



# The Peralta Retiree

April — June 2014

Vol. 10 No. 3

<http://www.peraltaretirees.org>

## From the President...

*by Jerry Herman, PRO President*

### Nothing is Simple

My mantra these days, as it has been for many years, is, “Nothing is simple.” Issues that seem to be free of complication and complexity are nearly always fraught with unexpected knots and tangles. Paths that seem to be straight turn into mazes. “No brainer” problems get twisted into the convolutions of Talmudic argument. The cost of sunny spring days is a devastating drought.

With each passing day “Nothing is simple” gets reinforced for me. Why do I bring it up in this column? Because I have an example that might significantly affect our most precious retiree possession – our health benefits. Not to worry. They’re ok for now. But the following narrative will show the intricacies of the financial foundation on which they are based.

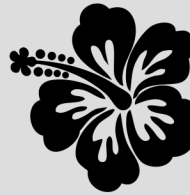
### 350.org: Divest!

A few months ago a representative of 350.org came to a PRO Board meeting to ask for support. 350.org is an organization devoted to persuading institutions to divest from their holdings in companies that deal in fossil fuels. Ending human dependency on fossil fuels is inarguably a noble goal but one with enormous obstacles in its way. 350.org’s strategy in contributing toward this goal is to financially starve companies that profit from the manufacture and distribution of fossil fuels. Institutional divestment from South Africa years ago substantially brought an end to apartheid. That is 350.org’s model for its campaign.

Why come to PRO? We have no financial investments in anything. In fact, the Peralta District has no investments – save one. That investment is from the proceeds of the ill-fated OPEB bonds floated to finance retirees’ health care benefits. Is the picture

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## PRO Polynesian Garden Party



You're Invited!

Sunday, June 1

\$10/Person

Details on page 3

PRO Theater Party

## WITTENBERG

Aurora Theater

Sunday, May 4

\$24

Details on page 5

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getting a little clearer now? 350.org wants Peralta to divest from any fossil fuel companies that may be included in those invested funds. The PRO Board's sentiment was certainly in favor of 350.org's ultimate goal, but we were presented with a resolution so generic that it seemed to have little if anything to do with Peralta, so we tabled the issue and advised the representative to return with a resolution more specific to Peralta.

The organization did construct a better resolution, and after positive consultation with the Chancellor, took it directly to the Peralta Board of Trustees where it passed unanimously on December 10, 2013. A self-congratulatory Peralta press release asserted, "The Peralta Community College District, following the Board's leadership, has adopted progressive investment policies and committed itself to sustainable environmental and progressive social and corporate governance practices." Realizing that complicated financial maneuvers with sums in the hundreds of millions of dollars can't be consum-

### **Peralta Retirees Organization**

**1250-I Newell Ave., #162  
Walnut Creek, CA 94596**

<http://www.peraltaretirees.org>

President - Jerry Herman  
jerrherm@sbcglobal.net  
Vice President - Bruce Jacobs  
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#### **Board of Directors**

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Jay Quesada  
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*The Peralta Retiree* Editor - Bruce Jacobs  
webmaster@peraltaretirees.org

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mated overnight, the trustees allowed five years for full divestment.

I'm sure the trustees all slept soundly that night believing that they had acted in the best interests of humankind – and indeed they had. But it's not as simple as it might seem. On one hand the Chancellor and the board had been misled by a study by the district's then-CFO on the impact of divestment that stated divestment would have a negligible effect on the current OPEB bond portfolio.

On the other hand, the Peralta Board of Trustees has no control – zero, nil – of the OPEB funds. So rather than creating actionable policy, the Peralta board could only urge the entity that controls the funds to divest. You can't blame them. It's all they could do.

#### **Retirement Board: Divest?**

That entity is called the Peralta Retirement Board, established by law to oversee and control the investment of the OPEB bond funds and the repayment of the bond holders, and to make sure the income from investments is used exclusively to fund retiree health benefits. Although it is officially composed of three Peralta trustees and two vice-chancellors as well as five non-voting advisory members, the Retirement Board is independent of the Board of Trustees. (PRO has three of those advisory seats. I am one of the advisory members.)

