

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

# NEWS & VIEWS

A MEMBERSHIP ORGANIZATION WORKING FOR ALL CITY RETIREES

## Health Service Committee Report

By Claire Zvanski

Commissioner Willie Lim was unanimously re-elected without opposition for another five-year term.

The rates and benefits process has begun! The required “blackout period” was announced, applying to all vendors and potential vendors for medical and vision benefits, as well as to the board. That means all communication on matters pertaining to HSS, except during board or committee meetings, is forbidden. (This is standard procedure.)

Certain administrative fees are being minimally increased for the first time in three years. The bigger question is: How will the ACA (Affordable Care Act) employer’s 40% excise tax be applied and how will that impact member rates? Early retirees—those under 65—are rated with the actives. That means their rates remain relatively high, and that the union contract offsets no longer apply; they will feel the impact of the excise tax the most.

The actuaries presented background for **City Plan**, noting the membership numbers of both actives and retirees. Their recent data shows cost trends to be slightly increasing for actives and early retirees, with flat trends for Medicare retirees; these trends impact rates.

Dr. Catherine Dodd spoke about the well-being assessments related to heart health in the workplace. She stated that well-being assessments are improvements over health assessments and disease management. At the March 11 RECCSF General Membership Meeting, members will be invited to participate in the “Shape Up Walking Challenge,” that supports retiree well-being.

Blue Shield was asked to comment

*continued on page 2*

## Retirement Committee Report

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

**Great News! Your pension fund is 94% funded based on market values!**

The Retirement Board approved the 2% *Simple COLA* for all eligible members, effective July 1, 2015. The COLA is benchmarked to the SF Bay Area Consumer Price Index CPI, which was 2.67% for the year ending December 2014. So, the excess—or 1%—is “banked.” In addition, the Board approved an *Employer Contribution Rate of 22.80% of salary for FY2016*, down from 26.76% for FY2015. The City will contribute about \$527 million, down from \$610 million last year.

“**Hedge Funds**” was the hot item on the agenda. The Board took public comment for nearly two hours, with comments from proponents and opponents. Commissioners Driscoll and Stansbury made statements, while all others asked questions of staff and addressed issues brought forward by the speakers. Commissioner Meiberger asked if the managers would be fiduciaries to our Fund and comply with the Employee Retirement Income Security Act of 1974 (ERISA). Chief investment Officer (CIO) Bill Coaker, said “no,” while Leslie Kautz, the general consultant, said “maybe.” Staff’s recommendation had two choices:

- 10% investment in hedge funds (down from the original 15%, or \$3 Billion), or an
- “Alternative policy” of 5%.

Commissioner Stansbury moved to support staff’s “Alternative Policy.” In addition to an initial allocation to 5% “**Hedge Funds**,” “**Real Assets**” (“Real Estate,” “Natural Resources,” and “Infrastructure”) would be increased from

*continued on page 2*

## March Calendar

### Regular Meeting

Wednesday, March 11

*New permanent time!*

Business meeting & program: 10:15 a.m.

Irish Cultural Center

45th Ave. & Sloat Blvd.

*News & Views*

### Editorial Committee Meeting

Tuesday, March 17, 9 a.m.

Taraval Police Station

All interested parties welcome.

### Executive Board Meeting

Tuesday, March 17, 10 a.m.

Taraval Police Station

All interested parties welcome.

### Public Meetings:

#### Retired Firemen &

#### Widows Association

Thursday, March 19, 1 p.m.

Irish Cultural Center,

45th Ave. & Sloat Blvd.

#### Veteran Police Officers

Tuesday, March 10, 11 a.m.

Pacific Rod & Gun Club,

520 John Muir Dr., at Lake Merced

#### Retirement System

Wednesday, March 11, 1 p.m.

*New address!*

1145 Market St., 6th Floor

#### Health Service System

Thursday, March 12, 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, March 16, 12-2 p.m.

Union Hall, 350 Rhode Island St.,

100 South Bldg.

Contact: Claire Zvanski at

(415) 341-3085 or

*czvanski@hotmail.com.*

## Health Service System Report

continued from page 1

on the data breach within Anthem. It was noted that Blue Shield of California is a separate and distinct entity—with no direct ties to Anthem Blue Cross/Blue Shield. Blue Shield representatives will continue to monitor this situation, in case traveling members treated out of state were impacted.

Three proposed bills in Sacramento could directly impact HSS services. SB 137 requires health care service plans and insurers to make provider directories available on their websites and to update the directories weekly, indicating if providers are open to new clients. SB 26 is similar to the Leno transparency bill from the last session. SB 125 would change the timing of open enrollment periods, but it is unclear if it would apply to HSS or if it is only for Covered California.

