

Peralta Retirees Organization (PRO)
Annual Meeting, November 8, 2006
PCCD Board Meeting Room

President Jerry Herman greeted the attendees at 11:50 a.m. He then introduced the officers and members of the Peralta Retirees Organization Board. Jerry explained the buffet luncheon procedures and explained that one of the invited speakers, CFO Tom Smith, would be addressing the group during lunch due to a prior scheduled meeting.

Jerry introduced Mr. Smith as the person most responsible for initiating the bond program that is paying for healthcare for retirees, and who would provide the current status of the bonds.

Mr. Smith explained that the bond program consists of both fixed and variable bonds. Repayment of the bonds is the responsibility of the Peralta Community College District. He and those persons having oversight of the bonds are in the process of swapping the adjustable rate bonds for fixed rate bonds. In the afternoon, he and Mr. Withrow will be meeting with the bankers about the changes.

Mr. Smith then answered questions:

Q: Are any investments with Halliburton?

A: There are no investments with Halliburton.

Q: Who holds the money?

A: All money is held by Deutsche Bank.

Q: Of what maturity are the bonds?

A: All are 40-year variable rate bonds

Q: Why was the bond program created?

A: To meet the commitment made to employees by the District many years ago to provide healthcare for life.

Beginning in 2004, the District created a two-tier health benefits program for employees hired after that time, by agreeing to provide health benefits to people hired after July 1, 2004 only until their retirement. However, there were many employees and retirees still covered under the for-life promise. The Peralta Board of Trustees has asked Mr. Smith to get rid of the two-tier system. The bonds, which are paid out of general funds, are designed to keep the percent of the District's budget that is spent on retiree health care benefits to a fixed percent of the annual general fund budget for the next 40 years. Healthcare benefits are capped at 8% of PCCD's budget and interest on the bonds is slightly over 5%.

Peralta is the first community college in the country with this type of bond program to pay for budgeted retiree health care benefits.

Mr. Smith was thanked for addressing the group and for the information.

Commenting on the good job the PCCD Benefits Coordinator has been doing with limited staff, Jerry introduced Jennifer Seibert.

Jennifer's topic was "Retiree Benefits, Fact or Fiction". She introduced her staff, Carolyn Psge, Virginia Armana, and Nick Shere giving them praise for the work they do in the Benefits Office. Information was distributed to those present containing answers to frequently asked questions about dependents, prescription drug programs, CoreSource, Blue Cross, Kaiser, re-enrollment, Medicare, and other topics of vital interest to retirees. Most of this information can be found on the PCCD Website. There is a counter on the Website that tallies the number of "hits", or accesses to the site. When Jennifer compiled the above information, the count was 69,835.

Also distributed was an outline of Jennifer's talk which addressed how benefits are determined.

Governance: IRS, COBRA, ERISA, Department of Labor at the federal level.

California Education Code at the state level.

School Boards and students at the local level.

Trends: Medical premiums are expected to rise 10% each year through 2010. Up to 75-80% of the cost of healthcare is thought to be due to avoidable diseases. Service providers offer preventive opportunities which should be taken advantage of by plan members.

Common myths about Peralta CCD Coverage:

1) With Blue Cross (BC) back, no need to deal with CoreSource (CS).

Not so! BC is a network, CS is a claims payer.

2) District-paid dental insurance continues when you retire.

ONLY IF you are enrolled in COBRA immediately after retirement; or are enrolled in the Kaiser Senior Advantage program.

3) Surviving spouses receive District-paid medical insurance.

No. Not medical, not dental, and not life.

4) Medicare D signup needed for prescriptions.

Not so! Plan members should do nothing because the District prescription drug benefit is more advantageous.

5) Benefits re-enrollment will occur every year.

Yes. Each year the District may ask for dependent confirmation. Both internal and external audits are of concern to the District.

Re-enrollment Statistics: Benefits Office sent out 1574 re-enrollment forms, 1274 were returned, 50 received after the deadline, 250 COBRA notices will be mailed by Kaiser and/or CS. Using this information, Jennifer's office must pair each employee/retiree with the plan in which each is enrolled. She likened this process to separating a huge jar of jellybeans into different colors.

Benefits Office Resources: Resources the Benefits Office has are: the Peralta Colleges Website, the Employee Benefits Reference Card and options on the Benefits Office telephone tree. The reference card has telephone numbers of helpful organizations and is given to every employee and retiree.

Reminders: CoreSource is authorized to pay claims only if the claim is submitted within 12 months of the service that was provided.

Confer with Jennifer if you have questions about Healthcare cost for a survivor. All retirees age 65 or over should enroll in Medicare. Each year the Social Security Administration sends each member a statement giving the amount the member will pay for Medicare for the year. **Documentation of the amount must be given to the Benefits Office.** Look in the open-reimbursement package for information on reimbursement for Medicare and prescriptions. *The very first time you request reimbursement, the request must be sent to Jennifer's office. After the first confirmation, the request is sent to Pension Dynamics.*

After Jennifer's presentation, Jerry thanked her and her staff for the good job they are doing and the services they provide the retirees.

