



NEWS & VIEWS

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

President's Message

By Sue Blomberg, President

For those of you who were at the general membership meeting in January, you have already heard this "speech." For those of you who were not able to attend, please read and act upon it. Actually, even if you heard the speech, please read and act upon it!

Contrary to popular opinion, I was not elected president for life! Six years is a long time to hold that office, although I have been very lucky to have wonderful people on the Executive Board, and some great volunteers who help out at the meetings. However, many of the offices and Executive Board positions will end with my presidency on June 4. Five Executive Board positions are open. The five Executive Board positions to which the president is allowed to appoint end with my term. Offices of president and secretary are vacant.

RECCSF cannot continue depending on just a few people to do the work that keeps the organization running. Everyone needs to step up and volunteer to do something. It doesn't have to be a big something—just a small, finite task is extremely



helpful. As I am fond of saying, many hands make light work; and, if everyone does a little something, no one has to do a whole lot.

Most tasks can be accomplished by telephone or e-mail. Making a call to line up a speaker for a meeting is an example of a small, finite task that makes all the difference to the organization.

RECCSF is changing. Most of our new members are computer-literate, and actually depend upon computers and smart phones to take care of

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February 2014 Calendar

Regular Meeting

Wednesday, Feb. 12
 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, Feb. 18, 9 a.m.
 Taraval Police Station
 All interested parties welcome.

Executive Board Meeting

Tuesday, Feb. 18, 10 a.m.
 Taraval Police Station
 All interested parties welcome.

Public Meetings:

Retired Firemen & Widows Association
 Thursday, March 20, 1 p.m.
 Irish Cultural Center,
 45th Ave. & Sloat Blvd.

Veteran Police Officers

Tuesday, Feb. 11, 11 a.m.
 Pacific Rod & Gun Club,
 520 John Muir Dr., at Lake Merced

Retirement System

Wednesday, Feb. 12, 2 p.m.
 30 Van Ness, Suite 3000

Health Service System

Thursday, Feb. 13, 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, Feb. 24, Noon-2 p.m.
 Union Hall, 350 Rhode Island St.,
 100 South Bldg.
 Claire Zvanski at (415) 341-3085 or
czvanski@hotmail.com

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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their lives. We need to be able to change our ways so we are more inviting to new retirees. Our meetings have changed over the last five years. The Executive Board is concerned with many new ways to attract new people and spend less money doing so. Our monthly newsletter has a new name—*News & Views*—and will have a new format sometime later this year. And we need to have an influx of new people working on committees and the Executive Board to help us achieve the goal of being financially stable.

I encourage you to look at our various committees with the idea in mind of volunteering to help out in some way. I encourage you to consider running for the Executive Board. I encourage you to get involved to keep RECCSF a viable organization for us all.

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

Sue M. Kaplan

CRT James J. McCormick

CPC

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.

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

We regret that we were unable to obtain an up-to-date list in time to meet the *News & Views* printing deadline, so will include current information in the March RIP list.

Health Service Committee Report

By Claire Zvanski

The best news for 2014 is that Director Catherine Dodd, R.N., PhD, is home and recovering very well. She is expected back at work in a few months. Vacant positions are gradually being filled, but the process is challenging. Existing staff continue to multi-task in the meantime. The Women's Firefighter Collaborative Study, funded through the SF Firefighters Cancer Prevention Foundation, started in late January 2014. The results

will have national impact.

The confirmation letters sent after the October Open Enrollment generated the highest call volume the department has ever experienced. Many members resolved the number of dependents on their plans and their benefit choices.

The budget process has begun for FY 2014-15. Revenues are up across the City but the mayor is still projecting deficits and asking for budget cuts. This is the start of a new two-year budget cycle. The trust fund

balance is finally healthy again, with sufficient funds for claims encumbrances that will be needed for continuing benefits, especially for City Plan retirees.

Five months of Kaiser meetings have concluded, resulting in a better relationship despite not resolving the transparency issue. Our actuary suggested future options for board consideration for Kaiser contracting. This will not impact benefits. Future performance guarantees involve a new commitment on clinical engagement and reporting on outreach and prevention associated with asthma, diabetes, depression and cardio-pulmonary disease.