Finally, Dr. Dodd presented the HSS June 2013–December 2014 annual report. Members are encouraged to acquire copies when it becomes available, as it is a most informative document. (To acquire copies, contact HSS at (415) 554-1750 or [www.myhss.org](http://www.myhss.org).)

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

### Member Alert!

In order to ensure that you receive your e-mail copy of *News & Views*, please be sure to add [reccsf@att.net](mailto:reccsf@att.net) to your computer contact list; this will ensure that your electronic copy does not get deposited in your spam folder.

## 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.

### New Members

Anna M. Payne	SHF
Alexandra Vernikova	DOE

## Retirement Committee Report

continued from page 1

12% to 17%, while **Stocks** would be lowered from 47% to 40%, and **Fixed Income** lowered from 25% to 20%. This asset mix would lower the “risk,” or standard deviation, from 11.28% to 11.04%; and risk was not adjusted due to the higher illiquidity from selling stocks and bonds in favor of hedge funds. Staff’s complete justification for hedge funds is to lower the risk and protect the Fund in severe bear markets, and this mix is expected to lower the “risk” by 2.13%. This recommendation was “without specificity”; i.e., no recommendation as to how the investment would be governed. “Direct” means that staff would hire a new hedge fund consultant, and staff would recommend and hire managers, most likely in closed session. “Fund of funds” means that staff would hire a consultant, who would hire and fire specific hedge fund managers. The Board would specify the types of hedge funds, after the governance of the investment program is determined. The CIO was adamant that he did not want anything specified as to the management of the program; he wanted an “open mandate.” In past presentations, both the CIO and general consultant have

stated that “direct” is the better approach. A Request for Proposal (RFP) will be issued within 60 days to consider proposals for both “direct” and “fund of funds.” The RFP would come back to the Board for its review and approval.

Many members, both retired and active, spoke vehemently against hedge fund investing. David Williams (SEIU 1021) submitted another 800 petitions—raising total to over 3,000 signatures—protesting hedge fund investing. Claire Zvanski reminded the Board of RECCSF’s position opposing hedge funds. She stated the process remains upside down and backwards, as the Board has not established basic guidelines nor have governance policies been determined. Tom O’Connor (Firefighters Local 798), Mike Hebel (POA), and Chris Seville (IFPTE Local 21) spoke in favor of hedge funds.

After four hours, the vote was taken, which passed six to one (Meiberger dissenting).

*Thank you all for your interest in this important matter!*

Questions? Comments? Contact Herb Meiberger at [herb.sf@gmail.com](mailto:herb.sf@gmail.com) or Herbert Weiner at [h.weiner@sbcglobal.net](mailto:h.weiner@sbcglobal.net).

### Rest In Peace

The following members have recently passed away.

Dorothy L. Banks	FIR	Genevieve Miller	BOE
John A. Burke	CON	Yolanda A. Mizera	DPH
Raymond M. Capella	FIR	Josephine M. Murphy	CRT
Sam G. Chew	ASR	Gladys Thomas	DPT
Shirley Cottonham	DPH	Vivian Tyrrell	DPT
Jacqueline Gabbay	DPW	Willie W. Williams	DPT
Rex C. Keller	DPH		

# President's Message

By Claire Zvanski

The HSS 2015 demographic summary is complete. We learned that 94% of our retirees live in California, with 83% in Bay area counties: San Francisco, San Mateo, Contra Costa, Alameda, Marin, Sonoma, and Solano. Over 12,000 CCSF retirees reside in San Francisco with another 6,300 in San Mateo County. I have high hopes of connecting with retirees in neighboring counties, now that the hedge fund issue is resolved. (See the Retirement Report on Page 1) of this issue.

We **must** move forward into the 21st century! If you have web design skills or can help us set up a Facebook page, please let us know. Although we recognize we have members who do not have computers, we have no choice except to publish *News and Views* electroni-

cally; it's a matter of fiscal austerity. (However, in consideration of longtime members who do not have access to computers, mailed printed copies will still be provided without extra charge on a case-by-case basis.)

Like many membership organizations, our expenses exceed our income. This is the most pressing challenge facing your executive board. If our efforts on your behalf have proved valuable, **please** consider donating. If you are a lifetime member, **please** consider paying annual dues.

Also, we are determined to offer stimulating programs on post-retirement issues of interest to our members, and welcome your ideas.

We are currently accepting nominations for our executive board, and would welcome your participation; it's a great way for new members to become



involved in the organization.

We know that you have the unique skills to help RECCSF expand and thrive. This is **your** organization. Please help us stay relevant!

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

## Protect Our Benefits

By Sharon Johnson

*Protect Our Benefits is an independent political action committee which falls under the provisions of the San Francisco Ethics Commission. The opinions are those of the writer.*

### Writ of Mandate

Our attorney has advised POB that oral arguments are set for 11 a.m. on Thursday, Feb. 26, at 350 McAllister Street, Fifth Circuit Court.

