

Official Publication of the Retired Employees of the City and County of San Francisco

NEWS & VIEWS

A MEMBERSHIP ORGANIZATION WORKING FOR ALL CITY RETIREES

How to Stay Healthy During Flu Season

By Margaret O'Sullivan, R.N., M.B.A.
Health Promotion and Wellness Plan
Coordinator, Health Service System

Influenza (flu) is a serious contagious disease that can lead to hospitalization, and sometimes even death. "Flu seasons" can vary and flu infections can affect people differently. Healthy people can get very sick from the flu and spread it to others. During a regular flu season, about 90% of deaths occur in people aged 65 and older. The flu season ranges from early October through late May. During this period, flu viruses are alive and circulating in the population. People with flu can spread it to others—up to about six feet away—through coughs and sneezes. A seasonal flu vaccine is the best way to protect yourself from getting the flu and spreading it to others.

Stay healthy This Flu Season by:

- *Getting your annual flu shot.* The single best way to protect against the flu is to get vaccinated each year. Get a free flu shot at any of the HSS Flu shot clinic locations. For site locations, check out the flu shot flyer at http://www.myhss.org/downloads/wellness/2014_09_FluShotFlyer.pdf.
- *Cover your cough and wash your hands often, since flu virus is mainly spread through coughs and sneezes.* These are important everyday steps that can help stop the spread of germs.
- *Be aware of your health and prevent the spread of the flu to your loved ones.* Most healthy adults may be able to infect others beginning one day before symptoms develop, and up to five to seven days after becoming sick.

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Retirement Committee Report

By Herb Meiberger, CFA, Claire
Zvanski, and Herbert Weiner

Fiscal Year 2015/14 Earnings:

- Three months into FY 2014/15, earnings were down 1.1%; Plan Value of \$20.1 billion. Alternative assets performed the best, earning 4.65%, while international stocks lost 3.1%.

Asset Allocation and Hedge Funds—The Continuing Saga

- President Victor Makras stated he recently learned that Angeles manages a hedge fund, the *Angeles Absolute Return Fund LTD*, valued at \$267 million, registered in the Cayman Islands. President Makras stated his concerns "about the decision not to disclose the existence of this hedge fund in the materials Angeles submitted to the Retirement Board regarding the asset allocation recommendation, since Angeles is recommending that the Board include hedge funds as part of the Retirement System's asset allocation for the coming three years." President Makras continued "characteristics of potential hedge funds," and "asset allocation recommendations" to the "call of the chair."
- In public comment, Sylvia Alvarez-Lynch provided a petition of 100 signatures opposing hedge funds. Richard Hack mentioned the disasters at CalPERS, and the corrupting effect of high fees, opposing hiring managers involved with organizations such as StudentsFirst and the Manhattan Institute (which actively advocate the dismantling of defined benefit plans, like ours, and favoring defined contribution

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November 2014 Calendar

Regular Meeting

Wednesday, Nov. 12

New permanant time!

Refreshments & program: 10:15 a.m.

Business meeting: 11 a.m.

Irish Cultural Center

45th Ave. & Sloat Blvd.

News & Views

Editorial Committee Meeting

Tuesday, Nov. 18, 9 a.m.

Taraval Police Station

All interested parties welcome.

Executive Board Meeting

Tuesday, Nov. 18, 10 a.m.

Taraval Police Station

All interested parties welcome.

Public Meetings:

Retired Firemen &

Widows Association

Thursday, Nov. 20, 1 p.m.

Irish Cultural Center,

45th Ave. & Sloat Blvd.

Veteran Police Officers

Tuesday, Nov. 11, 11 a.m.

Pacific Rod & Gun Club,

520 John Muir Dr., at Lake Merced

Retirement System

Wednesday, Nov. 12, 1 p.m.

New address!

1145 Market St., 6th Floor

Health Service System

Thursday, Nov. 13, 1 p.m.

City Hall, Room 416

UESF Retired Division

For time/location, contact

Diane Doe at (415) 822-2099 or

Ddoe@mac.com.

