

Santa Monica College
Collegewide Benefits Committee
Minutes of the Meeting
May 4, 2005

Present

Pat Brown, Co-Chair
Sandi Burnett, Co-Chair
Lenore Banders
Al DeSalles
Peter Geltner
John Gonzalez
Jeanette Goolsby
Mitra Moassessi
Ana Rojas

Guest

Peggy Shannon

Committee Assistants

Letty Kilian, Staff Assistant
Mimi Vaval, Resource Staff Assistant

Co-Chair Sandi Burnett opened the meeting at 2:30 p.m. and asked the committee to review the April 27, 2005 minutes.

April 27, 2005 Minutes (As amended)

Motion was made by Peter Geltner and seconded by Jeanette Goolsby to approve the minutes of April 27, 2005 as follows:

Superintendent's Report on LACCD's Response - Al DeSalles reported that discussions ~~have taken~~ were taking place between the Interim Superintendent and LACCD's representatives regarding Santa Monica College joining their benefits pool.

Benefits Audit Method - Santa Monica College's financial statement of last June's audit, showed that the District ~~overspent by~~ had account reconciliation problems with \$523,000. Expenditures included payment of employees who no longer were eligible for benefits. Co-Chair Burnett reviewed the Health and Welfare Random Audit implemented by the UC and suggested that the committee strongly consider looking into implementing the audit at SMC.

Benefits Survey - The Collegewide Benefits Committee's website launch date was set for ~~Tuesday~~ Monday, May 2, 2005.

LARISA Benefits Findings

- It appears that Maternity Care is not available under the PPO

Ayes: 8
Noes: 0
Abstention: 1

Reports and Discussion

Superintendent's Report on LACCD's Response

- LACCD is amenable to having SMC join their benefits pool
- A Joint Powers Authority (JPA) would need to be established for SMC to join the benefits pool with LACCD
- SMC does not have an option to create its own health plan if we joined LACCD's benefits pool
- Currently, LACCD has two RFP's out for bid; one for a 2 million dollar benefit cap and one for a 5 million cap
- LACCD would take a risk by having SMC join their pool as SMC does not have any prior "experience" records (PERS does not provide "experience" records)
- Under the LACCD's plan, a retiree who does not send in a payment on time is dropped and not reinstated; otherwise, retirees are covered for life
- SMC would be joining the pool for health benefits only, not dental or vision benefits

It is the recommendation of the Interim Superintendent that the committee wait for the results of LACCD's RFP's before pursuing the matter further.

Retirement Benefit Costs Breakdown - Co-Chair Pat Brown will provide the committee with a retiree profile which will include the number of early retirees, early retiree with dependent(s), retirees with and without a dependent or surviving spouse and the amount the District spends in reimbursement to the retirees.

Co-Chairs Report on Meeting with the Superintendent

- Interim Superintendent Tom Donner advised not hiring Fickewirth & Associates
- The Interim Superintendent is willing to provide the committee with a list of consultants who would serve only as a consultant and not as a broker
- The Interim Superintendent encouraged the committee to invite a LARISA representative to come speak to the committee
- LARISA currently administers Metlife, a retirement alternative plan, for SMC part-time employees

General consensus by the committee was that it would not be an efficient use of time to have a LARISA representative or other insurance plans speak to the committee without the assistance of a consultant to evaluate the relative worth of the plan compared with our current plan.

However, Co-Chair Brown felt that exposure to other groups and gathering more information could only help the committee become better informed.

Discussion centered on whether the District would cover the cost of the consultant if one is selected from the list provided by the Superintendent. It was agreed by the committee that Co-Chair Brown discuss this with the Interim Superintendent and report back to the committee.

Member John Gonzalez expressed the importance of placing an item for a consultant on the agenda for the June Board meeting

especially when considering the impending announcement of rates from PERS.

Benefit Audit Method

Co-Chairs Pat Brown and Sandi Burnett reported that the Interim Superintendent prefers having employees positively affirm that the information provided for purposes of health coverage has not changed rather than take a punitive approach if there has been overpayment of benefit coverage. He suggested adding a statement to the form that is sent out by Benefits asking the employee to sign and return the form affirming that the information on file has not changed. He is not in favor of implementing a health benefits audit at this time.

The Co-Chairs also reported that Interim Superintendent explained that the audit adjustment of \$523,00 reflected in last June's audit, was the result of payments for medical insurance against accounts payable without a reflection on the college expenditures. Therefore, it is not a case of being able to save money but a case of reporting the expense in the proper columns.

Website Feedback

- Since Monday, May 2 the committee's website has had 367 visitors; 100 the first day and 200 the second day
- A broadcast voice mail will be used to reach the college community to encourage participation in the health benefit survey and general knowledge of the committee
- An adjunct faculty member reportedly felt that the survey did not properly address the adjunct faculty
- Hard copies of the College Benefits Survey have been picked up from the Health Office
- Overall, there have been positive compliments on the committee's website
- A mailing to all retirees on the "Breakfast" list will be sent the week of May 9 with a cover letter from the Co-Chairs requesting their participation in the Benefits Survey

A Health Benefits Forum is scheduled for May 18, 2005, during our usual meeting time, 2:30 to 4:00 p.m.

Current Policy on using SMC's address

In order to save money, the committee is continuing to look into the current policy of using the college's address for those employees who enroll with CalPERS PPO and do not live in the area.

Agenda for Next Meeting

- Co-Chair Pat Brown's Report of Conversation with Interim President
- Retiree Benefit Cost Breakdown
- Benefits Survey Response
- Review Current Policy, including use of SMC's Address for all enrolling with CalPERS PPO

Adjournment 4:05 p.m.

The next meeting of the Collegewide Benefits Committee will be held on Wednesday, May 11, 2005 Library Conference Room (2nd floor). Please note location change.