone number changes, or for any questions about your COPRA membership, please contact Marvin Roelse, Membership Chairman. Marvin can be reached by telephone at (480) 288-1046, or by mail at: COPRA Chronicle, 10701 E. Peralta Canyon Dr., Gold Canyon, AZ 85118, or by e-mail at [marvinr567@msn.com](mailto:marvinr567@msn.com)

# PRESIDENT'S MESSAGE



I hope this month's Chronicle finds everyone continuing to enjoy their retirement and looking forward to the holiday season ahead. The COPRA Board was busy with the December 1 Holiday Party and the member turnout was terrific. We also had our Annual Meeting and board member elections. We have three new board members joining COPRA, including Cathy Gleason, Robert Salemi and Sheryl Jeremiah and we look forward to working with them this coming year. We also are losing board member Ray Bladine who has done an outstanding job representing COPRA on the COPERS Board. Marvin Roelse is also stepping back into his continuing main role as the Chair of our Membership Committee which he has done so well for many years. Our new board member Cathy Gleason was also elected to the COPERS Board representing all retirees and we are excited to be working with Cathy in this new responsibility.

The Pension Reform Task Force has continued to work diligently in trying to reach a consensus on what to recommend to the City Council in December. The committee will terminate at the end of December. Our meeting on November 17 was very productive with agreement on two possible options that are under consideration for the Retirement System. A final decision on which option to recommend or any other suggestions or options that may be considered will hopefully be reached at the December 6 meeting. After that, a final report will be sent to the City Council for their further considerations.

The following provides more detail on the two options that are under consideration for the December 6 meeting and this information can also be found on the City of Phoenix website.

## **Option 1:**

### **Items Affecting NEW EMPLOYEES ONLY**

1. Retirement Plan Contributions: Increase employee contribution rate from the current 5 percent to 9 percent of salary.
2. Vacation and Sick Pay: Vacation and sick leave payments made at retirement cannot be utilized in pension final average compensation.
3. Retirement Age: The retirement age will be raised from 60 to 63 years of age with ten years of service. Retirement at 62 years of age with 5 years of service will be eliminated.
4. The Rule of 80 will be changed to the Rule of 83.
5. The Final Average Compensation for pension calculations will exclude travel, communications and technical allowances.
6. It is recommended that the 13th Check provision be repealed and that the PEP provision remain in force.
7. Time of Service calculations shall reflect actual service time with 20 days of service required before a month of service is credited and 240 days of service required before a year of service is credited.
8. The smoothing time period remains at four years.
9. Multiplier: Change the current pension pay multiplier from current levels to a graduated multiplier based on years of service. These are cumulative multipliers applying to all prior years of service.
  - a. Up to 14.99 years service: 1.85
  - b. 15 to 19.99 years service: 1.9
  - c. 20 to 24.99 years service: 1.95
  - d. 25 to 29.99 years service: 2.0
  - e. 30+ years service: 2.1
10. Change the three year final salary average for pension calculation to a five year final salary average.
11. Minimum Pension: Terminate any existing minimum pension fund requirements.

### **Items Affecting EXISTING EMPLOYEES**

The Task Force specifically agreed that items accumulated by a current employee before the effective date of the proposed changes below would be "credited" to the employee upon retirement. NONE of the recommended changes would be applied retroactively.

For example, if a current employee has accumulated sick or vacation pay benefits before the effective date of the changes below that can be utilized in their future pension plan calculations as COPERS is currently administered by the city, the employee will continue to be able to use those previously accumulated benefits for that purpose upon retirement (and provided they have not been utilized by the employee for vacation or sick time in the interim).

*(Continued on page 3)*

# PRESIDENT'S MESSAGE (CONTINUED)

*(Continued from page 2)*

Whether affecting new or existing employees, any recommendations will only affect accumulations, accruals, or credits acquired or accumulated AFTER the effective date of these recommendations.

The Committee voted preliminary approval of the following items for EXISTING EMPLOYEES, but these would NOT apply to active employees who are age 50 or older with at least 15 years service or active employees within 10 points of the Rule of 80 on the effective date of these provisions.

