



THE BULLETIN

Retired Employees of the City & County of San Francisco, Inc.

President's Message

By Sue Blomberg, President

It's that time of year again when we all think about the new year and how we want to make changes in our lives. I spent time in December thinking about how to save money, lose weight, and be more productive in the new year. Unfortunately, most of my well-laid plans tend to go awry sometime in the middle of January!

However, starting this month, there *will* be some changes to RECCSF monthly meetings. The Ad-Hoc Committee chaired by Linda Tabor-Beck was charged with finding ways to increase revenue and decrease expenses in a way that could smoothly be assimilated into our organization. (See full committee report on Page 2.)

In that vein, monthly meetings are being moved to the rear smaller room with the stage. The rent is lower, and our average monthly attendance can be easily accommodated in the space.

Also, we are asking members' help in funding refreshments. We must purchase coffee and tea from the United Cultural Center. We do have options with the muffins or other choices;



possibly providing smaller and less calorie/fat-laden muffins will benefit both us and the budget. We will be depending on good-will donations from our members to help offset these charges. (And, since I can't resist blueberry muffins, it will help me try to keep my "change" for losing weight!)

Future changes to help keep RECCSF fiscally healthy are inevitable, and we appreciate your understanding during this

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January 2013 Calendar

Regular Meeting
Wednesday, Jan. 9
 Socializing and refreshments:
 11:10 – 11:50 a.m.
 Program: 11:30 a.m.
 Business meeting: noon
 Bingo: 12:45 p.m.
 Irish Cultural Center,
 45th Ave. & Sloat Blvd.

The Bulletin
Editorial Committee Meeting
Tuesday, Jan. 15, 9 a.m.
 Taraval Police Station
 All interested parties welcome.

Executive Board Meeting
Tuesday, Jan. 15, 10 a.m.
 Taraval Police Station
 All interested parties welcome.

Public Meetings:
Retired Firemen & Widows Association
Sunday, Jan. 13, 2 p.m.
 St. Gabriel Caf., 40th Ave. & Ulloa

Veteran Police Officers
Tuesday, Jan. 8, 11 a.m.
 Pacific Rod & Gun Club,
 520 John Muir Dr., at Lake Merced

Retirement System
Wednesday, Jan. 9, 2 p.m.
 30 Van Ness, Suite 3000

Health Service System
Tuesday, Jan. 8, 1 p.m.
 City Hall, Room 416

UESF Retired Division
 For time/location, contact
 Gerry Meister at (415) 956-8373 or
gerrymeister1@earthlink.net

Useful Phone Numbers

S.F. Retirement System
Web site: www.sfgov.org/sfers
Phone Numbers:
 (415) 487-7000 • (888) 849-0777
Health Service System
Web site: www.myhss.org
Phone Numbers:
 (415) 554-1750 • (800) 541-2266
Phone Hours for both:
 8:00 a.m. to 5 p.m.

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New Members

Larry Unruh	DHS
Norma Nelson	PRT
David V. Swanson	CRT
Michael T. Cronebach	MTA
Gerald Norman	DAT

President's Message

continued from Page 1

transition period.

And, as always, we welcome your comments—pro and con—about how the Executive Board is performing. You elected us, and you *do* have a say in how we conduct your business.

Ad Hoc Committee Report

By Linda Tabor-Beck, Chair

Greetings from “The Frugal Few” (formerly known as the Ad Hoc Committee) that was formed to find ways to reverse RECCSF deficit spending).

Firstly, commencing with the Jan. 9 meeting, general membership meetings will be held in the rear smaller room with the stage, a savings of \$1,000 per year.

Secondly, a voluntary donation container will be placed at the coffee/tea table. Since our refreshments run from \$80 to \$100 per meeting, let your conscience be your guide!

Thirdly, in an effort to save some funds *and* be healthier, we will experiment with serving small croissants and palmiers, two items per member.

Please appreciate that our efforts are just a start toward resolving RECCSF's current fiscal woes, and that none of our decisions is “carved in stone.” As we go forward, feedback from members is essential, so please feel free to e-mail me at cane_elder@yahoo.com with comments and suggestions.

Progress report to come in February *Bulletin*!

Membership and Subscriptions

Retired City Employees: annual membership is \$36 per year or \$400 for a lifetime (may be payable over four months or over four years in increments of \$100 per year).

- Subscription only is \$36 per year.
- Please download membership application form from our Web site, www.sfretirees.org.