At the Retirement Board's last meeting on March 13, the board received a report on divestment from Neuberger Berman, the well-respected investment management company, retained by the Retirement Board to invest the OPEB funds. The report was in stark contrast to the findings in the former CFO's report that divestment from fossil fuel companies would have a

*(Continued on page 4)*

### **Welcome New Members**

*PRO welcomes the following retirees who have recently joined.*

**Anita Black  
Robert Fleming  
Evelyn Glaubman**

# It's Spring! Time for PRO's Polynesian Garden Party

## You're Invited!

### Sunday, June 1 ■ 1 - 5 PM



We'll be gathering in the garden at the home of Shirley Conner at 1624 San Jose Avenue, Alameda, CA. There will be hors d'oeuvres, wine, non-alcoholic Hawaiian beverages, and, of course, door prizes.

**Tropical attire encouraged**

**Entertainment by Leo Baculpa and friends**

**\$10/person**

**Reservations required by May 23**

To reserve: complete the form, enclose a check made out to "PRO" and mail to: PRO, 1250-I Newell Ave., #162, Walnut Creek, CA 94596. Please print.

Payment by credit card available at the PRO web site: [www.peraltaretirees.org](http://www.peraltaretirees.org)  
More Info: Contact Jay Quesada at 510-521-6117 or Linda Japzon at 510-483-7183

✂

Name \_\_\_\_\_ # of People \_\_\_\_\_ X \$10 = \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Email \_\_\_\_\_

I need driving directions

Mail to: PRO, 1250-I Newell Ave., #162, Walnut Creek, CA 94596

## District Survey Reveals Benefits Office Problems

The Peralta District solicited input from retirees as well as active employees about the quality of services provided by the District Office. For retirees, the Benefits Office is the primary point of contact with the District. 63 retirees responded to the three generic questions which were asked about all District services. 67% of respondees agreed that services were handled to their satisfaction, while 27% disagreed. 63% agreed that services were handled in a timely manner, while 29% disagreed. 66% agreed that they were treated respectfully, while 19% disagreed.

25 retirees took the time to provide additional written feedback. While a few comments were positive, the vast majority of the comments revealed serious problems in the District Benefits Office and at the same time broad satisfaction with PSW (the District's benefits broker). The Benefits Office often refers people to PSW to resolve problems.

Below are a few of the comments that are represen-

tative of the kinds of feedback that retirees reported:

- Jennifer Seibert walked out of her office as I entered and asked to see her. At a District meeting, her consistent reply to almost all queries was 'You are [one of] 3,000 and I am one person.' Does that justify her doing virtually nothing? Losing paperwork, delays in processing, lack of collegiality. I even sent her an email to the wrong spelling of her name because it was spelled incorrectly on a communication from her! Her assistant, Ronnie, is very helpful and professional.
- Was not informed by staff if there are problem of the submitted request prescription reimbursement form. Late December prescription of previous year was not reimbursed. Lack of communication. Calls not usually returned.
- Jennifer is an excellent administrator in every way.

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**(From the President...** *Continued from page 2*)  
negligible effect on the OPEB investments. Neuberger Berman found that some \$62 million of the fund is invested in stocks or mutual funds that have holdings in fossil fuel companies. There is no way to pick and choose individual stocks to buy or sell if you're invested in a mutual fund. You are either 100% in the fund or 100% out.

The upshot of the report is that more than 30% of the OPEB portfolio would be affected should divestment be implemented, creating a major restructuring of the portfolio, most likely resulting in significant financial losses. The N-B representative pointed out that current holdings represent the optimal investments N-B could put together yielding the most favorable results. Moreover, he said, it's highly unlikely to find quality mutual funds that do not included fossil fuel companies in their portfolios. As a final point he indicated that the outlook for energy stocks in the U.S. is the best that it's been for the last twenty-five years, so from a financial point of view, now is the wrong time to divest.