1. Pension Calculation: Exclude travel, communications or technical allowances from Final Average Compensation. As stated above, allowances accumulated prior to the effective date of these proposals may still be utilized in pension calculations.
2. Time of Service: Change the determination of time of service to reflect actual service time so that a month of service includes 20 days of service before a month of service is credited. A year of service includes 240 days of service before a year of service is credited. As stated above, service credits received prior to the effective date of these proposals will still be utilized in pension calculations.
3. It is recommended that the 13th Check provision be repealed, and that the PEP provision remain in force.
4. Change the three year final salary average for pension calculation to a five year final salary average.

## **Option 2:**

### **Items Affecting NEW EMPLOYEES ONLY**

1. Eliminate the Rule of 80 and other specific age/time worked provisions related to retirement. Allow active employees who have at least 10 years of service to retire at age 63 with full benefits. Institute an early retirement plan for all NEW Phoenix employees. Allow active employees who have at least 10 years of service to retire at age 55 or above with actuarially reduced pension benefits.
2. Vacation and Sick Pay: Vacation and sick payments made at retirement cannot be utilized in pension final average compensation.
3. The Final Average Compensation for pension calculations will exclude travel, communications and technical allowances.
4. Time of Service calculations shall reflect actual service time with 20 days of service required before a month of service is credited and 240 days of service required before a year of service is credited.
5. Minimum Pension: Terminate any existing minimum pension fund requirements.

### **Items Affecting NEW AND EXISTING EMPLOYEES**

Institute a floating contribution rate for all NEW AND EXISTING employees with no grandfathered group. The actuarially determined rate shall be split evenly between employees and the city as determined officially each year. The city/employee rate will vary as the determined rate varies, but will always be split evenly.

Implement this rate immediately for NEW employees and phase in the rate for EXISTING employees beginning with the effective date of these provisions with the employee rate raising no more than 2 percent of salary per year until it reaches the split amount.

Again, these two options are still under consideration for the December 6 meeting. It is important to know that further variations on either of these options, or even another option, may also be brought forward as well. The Task Force will continue to be working hard to try to reach consensus on final recommendations in December. You are encouraged to attend meetings of the Task Force and to share your thoughts. Receiving input from City employees, retirees and citizens is always helpful in better understanding the issues and impacts on individuals.

Serving on the Pension Reform Task Force over the past nine months has been very educational recognizing the complexities of the Pension System. Although the system continues to be supported in a fiscally sound manner by both employee and City contributions, the funding support needed from the City has been growing significantly for multiple years to meet annual actuarial requirements. With that as a basis of understanding, it appears that some changes may be warranted to balance both City of Phoenix budgetary concerns and employee expectations for retirement benefits, while continuing to maintain a fiscally sound long term pension system. The Task Force has continued to study the issues and hopefully a consensus will be reached in December on a set of recommendations that will help going forward.

In closing, I wish all of you the very best for this Holiday Season and a Happy New Year.

Jack

# PROTECTING YOUR LEGACY

You carefully planned your retirement – and with good reason: In addition to having enough money to enjoy retired living, your choices may help you provide for your family after you're gone. Nationwide Retirement Solutions, the administrator of the city's 457 and 401(a) Plans, wants you to be sure to complete a beneficiary designation form for your Plans account. You should also regularly review and update that designation as needed to ensure that **you control** who receives your account assets. If beneficiaries aren't designated, your loved ones could experience delays through probate court. Please keep these important points in mind:

- Nationwide's 457/401(a) Plans Beneficiary Designation Form is separate from any city of Phoenix eCHRIS online beneficiary designation or forms you may have completed for the city or public safety pension plans.
- Per IRS regulations, Nationwide must distribute your account balance to the most recent beneficiaries on file. For example, if you get divorced, but your former spouse is still on file as your designated beneficiary when you pass away, he/she may receive your account balance.

If you named a beneficiary that's still a minor (under 21 years old) at the time of your death and you did not designate a custodian for that minor beneficiary, a guardian may be appointed by the court to receive payment of benefits on behalf of the minor. The Arizona Uniform Transfers to Minors Act (UTMA) allows you to name a custodian for a minor beneficiary under 21 years old. The assets are then transferred to the custodian, who is responsible for protecting the minor's interests. If you do not wish to name a custodian, you may wish to consult an attorney to make other arrangements.