SEIU 1021 West Bay

Retirees Chapter

Monday, Nov. 17, 12-2 p.m.

Union Hall, 350 Rhode Island St.,

100 South Bldg.

Contact: Claire Zvanski at

(415) 341-3085 or

czvanski@hotmail.com.

Retirement Committee Report

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plans). Marguerite Young reiterated SEIU's request of 7/8/14 urging the Board to provide an objective analysis of hedge funds. Members cited high fees, high risk, and lack of transparency.

CIO's Report:

- Chief Investment Officer (CIO) William Coaker stated interviews are underway to hire the *Senior Portfolio Manager, Fixed Income*, and *Senior Portfolio Manager, Public Securities*.
- The CIO stated concerns about valuations for stocks and bonds. The current bull market in stocks is the third longest in time, and fifth highest in price. The CIO believes interest rates will rise "thoughtfully." The CIO stated SFERS is over-weighted in stocks. As of 9/30/14, SFERS held 52.9% in global equities; at the high end of the range of 40% to 54%, above our target of 47%.
- Commissioner Meiberger stated he favors selling stocks and raising cash earmarked to pay benefits, and encouraged the CIO to present a recommendation. In 2008, SFERS' cash account was frozen, forcing the sale of depressed assets to pay benefits.
- The CIO mentioned CalPERS' divestment of hedge funds due to complexity and costs, and stated: "Hedge funds are not meaningfully more complex than private equity, real assets, and even some fixed income strategies."
- The CIO affirmed that hedge fund managers accurately represent their performance and strategies. Commissioner Meiberger disagreed, citing Securities and Exchange Commissioner Drew Bowden's remarks on the SEC's two-year investigation of hedge funds, finding cases "where potential investors were given only the most favorable description of past performance rather than full disclosure of winning and losing bets," and "examples of hedge funds presenting modeled or back-test perfor-

mance as actual results and flipping between valuation methodologies," and "illegal collection of fees or severe compliance shortfalls in more than half of the firms it has examined since 2012."

- Asked if the CIO would support a consultant investigating the opposing side of hedge funds, he stated: "I am the independent arbiter" and "I am not here to advocate hedge funds."
- The CIO mentioned that money was taken from Prima Advisors, one of the best-performing fixed income managers.
- The CIO reported that investments in FirstMark Capital, OpenView Venture Partners IV, and DC Ventures, approved in private session, have been consummated.

Other Items of Note:

- *Executive Director Jay Huish noted that the Retirement System would move to its new offices at 1145 Market St. on Monday, Oct. 27. (Friday, Oct. 24 was its last day at 30 Van Ness Ave.).*
- *Deferred Compensation Plan: Participants may invest up to 50% of their account balance in a "self-directed brokerage" account. Now, a participant can hire any registered investment advisor to direct trades among 5,000 mutual funds. District Attorney George Gascón suggested this option two years ago, so thank him for his persistence!*

Questions? Comments?

Contact Herb Meiberger at herb.sf@gmail.com or Herbert Weiner at h.weiner@sbcglobal.net.

Health Service System Report

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- *Seek medical attention if you develop flu-like symptoms. There are prescription medications called "antiviral drugs" that can be used to treat the flu. Antiviral drugs are pills, liquid, or an inhaled powder that fight against the flu in your body.*

For more information about the flu, visit: [htm http://www.cdc.gov/flu/protect/keyfacts](http://www.cdc.gov/flu/protect/keyfacts).

New Members

Elmer R. Carr	MTA
Susan Chelone	FIR

Zoo Tour & Docent Program For Retired City Employees

Wednesday, Nov. 19

San Francisco Zoo

*Event includes tour, light refreshments,
demonstrations & volunteer information.*

Info: (415) 753-7122.

RSVP to docent@sfbzoo.org.

Space limited, so please respond soon!

Rest In Peace

The following members have recently passed away.

Henry Arata	WTR	Chester L. Hamm	DPT
Thomas R. Hall	FIR	Archie D. Spivey	PUC

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. The opinions are those of the writer.

