



# NEWS & VIEWS

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

## President's Message

By Claire Zvanski

As I begin my tenure as your president, I am looking forward to an exciting next two years as we begin our outreach to retirees who have not yet discovered RECCSF. To start, I intend to schedule meetings in Marin, the East Bay, San Mateo, and Vallejo. Of course, we will still continue our San Francisco meetings, but it is also important to serve members for whom coming into the city is not an option. Please contact me and let me know where you are located. I also need to locate recent retirees who don't know we exist.

I'm also interested in members' ideas as to what would make RECCSF a more relevant organization; for example, one

member is suggesting a hiking group. What new and exciting RECCSF activity would catch your interest?

New challenges abound, but can't succeed without your involvement. Both Jean Thomas and I need other members to join us at meetings in order to learn how to follow our benefits boards—most critical to us now as retirees. We offer exciting and interesting opportunities to learn the world of investing or navigating health care.

All ideas welcome. Please feel free to contact me at [czvanski@hotmail.com](mailto:czvanski@hotmail.com), with subject line "RECCSF news."

Thank you in advance for your support and encouragement as I venture forth to lead RECCSF.

See you in July!

### A NOTE FROM LINDA TABOR-BECK, "FRUGAL FEW" COMMITTEE CHAIR

To all members who attended the June 4 Luncheon & Installation...

Thank you for your enthusiastic support of the annual raffle, headed by the amazing Carol Cochran.

We were able to give out a total of eight envelopes of cash—totaling \$200—which means that you helped make a contribution to RECCSF of over \$200.

You folks are just the greatest!

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## July/August 2014 Calendar

### Regular Meeting

Wednesday, July 9  
Socializing and refreshments: 11:10 - 11:50 a.m.  
Program: 11:30 a.m.  
Business meeting: 12 p.m.  
Irish Cultural Center  
45th Ave. & Sloat Blvd.

### News & Views

#### Editorial Committee Meeting

No Meeting in July  
Tuesday, Aug 19, 9 a.m.  
Taraval Police Station  
All interested parties welcome.

#### Executive Board Meeting

No Meeting in July  
Tuesday, Aug 19, 10 a.m.  
Taraval Police Station  
All interested parties welcome.

### Public Meetings:

#### Retired Firemen &

Widows Association  
Thursday, Sept. 18, 1 p.m.  
Irish Cultural Center,  
45th Ave. & Sloat Blvd.

#### Veteran Police Officers

Tuesday, July 8, 11 a.m.  
Pacific Rod & Gun Club,  
520 John Muir Dr., at Lake Merced

#### Retirement System

Wednesday, July 9, 2 p.m.  
30 Van Ness Ave., Suite 3000

#### Health Service System

Thursday, July 10, 1 p.m.  
City Hall, Room 416

#### UESF Retired Division

For time/location, contact Diane Doe at (415) 822-2099 or [Ddoe@mac.com](mailto:Ddoe@mac.com).

#### SEIU 1021 West Bay

Retirees Chapter  
Monday, July 21, 12-2 p.m.  
Union Hall, 350 Rhode Island St.,  
100 South Bldg.  
Contact: Claire Zvanski at  
(415) 341-3085 or  
[czvanski@hotmail.com](mailto:czvanski@hotmail.com).

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## New Members

Mary Marzotto           LBR  
Cornelius Murphy       DPW  
Thomas K. O'Neill       RET

## Opinion

### Retiree Health Care Trust Fund Update

*By Commissioner Ed Walsh*

*(Ed Walsh is a RHCTF Board member speaking in his personal capacity and not on behalf of the Board.)*

#### Recent Developments

Following the City's contracting process, the Retiree Health Care Trust Fund Board (RHCTF Board) selected the Meketa Investment Group as investment advisors to assist the board in investing RHCTF assets outside of the treasurer's office now that fund assets are approaching \$50 million. The board asked Meketa to evaluate investment options, and then narrowed the four options they presented to two: San Francisco Employees' Retirement System (SFERS) passive investments, and CalPERS. At its May 22, 2014 meeting, the board voted unanimously to co-invest RHCTF assets with SFERS.

