

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

NEWS & VIEWS

A MEMBERSHIP ORGANIZATION WORKING FOR ALL CITY RETIREES

Update from Health Service System Director

By Catherine Dodd PhD, RN

Please remember to look for your “confirmation of benefits” letter from HSS, and make sure that any changes you made during open enrollment are accurate. In 2015, per federal requirements, the Health Service System will change from a “pay in advance” to a “pay as you go” system. This means that your premium payments will coincide with your current pension check. For example, your January pension check (issued at the end of January) will have the deduction for January health coverage. You will not have a health deduction from your December 2014 pension check (issued at the end of December). If you pay HSS directly, you will not be required to make a payment in December 2014.

Reminder: Medicare open enrollment goes through Dec 7. HSS Open Enrollment ended Oct 31. **Do not enroll in a Medicare plan or Medicare will terminate your participation in your HSS plan.**

As we approach the holidays, HSS sends all of you wishes for a healthy season.

Annual Firefighter Toy Program



If you can, please bring unwrapped toys to the 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.

Retirement Committee Report

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

First Retirement Board meeting at new offices!

- The new board meeting room is larger, with windows, and has microphones! Meetings will now be televised at www.sfgovtv.org!

Fiscal Year 2015/14 Earnings:

- Four months into FY 2014/15, earnings were down .36%; Plan value of \$20.2 billion. Returns for October were muted, with the Fund earning .89%.

Asset Allocation and Hedge Funds—The Continuing Saga

- President Victor Makras stated that there will be a special meeting on Wednesday, Dec. 3, beginning at 1 p.m., solely on asset allocation. Hopefully, this will be the final disposition on hedge funds.
- In Public Comment, several people stated their opposition to hedge funds: Sylvia Alvarez-Lynch spoke at the Oct. 8 meeting, and presented a petition of 100 signatures of active members of the Retirement System opposing hedge funds. This petition was not mentioned in the minutes, and she asked the executive director to do so. Ms. Alvarez-Lynch also mentioned that SEIU’s letter to the Board dated 7-8-14 had not been responded to—the content of which asked some questions and requested an independent evaluation of hedge funds. David Williams mentioned that hedge funds are supposed to protect against down markets, but the market and our pension fund

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December 2014 Calendar

Annual Holiday Party

Wednesday, Dec. 10

Gathering & Social Time: 10:15 a.m.

Short business meeting: 10:30 a.m.

Raffle: 10:45 a.m.

Sandwiches & cookies: 11 a.m.

Irish Cultural Center

45th Ave. & Sloat Blvd.

News & Views

Editorial Committee Meeting

No meeting in December.

Executive Board Meeting

No meeting in December.

Public Meetings:

Retired Firemen &

Widows Association

Thursday, January 15, 1 p.m.

Irish Cultural Center,

45th Ave. & Sloat Blvd.

Veteran Police Officers

Tuesday, Dec. 9, 11 a.m.

Pacific Rod & Gun Club,

520 John Muir Dr., at Lake Merced

Retirement System

Wednesday, Dec. 10, 1 p.m.

New address!

1145 Market St., 6th Floor

Health Service System

Thursday, Dec. 11, 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, Dec. 15, 12-2 p.m.

Holiday Lunch

Melanio’s Bistro

1314 Ocean Ave. S.F.

RSVP Claire Zvanski at

(415) 341-3085 or

czvanski@hotmail.com.

Retirement Committee Report

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have recovered; so, “if it ain’t broke, don’t fix it.” Jamilah Din presented petitions with 350 signatures from members at Laguna Honda Hospital and S.F. General Hospital who oppose hedge funds. Sin Yee Poon mentioned that many members opposed hedge funds, yet no one stated favoring them; and also noted that the board did not respond to their concerns—which creates a negative opinion. Kay Walker mentioned the “precautionary principle” of the S.F. Charter, stating that if a policy has potential harm, the burden of proof is on the proponents of that policy. Ms. Walker mentioned CalPERS’ divestment of hedge funds, citing the CIO’s justification of high fees, complexity, lack of transparency, and low returns.