The speaker portion of the meeting concluded and the business portion of the meeting began.

Business Meeting

Jerry called on Treasurer Shirley Timm to give a report on the status of PRO's finances.

Treasurer's Report:

For fiscal year, October 1, 2005 to September 30, 2006, Shirley reported the following:

Ending balance	\$ 3,844.30	
Income	10,135.00	dues, donations, lunches, mixer, Ragtime
Expended	<u>6,510.64</u>	\$ 458.64 supplies, web page, PO Box, FTB fees 1,409.57 Newsletter, stamps, copying 1,595.30 lunch, mixer, picnic
Balance as of 10/01/06	\$ 7,468.66	

Since October 1, 2006

Beginning balance	\$ 7,468.66	
Collected	<u>5,970.00</u>	membership for 156 members
New Balance	\$13,438.66	
Expended	<u>2,398.50</u>	\$ 398.50 Newsletter, stamps, misc. 1,000.00 Transportation scholarships 1,000.00 Books for Libraries
Balance as of 11/08/06	\$11,040.16	

Jerry gave an accounted of PRO activities since the last annual meeting on November 3, 2005.

The Board approved scholarships of \$500 for each of the 4 colleges to be presented June, 2007

In April, the Social Committee held a mixer at Aroma at which 57 persons attended.

In July, Bruce Jacobs arranged reduced tickets for retirees to attend Ragtime at Woodminster Amphitheater in Joaquin Miller Park in Oakland.

The August picnic at Roberts Huckleberry area attended by 60 retirees and friends was a huge success.

The PRO November event is the lunch and annual meeting in progress.

Jerry believes that PRO members would agree that the most important task for PRO is to monitor healthcare benefits. The Board is also pleased to provide scholarships and activities that benefit Peralta Community College students. The Board, with the Social Committee's help, will plan more activities for the coming year. He complimented Linda Japzen, Chair of the Social Committee, and Jay Quesada, her assistant, for their work for the past year and for the catered lunch being enjoyed. He acknowledged Sondra Neiman, Chair of the Service Committee, and asked her to give a report of the Committee's activities.

Sondra said it is a pleasure to chair the Service Committee and thanked member Jan Wall, Art Naftaly, and Pat England for their encouragement and help. The second annual book drive was planned in coordination with the annual lunch and thanked those who had brought books to donate to the two colleges receiving books this year, Laney and Merritt. In addition to the book drive, the Service Committee has been working with the CAL WORKS program to initiate a transportation scholarship to provide funds for students to pay for transportation to classes or to job interviews.

Jerry reported that the current membership of PRO to be 320. He said that PCCD has 1,574 active and/or retired employees, about half, about 700, are retirees. He believes that PRO can do better at encouraging retirees to join the Peralta Retirees Organization. On PRO Board's list of things to do is to work on increasing membership. Bruce Jacobs was called upon to give the latest information on the Newsletter and the PRO Website.

Bruce updated the website this past week and said there is now a link to the Blue Cross provider network. He has also included instruction on navigating the screens on the Blue Cross Website. He is working on providing a password for access to the PRO directory. The password will be sent to each person in an email after Thanksgiving. Anyone who has not yet received an email from PRO should send Bruce (bfjacobs@covad.net) an email from which he can take their correct email address. The Newsletter is now up to eight pages. He asked the group for suggestions of items or information they would like to have included in the Newsletter, such as, Letters to the Editor. Bruce will be away for the month of January. The next Newsletter may be out in February.

Jerry issued an invitation for members to send their problems or questions for help to the Benefits Committee by sending emails to or calling Alex, Jerry or Bruce. PRO has a good relationship with Jennifer and her office.

Jerry expressed his gratitude to members of the Board for their service for the past year.

Election

According to PRO's Constitution, the Board is charged with selecting the officers of the Board to be ratified by the entire membership. This year, the Board has selected Jerry Herman for President, Bruce Jacobs for Vice-President, Juanita Peterson for Secretary, and Shirley Timm for Treasurer.

Two members of the Board are up for election, Linda Japzon and Ned Pearlstein. The Board has nominated Linda and Ned for these open positions. Nominations from the floor for these positions are now open.

MSU (Ida Pound, Flora Isaacson) that nominations be closed.

Jerry and Bruce will work on the dates for issuing and collecting the ballots. The ballots, along with candidates' statements, will be sent out to ratify the Board's selection of officers and to provide write-in opportunity. Ballots will be counted by persons other than officers and board members.

MSU (Jerry, Ida) that the meeting be adjourned.

The meeting adjourned at 1:55 PM.

Respectfully submitted,
Juanita Peterson, PRO Secretary

December Board Meeting Wednesday, the 6th, 1 to 3 PM, PFT Conference Room