In other news, the election for the two elected board seats has concluded. I have been re-elected to the retiree seat, and David Salem was elected to fill the active seat vacated by Carol Cypert. (Please join me in thanking Carol for her service to the board.)

If you have any questions or wish to bring matters to the Retiree Health Care Trust Fund Board's attention, please feel free to e-mail me at [walshretiree.health@gmail.com](mailto:walshretiree.health@gmail.com).

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## 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.sffretirees.org](http://www.sffretirees.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](mailto:sheilamullen@mac.com)**

**Sheila Mullen, Editor**  
**RECCSF OFFICERS:**  
**Claire Zvanski, President**  
**Linda Tabor-Beck, First Vice President**  
**John Madden, Second Vice President**  
**Secretary**  
**George Lau, Treasurer**  
**Leo Martinez, Sergeant-at-Arms**

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## Rest In Peace

The following members have recently passed away.

Harold E. Danicourt	HHP	Wayne L. Lile	FIR
Norbert D. Dunham	AIR	Bernard Maguire	FIR
Lynn J. English	REC	William F. Schmidt	POL
Ming G. Li	DPT	Jack R. Sotter	FIR

# Retirement Committee Report

By Jean S. Thomas and  
Herb Meiberger, CFA

## Basic COLA Increase next fiscal year (FY 2014/15)

Attention: All miscellaneous retirees and new safety retirees (police and fire retirees who were hired on or after 11/2/1976). Look for your 2% inflation-based basic COLA in your 7/31/2014 check and throughout FY 2014/15. Also, an extra 1% will be added to your COLA bank. You can calculate your basic COLA by multiplying the 6/30/2014 gross benefit by 2%. (Old safety retirees: you do not receive this basic COLA. Please ask your professional organizations for details concerning your particular charter-mandated retirement COLAs.)

## Plan performance— all on the upside

Preliminary, gross of fees, results of 5/31/2014: Plan value, \$19.4B (another all-time high!); 11 months' fiscal year to date (FYTD) earnings: 16.8%. (Compare to 4/30/2014: Plan value: \$19.1B, 10 months' FYTD earnings: 14.6 %.) Also, according to Northern Trust's 3/31/2014 report, *SFERS' Trust Fund vs. TUCS Public Funds > \$1B*, SFERS' earnings were first quartile for all time periods except the trailing five years and were above median in all periods going back 15 years.

### Useful Phone Numbers

#### **S.F. Retirement System**

Web site: [www.sfgov.org/sfers](http://www.sfgov.org/sfers)

Phone Numbers:

(415) 487-7000 • (888) 849-0777

#### **Health Service System**

Web site: [www.myhss.org](http://www.myhss.org)

Phone Numbers:

(415) 554-1750 • (800) 541-2266

Phone Hours for both:

8 a.m. to 5 p.m.

## Hedge funds and other investments

Retirees, actives, and organized labor representatives packed the 6/11/2014 SFERS Board meeting to hear—and respond to—investment staff's controversial recommendation to invest 15% of the total portfolio—or about \$3B—in hedge funds. Chief Investment Officer (CIO) **Bill Coaker** presented his case in favor of hedge funds, acknowledging that a miniscule number are worth considering; but that, if properly selected, they provide the necessary risk protection that the Plan needs. After preliminary discussion, Commissioner **Brian Stansbury** (elected representative, active, SFPD) moved that the decision be deferred for 90 days to provide adequate time for actives and retirees to fully understand the proposal. The motion passed.

Following is a summary of board members' ensuing comments: Commissioner **Herb Meiberger** (elected representative, retiree) stated his unqualified opposition to the recommendation, noting that hedge funds fueled the 2008 recession; that they remain high-risk to this day; are not a "hedge" against general market downturns; have failed even when highly-respected professionals and intellectuals were at the helm; and have caused huge losses in public funds that embraced them (example: San Diego). Meiberger suggested that natural resources, such as timber and farmland, would trump hedge funds, and provided historical evidence showing that natural resources had higher returns, lower volatility, and greater diversifying effects than hedge funds over the last 20 years. He also cited Coaker's published research

showing that natural resources provided the greatest diversifying effects among all other asset classes, including hedge funds. Other commissioners' expressed concerns included: need for education on the importance of protecting the Plan against market downturns; for more information on the specific hedge funds staff is considering; for additional staffing costs required to maintain the program; and for research on other public plans' successful hedge fund strategies. One commissioner expressed skepticism about spending so much money "to achieve only 6.5% return."

