

Peralta Retirees Organization (PRO)
Annual Meeting, November 3, 2005
PCCD Board Meeting Room

Present: PRO Executive Officers, Board Members, and PRO Members
Guests: Jennifer Seibert, PCCD Benefits Coordinator
Thomas Smith, PCCD Chief Financial Officer
Michael Mills, PFT President

The meeting was called to order at 1:35 p.m. by President Jerry Herman. The officers and the Board members of PRO were introduced.

A Word about Benefits

President Herman introduced Jennifer Seibert to provide updates on benefit reimbursements and to answer questions the group might have. Ms. Seibert said she had a list of the top 10 questions she is most frequently asked, the first being “Where is the other lady (who used to take care of benefits)?” To that question she answers that Jeanette Dorsey is doing well.

The next most frequent question asked is “Why am I getting this?” The question usually concerns Medicare B reimbursements since the District has contracted Pension Dynamics Corporation for documentation and accounting purposes.

There will be changes in Medicare requirements in 2006 and the changes will not be the same for all persons. Therefore, all requests must be documented.

Questions were quick in coming from the audience, the first being what to do about Medicare Part D. Ms. Seibert provided a statement advising Medicare-eligible members to not join a Medicare-approved prescription drug plan. She said that the Medicare benefit will not provide any advantages over the District’s current prescription drug plan. There will be an open enrollment period later to make changes. The District will send out a five-page letter concerning Medicare Part D. Do not throw this letter away; it will be needed later by Medicare as proof of prescription coverage. Ms. Seibert said retirees should not send in the Medicare D form or say yes on the phone, if asked. No action is required on Medicare D because the District’s coverage is better.

A question concerning claims brought this response: The District has 12 months to file a claim and after 12 months, no claim is paid. Provider-of-services, doctors, and hospitals must file a claim within 12 months. The changeover from Blue Cross to CoreSource has caused problems with claims; all persons in the network must submit bills in the required amount of time. The CoreSource Summary Plan Description can be consulted.

Looking toward the future, Ms. Seibert will be providing a checklist of what needs to be done by a surviving spouse when a retiree dies. Her department will also be doing a data cleanup to insure that the benefits provided are for those for whom they should be provided.

In closing, Ms. Seibert said she appreciates the support of the retirees.

President Herman thanked Ms. Seibert and said there has been great improvement in the Benefits Office since her arrival.

Bonds for Benefits

Chief Finance Officer Thomas Smith was introduced to give information about the bond that the PCCD Board of Trustees will be issuing. The bond is to provide funding to honor the life-time benefits that were contracted with employees up until 2004. When calculating the benefits that are to be paid out over the next twenty or more years, Mr. Smith determined that the District has 140 million dollar liability that is not funded. To cover this liability, the District will issue a bond for 250 Million dollars. This is the first bond to be issued to meet health benefit obligations. Lehman Brothers Investment Group will be used for cash flow. Proceeds from the bonds will be invested in a different investment bank and a trust fund will be set up using 5 to 5 ½% of the earnings to pay for health benefits.

Mr. Smith will go to New York to finalize the bond which will go to the Board of Trustees on December 3 for approval. The bonds will go no sale on December 30 and 31. The bonds will be taxable. They must earn 7% or more annually over the span of years to retire the liability. Since the District and not the property owners will pay off the bond, a vote of the public is not needed. He has gone to court to validate the bond request and the 30-day time period for others to object has passed. The investment will be modeled after PERS allocations. Administrative overhead is being negotiated.

President Herman thanked Mr. Smith for explaining the bond situation.