The election was announced for two expiring terms and nominations are now open for Commissioners Breslin and Ferrigno to run for re-election. The actual election will take place in May. There will be much more information provided regarding this election as it is the first time that two HSS commissioners will seek re-election at the same time. Additionally, this election will be combined with the Retiree Healthcare Trust Fund Board election, where the retiree commissioner Ed Walsh will seek re-election. The active seat on that board is vacant. The city attorney indicates that the ballots will be color-coded to designate the different boards, but all will arrive in one envelope. This cost saving was stipulated in Proposition C (2012). It is hoped that the process will not be too confusing, as we all agree that it is critical to keep experienced commissioners on the HSS Board representing our interests.

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

2014 RECCSF New Executive Board Member Election!

RECCSF is currently soliciting members to run for the Executive Board, either as board members or officers (president, secretary, etc.); terms are for two-year periods.

We encourage each member to consider enriching their RECCSF experience by serving in one of these capacities; and, for newcomers in particular, it's a great way to get to know your fellow members.

If interested, please contact Ray Mason at (650) 344-1506.

Did you know?

In the heyday of sailing ships, all war ships and many freighters carried iron cannons. Those cannons fired round iron cannon balls. It was necessary to keep a good supply near the cannon. However, how to prevent them from rolling about the deck?

The best storage method devised was a square-based pyramid with one ball on top, resting on four resting on nine, which rested on sixteen. Thus, a supply of 30 cannon balls could be stacked in a small area right next to the cannon.

There was only one problem....how to prevent the bottom layer from sliding or rolling from under the others. The solution was a metal plate called a "Monkey" with 16 round indentations. However, if this plate were made of iron, the iron balls would quickly rust to it. The solution to the rusting problem was to make "Brass Monkeys." Few landlubbers realize that brass contracts much more and much faster than iron when chilled. Consequently, when the temperature dropped too far, the brass indentations would shrink so much that the iron cannonballs would come right off the monkey.

Thus, it was quite literally, "Cold enough to freeze the balls off a brass monkey." (All this time, you thought that was an improper expression, didn't you?)

January Membership Meeting



The Shanahan family: Edward (standing), Ellen, and Michael.



From left, members May Cheng, Charles Hastings, Margaret Cui, and Sharon Martenson.



Director Huish was introduced by RECCSF President Sue Blomberg.



(From left), standing; member Jill Selchau and RECCSF Office Manager Reyna Kuk; seated, members Beverly Nelson and Evelyn Bennett.

Executive Director of the Retirement System Jay Huish gave an informative presentation on our San Francisco system's strong positive status.

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.

2014 will be an important time to safeguard our health and retirement benefits!

POB is a political action committee with more than 3,000 members. We're retired employees of the City and County of San Francisco, San Francisco Unified School District, Community College District, and the San Francisco court system, dedicated to protecting the health and retirement benefits we've earned.

Writ of Mandate

POB filed a lawsuit to invalidate the provision of 2011 Proposition C that eliminated our supplemental cost of living benefits for retirees. Although disappointed at the initial ruling by the Superior Court, we appealed the decision based on our attorney's sound advice that we have a strong possibility of winning in the Appellate Division.

The Superior Court's decision is contrary to several decades of judicial rulings in California and throughout the country supporting the legal principle that public employee pensions are delayed compensation for

work performed, protected by the contract clauses in the state and federal constitutions and cannot be diminished without a comparable advantage.

We have filed a Joint Appendix with the City, as a cooperative effort with the advantage of knowing exactly what documents the City will be using before we complete our opening brief. In doing so, we do not concede any point in raising the relevant issues.

Have you noticed the negative effect of Proposition C in FY 2013/14, as our cost of living adjustment in our pension checks is 2% rather than 3.5%?

Let's gather our forces in the New Year to fight the elimination of our supplemental COLAs, and hold the line on escalating health care premiums. It's up

to us to help provide solutions to reduce costs so City Hall doesn't lower their premiums by increasing co-pays and deductibles, curtail our coverage, and shift premium costs onto employees or retirees.