Actuarial Presentation:

- Cheiron, the consulting actuary, made a presentation on the implementation of new accounting standards, as required under the Government Accounting Standards Board (GASB 67 and GASB 68). As of FY2014 (6-30-2014), the “total pension liability” was \$21.7 billion, and the “plan fiduciary net position” was \$19.9 billion. Therefore, the Fund is 91.8% funded, assuming our current return assumption of 7.58%. If the return assumption is 6.58%, the Plan would be 82% funded; if the return assumption is 8.58%, the Plan would be 102.2% funded.

Deferred Compensation (DC) Plan:

- On Oct. 15, the DC Committee (Bridges, Driscoll, Stansbury) discussed PIMCO and the resignation of Bill Gross. PIMCO Total Return Fund is one of the invest-

ment choices in the DC Plan. Participants have \$273 million invested in the \$2.67 billion fund. The Committee recommended the termination of PIMCO Total Return Fund and the selection of Baird Core Plus Bond Fund. At the Nov. 12 board meeting, Anna McGibbons, Angeles Consulting, mentioned the withdrawals from the PIMCO Total Return Fund. Interim Deferred Compensation Manager Caryn Bortnik wrote, “Because Staff and Angeles could not anticipate whether large investors planned to liquidate their holdings, a decision was made to move the assets, effective Nov. 4, 2014.” The Board voted to ratify the decision at the Nov. 12 meeting.

- The DC’s Stable Value Fund is managed by Galliard. Staff and consultant recommended a change in the guidelines so that the fund is “self wrapped,” saving a fee of 2.2 basis points (a basis point is 1/100 of one percent). A “wrapper” is the “insurance” to guarantee that the Net Asset Value (NAV) does not fall below \$1. In essence, we were paying the insurance twice.
- The Mid Cap Value and Mid Cap Growth investment options will be terminated because of low participation rates.

Reporting Requirements:

- Executive Director Jay Huish reported that reporting of Form 700 (Conflicts of Interest) by consultants and others who have fiduciary responsibilities to the Fund has not been consistent. Mr. Huish assured the Board that steps will be taken to ensure consistent disclosures of people acting as fiduciaries to the Retirement System.

Questions? Comments?

Contact Herb Meiberger at herb.sf@gmail.com or Herbert Weiner at h.weiner@sbcglobal.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 a.m. to 5 p.m.

Retirement System Has Moved!

New address:

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.

New Members

Bernard Choden	SCC
William Durkin	FIR
Tim Heffernan	FIR
Daniel Jacobsmeyer	FIR
Shawna McGrew	RPD

Rest In Peace

The following members have recently passed away.

Wesley W. Bright	DSS	Ralph J. Pujolar	FIR
Michael R. Descilo	BOE	Michael Shanahan	WTR
John C. Gleeson	POL		

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.

We protect our benefits by coming together with the significant goal of uniting through our shared values. Actively participating is a necessary aspect to creating our sturdy foundation. When participating there is an additional benefit of developing a community of respect. Our combined wisdom is essential to project our voice to the San Francisco government leaders who make decisions regarding our benefits.

To influence the conversation we must write or call them with our opinions on any key decisions impacting our earned benefits. We must make certain that our concerns are taken into consideration in their decision-making process.

With your backing, POB successfully revitalized the Health Service System through Proposition C in 2005. We also met with labor leaders and elected officials, and thoroughly discussed the ramifications of Prop. C in 2011. Although we did not succeed in our conversations or the ballot, our decision to challenge Prop. C in the courts was an intelligent course of action. As we await the court of appeal's ruling (hopefully by the end of the year), we

continue to move forward.

Knowing the attraction of having fun and the value in recognizing accomplishments, the evening at Sinbad's Restaurant that honored POB's years of public service was the right time to appreciate the continuing efforts of individuals and retiree associations. The evening provided the necessary energy to embark upon the upcoming SFERS vote that will determine whether or not to invest part of our retirement monies in hedge funds.