Treasurer's Report (Shirley Timm)

11-01-04	Starting balance	\$4145.10
	Income	6314.00
	Expenditures	3114.13
	Ending Balance	\$7344.97
11-01-05	Expenditures (to 11-03-05)	\$ 860.00
	Current cash in bank (11-03-05)	\$6484.97

Expenditure break down 11-01-04 to 10-31-05

Social (lunch/picnic)		\$1189.33
Donation to Peralta Foundation		250.00
Administration Costs:		\$ 743.16
Office supplies	\$ 147.56	
Website	37.92	
Incorporation	30.00	
	527.68	
Newsletter		896.64
Misc (bank charge)		35.00
Total		\$3114.13

Newsletter/Website (Bruce Jacobs)

The Newsletter: Bruce receives more to print than there is space; therefore, the Newsletter will be going to 8 pages. It will have a letters section added. To contribute items for the Newsletter, send the items electronically via email or by letter via postal mail. Paid members receive the Newsletter by postal mail. It costs about \$1 per issue to mail the Newsletter. A specific request is required to receive the Newsletter by email. PRO is applying for non-profit status which will help on expenses, such as postal mail.

Website: The Member Directory contains only the information a member gives permission to use. The Website should be useful to the members. Bruce has asked Ms. Seibert for electronic copies of all the forms she sends out. There are links to useful information. Use of a password to access the Directory is not feasible because any password protection could be breached by others.

Bruce, as Newsletter Editor and Webmaster, is open to suggestions.

Review of PRO's First Year (Jerry Herman)

When the District changed health benefit plans from Blue Cross to CoreSource, retirees came to PRO with questions about the new plan and related some of the problems they were encountering. One service PRO will provide is to clarify problems and to help find solutions to them. It is important that retirees keep in touch with each other and PRO. The luncheon and the Newsletter are positive ways to keep in touch. PRO is active and will connect with other retiree groups.

PRO now has an attorney, Mr. Bob Bezemek, who is also the attorney for the PFT. Mr. Bezemek's experience has been that when retiree groups are challenged, the retirees win the majority of the time. He believes that we retirees have a strong case, if challenged, but it is important that he be given any documentation of benefits granted or negotiated to help should there ever be a challenge. PRO works with PFT, recognizing that the two groups share parallel benefits. PRO has a Benefits Committee which is chaired by Alex Pappas. PRO considers health benefits its number one concern.

In July, PRO did a survey of its members to determine interests so that different groups could be formed such as a theater group, a tour group, or a get-together-for-lunch group. George Herring chairs the Membership Committee and is working hard to gain new members. The more paid members there are of PRO, the stronger we will be. Sondra Neiman chairs the Service Committee which recently sent out a call for books to be donated to Laney College and Merritt College. Ralph Marinaro chairs the Social Committee which is responsible for the great picnic in July and for this annual luncheon. Ida Pound chairs the Sunshine Committee which sends appropriate greetings to retirees and their families. And finally, PRO has made application for non-profit status and is currently working on bylaws to that end.

Non-Profit Update (Shirley Timm)

PRO is filing for 501 3 (C) status which means that mail will cost less and that donations to PRO can be deducted. PRO first had to incorporate in the state of California which it did on September 1, 2005. The incorporation number is 2902581, and PRO is now a charitable and educational organization. In ninety days, PRO must send bylaws to the Franchise Tax Board. A financial report must be made, and PRO has 15 months before it must file with the federal government.

Board Elections (Jerry Herman)

The five candidates receiving the most votes will serve for two years, the two candidates receiving the next most votes will serve for one-year

The Nomination Committee nominated the current members of the PRO Board. Nominations are now open to be taken from the floor.

MSC(Bruce Jacobs, Remo Arancio) that Ned Pearlstein be nominated for the PRO Board.

MSU(Pat England, Ida Pound) that the nominations for the PRO Board be closed.

Bruce Jacobs announced that candidates and their respective statements will be on the website. Ballots will also be on the Website. Voting can be done on-line, but the vote will not be secret. To mail a ballot, seal the ballot in a blank envelope, put the blank envelope inside another envelope and mail to PRO, P.O. Box 1951, El Cerrito, CA 94530.

MSU(Remo Arancio, Jack Maridian) that the Annual Meeting be adjourned.

Respectfully submitted,
Juanita Peterson, Secretary