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**MINUTES OF THE JOINT MEETING OF THE COUNCIL OF UC EMERITI  
ASSOCIATIONS (CUCEA) AND THE COUNCIL OF UC RETIREES  
ASSOCIATIONS (CUCRA)**  
**THURSDAY MORNING, OCTOBER 26, 2006**  
**SEABORG ROOM, UC BERKELEY FACULTY CLUB**

**8:42 a.m. - Opening remarks and greetings**

The meeting was opened by remarks from CUCEA Chair Louise Taylor and CUCRA Chair Dick Jensen.

Chair Taylor told us that CUCEA is collecting data on total compensation status of retirees and emeriti with the intention that this information be presented to both retirees and active employees, the latter through, for example, the Pre-Retirement Planning courses that have been developed.

Chair Jensen emphasized the importance of advocacy for our successors, and commented on the growing national interest in college and university retirees associations as expressed by the recently formed AROHE (Association of Retirees in Higher Education). He said that the UCOP is not set up to deal with individuals, so that retirement centers and associations are vital to our interests.

UCB Retirement Center Executive Director Shelley Glazer distributed an AROHE "Startup and Development Kit".

**Welcoming to Berkeley**

Berkeley Executive Vice Chancellor George Breslauer welcomed the Councils to Berkeley. He cited the great responsibility of maintaining academic quality in the face of strategic limitations, e.g., construction costs rising 1% a month, and housing costs creating a two-tiered faculty. However, he has been gratified by efforts to improve undergraduate education. A crucial issue in maintaining research quality is support for graduate students, and he pleaded for any assistance emeriti could give.

**UC Total Compensation**

Chairs Taylor and Jensen reported on their meetings with OP regarding the Mercer Consulting report on UC total compensation. Jensen noted that relations between the negotiating parties, unions and regents, have changed in the direction of less openness and transparency. The regents more frequently meet in executive sessions.

**Joint Benefits Committee**

JBC Chair Adrian Harris distributed a written report. Health care is the number one concern of JBC. Efforts to raise salaries and decrease benefits are both detrimental to retirees. The value of health care benefits, formerly a recruiting attraction, has to be pitched to active employees.

**Randolph Scott, Executive Director HR & Benefits, Policy & Program Design**

Director Scott, commenting on the Compensation & Benefits Strategy Task Force, stated that this is a time of major decisions with the coming of the end of the retirement contribution holiday and the anticipated sharp rises in medical costs. However,

he emphatically stated that the defined benefit pension will be retained, and that there will be no reduction in benefits.

Health care costs may rise as much as 22%, with an overall increase of 11.7%. In the coming year all medical plans are to be re-bid.

**Mel Stanton, Assistant UC Treasurer**

Treasurer Stanton noted that the UC Retirement System asset allocation is under review and that there is a plan to decrease the proportion of US equities and increase the foreign equities in the portfolio.

In response to reports that UCRS and its outside money managers have not performed as well as PERS, he attributed the significantly lower UCRS returns to the appreciation of real estate assets held by PERS.

**Judy Boyette, Associate Vice President, HR & B**

VP Boyette asserted that Retirement Plan contributions, suspended in 1990, must be resumed. Because of this long hiatus, the majority of UC employees have never contributed. At present the system is just 104% funded while the regents have set a floor of 95%. Employee unions are resistant to resumption. (She remarked that that PERS employees, who contribute 5%, have not had a contribution holiday.) She encouraged CUCEA and CUCRA to write the regents supporting the resumption of employee contributions to protect the system.

With regard to the looming unfunded liability hanging over the UC health care, she noted that it is not in the state of California's interest for UC medical care to fail.

**New Dimensions**

New Dimensions, the UC retirees newsletter, has undergone changes to include information on benefits, research and retiree comments. It can be found online.

**12:00 noon – Adjourn**

Respectfully submitted,  
Larry Waldron, CUCEA Secretary