Writ of Mandate Update

At this writing, according to our legal team, POB brief is due on Friday, Oct. 17, 2014 and the amicus briefs are due by Oct. 31, 2014. The Retired Firemen and Widow's Association and RECCSF are filing separate amicus briefs and are working with attorneys to ensure that the briefs are in accordance to the requirements. We are hoping that retired educators will also be able to file an amicus brief. Our attorney is quite familiar with these cases, trusts without a doubt that we have the facts on our side, and remains confident that the appellate court will rule in our favor. On a further note, it has been brought to our attention that the San Francisco Retirement Board is, in fact, setting aside monies in the fund for the purpose of retroactively reimbursing retirees the supplemental COLA for those years we should have received our earned increase.

Retirement Board Update

With the Retirement Board moving to its new location at 1145 Market St.,

Fifth Floor, while under pressure to apply its fullest attention to the matter of trust fund allocations, ERS is occupied with increased pressure to serve members both in daily responsibilities and safe and sound investment policy. The secure investment policy regarding allocating trust fund dollars to hedge funds remains an issue on the ERS discussion and action list. The matter was tabled at the "call of the chair" due to the possibility of a conflict of interest and the ERS investment agency, Angeles. Subsequently, RECCSF and POB are partnering to hold an educational forum to discuss the proposal of a major asset distribution change of including 15% hedge fund allocation. The forum will be held at the regular RECCSF meeting of Nov. 12, 2014 at 10:15 a.m., at the Irish Cultural Center, 45th Ave. & Sloat Blvd., San Francisco.

You are a custodian of our benefits by contributing any amount to POB. Your contribution will help enhance the safeguarding of our earned benefits. Please make your check payable to POB, P.O. Box 320057, San Francisco, CA 94132. Your donation is not tax deductible under federal or state law.



President's Message

By Claire Zvanski

The Oct. 8 General Membership Meeting was a great success! The room overflowed with 120 lively attendees, and it was nice to see so many new faces.

Kaiser reported administering nearly 60 flu shots. This was the first year that free flu shots were available at our health fair; we'll offer the same service next year and hope for even more participants.

As you will note from the Retirement Committee Report, the issue of hedge fund investments remains unresolved. We are planning a program for our Nov. 12 meeting on this subject. It's clear that we *all* need to know more about this issue before the SFERS board votes; it's *our* future that's on the line.

My apologies to RECCSF members residing outside of San Francisco. I have been recently distracted by my service dog Duke's health issues, and hope to be able to meet more of our colleagues in November for coffee or lunch at one of your suggested meeting places.

Finally, we need volunteers to help ensure the success of our Dec. 10 holiday party. If you can help in any way (donations, entertainment, setup, etc.), please contact the committee chair at sheilamullen@mac.com.

Annual Firefighter Toy Program

If you can, please bring unwrapped toys to the Nov. 12 or Dec. 10 meeting, to help disadvantaged kids have a happy holiday. (Checks payable to SFFD Toy Program are also gratefully accepted.) If you are unable to attend, please feel free to drop off your donation at any San Francisco Fire Station.



October Membership Meeting



From left, new members Henry Louie, Steve Low, and Jeannie Low.



From left, Blue Shield info reps Charles Lee and Adam Guenther.



From left, Kaiser info reps Julie Brady and Maryann Philabav.



Delta Dental rep Jennie Quinto.



From left, Kaiser R.N.s Jane Diaz and Joann Daniega gave free flu shots to all RECCSF members in good standing (including Blue Shield and City Plan members). Bravo!



Just a small fraction of the line of RECCSF members lined up to receive their free flu shots. Many thanks to Kaiser for hosting!



RECCSF is seeking donations for our Dec. 10 annual holiday party raffle.

“Cash is king,” and new donated items are also welcome for the raffle.

If you can help, please leave a message **by Nov. 15** at the office: reccsf@att.net or (415) 681-5949.

Box lunches available at Dec. 10 Holiday Party!

