



NEWS & VIEWS

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

President's Message

By Sue Blomberg, President

Happy New Year! By the time you read this, all the packages will have been opened—even though at this writing I haven't wrapped them yet; the tree ready to come down—I haven't bought it yet; and football fans enjoying the games—we've just found out which teams will be competing.

That's the disadvantage of meeting a deadline that's necessarily several weeks ahead of publication date. In some cases, it's nice to know what's going to happen. In others, I go crazy with too much to do and not enough time in which to do it!

So, here we are at the beginning of a new year. Remember all those plans and resolutions we told ourselves we would start with the new year? Guess what, it's here! I'm going to lose weight, walk at least five miles each week, and only buy new books when I get rid of old ones.

Yeah, right! So, I was kidding myself, but it is a time for new beginnings. If I strive consistently to make intelligent food choices, I *will* lose weight. If I walk extra blocks whenever I can, I *will* build up to my five-mile goal. And if I decide to thin



out my library—well, *that* one's probably not going to happen!

All sorts of things start with the new year. As of the January 2014 issue, the new name of the RECCSF newsletter is **News & Views**. (The new name was submitted by member Ben Beckman, DPT, as part of a *Bulletin* renaming contest.) The Executive Board feels that the name has more meaning and relevance to the issues critical to our organization. Our **News & Views** Redesign Committee is scheduled to complete the final phase of the project—redesign-

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January 2014 Calendar

Regular Meeting

Wednesday, Jan. 8

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.

News & Views

Editorial Committee Meeting

Tuesday, Jan. 21, 9 a.m.

Taraval Police Station

All interested parties welcome.

Executive Board Meeting

Tuesday, Jan. 21, 10 a.m.

Taraval Police Station

All interested parties welcome.

Public Meetings:

Retired Firemen & Widows Association

Thursday, Jan. 23, 1 p.m.

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

Veteran Police Officers

Tuesday, Jan. 14, 11 a.m.

Pacific Rod & Gun Club,
520 John Muir Dr., at Lake Merced

Retirement System

Wednesday, Jan. 8, 2 p.m.

30 Van Ness, Suite 3000

Health Service System

Thursday, Jan. 9, 1 p.m.

City Hall, Room 416

UESF Retired Division

For time/location, contact

Diane Doe at (415) 822-2099

Ddoe@mac.com

SEIU 1021 West Bay

Retirees Chapter

Monday, Jan. 27, Noon-2 p.m.

Union Hall, 350 Rhode Island St.,
100 South Bldg.

Claire Zvanski at (415) 341-3085 or

czvanski@hotmail.com

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Winter Hours for RECCSF Office

Effective immediately, Office Manager Reyna Kuk will be staffing the office Mondays, Tuesdays, Thursdays, and Fridays, 9 a.m. to 12 noon; and Wednesdays, 3 to 6 p.m.

President's Message

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ing the layout—by June 2014.

January also ushers in the final six months of my presidency, as well as those of several other positions. Please seriously consider contacting Ray Mason at rjm4099@comcast.net or (650) 344-0684 in regard to running for an officer or executive board position. The more members volunteering, the stronger the organization; and it's a great way to get to know your fellow RECCSF members.

In closing, I wish all of our members and friends good health and much happiness in 2014.

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

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.

New Members

Patty Moran

FIR

Tom Mullen

MTA

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.sfiretires.org.

News & Views is the publication of the Retired Employees of the City & County of San Francisco, Inc., a nonprofit organization. *News & Views* is published to express the policies, ideals and accomplishments of the organization. Nothing shall be published herein that is racist, sexist or ageist, or that is derogatory toward religious beliefs and other personal issues; nor shall be published anything in violation of Article VII, Section 1 of the RECCSF Constitution. Editorial contributions from individuals, organizations, and groups other than RECCSF and its members may be included in *News & Views* only upon the approval of the Editorial Committee. Subscriptions to *News & Views* are available for \$36 per year.

Submissions to *News & Views* are solicited and encouraged, and should be submitted to:

RECCSF Office, Attn: Sheila Mullen
3915 Irving Street, S.F., Ca. 94122-1294
Telephone: (415) 681-5949 Fax: (415) 681-5398
sheilamullen@mac.com

Sheila Mullen, 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.

John F. Kearney	ASR	John E. Prentice	GEN
Thomas J. Lehane	DBI	Gerald F. Raye	AIR
John T. Meagher	HHD	Anita H. Sanchez	CCD
Edward J. Parrott	FIR	Catherine M. Sousa	POL

Health Service Committee Report

By Claire Zvanski

President Breslin opened the final meeting of 2013 by thanking her fellow commissioners and all of HSS Staff for their long hours and hard work on behalf of all HSS members. Stephanie Fisher, new **wellness manager**, was introduced at the meeting. She has an impressive resume, including work at the CDC (Centers for Disease Control).

The primary focus of the meeting was to review the PPO retiree dental plan (Delta) to determine if the benefit could be improved, and still remain affordable. This plan is 100% retiree-paid, with no employer contribution, and fully insured; 99% of the net premium pays for claims, which does not leave much room for enhancements. Curiously, the number of procedures and amounts approved for diagnostic and preventive care are lower than Delta benchmarks. That means that retirees are mostly getting the more expensive procedures, such as: oral surgery, crowns, implants, etc.