If you have any questions, or want to designate a beneficiary or a custodian for a minor beneficiary, please contact Nationwide at 602-266-2733 or visit [phoenixdcp.com](http://phoenixdcp.com) and click on the *Forms* tab to download a beneficiary designation and/or minor beneficiary designation form.

Information provided by plan representatives is for educational purposes only and is not intended as tax, legal, or investment advice. Please consult your own adviser for such advice.

Plan Service Representatives are Registered Representatives of Nationwide Investment Services Corp., Member FINRA.

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NRM-7200M1-PX (8/11)

***“Membership is Our Strength”***

**YEAR END IS ALMOST HERE AND IT IS TIME TO RENEW YOUR COPRA DUES!!!**

**Please check the mailing label on this Chronicle for the “Dues Paid Thru:” year. If the “Dues Paid Thru:” year is “2011”, you need to renew your COPRA membership!**

If you receive the COPRA Chronicle by email which doesn't have a mailing label, you will receive an email in December advising you of the status of your COPRA membership.

As a retiree, it is important that you stay abreast of events happening in the City that may have an impact on your benefits and the retirement fund. Please renew your membership today. As our motto says, “Membership is Our Strength.”

COPRA membership dues are \$10.00 for all members. The dues special is still available so if you pay dues for 4 years (\$40.00), you get credit for 5 years. To renew your COPRA membership, send a check payable to “COPRA” to the following address:

COPRA  
% Marvin Roelse  
10701 East Peralta Canyon Drive  
Gold Canyon, AZ 85118-5130

# CITY MANAGER'S CORNER

I don't know about you, but I enjoy reading those "year in review" news stories. They're informative, put issues into perspective and make you realize how fast a year can pass. So before you're inundated with such stories, I'd like to offer Phoenix's own "Year in Review" for 2011.

January - The year began on a high note with January sales-tax collections, which were 12.5% higher than the previous year because of stronger-than-expected city holiday sales. That was the best January growth rate in General Fund sales tax since January 2005 and the first positive growth since 2008.

February - On Feb. 7, the Office of Emergency Management, in conjunction with the Fire, Police and Public Works departments and the Maricopa County Department of Public Health, participated in a tabletop emergency preparedness exercise. The scenario location was City Hall and the exercise involved an unknown substance/suspicious container.

March - The Phoenix City Council completed its review of the city's draft strategic plan and proposed mission statement. The plan focuses on 10 study areas: Economic Development and Education; Financial Excellence; Infrastructure; Innovation and Efficiency; Neighborhoods and Livability; Phoenix Team; Public Safety; Social Services Delivery; Sustainability; and Technology. Residents were given an opportunity to comment on the plan during community meetings in April. The last strategic plan was released in 1990 and had not been formally updated in more than 20 years.

April - City employees and the city received high ratings from residents who participated in the 2010 Community Attitude Survey. Asked to evaluate their last contact with a city employee, 95 percent said they were treated in a professional and courteous manner. And, 91 percent believe Phoenix is a good place to live. The survey is conducted every two years by an independent polling research firm.

May - The City Council's Efficiency and Innovation Subcommittee approved an additional \$5.7 million in savings for the city. Since the city launched the Innovation and Efficiency program in January 2010, the city has saved more than \$25 million and expects to save about \$125 million over the next five years.

June - The City Council approved the 2011-12 budget. The balanced budget, which includes a general operating fund of \$1.06 billion, was achieved without layoffs, service reductions or increases in taxes or user fees. The city continues to do more with less. The 2010-11 General Fund budget, for example, was \$79.2 million smaller (7.2% lower) than the 2006-07 budget, even with an almost 6 percent increase in population and dozens of new facilities opening.

July - The city hosted Major League Baseball's All-Star Game at Chase Field and hit it out of the park. MLB officials, out-of-town visitors, local baseball fans and national sports writers agreed Phoenix was an outstanding host city. All-Star Week's estimated economic impact to Phoenix's economy was \$60 million.