POB invited Peter Donohue, financial consultant to unions and community groups, to address the RECCSF membership at its Nov. 12 general membership meeting. Mr. Donohue's intelligent presentation on his perspective on hedge fund investing significantly impressed the members, and would not have been possible without the support of the VPOA, retired firefighters, retired educators, retired SEIU, and all concerned RECCSF members.

As we become more aware of the importance of unity with our brothers and sisters—retired and active—we shall all recognize that we unite as *one voice!*

It is an honor to be part of the POB team, which, over the years, has collectively endeavored to live up to your expectations. To ensure ongoing financial support for this important effort, please mail whatever financial support you can afford to POB, P.O. Box 320057, San Francisco, CA 94132.

Thank you!



President's Message

By Claire Zvanski

Noted financial consultant Peter Donohue made a very compelling presentation about hedge funds at our Nov. 12 general membership meeting; an active question and answer session followed. Members were asked to sign one of the two petitions on each table on hedge fund investing: green for "yes," salmon for "no." The petitions will be presented to the SFERS board at its special Dec. 3 hedge fund meeting, along with the flood of e-mails that I am receiving from members on this issue. Keep those e-mails coming!

We are getting closer to holding a meeting in Marin County as our first outreach effort. We will circulate an e-mail blast as details develop, and also depend on you to inform your colleagues without e-mail or who haven't yet joined RECCSF.

Many thanks to all those who have taken up the fight to help protect and defend our benefits; but they can't do it alone, since charters and federal laws change periodically and politically. What do your benefits mean to you? Are you willing to help your colleagues save our benefits?

Retirement is intended to be time for ourselves: travel, golf, grandchildren, etc., with no worries about our pensions or benefits—who knew that there would be attacks on our pensions that would require our constant vigilance?

Questions? Comments? Contact Claire Zvanski at (415) 341-3085 or czvanski@hotmail.com.



Holiday Party Donations Needed!

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 at the office:
reccsf@att.net or (415) 681-5949.

November General Membership Meeting



New LIFE member
Bernie Choden.

Our speaker,
Financial Analyst
Peter Donahue
(shown with RECCSF
President Claire
Zvanski) gave an
in-depth presentation
on his perspective
on hedge funds that
resulted in RECCSF
members sending
a message to the
Retirement Board
stating their unanimous opposition to the
Board's proposal of including any hedge fund
investments in the retirement fund.



New member Dan Jacobsmeyer,
SFFD.



New member Tim
Heffernan, SFFD.

We need
your
e-mail
address!



Member Ruth Silva purchasing
her sandwich choice for the Dec.
10 Holiday Party.



From left, Ralph Pico, John Stenson, Froilan De Guzman,
and Pacifico Paculba, all MUNI.



From left, Tim Heffernan, Willie Durkin, Dan
Jacobsmeyer and Al Rizotto, all SFFD.

Health Service Report

By Claire Zvanski

Communications manager Rosemary Passentino was welcomed back from extended sick leave. New staff was introduced and it was noted that interviews are ongoing to fill remaining vacancies. President Jean Fraser announced her resignation, effective Dec. 31. The mayor's office is seeking a replacement.

The eMerge system continues to present challenges for processing Open Enrollment changes. HSS needs to process over 7,400 actions. Payroll is a critical function, but so is processing health benefits. Calls and in-person assistance totaled 10,247 during October. Flu shot worksite clinics served a record 2,742 employees and retirees, including the RECCSF Health Fair.

Members note: now that HSS is on a "pay as you go" basis instead of the pay in advance basis, there will be one free premium month, exclusive of Medicare premiums. Watch for a "premium free" September 2015; coverage will not be affected.

Commissioner Breslin continues to monitor access to urgent care facilities for Blue Shield and City Plan members. The number of available urgent care facilities has increased. This is a significant improvement in less expensive medical care. There is also an ongoing national effort to provide mental health services on par with medical services. Finally!