The good news is that there is very little migration between the plans, creating a relatively stable membership. Few retirees actually go to PPO Delta dentists. Many go to Delta Premier dentists, where higher reimbursement rates impact claim totals. It was pointed out that only 27% of dentists in SF

are Delta PPO dentists. Commissioner Breslin emphatically stated that mandating the PPO network is, therefore, not an option.

Various alternatives were recommended, including: increasing the number of paid annual cleanings (diagnostic and preventive care); increasing the maximum to \$2000 or \$2500; and, finally, researching the possibility of a discount card that would allow members to shop in the retail dental market. (The latter brings up the issue of an available and substantial network, since the goal is to find affordable alternatives with improved benefits.)

Finally, Deputy Director Lisa Ghotbi reported on the Kaiser negotiations. The last meeting was held immediately prior to the HSS board meeting. She reminded everyone that the No-

member meeting involved clinical leadership staff, with the goal to establish a program focused on a "care engagement" program for 2014. The final report will be presented at the Jan. 9 HSS meeting.

Director Dodd is now on leave until February, and everyone wishes her well.

Commissioner Karen Breslin will stand for re-election in 2014. This election will be combined with the Retirement Healthcare Trust Fund board election, wherein Commissioner Ed Walsh will stand for re-election as our retiree representative.

Questions? Comments? Contact Health Service Committee Chair Ray Mason at (650) 344-1506, or Claire Zvanski at (415) 341-3085 or cvanski@gmail.com.

Last, but not least, Happy New Year to all!

"Thank You" To Our Generous Annual Holiday Party Donors:

United Association of Journeymen and Apprentices
of the Plumbing & Pipe Fitting Industry, Local 38
Professional & Technical Engineers (IFPTE), Local 21
Firefighters Local 798

Retired Firemen and Widows Association
Municipal Executives Association

San Francisco Veteran Police Officers Association

Star Travelers

Nancy Gin

Susan J. Thornton

Sue Blomberg

Jean Thomas

Mary Ann Mc-Guire Hickey

George Lau

Jill Selchau

Lorraine Smookler, M.D.

Gladys Shannon

Joe Sebastinelli

San Francisco Labor Council

Beverly Nelson

San Francisco Federal Credit Union

Stephanie Lyons

Eugene Barron

Merilyn Presten

Al Casciato

SEIU Local 1021

Carol Cochran

Al Palacio

Pedro Ruiz



December 2013 Holiday Party



Retirement Committee Report

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

Currency Overlay— The end is near!

At its 12/11/2013 Retirement Board meeting, SFERS Executive Director **Jay Huish** announced that the currency overlay program will be terminated in about 90 days. Recall that the program was created over eight years ago to offset—and even make money from—foreign currency fluctuations in investment trades. Instead, the program has lost over \$60M to date, of which almost \$30M was lost in the past year.

Commissioner **Herb Meiberger**, CFA, (employee-elected) has been a vocal critic of this program; our recent columns have reflected his—and the other two writers'—views. Meiberger also provided additional professional and supporting analyses for the 12/11/2013 Board agenda packet, which showed that one of the major currency overlay managers (AKA, “the billion dollar hedge fund”) overstepped their authority; a fact that neither SFERS' investment staff nor the outside consultant refuted. Also, the analyses show that SFERS' investment staff and the outside consultant failed to notify the Board that the manager was losing other major clients and its own key employees. If these facts had been properly disclosed, the manager would have been put on the SFERS “watch list,” and the Board would not have been taken unawares when the manager declared bankruptcy last October. According to Board President **Victor Makras** (mayoral appointee), Meiberger's analyses will be available to staff and others as reference materials for the future. We

hope this documentation will be instrumental in avoiding similar mistakes down the road!

Plan Performance

As of 11/29/2013, Plan value was \$18.5B—another all-time high—with five months' fiscal-year-to-date earnings of 9.7%. *Note that in only five months, 2013/14 fiscal year-to-date earnings have outstripped the 7.58% expected returns for the entire fiscal year!* **Angeles**, SFERS' general consultant, reports that, for the quarter ended 9/30/2013 and for prior periods (except for five years ago), SFERS' earnings have been above the median of a selected group of public funds with assets over \$1B. Also, SFERS' risk levels have been below this group's risk levels for the trailing one, three, and five years. SFERS Managing Director of Private Markets **Arthur Wang's Semi-annual Alternative Investment Performance as of 6/30/2013** reports that the program has, since its 1987 inception through 6/30/2013, provided a net internal rate of return of 16.4%, outperforming its S&P benchmark by 1.4%. A more current update is anticipated when **Cambridge** returns, after a long absence, as alternatives consultant. Meanwhile, the Board continues to approve new alternatives opportunities, such as two new investments; “up to” \$50M in a buyout firm and an “up to” \$75M in a venture capital firm.