August - Amid news that Standard and Poor's had downgraded the federal government's credit rating, Phoenix received word that its AAA credit rating remains intact. The city's S & P bond rating is the highest among the country's largest cities. Here's how the other cities stack up:

- New York City (AA)
- Los Angeles (AA-)
- Chicago (A)
- Houston (AA)
- Philadelphia (BBB)

September - The city observed the 10<sup>th</sup> anniversary of the terrorist attacks by sponsoring the "Never Forget 9/11 Memorial Walk." Hundreds of people joined the walk from Chase Bank Tower to City-Scape, where a brief ceremony was held to remember the victims of 9/11.



*(Continued on page 6)*

# CITY MANAGER'S CORNER (CONTINUED)

*(Continued from page 5)*

October – The City Council approved the Public Works Department's plan to begin collecting trash and recycling on the same day. The new process, which begins the first week in July, is more convenient for customers and will save the city about \$1.3 million annually.

November - The city hosted the National League of Cities Congress of Cities and Exposition at Phoenix Convention Center. The annual event brings together thousands of elected officials, federal agency representatives, business leaders and corporate partners from across the country to explore challenges and opportunities facing our cities and towns. Also in November, the Community Service Fund Drive reached its \$1 million goal. In the past decade, city employees have raised more than \$13.5 million for the Valley of the Sun United Way and other agencies through the annual campaign.

December – Phil Gordon begins his last month as the mayor of Phoenix. On behalf of Phoenix residents and city employees, I'd like to thank him for his years of dedicated public service. We'd also like to acknowledge the contributions of former Council members Claude Mattox, Peggy Neely and Bryan Jeffries and welcome Mayor-elect Greg Stanton and Councilman-elect Daniel Valenzuela. Councilman Jim Waring, meanwhile, has hit the ground running since his election to Council in August.

**Traditionally, December is a time when we say farewell to retiring city employees. We thank them for their service and extend our best wishes for a long and happy retirement.**

We can't close the book on 2011 without mentioning public safety. Violent crime in fiscal 2010-11 was lower than at any time during the past 10 years, except for 2009-10, which had a slightly lower rate of violent crime. Meanwhile, the average first-unit response time in 2010-11 was 4 minutes and 41 seconds compared with 5 minutes and 15 seconds in fiscal 2006-07. The credit goes to our outstanding Police and Fire departments.

Next year is shaping up to be another exciting year for the city, and you can help us get off to a good start by doing your holiday shopping and dining in Phoenix. When you shop in Phoenix, taxes from the merchandise you buy go directly to the city's General Fund, which pays for such city services as police and fire protection, parks, libraries, senior centers and street maintenance.

The past few years have been challenging for the city, but thanks to you and the residents of Phoenix, I am optimistic about the city's future. All of us here at the city appreciate your energy, dedication and commitment to making Phoenix the best city in the world. We look forward to working with retirees and residents alike in the year ahead.

On behalf of Mayor Gordon, Mayor-elect Stanton and City Council, I hope you have a safe and joyous holiday season.

## HOLIDAY SHOPPING TIPS FROM THE POLICE DEPARTMENT

- If at all possible, never shop alone. There is safety in numbers.
- If shopping at night, always park in well lighted areas and park as close to the business as possible.
- When leaving the business and approaching the parking lot, have your car keys ready, keep your hands clear and put your purchases away as soon as possible. Do not linger in the parking lot, drive away immediately.
- If accosted in a parking lot, run if at all possible and do whatever you can to attract attention (scream, blow a whistle, or honk your horn). If you cannot escape, do not resist the attacker; normally the suspect only wants your property. Criminals will often use a ruse of some type to get a potential victim to stop in the parking lot, making him or her more vulnerable to attack. Citizens should report suspicious person(s) and activity to store personnel or the police immediately; especially if you are approached by anyone.
- Remember: No material item is worth serious injury or the loss of a life!
- If at all possible, major/long term shopping with children should be avoided. If you must shop with your children, please remember they are easily distracted and, "in the blink of an eye", they can get away from you! Keep them close at all times, especially in parking lots.
- DO NOT LEAVE YOUR PURCHASES IN YOUR VEHICLE. Criminals are on the look-out for easy theft opportunities.