The Retirement Board is charged with fiduciary responsibility for the retirees' health benefit funds. That

responsibility means the safeguarding of investments, not the expression of social consciousness if that social consciousness will put the investments at greater risk than necessary. The Retirement Board would face legal challenges if it does so.

There are currently some OPEB fossil fuel holdings that are in individual stocks not part of mutual fund holdings, and these might be a place to start divesting since they would not create disruptive waves in a mutual fund. But they represent only \$5 million of the \$62 million tied to mutual funds with fossil fuel holdings.

### **The Moral of the Story Is....**

Who could argue morally against divesting from fossil fuel companies? Who could argue morally in favor of jeopardizing our retiree health benefits? Yet this is a conflict that the Retirement Board will be wrestling with as the months – years – go by. There has been no decision except to study the problem further. Where do you stand?

I began this column with my mantra "Nothing is simple." I gain no satisfaction from this report that seems to verify it.

# Order Your Tickets Now for the PRO Theater Party at the Aurora Theater in Berkeley



Poor Prince Hamlet! It's the beginning of another fall semester at the University of Wittenberg and Hamlet (senior, class of 1518) is returning from a summer spent studying astronomy with Copernicus in Poland. The revelation that the sun does not rotate around the earth has left him shaken and he needs to make a choice. As the Prince ping-pongs between the contrary advice from his teachers Martin Luther (professor of theology) and Doctor Faustus (professor of philosophy), the two intellectuals go head to head in comic combat for the conflicted Dane's allegiance. Will Faustus win the young man's mind or can Luther win his soul?

**Written by David Davalos ■ Directed by Josh Costello ■ Bay Area Premiere**

**Sunday □ May 4 □ 7 PM**

**\$24 per ticket**

(regular price for these seats is \$35)

To reserve your tickets (friends and family are welcome)

complete the form below and mail by April 22 to:

PRO, 1250-I Newell Ave., #162, Walnut Creek, CA 94596

Tickets may be ordered with credit card payment on the PRO web site:

[www.peraltaretirees.org](http://www.peraltaretirees.org)

Please order early as we have only a limited number of tickets!

**Aurora Theater ■ 2081 Addison Street ■ Berkeley**

Please send me \_\_\_\_\_ tickets for the Aurora Theater Production of *Wittenberg* on Sunday, May 4. Enclosed is my check made out to 'PRO' for \_\_\_\_\_ (\$24/ticket).

(Please print)

Name \_\_\_\_\_

Address \_\_\_\_\_ Email \_\_\_\_\_

\_\_\_\_\_ Phone \_\_\_\_\_

# Best To Plan Ahead for Survivor Decisions

by Bruce Jacobs

Although none of us likes to dwell on it, chances are that many of us will pass away leaving one or more dependents who will have to make important decisions about medical insurance, often at a time that is fraught with emotion. It is best to plan for that time in advance so that the dependent knows what his/her options are and has had an opportunity to think about what will be best.

If a dependent passes away before the Peralta retiree, the District should be notified. If you are on an option that changes your benefits on the death of a dependent, STRS or PERS should also be notified. A dependent's death will not affect the retiree's right to continue receiving Peralta's medical insurance benefits. However, the death of the retiree seriously impacts the benefits to which the dependent is entitled. Again the District should be notified immediately as should PERS or STRS, Medicare, and Social Security (if the retiree was getting benefits).

Under the terms of the contracts that govern retiree benefits when retirees pass away, their dependents are no longer entitled to District-subsidized health benefits. However, surviving dependents do have the right to "buy-in" to Peralta's benefits for the

## When the dependent of a retiree dies:

- Inform the District as soon as possible.
- Notify either STRS or PERS if you have an option that changes with the death of a dependent.

## When a Peralta retiree dies:

- Inform these agencies as soon as possible: Peralta district, STRS or PERS (whichever applies), Medicare, Social Security (if applicable)
- Understand that survivors' coverage ends with retirees' death.
- Dependents should be prepared to choose whether to buy into available Peralta plan or to discontinue the district's medical benefits and find their own coverage.