It is essential that POB continues to work on our behalf in 2014. Stay informed: visit www.ProtectOurBenefits.com, and donate now to continue to challenge the legality of Proposition C and sustain our hard work with the Health Service System. These complex legal and legislative matters that directly affect our benefits require continuous support, so send your (non-tax deductible) check today to: Protect Our Benefits, P.O. Box 320057, San Francisco, CA 94132.

It's your future!

Travel Committee Report

By Beverly Pardini and Marylou Allen

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 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.

Wed.-Fri., May 14-16

Spend two nights at the cozy Carson Valley Inn in Minden, Nevada; next day, a tour of the Nevada State Museum in Carson City (formally the Carson City Mint). Included: picnic lunch in the historic town of Genoa and Basque dinner in Gardnerville.

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



Retirement Committee Report

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

RECCSF members enthusiastically greeted guest speaker SFERS Executive Director **Jay Huish** at our Jan. 8 general membership meeting. Here are highlights from Huish's presentation, as well as from the SFERS Board's Jan. 15 meeting.

Plan performance

Plan value as of 12/31/2013 is \$18.7B—yet another record—with six months' fiscal year-to-date (FYTD) earnings of 11%. Stocks—comprising 55% of the total portfolio—earned 17% and are the biggest drivers behind banner returns. Huish stated that the Plan requires a \$19.4B market value of assets to be fully funded.

It's official—no supplemental COLA in the current fiscal year (FY 2013/14)

At its Jan. 15 meeting, the SFERS Board majority accepted consulting actuary Cheiron's recommendation not to pay our FY 2013/14 supplemental COLA. Even though 6/30/2013 excess earnings of \$862M were more than enough to pay the supplemental COLA, it won't be paid because the market value of assets ratio as of 7/1/2012 was only 78.9%, missing the 2011 "Prop. C" 100% funding requirement. Commissioner *Herb Meiberger* was the only dissenting vote to Cheiron's recommendation. He said that legislation, such as the 2011 "Prop. C," does not have the right to deny promised benefits to Plan beneficiaries.

Economic assumptions for next fiscal year, FY 2014/15

Every year, actuaries estimate future economic trends—guidelines against which actual

economic performance is measured. The SFERS Board may accept or amend these estimates. Estimates are long term but are changed over time as real-world events require. The most important assumption is the **discount rate**, a measure of expected return on investments; we retirees know it as the point where excess earnings begin, one determining factor for our supplemental COLA. Second is **price inflation**, projections of cost of living; third is **wage inflation**, projections of wage growth. Price inflation and wage inflation go together in predicting wage increases, specifically used in collective bargaining. *All three assumptions become part of the City's annual contribution rate. If that rate is high, taxpayers are on the hook, and—subsequent to 2011—City workers' take-home pay is reduced by escalating benefit costs.*

Last year, the Board accepted Cheiron's recommended FY 2013/14's discount rate of 7.58%, price inflation of 3.33%, and wage inflation of 3.83%. This year, at its Jan. 15 meeting, the Board, by a three to two vote, rejected Cheiron's lowered discount rate, 7.50%; price inflation, 3.25%; and wage inflation, 3.25%. Why? Because they agreed with Commissioner Meiberger's analysis: Recent earnings—13% in FY 2012/13 and 11% to date in FY 2013/14—don't justify a reduction in FY 2014/15 estimated earnings; and an aggressive diversified portfolio such as SFERS', with large commitments to private equity, should keep earnings at the high end of other pension funds. Also, the Board agreed that economic indicators and anecdotal evidence don't presage a reduction in inflation. Meiberger estimates that the City

will save between \$80M-\$100M by keeping FY 2014/15's rates the same as FY 2013/14's.

New deputy director of investments

SFERS is pleased to announce that, effective 1/30/2014, **William J. Coaker, Jr.**, will become the permanent deputy director of investments. Coaker worked for SFERS from 2005 to 2008 as senior investment officer. He subsequently became manager of public equities at the University of California. At its Jan. 15 meeting, the Board thanked Interim Deputy Director of Investments **Robert Shaw**, who will return to his former position as SFERS managing director of public markets.