Order deadline, Friday, Nov. 28

In response to popular demand, box lunches consisting of *turkey, ham, or cheese* sandwiches and potato salad will be provided at a pre-paid cost of \$15 each.

To reserve a box lunch, please bring a \$15 check payable to RECCSF to the Nov. 12 General Membership meeting, or mail your sandwich choice and check to the RECCF office, Attn. Reyna Kuuk, 3915 Irving St., San Francisco, CA 94122-1294, by Friday, Nov. 28.



A list of prepaid box lunch recipients will be checked off at the holiday party. *No same-day orders will be accepted.*



The usual holiday sweets will be provided for all members.

See's Candy Gift Certificates

**See's
CANDIES**

RECCSF is taking orders for See's Candy one-pound gift certificates at the discounted price of \$17 each. Order by mail, or at the Nov. 12 general membership meeting. Certificates will be distributed at the Dec. 10 Holiday Party.

If you wish your certificate(s) mailed to you, please check the box below, include 10¢ per certificate in your check, and make sure to write your address on the order form. Do not send an envelope—we can't use them to mail the certificates. Certificates not being mailed will be available at the Dec. 10 Holiday Party.

We do not order actual boxes of candy—only gift certificates.

All orders must be received by Dec. 5, and accompanied by a check. No exceptions!

Questions? Contact RECCSF Office Manager Reyna Kuuk at reccsf@att.net or (415) 681-5949.

See's Candy Order Form (Please print!)

Name: _____

Phone: _____

Number of one-pound certificates: _____ @ \$17 per certificate = \$ _____

Attached is my check payable to RECCSF, in the amount of \$ _____

Mail order form and check to: RECCSF, 3915 Irving Street, San Francisco, CA 94122 ATTN: See's Candy

Please mail my certificates to the address below. I have included 10¢ per certificate in my check.

Street address _____

City _____

State _____ Zip Code _____

Retiree Health Care Trust Fund Update

By Commissioner Ed Walsh

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

Recent Developments

At our Sept. 15 Board meeting, I

nominated Pauline Marx for a second term as president. I did so because we are in the middle of negotiations with the Retirement System on co-investing with them, and I felt that at this time we needed someone who is inside—and regularly at—City Hall, and who knows and can meet with the relevant stake-

holders. She was re-elected president unanimously, and I was re-elected vice president unanimously.

The Board also adopted a Board policy manual, including an investment policy statement, and updated the Trust Fund Agreement.

The closing balance of our trust fund for fiscal year 2013-14 was just under \$49 million. This fiscal year's year-end balance is projected to be approximately \$69 million, and the following year—2015-16—is projected to be about \$97 million. These projections are based on our current treasury deposit rate of about 0.7% or 0.8% per year. Once we begin investing in equities we should see those balances rise considerably. The projections for this year and next year represent 25% and 30% of payroll respectively. We can expect the percent of payroll to continue to rise as employees hired before Jan. 10, 2009 leave or retire.

If you have any questions, or wish to bring matters to the Board's attention, please feel free to e-mail me at walsh.retiree.health@gmail.com.

Letters to the Editor

Editor:

Is there some hidden agenda in trying to divert funds to hedge funds when there has been no reform in the industry since the last crash? Are the folks making these recommendations going to get commissions or new jobs at these firms? They won't have to suffer the consequences; we will.

*Ronald Jones
Muni retiree since 2000*

hidden fees. Even CalPERS got rid of their hedge fund investment valued in the billions of dollars. The return on this investment had consistently been lower than the S&P. Let's learn a lesson from them. Apparently common sense is not that common, in regard to our CIO's recommendation.

Phil Guterman

Editor:

Like most people, I am against hedge funds. The management fees are exorbitant, in addition to other

Editor:

I wanted to register with you that I'm against investing in hedge funds. Thank you for registering my opinion.

Daniel Hampton

Retirement System Has Moved!

As of Monday,
Oct. 27, 2014,
their new address is:

1145 Market St.,
Member Services,
Fifth Floor
San Francisco, CA 94103.

Telephone number
remains the same:
(415) 487-7000.