## Some Typical Rates For A Single Person To Buy Peralta Benefits in 2013-2014

Coverage	Cost/ Month
Traditional PPO (CoreSource), Pre-July 1, 2004 retirees (No Medicare)	\$640.35
Traditional PPO (CoreSource), Pre-July 1, 2004 retirees (With Medicare)	\$292.18
Kaiser Senior Advantage, Post-July 1, 2004 retirees	\$357.98
Kaiser Senior Advantage, Pre-July 1, 2004 retirees	\$455.80

A table with complete rate information is available at:

<http://web.peralta.edu/benefits/files/2011/04/Rate-Matrix-2013-2014.pdf>

remainder of their lives. This is an essential decision since once dependents have opted out of purchasing the benefits the decision is irreversible, that is they will have lost the right to buy-in.

The main reason why someone might choose not to buy-in is that the benefits are expensive and the cost can vary from year-to-year. However, Peralta's benefits are very rich, covering many things that are not covered by Medicare or "wrap around policies" sold by third parties like AARP. This is especially true of Peralta's prescription drug benefits which far surpass anything available through Medicare D (Medicare's drug benefit program).

In addition, Peralta will continue to reimburse Medicare-eligible dependents for the cost of Medicare part B (and part A if they do not qualify for free coverage). The bottom line is that if you add the cost of a Medicare wrap around policy

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## Health Benefits Update

### \$2 Million Lifetime Limit

As we reported in the last newsletter, pre-July 1, 2004 retirees and their dependents who are enrolled in the District's PPO plan (Blue Cross/CoreSource) continue to have a \$2 million lifetime benefits limit. Responding to an inquiry from PRO the District has provided the following information about that limit:

- Only funds paid out by CoreSource count in calculating the benefits. Prescription drug costs and Medicare reimbursements are not included.
- The District does not have a record of benefits that were provided prior to the switch to CoreSource in September 2004. Therefore any payments prior to that date are not included.
- No retiree or dependent has reached the \$2 million limit. It is also highly unlikely that anyone enrolled in Medicare would reach \$2 million in Peralta paid benefits.

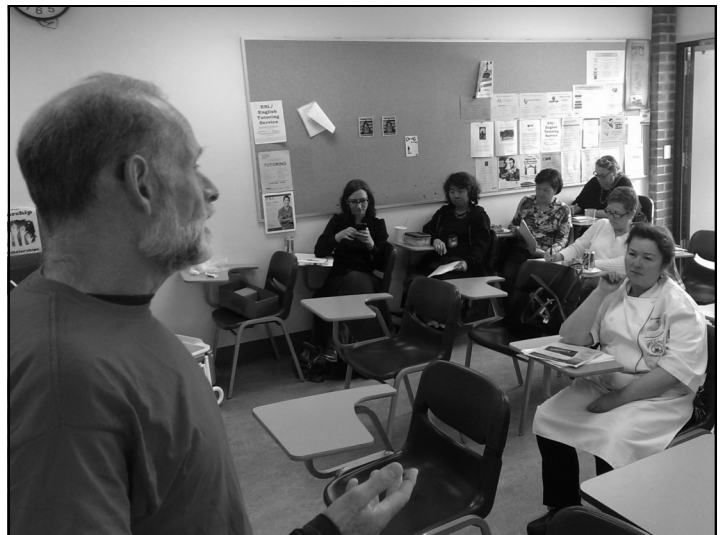
PRO is continuing to press the District to provide annual information to retirees and their dependents who are subject to the limit about what their total benefits have been.

### Summary Plan Description Review

PRO is in the process of comparing the 2006 and 2008 versions of the CoreSource SPD's for pre-July 1, 2004 retirees in order to identify any unauthorized changes by the District that reduce benefits. Working on the project are PRO VP Bruce Jacobs, Board member Debby Weintraub, and Diana Lara.