Other Points of Interest:

- Pressure persists from individuals and political figures for SFERS to divest of its fossil fuel investments, valued at about \$500M. Commissioner Meiberger and selected SFERS staff—at this writing—are scheduled to attend a Jan. 25 local conference sponsored by proponents of fossil fuel divestment.
- Two large new investments approved: first, Divco West Fund IV up to \$50M to fill tech industry's burgeoning need for office space in San Francisco and other large U.S. cities; second, DFJ Venture XIL.P—up to \$25M in early stage, mostly U.S.-based, tech companies that develop contemporary electronics, such as robotics.

Questions? Comments? Contact Herb at herb.sf@gmail.com, Jean at jeansthomas@yahoo.com, or (415) 665-4149. Stephen is temporarily on leave recuperating from a knee operation, and we hope to have him back with us soon.

Membership Committee Report

By Mary Anne McGuire-Hickey
Chair

I am finally able to announce the results of the membership benefit survey printed in the September RECCSF newsletter.

I joined RECCSF because I wanted to:

Primary response: Find out about my benefits and how they're protected.

What I would like to see at monthly meetings:

Primary response: Presentations on benefits and COLA updates.

Second response: Presentations on changes within City departments.

Third response: Presentations on San Francisco and state history.

Other responses:

- Presentations from fellow retirees on their former work experiences;
- More social gatherings that include organized host lunches either free or at reduced senior rates;
- Transportation to and from monthly meetings, with special services;
- Possible city field trips: i.e., ferry building history walks, high-rise garden tours; AT & T park tours;
- Union of retirees, or San Francisco version of AARP;

- Presentations on political and special interest group activities that affect retiree interests; and
- Latest information on how Covered California health care plan affects retirees.

The results were along the same lines as predicted by many Membership Committee members.

The difficulty is that we are losing annual, life, and emeritus memberships; they decreased by 153 in the past year, alone.

The bottom line is that we will not be able to continue our operating practices at our current rate unless fresh ideas are introduced that engage present, and capture the interest of future, City retirees.

Talking Money With Your Mate

By Casey Mysliwy,
Marketing Specialist

February is the month for exchanging cards, flowers and chocolates with your "significant other." This time around, you might want to consider sharing something that could strengthen your bond for many more years to come: your views on money.

If money causes rifts in your relationship, here are a few ideas for getting on track:

- **Have the money talk.** Set aside time to discuss finances. Own up to issues, such as bankruptcy or debt. Even if you're a spender and your significant other is a saver, an honest discussion can pave the way for compromise.
- **Put some rules in place.** If you each maintain your own finances, draw up a list of shared expenses so there's

no ambiguity about who pays for what. If you combine finances, agree to discuss any purchases over a certain dollar amount with your partner. You can also use The Big Picture, San Francisco Federal Credit Union's budget tracking tool, to monitor shared spending habits and set financial goals for both of you to work toward together.

- **Get help from a third party.** You might want to work with a financial advisor who can mediate your discussion. Members of San Francisco FCU have access to free sessions with our financial advisors. They can help you and your "other half" create a successful financial strategy. We're here to guide you toward financial harmony with your partner. Call or stop in to learn more about workshops, products and services, that can help.

No Man Is An Island

No man is an island,
Entire of itself,
Every man is a piece of
the continent,
A part of the main.
If a clod be washed away
by the sea,
Europe is the less.
As well as if a promontory
were.
As well as if a manor of
thy friend's
Or of thine own were:
Any man's death
diminishes me,
Because I am involved in
mankind,
And therefore never send
to know for whom the
bell tolls;
It tolls for thee.

— John Donne
(1572-1631)

News & Views

February 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, Feb. 12

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

Executive Board Meeting

Tuesday, Feb. 18

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

March Deadline:

• Friday, Feb. 14
5:30 p.m.

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

**Visit our Web site:
sfretirees.org**

**RECCSF office
e-mail address:
reccsf@att.net**

Welcome, New Retirees

Upcoming General Membership Meetings

Wednesday, Feb. 12

Join us on the *real* date of Abraham Lincoln's Birthday when Claudia Reinhart, recreation supervisor for the San Francisco Recreation and Parks Department, will talk about programs and plans for the department. She will focus on senior and family programs. She will also give the news on the senior week at Camp Mather. Claudia is currently supervising the Senior Center, Sharon Art Studio, the day camps, and is creating a new program for middle-school students in eco-adventures and environmental education. *Don't miss it!*

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.