The Bulletin is the publication of the Retired Employees of the City & County of San Francisco, Inc., a nonprofit organization. *The Bulletin* is published to express the policies, ideals and accomplishments of the organization. Nothing shall be published herein that is racist, sexist, ageist or that is derogatory towards religious beliefs and other personal issues; nor shall be published anything in violation of Article VII, Section 1 of the Constitution. Editorial contributions from individuals, organizations and groups other than RECCSF and its members may be included in *The Bulletin* only upon the approval of the Editorial Committee.

Subscriptions to *The Bulletin* are available for \$36. Submissions to *The Bulletin* are solicited and encouraged and should be submitted to:

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Al Casciato, Editor
RECCSF OFFICERS:
Sue Blomberg, President
Al Casciato, 1st Vice President
John Madden, 2nd Vice President
Claire Zvanski, Secretary
George Lau, Treasurer
Leo Martinez, Sergeant-at-Arms

Rest In Peace

The following members have recently passed away.

George W. Barlesi	DPW	Ferruncion Naval	DPH
Robert Beale	CRT	Marbeth J. O'Grady	POL
Thomas G. Curran	DPW	Violeta C. Ruivivar	BOE
Stephen J. Dickson	DPW	Nena Sciford	GEN
Remedios M. Miguel	DPH	Frederick R. Tooker	CME

Health Service Committee Report

By Gerry Meister

Dec. 11: Not Your Usual HSS Meeting.

This HSS Board meeting was scheduled from 4:30 to 7:30 p.m., instead of the usual 1:30 to 3:30 p.m., so that HSS employee members could see the Board in action, ask questions, and offer suggestions. And that's just what happened. We retirees who are always at the meetings heard from many members of unions and other employee groups.

Why Equalize Healthcare Costs Among Plans

One of the most important issues researched by the HSS actuary and discussed at the meeting was why it's so important to try to equalize the cost of the health plans so that people will not shift into the cheapest plan. By 2014, 56% of actives and their dependents will be in Kaiser, 43% in Blue Shield, 1.3% in City Plan (UnitedHealthcare). This year's subsidy for Blue Shield members certainly cut the number moving from Blue Shield to Kaiser.

How High Risk Pools Affect Healthcare

According to researchers, any healthy population has an average "risk score" of 1.00. A higher group risk score, of course, almost always means higher healthcare costs for those in the group. To measure risk scores, an actuary starts with demographic data (age and gender) plus detailed medication data. The combination of this data shows the prevalence of chronic conditions and treatment patterns within the group; and including medication data makes the risk scores up to six times more accurate than using only demographics to predict individual health care costs.

One way to bring down a group's risk score—and healthcare costs—is to recruit families with younger, healthier dependents. However, bringing in early retiree dependents doesn't quite follow that pattern: women dependents are lower risk, but men are higher risk. Based on current risk scores alone, Kaiser premiums should be significantly lower than Blue Shield—but, so far, they're not.

Only 2% of active members are in the high-risk and expensive City Plan.

Cost Drivers: What Contributes To Steadily Rising Healthcare Costs?

- Lack of efficiency, collaboration and data transparency, resulting in provider consolidation, monopoly pricing, more high-risk pools, uncoordinated care and unnecessary services and medical errors.
- Over/Under utilization of healthcare, resulting in more care for high-risk populations, lack of chronic disease management, a few catastrophic care claims, added state and federal mandates, and more preventive care.
- Cost of services and goods: personnel, new technology investment and facility and pharmacy costs.

Questions? Comments? Please contact Health Service Committee Chair Ray Mason at (650) 344-1506.

Break the Debt Cycle

By Casey Mysliwy,
San Francisco Federal
Credit Union

The average household debt in America is a staggering \$9,000. You may be in consumer debt trouble if you:

- avoid creditors and bills;
- charge or use payroll advances for essential expenses;
- regularly "bounce" checks;
- have accounts closed by creditors;
- skip certain bills every month; or

- make only minimum payments while continuing to incur charges.

To break the cycle of debt, review your budget to identify expenses that can be reduced or eliminated, and explore ways to increase income. Accelerate debt payoff by immediately suspending charging, paying more than the minimum, and requesting interest rate reductions.

San Francisco Federal Credit Union wants to help you master your money. We've partnered with BALANCE, a financial

education and counseling service that can help you get your finances in order, pay down your debt, and reach your goals—all at no charge to you. For more information, call (888) 456-2227 or log on to www.balancepro.net.