## *In Remembrance*

Donald Watson	10/28/11
Fred Sifuentes	10/29/11
James Thurman	11/06/11
William Kobzeff	11/13/11
Patricia Fullinwider	11/22/11
Nhan Le	11/27/11

### HEALTH AND COMPASSION

We care about our members and their families. If someone in your family is ill, whether at home or in a care facility, or if a loved one has passed away, please call Mary Dysinger-Franklin at (602) 705-8822

## NEW RETIREES

### September 2011

Thomas Alexander  
James Coughenour II  
Kimberly Gutierrez  
Wayne Hoard  
Kendall Kennedy  
Marie Parisi Le Moine  
David Moore  
Patricia Riley  
Wylie Stevens  
Dean Umberger  
Kelly Walker  
James Wheeler

## JANUARY PENSION PAYMENT

The January 2012 pension payments will be dated effective January 1, 2012. The New Year's Day Holiday will be observed on Monday, January 2, 2012. Please check with your financial institution for their processing schedule. The processing schedule for direct deposits, determined by each financial institution, will vary and will impact the availability of funds between January 1, 2012 and January 3, 2012.

## 2011 COPRA BOARD

President:	<b>Jack Thomas</b>	(623) 825-6999
	E-Mail	<a href="mailto:jtnt@cox.net">jtnt@cox.net</a>
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	E-mail	<a href="mailto:kcliffander@yahoo.com">kcliffander@yahoo.com</a>
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	E-mail	<a href="mailto:yimmons@yahoo.com">yimmons@yahoo.com</a>
Benefits Committee Chair & Health Task Force:		
	<b>Laura Ross</b>	(623) 878-3334
	E-mail	<a href="mailto:ljross50@gmail.com">ljross50@gmail.com</a>
Retirement Board Rep:		
	<b>Ray Bladine</b>	602-944-0971
	E-mail	<a href="mailto:rbladine@cox.net">rbladine@cox.net</a>
Member Support and Social Chair:		
	<b>Vacant</b>	
Membership Chair:	<b>Marvin Roelse</b>	(480) 288-1046
	E-mail	<a href="mailto:marvinr567@msn.com">marvinr567@msn.com</a>
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Past President:	<b>John Burke</b> (ex officio)	(928) 427-9461

COPRA website.....	www.phoenixcopra.com
COPERS website.....	www.phoenix.gov/phxcopers
COPMEA website.....	www.copmea.com
City Retirement Systems (COPERS).....	(602) 534-4400
Personnel - Benefits Section .....	(602) 262-4777
COPMEA.....	(602) 262-6857

## Chronicle Article Deadline

Please be advised that the deadline for submitting articles for the Chronicle is the **20th day of the month** before you want the article to appear. Any member may submit material for publication, but the Editor determines what will appear in the final copy based on suitability and available space.

This is your Chronicle. Help us by submitting articles of general interest. Tell us about yourself, your family, a trip you've taken or an interesting hobby you have. Suggestions are always welcomed.

E-mail to: [COPRAnewsletter@gmail.com](mailto:COPRAnewsletter@gmail.com)

Or mail to: Mary Dysinger-Franklin  
6208 E. Desert Cove Ave  
Scottsdale, AZ 85254

### Disclaimer

Acceptance of advertisements or articles in the COPRA Chronicle does not constitute an endorsement by COPRA of goods or services.





## DECEMBER COPRA CHRONICLE

Annual dues includes \$5.00 for the COPRA Chronicle  
Dues are \$10.00  
COPRA Chronicle (**USPS No. 0016-924**) is published  
Monthly, except June, July and August  
By City of Phoenix Retirees Association  
1465 E. Rosemonte Dr., Phoenix, AZ 85024-2962  
Periodicals Postage Paid at Phoenix, AZ

**POSTMASTER**

Please send address corrections to:  
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10701 East Peralta Canyon Dr.  
Gold Canyon, AZ 85118



### MEMBERSHIP MEETING ANNOUNCEMENTS

Dates for the General Membership meetings specifically for  
Pension  
Health and Benefits  
State of the City  
& Holiday Party  
will be established after the first of the year

Board meetings are at 10 am on the 2nd Thursday of the Month  
Except for June, July and August