## PRO Joins PFT To Sponsor Retirement Workshop

In what has become a spring ritual PRO and the PFT jointly sponsored a workshop on March 27 for active employees who are planning to retire this year. Attendees munched on pizza and salad while they heard a presentation by PRO VP Bruce Jacobs about how the District's medical benefits work after retirement. Participants were informed about Medicare, open enrollment, dependent coverage and Medicare reimbursement procedures. Of course they were encouraged to join PRO. *Thanks to PFT President Matt Goldstein and PFT staff member Anna Roy for doing all the work that made the event a success.*



*PRO VP Bruce Jacobs leading the workshop for potential Peralta retirees*

*photo by Matt Goldstein*

**Peralta is celebrating the 50th Anniversary of the founding of the District**

**SAVE THE DATE**  
**50th Anniversary Community Day**  
**Saturday ■ June 28**  
**10 AM—4 PM**  
 District Office Grounds  
 Food, entertainment, games, staff/college reunions

**50th Anniversary Time Capsule Ceremony**  
 Current and Retired PCCD Staff, only  
 PCCD paraphernalia will be placed in a time capsule, that will be displayed in the District Office—to be opened in 2039 or 2064.  
**Tuesday, July 1**  
**12 Noon**

**50th Anniversary Gala Banquet**  
**Fall 2014**  
**Date To Be Announced**

# Is There an App to Save Me from the Genius Bar?

*From time-to-time retirees submit a personal experience essay to the newsletter that reflects our post-employment experiences. The following is one such. If you would like to contribute to the newsletter, please send your essay by email to: [webmaster@peraltaretirees.org](mailto:webmaster@peraltaretirees.org)*

By Tom Turman

In an effort to drag me into the 20<sup>th</sup> century, my daughter gave me an iPad for Christmas (she knew that the 21<sup>st</sup> century and an iPhone would be too much for me). I was pleased, surprised and a little intimidated by my exposure to a bit of technology I'd been ignoring. I immediately searched the box for a booklet that would at least explain basic functions (how to turn the damn thing on for instance) and found nothing. As a retired teacher, engineer and architect everything I'd learned in the schools of engineering and architecture came from books, from reading the printed page. Now, I felt threatened as a complete outsider.

In the living room at Christmas, all the young people in the room immediately set upon me wanting to show me all they'd learned about the device over the last few years. They assured me that the learning curve was rapid and painless. I was the student and they were the 'teachers.' They were not trained teachers, so I was quickly made to feel like the dinosaur that, in private, I admit to being. Luckily, what was included in the box was a card that allowed me to go to the Apple Store 'Genius Bar' at the local Apple store where, according to my daughter's generation, I could be civilized.

Have you done this? I went to the new store near me in Berkeley. The company, which decided not to print instructions for its devices, has built beautiful, well-lit stores all over the place and staffed them with very knowledgeable, mostly young computer whizzes. On the day I showed up at our local Apple Store, I noticed that the customers seeking help were almost always in my age range, north of 60. These whizzes, replacements for the texts with which we were familiar, were patiently, and sometimes not so patiently, explaining the functions of Apple products.

I scanned the faces of the other customers at the Start-up Table and saw the look of resignation and even

anger that I've seen on students' faces in an atmosphere of condescension. The difference was that here the old people were the students and the 'teachers' were the youngsters. Also, the instruction you receive on your first visit is minimal, oral and disappears into the Apple ether after the smiling young lady excuses herself to go to the dinosaur on the other side of the table. This requires you to come back for hour-long sessions, which can be scheduled on the iPad you can't work yet. You are also put in proximity to all the other Apple products.

I am assigned to a pleasant young woman who sees immediately that I am a true beginner. She has me unwrap the iPad but immediately goes to a dazed woman across from me. I see my young woman search the room for help and soon I am passed off to a slightly older woman who rushes me through the basics of 'start-up' and adding some 'apps' and then she too leaves to help another pre-historic animal.

In less than 30 minutes, I am considered capable of 'playing' with my new toy to find out what it does. I find myself out on the sidewalk in front of the fancy store clutching my new communication device in a fog of electronic ignorance. I feel like I did after my first day in a calculus class.