SEIU 1021 West Bay Retirees Chapter

Monday, Jan. 21, Noon-2 p.m.
Union Hall, 350 Rhode Island St.,
100 So. Bldg.
Claire Zvanski at (415) 341-3085 or
czvanski@hotmail.com

2012 Holiday Party



“Thank you” to the generous donors who helped make possible the Dec. 12 RECCSF Annual Holiday Party
 United Association of Journeymen and Apprentices of the Plumbing & Pipe Fitting Industry, Local 38 ♦ Professional & Technical Engineers (IFPTE), Local 21 ♦ Rose and Leona’s Flowers ♦ Retired Firemen and Widows Association ♦ Municipal Executives Association ♦ San Francisco Veteran Police Officers Association ♦ Star Travelers ♦ San Francisco Police Officers Association ♦ Jean Thomas ♦ Mary Anne McGuire-Hickey ♦ San Francisco Federal Credit Union

Protect Our Benefits Report

By Gerry Meister,
Communications Chair

Protect Our Benefits is an independent political action committee which falls under the provisions of the San Francisco Ethics Commission and is not part of RECCSF. The opinions presented are those of the author.

Attorney General's Office Issues Opinion On POB Case

In mid-December, the attorney general's office finally issued an opinion confirming the right of Protect Our Benefits to bring legal action to protect the vested pensions of city retirees. The ruling made clear that POB does not need the permission of the attorney general to challenge the validity of Proposition C, which would drastically limit supplementary COLAs for city retirees now and in the future. POB's attorneys are preparing for the POB case to be shifted directly into the San Francisco Superior Court system.

Other Retiree Benefits News Around California

An appeals court ruling in Sacramento in November said that a local government is bound by past commitments to pay future retirement benefits to its employees, even if it says it can no longer afford the benefits. The appeals court agreed, three to zero, that a labor agreement can provide "vested rights" that remain after the agreement expires. The decision was a setback for cities and counties that are trying to reduce costs by cutting retiree health care. But, it's a victory for workers. The International Brotherhood of Electrical Workers local in Redding brought the suit.

In late October the country's largest public pension system—

CalPERS—made clear that the system would not tolerate any California city refusing to make pension payments because it says it's bankrupt. In this case it was San Bernardino, which has not filed a detailed bankruptcy plan and has already missed \$6 million in payments. Two other California cities that are involved in bankruptcy decided to make all CalPERS payments—Vallejo, which emerged from bankruptcy in 2011, and Stockton, which is now seeking bankruptcy protection.

More Benefit Attacks From Outside California

States to keep an eye on: New Jersey, Rhode Island, Ohio, Florida, Illinois and Arizona—plus many large and small

cities within those states and elsewhere, that are exploring breaking contracts or considering bankruptcy.

"Thanks" From POB

Your continuing generous contributions toward paying for the POB lawsuit are much appreciated. Please make your check payable to Protect Our Benefits, and mail it to *Protect Our Benefits (POB), P.O. Box 320057, San Francisco, CA 94132*. Your donation is not tax deductible under federal or state law.

Questions? Comments? Contact Gerry at gerrymeister1@earthlink.net, or POB, P.O. Box 320057, San Francisco CA 94132.

Travel Committee Report

By Beverly Pardini and
Marylou Allen

Sat, Jan. 19

Crab Feed in Petaluma! Lion's Club International of Petaluma annual all you-can eat crab feed features fresh Dungeness crab from Bodega Bay; feast also includes salad, pasta, French bread & ice cream.

Thur, Feb. 7

Explore the new upscale shopping complex, Paragon Outlets, in Livermore. Featured stores are Bloomingdales Outlet, Brooks Bros., Michael Kors, Coach, Chico's, and more. During the four-hour shopping event, enjoy lunch on your own at the Grand Food Court.

Wed. – Fri., March 20 – 22

Two nights at the Grand Sierra Resort in Reno, with casino visits for machine play and food credits. Included: group dinner at Louie's Basque Restaurant in downtown Reno.

Mon–Fri, April 15–19

Travel south to spend one night in Santa Barbara, two nights in Lakeside near San Diego and one night in San Luis Obispo. Enjoy a tour of the beautiful Flower Fields at Carlsbad, with an included lunch. SeaWorld in San Diego is included, as well as a visit to Old Town San Diego, and a farewell dinner at the Madonna Inn.

Info: Marylou at
1 (800) 334-3465 or
mrylallen@yahoo.com.

Retirement Committee Report

By Jean S. Thomas,
Herb Meiberger, CFA,
and Stephen Herold

Plan Performance on the Upswing

As of Nov. 30, 2012, five months into FY 2012/13, preliminary, gross-of-fees earnings were plus 5.8%; a sharp climb from last fiscal year's June 30, 2012's 1.64%. Also, as of Nov. 30, 2012, Plan value hit \$16B—a level not seen since March 2008, just a few months before the recession hit in earnest. Let's hope this trend continues!