Other Point of Interest

- The Board will set the City's contribution rate for next fiscal year (2014/15) at its Jan. 15 meeting, and most of February's column will be devoted to this issue. Just a hint of what's to come: some of the actuary's new recommendations will, if the Board

agrees, *significantly* raise the City's and active employees' retirement contribution rates. The Board wants rates to remain as low possible—they have their work cut out for them! *Stay tuned!*

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.

It's Not Too Late to Make a Financial Resolution

By Casey Mysliwy,
Marketing Specialist

Why not resolve to make some positive financial changes in 2014?

- **Fine-tune your budget.** In retirement, it can be challenging to adapt your spending to life on your pension. Create a budget and look for ways you can make money-saving spending cuts.
- **Update beneficiary information.** If it's been a while since you made these designations, they might be outdated. Check your accounts and insurance policies to make sure the correct beneficiary is listed.
- **Save for a rainy day.** You should have three to six months of living expenses set aside in case of financial hardship. Start building your fund by opening a savings account for emergencies at San Francisco Federal Credit Union.

We're here to help you reach your financial goals for 2014, and beyond. To learn more, contact us at (415) 775-5377 or SanFranciscoFCU.com.

Protect Our Benefits

By Sharon Johnson

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 are those of the writer.

Pension Conversations

As we await appellate court outcomes, the POB legal team has expressed its thoughts on the Detroit court decision by stating that the Detroit decision is not unexpected, because **bankruptcy courts** are designed to relieve persons and entities out of their debts. The team further stated that they are not yet aware that any municipal bankruptcy relieving a city of pension debt has been approved by any **federal circuit court of appeal**.

In plain language, according to the POB attorney more money

is in circulation in the United States than at any other time in our history yet some public officials still persist in pursuing legal gymnastics designed to dupe hard-working Americans out of their pensions.

When we study the arguments that public employees are responsible for bankruptcy within municipalities, we wonder whether the real problem may be due to fund mismanagement. Although many dangerous arguments are made that public employee pensions are a form theft from taxpayers, well-managed retirement plans are based on the principle that retiree pension benefits are funded by current active employee contributions.

Protection in the Gale of Attacks

The San Francisco Retirement Fund is 88%-funded—we are on solid financial ground!

Our retirement system is a model of excellent management and takes great pride in preserving a level of assets necessary to meet the promise of providing benefits to members. Over many years, SFERS has consistently sustained a history of sufficient funding levels to meet benefit obligations.

We retirees need to speak out more actively that we are **entitled** to our pensions; and, now and in the future, POB will continue in its efforts to protect our health and retirement benefits.

Protect Our Benefits is an active political action committee defending San Francisco retirees' pension and healthcare benefits. With your support, POB remains crucial in its participating in impacting our future earned benefits. For latest updates, visit <http://protectourbenefits.org>.

Please mail a donation to POB at P O. Box 320057, San Francisco, CA 94132.

Travel Committee Report

By Beverly Pardini and Marylou Allen

Sat., Jan. 18

The friendly folks at the 7-11 Lion's International Club in Petaluma will serve all-you-can-eat Dungeness Crab, fresh from Bodega Bay; includes garlic bread, pasta and ice cream.

Wed.-Fri., Feb. 19-21

Johnny Cash: The Musical, presented in the El Dorado's Showroom in Reno, Nevada, paints a musical portrait of "the man in black." Included: two nights at the El Dorado, motor coach transportation, dinner & show, and other casino visits.

Tue.-Fri., March 4-7

The world-famous Palm Springs Follies presents their

23rd—and last—year of performances. Enjoy three-night stay at the Spa Hotel/Resort in downtown Palm Springs, and an evening performance of the Follies' *Last Hurrah*. Included: daily breakfasts, one dinner, roundtrip motor coach transportation & baggage handling.

Thur.-Fri., April 3-4

Enjoy Monterey Bay Aquarium visit, then ride through Big Sur to San Simeon; one-night stay at Best Western Plus Cavalier with included dinner before leisurely walk along beach. Breakfast next morning included before traveling to Hearst Castle for Grand Rooms Tour.

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

"The Frugal Few" Committee Report

By Linda Tabor-Beck, Chair

The Frugal Few (formerly The Ad Hoc Committee) wish all of you a happy new year. To help you recover from your shopping endeavors, no raffle will be held at the Jan. 8 general membership meeting—also, committee chair probably out of town—so you can save up for the Feb. 12 raffle, or perhaps get started on paying off those nasty credit cards!



News & Views

January 2014

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Sheila Mullen, Editor

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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. 8

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

Executive Board Meeting

Tuesday, Jan. 21

Taraval Police Station
2345-24th Ave.
San Francisco

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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
sheilamullen@mac.com

News & Views

February Deadline:

➔ Friday, Jan. 17
5:30 p.m.

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

Visit our Web site:

sfiretires.org

RECCSF office

e-mail address:

reccsf@att.net

Welcome, New Retirees

Upcoming General Membership Meetings

Wednesday, Jan. 8

Jay Huish, Executive Director of the Retirement System, Will Be Our Guest Speaker.

*On another note, Elvis Presley was born on Jan. 8, 1935.
He would have been 79 in January 2014.*

Elvis impersonators or tribute rockers are welcome to strut their stuff at our January meeting!

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.