Looking back into the glitzy, glass-front company store with its no-manual policy, I'm thinking, *be careful Apple whizzes, not all dinosaurs are vegetarian, and you're crunchy and good with ketchup.*

*Tom Turman is a retired Laney faculty member.*

## PRO Board Election Results

All five incumbents running for the PRO Board were re-elected. Below are the vote counts:

Remo Arancio	81	<input checked="" type="checkbox"/>
Tom Branca	52	<input type="checkbox"/>
Pat England	68	<input checked="" type="checkbox"/>
Yvonne Lewis	71	<input checked="" type="checkbox"/>
Jay Quesada	75	<input checked="" type="checkbox"/>
Ann Whitehead	76	<input checked="" type="checkbox"/>

*Thanks to Anna Pavelka-Lodato and John Lodato for counting ballots.*



## Contribute To The Pro Scholarship Fund By Honoring Or Memorializing A Friend Or Loved One



**Yes, I want to support the PRO Scholarship Fund with a contribution.**  
(Please print)

In honor of:     On the occasion of:     In memory of:

**Please send acknowledgement card to:**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_

**Zip:** \_\_\_\_\_

**Contributor's Name:** \_\_\_\_\_

**Contributor's Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_

**Zip:** \_\_\_\_\_

Make check payable to: **The Peralta Foundation—PRO**

**Send to: PRO, 1250-I Newell Ave., #162, Walnut Creek, CA 94596**

*Contributions are tax deductible to the extent allowed by federal and state law.*

### Contributions Received for the PRO Scholarship Fund

In Memory of:	Contributor
Helon Budge Chichester	Ida Pound
Bernard Karne	Mary Karne
In Honor of:	Contributor
Dan Rosen	Ron Felzer

### General Contributions

Thomas and Barbara Southworth

## IN MEMORIAM

*The following Peralta retirees have passed away during the last months. PRO extends our deepest condolences to her family and loved ones.*

**Paul Chapelle  
Yvonne Darrough  
Paul Holmes  
John Norbert Price  
Irv Stein  
Tom Trent  
Ben Yerger**

*If you have any information about the passing or the serious illness of a Peralta retiree, please contact Bruce Jacobs at: [webmaster@peraltaretirees.org](mailto:webmaster@peraltaretirees.org) or by writing to PRO, 1250-I Newell Ave., #162, Walnut Creek, CA 94596*

*(District Survey Continued from page 4)*

- I find Jennifer Seibert very difficult to work with. She is not a good listener and she can be demeaning to people when there is a disagreement. She is often long winded, usually with not much content to what she has to say. She does not communicate well in writing and her mailings to retirees are frequently laden with errors. She acts threatened and defensive when her point-of-view is questioned or criticized.
- Unfortunately, Peralta Benefits has been rude and dismissive. On other hand, the Phoenix office (PSW) provides superb service.
- Didn't feel their attitude, which was very matter of fact, gives acknowledgement to the 32 yrs. of service put into Peralta.
- Clear information is hard to get.

To see all data and comments go to:

<http://web.peralta.edu/indev/files/2011/03/District-Service-Center-Survey-Summary-Fall-2013-Retirees-Only.pdf>

*(Survivor Decisions Continued from page 6)*

(typically several hundred dollars per month and Medicare Part D (prescription drug coverage) and an unreimbursed payment for Medicare Part B the District coverage seems more reasonable. If the dependent is not old enough to be eligible for Medicare at the time of the retiree's death, alternative health insurance (even with the Affordable Care Act options) can be as expensive as sticking with Peralta especially with the larger co-pays and deductibles.

The dependent can always decide to discontinue the benefits with Peralta if a more attractive alternative becomes available. But for most people continuing to get health insurance benefits through the District is often the best alternative. In any case, you should have a plan in place about how this is to be handled so that the decision about whether or not to continue with Peralta is not made during the stressful time that follows the death of a loved one.

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