Other Points of Interest

- After extensive discussion at its Dec. 12, 2012 meeting, the SFERS Board deferred approval of actuarial economic assumption rates for FY 2012/13 until its Jan. 16, 2013 meeting. These rates—investment return, wage inflation, and price inflation—drive the City's contribution rate, active employees' retired contribution rates (thanks to "pension reform" provisions in Prop C, passed in November 2011), wage increases, and many important budget decisions. Reasons for deferral were:
 - a) Questions arose on the validity of all of the actuarial consultants' (Cheiron's) recommended rates. Commissioner Herb Meiberger, CFA (elected, retired representative) especially expressed his concerns about the recommendation to **lower** the inflation rate;
 - b) New commissioners **Brian Stansbury** (elected, SFPD active) and **Malia Cohen** (Board of Supervisors appointee) wanted further information on how the

actuarial consultants arrived at their conclusions. Watch for our February column for full coverage on these vital decisions.

- The San Francisco Civil Grand Jury Report's negative criticisms of SFERS' investment practices and performance were rebuffed by the Board of Supervisors' Audit and Oversight Committee on Nov. 19, 2012, and by the full Board of Supervisors in early December, 2012. (Our October 2012 column covered the report's content in depth.) SFERS Executive Director **Jay Huish** ably represented SFERS at the Audits and Oversight Committee meeting. Commissioners **Joe Driscoll** (elected, SFFD, active) and **Herb Meiberger, CFA** also attended that meeting, as well as retirees **Herb Weiner** and **Jean Thomas**; and, during public comment, particularly debunked the report's "finding" that the Fund is too risky.
- A semi-annual review of alternative assets, or private equity—\$2.03B market value as of June 30, 2012—shows 10-year performance of 14.3%; and 25-year (since inception) performance of 16.5%. Plans for FY 2012/13 include expansion into Asia and emerging markets, as do many other investment categories. These figures tell the story: alternatives are **not** irresponsible in a total diversified portfolio such as SFERS'; and, in fact, they can, and do, enhance our Fund's performance.
- Further on alternative investments: At its Dec. 12 meeting the SFERS Board approved two "up to" \$25M (each) opportunities to pro-

vide debt services to quality U.S. and Western European middle-market companies—opportunities available because of traditional banking's recent downsizing and inability to provide such services. The Board asked extensive questions before approving these "opportunistic, fixed income" investments.

- Consistent with prior years' practices, our 2012 1099Rs will reflect earnings from the previous year's December through the current year's November, (December 2011 through November 2012). SFERS will mail us the 2012 1099Rs in late January.
- **Regular SFERS Board meeting starting time change from 3 p.m. to 2 p.m., effective immediately!** After the second Wednesday of the month RECCSF general membership meeting, head on down to 30 Van Ness Avenue, and learn how your hard-earned retirement money is protected!

Questions? Comments? Contact Herb at herb.sf@gmail.com; Jean at jeansthomas@yahoo.com, or (415) 665-4149; or Stephen at Stephen.home@att.net, or (415) 664-1201.

The Firefighters are very grateful to the members of RECCSF who donated a great many toys to their holiday program. Leo Martinez took three very large bags full of toys, and says "Thank You!"

The Bulletin
January 2013
Volume 113, Number 1

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➔ **LOOK NOW AT YOUR MAILING LABEL.**
The month posted on the label
is the date your dues expire.



Regular Meeting
Wednesday, Jan. 9
United Irish Cultural Center,
45th Ave. & Sloat
Executive Board Meeting
Tuesday, Jan. 15
Taraval Police Station

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Note to members

**Please keep RECCSF updated
with changes in address,
phone number and e-mail.**

Letters to the Editor Welcome at
alfrmsf@aol.com & sheilamullen@mac.com

The Bulletin
February Deadline:

☛ Friday, Jan. 11
5:30 p.m.

Please e-mail your articles to:
alfrmsf@aol.com &
sheilamullen@mac.com

Visit our Web site:

sfretirees.org

**RECCSF office
e-mail address:**

reccsf@att.net

Welcome, New Retirees

Upcoming General Membership Meeting Wednesday, Jan. 9

Pre-Gold Rush San Francisco

Gary Holloway, who leads history and architecture tours all over the US—200 walks in San Francisco, alone—will present a talk about events and people who helped shape our early settlement, commencing with the native American period and progressing through the Spanish and Mexican periods.

Since a number of our members are San Francisco history buffs, this should be a lively discussion.

Regular Meetings

Second Wednesday of each month

Refreshments available: 11:10 – 11:50 a.m. • Program: 11:30 a.m. • Business meeting: noon • Bingo: 12:45 p.m.

United Irish Cultural Center, 45th Ave. & Sloat Blvd.