FYI: Board meetings will be held on the Sixth Floor.



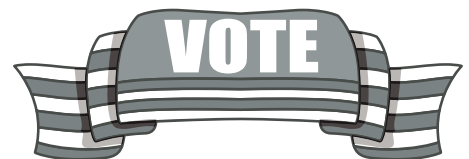
Reminder to provide RECCSF with your e-mail address!

If you have an e-mail address, and are still receiving your copy of *News & Views* by snail mail, please e-mail reccsf@att.net ASAP.

E-mailed copies tend to reach members up to a week before printed copies, which not only ensure timely updates on your current retirement issues, but also help to significantly defray RECCSF postage costs.

Many thanks!

Be sure to vote on or before Election Day,
Tuesday, Nov. 4.



Your vote counts!

Travel Committee Report

By Beverly Pardini and Marylou Allen

Wed.–Fri., Nov. 26–28

Roundtrip motor coach to Reno includes two nights at the Silver Legacy and lavish Thanksgiving dinner buffet. No cooking, no cleanup; just a good time with friends, with visits to two other casinos.

Tue.–Thur., Dec. 16–18

Enjoy the holiday season in style with an unforgettable nostalgic journey

celebrating “The Spirit of Christmas” show, including dinner at the El Dorado in Reno, two nights at the Silver Legacy, roundtrip motor coach & visits to two other casinos.

Sat., Jan. 17

Petaluma’s charitable 7-11 Lions Club members stage their annual Crab Feed, featuring all-you-can-eat Dungeness Crab from Bodega Bay, along with pasta, salad & garlic bread; beer & wine available at additional cost.

Mon.–Fri., Feb. 16–20

Visit Scotty’s Castle, Ubehebe Crater, Zabriskie Point, Badwater and Furnace Creek at Death Valley National Park. Spend one night in Bakersfield with included dinner & breakfast, two nights in Furnace Creek with all meals & local guide, and one night in Minden, Nevada; roundtrip motor coach & baggage handling included.

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

Financially Smart Charitable Giving

By Jude Gogan, Senior Vice President/
Chief Operating Officer

In the spirit of Thanksgiving, you may be planning to make a charitable donation sometime soon. Make sure your money is being used to its fullest capability—and that it’s being used wisely.

Before making your donation, follow these steps to ensure that your contribution will go a long way toward helping someone:

- **Look locally first.** In many cases, it’s easier to see and track where your money is going when you give it to a local charity in your community.

- **Make sure it’s legitimate.** Double-check the legitimacy of a charity by researching it through the Better Business Bureau or CharityNavigator.org.
- **Know how your donation will be used.** Some charities may actually use your donation to help with overhead costs and other expenses. Call your charity of choice to find out if your donation will go directly to the intended cause.
- **Text with caution.** Many charities are making donations easier than ever with text-to-give options. Although texting your donation takes just seconds, don’t let that deter you

from doing your research on the charity’s reputation first.

- **Make your donation tax-deductible.** Get a tax break by donating to organizations that qualify for deductible contributions. Visit IRS.gov and search for “Exempt Organizations Select Check” to find qualified organizations.

Wherever and however you give, we can help you plan and save for your donations. Get in touch with San Francisco Federal Credit Union anytime to learn about products and services that can build your savings and help you support the causes you care about.

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 is only \$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 St., San Francisco, Ca. 94122-1294
Telephone: (415) 681-5949 Fax: (415) 681-5398 • sheilamullen@mac.com

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The month posted on the label
is the date your dues expire.



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 a.m. to 5 p.m.

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Note to members

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

Letters to the Editor of 50 words or less welcome at sheilamullen@mac.com. All letters subject to further editing for space reasons.

News & Views

December Deadline:

☛ Friday, Nov. 14
5:30 p.m.

Please e-mail your submissions 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, Nov. 12

An educational forum on pension plan investment strategies.

It's *your* money. Be there!

Wednesday, Dec. 10

Mark your calendar now for the RECCSF annual holiday party.