Questions? Comments? Contact Claire Zvanski at (415) 341-3085 or czvanski@hotmail.com.

Message from Your RECCSF Executive Board

The Retired Employees of the City and County of San Francisco organization (RECCSF) is committed to providing valued information to our members on the many issues that directly affect our retirement. We are dedicated to keeping you aware of the actions and decisions of the health service and retirement commissions that directly affect your health care and retirement benefits.

All city workers, active and retired, are affected by these decisions; we must be in a position to let our voices be heard as these decisions are being made.

Please help us to achieve universal outreach to retired city workers who have not yet become RECCSF members. Ask your retired friends if they are members, so that they can receive updates. Also, ask your retired friends to lend their voices to ours so that we may be able to present our concerns to the health service and retirement commissioners.

Please have your retired friends contact RECCSF at reccsf@att.net or (415) 681-5949 to find out how they can become members and receive ongoing updates on the actions and decisions of the health service and retirement commissions.

There is strength in numbers!

Best Practices for Personal Safety on the Street

Abridged Information from SF Safe

- To maximize your personal safety, prepare for safety before leaving home.
- Limit your valuables by carrying only what you need for the day; place them close to your body.
- Never leave valuables unattended.
- When on the street, be alert and aware at all times.
- Do not carry handbags strapped across body; place under the arm, and release when grabbed to prevent being pulled to the ground in an assault.
- Have your fully-charged cell phone easily accessible in case you need to call 911.
- Let someone know your itinerary and the time you are expected to return.
- Walk with others when leaving a building or location on well-travelled, well-lit streets—not through parking lots or alleys.
- Get to know the stores and public buildings along your route.
- Digital music players (and iPhones) are common targets of thieves and robbers; wearing headphones or ear buds greatly reduces your ability to sense potential danger.
- On public transportation, have your money or Clipper Card ready. Do not fumble with your wallet or purse; you may draw the attention of a pickpocket.
- Never discuss personal information (money, account number, etc.) near strangers.
- ATM transactions should be made inside a store or at well-lit and visible locations. Shield the keypad as you enter your PIN, take your receipt, and put the funds into your pocket or purse immediately.
- Carry a whistle; if you feel uncomfortable or threatened seek help immediately.

**Mark your
calendars!**

**All RECCSF
General
Membership
Meetings
now begin at
10:15 a.m.**

How to Protect Yourself from Burglars

Submitted by Ray Favetti

Most burglars are opportunists; they want an easy way to get into your house, to quickly find something of interest, and to exit without being caught. We can reduce the possibility of burglary by making your home less desirable and accessible.

Keep vegetation around the house trimmed to eliminate potential hiding spots; burglars do not want to be seen.

Invest in high-grade locks, such as quality dead bolt locks.

Keep windows locked; double paned windows are more difficult to break.

Cancel newspapers, have mail held, and arrange to have your grass mowed.

Burglars look for vacant houses; to give the impression that house is occupied keep on a radio or put your lights on a timer.

Burglars look where folks tend to hide their valuables; top shelves of closets, dresser drawers, under the mattress. Be creative where you place your valuables and make it difficult for the thief to find them. For more security, invest in a good safe that can be bolted to the floor.

Join a neighborhood watch, since burglars avoid close-knit communities. Contact your local police for referrals.

Create a "defensible space." Exterior motion lights, cameras and alarms are good deterrents, as well as allowing you to qualify for homeowner insurance discounts.

Rein In Holiday Spending

By Karen Johnson, Branch Manager
San Francisco Federal Credit Union

In addition to giving gifts, are you giving yourself a pile of debt to deal with after the holidays? When we hit the crowded mall surrounded by other enthusiastic shoppers, it can be easy to overspend.