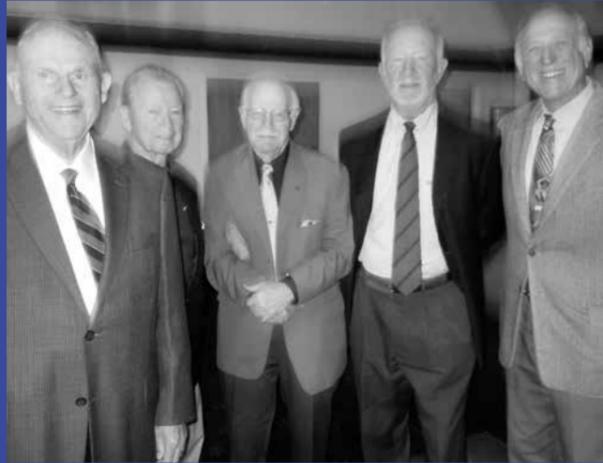
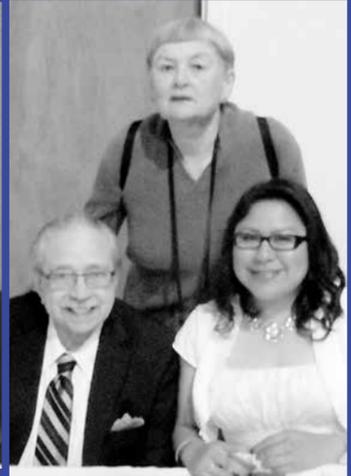
Finally, the Board directed staff to provide additional information in 90 days on hedge funds *as well as* on other commissioner-recommended investment vehicles, such as the aforementioned natural resources.

## Other points of interest

- Under public comment, RECCSF President **Claire Zvanski** questioned the legality of the Board's 5/14/2014 decision to close public attendance for investment discussions/decisions; such actions appear to conflict with the Myers, Milius, Brown Act. Stay tuned.
- SFERS Commissioner **Brian Stansbury's** term will expire in February 2015. An election to fill the vacancy will be conducted in late December 2014. Stay tuned.
- Thanks to all retirees and friends who attended the 6/11/2014 Board meeting. Special kudos to those who spoke up. The Board needs to hear from you more often!

Questions? Comments? Contact Herb at [herb.sf@gmail.com](mailto:herb.sf@gmail.com), or Jean at [jeansthomas@yahoo.com](mailto:jeansthomas@yahoo.com) or (415) 665-4149.

# June 4 Luncheon & Annual Installation



# 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.*

## Retirement Trust

### Fund Newsflash:

**Billions of Our Money being considered for investment in hedge funds!**

On June 11, 2014, the San Francisco Employees' Retirement System Board was prepared to make such an investment.

Without delay upon learning of this agenda item, POB voted to send a letter to Victor Makras, president of the Retirement Board *opposing* the proposed diversion of investments to include

hedge funds, and reminding him that the Commission and staff's role is to secure and protect our trust fund through prudent investing of the pension trust assets.

POB—together with VPOA, Retired Firefighters and Widows Association, and individual retirees also present at the board meeting—demonstrated a united influence to postpone this vote. ERS staff has 90 days to provide facts as to why hedge funds are smart investments.

**You can bring an end to the consideration of this alarming investment strategy, by stating your opposition to hedge fund investments.**

Contact ERS board members and staff by e-mail at *Jay.Huish@sfgov.org*; by telephone at (415) 487-7000; or by mail at SFERS, 30 Van Ness Ave., Suite 3000, San Francisco, CA 94102.

**SFERS Executive Director:**  
*Jay Huish*

### Board members:

*Victor Makras, President  
Supervisor Malia Cohen,  
Vice President, at  
Malia.Cohen@sfgov.org,  
Leona Bridges  
Joseph Driscoll  
Herb Meiberger, CSA  
Wendy Paskin-Jordan  
Brian Stansbury*

### Writ of Mandate Update

Our legal team continues its due diligence on our behalf. An emphasis that can be made in the reply brief or the amicus briefs is the fact that Prop. C, in regard to the Supplemental COLA provision was the intent of the 2008 voters when there is no such intent expressed in the 2008 language adopted by the voters, no such intent set forth in the 2008 Voters Pamphlet, and no such implementation of the "fully funded" requirement by the Retirement System which implemented the supplemental COLA when the system was not fully funded.

*Your continuing contributions towards POB's continued efforts are greatly appreciated. Please make your check payable to Protect Our Benefits, (POB), P.O. Box 320057, San Francisco, CA 94132. Your donation is not tax deductible under federal or state law.*

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## Travel Committee Report

By Beverly Pardini  
and Marylou Allen

### Wed.-Fri., Aug. 6-8

Stopping at Chukchansi Gold Resort & Casino in Coarsegold. Before arrival, a stop in Modesto at Sciabica & Sons Olive Oil Company for tasting. Next day, Yosemite visit to Inspiration point, Bridal Veil Falls & Half Dome; lunch included. Before return, a stop at Hilmar Cheese Factory for brief tour & lunch on your own.

### Wed.-Fri., Aug. 27-29

BBQs are being fired up and ribs are on the grill as the "Best in the West" Rib Cook-off begins at the Nugget. Stay two nights at the Silver Legacy in Reno and enjoy plenty of time to sample those delicious ribs on the second day in Sparks. Visits to two additional casinos included.

### Thurs., Sept. 11

Moments in Time, as presented by the Senior Citizens of Santa Cruz, will razzle-dazzle you with delightful singing, high-step dancing; all to familiar music we know and love. Before performance, enjoy lunch at the Crows Nest overlooking the Santa Cruz Harbor.

### Mon.-Thurs, Sept. 15-18

Board the motor coach for relaxing journey to "Sin City," Las Vegas. Spend three nights at the Golden Nugget Hotel/Casino downtown, where three buffet breakfasts are included each morning. Afternoons and evenings free to enjoy a show, visit the strip, or relax poolside.

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

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## Letter to the Editor

### Editor:

Would folks be interested in joining a walking/hiking group? If so, the first hike would meet in front of the Ferry Building on Wednesday, July 16, at 11 a.m., and walk along the Embarcadero from the Ferry Building to AT&T Park.

If interested, please contact the undersigned at [annetlonich@att.net](mailto:annetlonich@att.net) or (510) 234-4305.

*Sincerely,  
Member Annette Lonich*

# Money-Smart Travel

By Casey Mysliwy,  
Marketing Specialist

Your bags are packed and you're ready to embark on those retirement travel plans. But don't go into vacation mode just yet. Before you depart, make sure your money is just as ready to travel as you are.

Follow these tips to prepare and protect your finances for travel:

- **Limit what you bring.** Pack only the cards you'll need, and keep the others—and your checkbook—at home. Stick

to your ID or passport, two credit cards, a debit card for ATM visits, and a photocopy of your health-insurance card.

- **Pack backup.** Make copies of your debit card, health insurance card, credit cards, passport, and other important documents. Bring the copies with you to keep locked in your hotel safe. They'll come in handy if an item is lost or stolen.
- **Give a heads-up.** Inform your credit card companies and financial institutions of your travel plans. Provide dates

and countries you'll be visiting. At San Francisco Federal Credit Union, we make it easy: Just fill out the Travel Notification Form on our Web site. This way, we'll know it's you making vacation purchases—and not an identity thief.

Wherever you're headed, we can help you get organized. We'll also keep a close eye on your accounts and credit cards so that you can enjoy your vacation. To learn more, contact us at (415) 775-5377 or [Contacts@SanFranciscoFCU.com](mailto:Contacts@SanFranciscoFCU.com).  
*Bon voyage!*

## Health Service Committee Report

By Claire Zvanski

This was the last rates and benefits meeting setting final rates for plan year 2015. The final calculation (\$567.80) of the charter mandated 10-county survey was approved for submission to the Board of Supervisors. This is the only employer-required contribution toward health care costs for retirees. It is calculated on medical care rates, exclusive of dental or optical care. We, the members, are required to pay the difference between this amount and the rates as determined by HSS after the rates and benefits process.