There are ways to keep spending in check. It just takes a little planning and creativity:

- **Shop from a list.** Before you shop, create a total budget you plan to spend on gift-giving this year. Then, divide that amount among your gift recipients. You can use The Big Picture, our personal financial management tool, to create and track your budget.
- **Schedule your shopping.** Get your shopping on the calendar for early

this month, and visit stores at off-peak times, like weekdays.

- **Change up family gift-giving.** Suggest drawing names instead of buying gifts for every member of your extended family. Or get everyone on board to donate to a specific charity or cause.
- **Start saving for next year.** Don't get caught off-guard when next year's holiday season rolls around. Open a Directed Savings Account at the Credit Union today, and start contributing to your 2015 gift-giving fund.

We can help you control your holiday spending this year. Contact us to learn about other products and services we offer that can save you money this season.

Travel Committee Report

By Beverly Pardini and Marylou Allen

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.**

In Shakespeare's time, mattresses were secured on bed frames by ropes. When you pulled on the ropes the mattress tightened, making the bed firmer to sleep on. Hence the phrase..... "goodnight, sleep tight."



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 postal 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!

OPINION

A Personal Perspective on Hedge Funds

By John Madden

I am concerned about efforts to urge the Retirement Board to reject a policy of rebalancing our investments via the use of hedge funds without knowing more about the potential investment strategy or control mechanism. Currently, we are over-exposed to risk in both global investments and U.S. equities. These are quite volatile; and, if there was a major correction in the global economy, we could lose a large amount of our \$19 billion fund balance.

Currently, we are allocating 25% of the portfolio to bonds; again, in many minds, an over-allocation of assets.

Realignment of fund assets to meet the challenge of meeting the required rate of return (7.58%), while protecting against less volatility than we now have, is of prime importance to preserve our investments.

We should be urging the Retirement System to increase our investment in strategies that have good expected returns, and reducing our allocation to bonds.

If we could find a hedge fund that returned 9% with investment strategies and costs contained within set parameters controlled by the Retirement Board, it could be a suitable investment to protect our benefits in the near future.

It's wonderful to see current double-digit increases in investments, but over the long term —our life spans and those of the currently active employees—it is much better to have a solid and sustainable investment growth.

LETTERS TO THE EDITOR

Editor:

No, No, a thousand times No!
Hedge funds are historically a higher risk investment; they have no place in our retirement portfolio.

The CIO claims he is not recommending investment in hedge funds; then who is?

*m.f. gates, UEB/SFWD
retiree since '88.*

Editor:

With a \$19 billion plus and an \$18% return currently in the S.F. pension fund, how could Commissioners

Joe Driscoll and Wendy Paskin-Jordan state that they had “no objection to hedge funds” when these funds, historically, would be nothing but a potential financial disaster to SFERS?

How could anyone support these hedge funds when their managers could receive 35% of the returns? What kind of a foundation would this be for all of our future and current retirees?

*Respectfully,
Mike Gautier*

1999 Parks and Recreation retiree

Editor:

Hedge funds are being proposed as a means of protecting our Retirement Fund in times of recession and downturn.

There are investments that can accomplish this purpose without the exorbitant expenses and fees that hedge funds entail.

Not all hedge funds succeed—and, if they fail, we will be in deep liguine!

Herb Weiner

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

Sheila Mullen, Editor

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Sheila Mullen, Editor
Office: (415) 681-5949
Fax: (415) 681-5398
Office e-mail: reccsf@att.net



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



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

Executive Board Meeting

No Meeting in December

Next

Executive Board Meeting

Tuesday, Jan. 20, 10 a.m.

Taraval Police Station
2345-24th Ave.

All interested parties welcome.

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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

January Deadline:

☛ Friday, Dec. 12
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, Dec. 10

Annual Holiday Party

Gathering & Social Time: 10:15 a.m.

Short business meeting: 10:30 a.m.

Raffle: 10:45 a.m. ❄️ Sandwiches & cookies: 11 a.m.

❖ Educational programs being planned for early 2015. Stay tuned! ❖