The final Blue Shield retiree rates were approved. The Medicare rate has minimum increases for members in covered zip code areas. Early retiree (below age 65) rates are combined with active rates. There will be increases for members with dependents.

Kaiser Medicare rates are lower, and those with dependents will appreciate the decrease. Early retirees are rated with actives, and Kaiser is giving a 2% decrease for two years (so these members will appreciate no change for 2015 and 2016).

All HMOs offering Medicare Advantage have not yet had their

rates confirmed by Medicare. The rate proposals consider the risk of claims against continuing good health. Kaiser is the most optimistic. All of these rates decreased the City's GASB (Government Accounting Standards Board) liability that was used to establish the Retiree Health Care Trust Fund, and also used politically to blame the rising costs of retiree benefits.

Both City Plan Medicare and early retiree rates realized significant decreases. President Breslin commented that these rates are lower than Blue Shield's rates.

Rates for dental were also finalized with the changes reported in previous articles. Vision benefits are on a two-year rate guarantee through 2015.

***The major challenge now remaining is the HSS budget. The City is recommending an annual cut of nearly \$400,000, despite the fact that HSS saved the City \$20.3 million. Service cuts to members will result.*** Unfortunately, it will be too late to contact your supervisor by the time this issue is printed.

It is commonly known that stress and depression impact overall health, which doesn't disappear with retirement. So, if you are looking for Zumba,

Yoga, nutrition coaching, belly dancing or more, then check out the schedule at the new HSS Wellness Center at 1145 Market St., San Francisco.

Lastly, congratulations to appointed commissioners Jean Fraser and Randy Scott, recently elected new commission president and vice president, respectively.

Questions? Comments? Contact Health Service Committee Chair Ray Mason at (650) 344-1506, or Claire Zvanski at [czvanski@hotmail.com](mailto:czvanski@hotmail.com) or (415) 341-3085.

### Dear Members,

There are no words to express my gratitude for all the gifts you showered on me at the luncheon. I was very surprised and humbled by your generosity, and I appreciate all that you have given me over the years. I look forward to sitting with you at future meetings and really getting to know you.

Thank you again for six years of support, best wishes and ideas, and giving me your time and talents. They have been most appreciated.

Past President  
Sue Blomberg

## News & Views

July/August 2014

Volume 115, Number 7

Sheila Mullen, Editor

Office: (415) 681-5949

Fax: (415) 681-5398

Office e-mail: [reccsf@att.net](mailto:reccsf@att.net)

**Executive Board Meeting**  
**No Meeting in July**

**Next**

**Executive Board Meeting**

Tuesday, Aug. 19, 10 a.m.

Taraval Police Station

2345-24th Ave.

All interested parties welcome.

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



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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](mailto:sheilamullen@mac.com)

### *News & Views*

**September Deadline:**

• Friday, Aug. 15  
5:30 p.m.

Please e-mail your articles to:  
[sheilamullen@mac.com](mailto: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, July 9**

Gary Holloway will return to tell us all about San Francisco history from the Earthquake and Fire of 1906 to the present.

**No meeting in August.**

### **Wednesday, Sept. 10**

*Program change, due to critical member discussion re proposed \$3 billion Retirement System "hedge fund" investments. Retirement Board reps invited to explain. Details in Page 3 Retirement Report. It's your money. Be there!*

### **Wednesday, Oct. 8**

RECCSF Health Fair  
Health/dental/vision care providers present, as well as November ballot candidates and issue representatives.

### Regular Meetings

**Second Wednesday of each month**

Refreshments available: 11:10 – 11:50 a.m. • Program: 11:30 a.m. • Business meeting: 12 p.m. • Bingo: 12:45 p.m.  
United Irish Cultural Center, 45th Ave. & Sloat Blvd.