Generally, the court allows 15 minutes for oral arguments. The judges frequently ask questions following the presentations. Although it is common practice for the court to have a written decision prepared, it is always possible for the court to modify the prepared decision after hearing the oral arguments. It is expected a decision will be released a few days after oral arguments. If the court rules in favor of Protect Our Benefits, it is of general thought that the City will not pursue the matter. If you are available, please join us on Feb. 26. According to our attorney, there is an additional slice of fascinating news that the California Judges Association has filed a lawsuit similar to ours. Retired

jurists, who were getting a COLA when they retired, had it terminated through recent negotiations. They are now suing the state for their COLA.

### SFERS Hedge Fund Vote

The Retirement Board of the San Francisco Employees' Retirement System voted six to one on Wednesday, Feb. 11, to place five percent of its \$20 billion portfolio in hedge funds, a much smaller investment than its staff recommended last year. As reported in the *San Francisco Chronicle*, "It will reduce the target allocation for U.S. and foreign stocks to 40 percent from 47 percent, increase private equity investments to 18 percent from 16 percent,

increase real assets including real estate to 17 percent from 12 percent, reduce bonds and other fixed income to 20 percent from 25 percent and increase hedge funds to five percent from zero."

**Cast a brighter light on POB by viewing POB at "protectourbenefits, city and county retirees"—POB's new Facebook page. Visit Facebook and/or website for update on lawsuit.** We are reaching out again for your financial support to continue our mission to protect 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.*

### 2015 RECCSF New Executive Board Member Election!

RECCSF is currently soliciting members to run for the Executive Board, either as board members or officers (*especially Secretary*); 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 Leo Martinez at (415) 533-8785 or [martinezleosr@yahoo.com](mailto:martinezleosr@yahoo.com).

# February General Membership Meeting



*From right: Speaker Sandra Halladey, accompanied by co-speaker Peter Tannen, gave an in-depth presentation on the Osher Lifelong Learning Institute's programs at San Francisco State University. (See separate box on Page five in this issue for more information on these exciting programs.)*



*New member Anna Payne (Sheriff's Dept.).*



*From left: longtime refreshment volunteers Ellen Shanahan, Pat D'Arcy, and Josephine Healey. (Pat will be leaving us soon to move to Fresno.)*



*From left: members Barbara Hughes, Debbie Alexander, and Pacifico Paculba enjoying the meeting.*



*Members Sonia and Tommy Ng.*



*Sign-in volunteers Thomas Dang and Claire Hackett.*



*New member Alexandra Vernikova (Elections).*

## Errata

We regret that an incorrect e-mail address appeared in the *printed copy* of the February *News & Views Membership Report*. The *correct address is: reccsf@att.net*. We were able to correct the error in time for release of the e-mail copy.

*Editor's Note: If you were an e-mail subscriber, you would have received the corrected copy by Feb 2!*

## San Francisco and Marin Add Second Area Code

Remember to preface the phone number with area code 415 if you are contacting HSS Member Services at (415) 554-1750. Effective Feb. 21, 2015, there will be two telephone area codes in San Francisco and Marin: (1) (415) and (1) (628).

For more information, visit [sanfrancisco.cbslocal.com/2014/08/09/local-callers-must-dial-415-when-area-code-628-debuts-marin-county/](http://sanfrancisco.cbslocal.com/2014/08/09/local-callers-must-dial-415-when-area-code-628-debuts-marin-county/)

## Editor's Note:

We urge more submissions from our members—both letters to the editor and articles—that reflect the varying opinions of *all* our members on issues of interest to all City retirees. Submissions are printed on a space-available basis and subject to being edited for grammar, length, and appropriate language; but *never* rejected for opinion.

## Attention—RECCSF members still receiving their copies of *News & Views* by U.S. mail!

In order to provide a greater range of information and remain within our allotted dues revenue, we are moving to an e-mail version of *News & Views* that will also enable you to receive current information on developing retirement or health care topics.

In order to receive your monthly copy by e-mail—if you have not already provided the office with this information—please sign up immediately at [RECCSF@att.net](mailto:RECCSF@att.net).

*If you wish to continue to receive a hard copy of News & Views by the U.S. Postal Service, it will become necessary to charge \$25 per year to defray escalating printing and mailing costs; effective July 31, 2015, you will be charged this increase.*

*(Exemptions may be made, on a case-by-case basis, for members not having access to computers.)*

## Experience the Joy of Learning at Osher Lifelong Institute!

Osher Lifelong Learning Institute's Spring Session starts the week of April 6, with programs that include many stimulating lectures and discussions—but no homework and no tests—such as, *Surrealism in France and 100 Fateful Years: Russia in an Era of Reform and Revolution, 1825-1925*.

For more information on course membership fees and locations, contact [olli@sfsu.edu](mailto:olli@sfsu.edu) or (415) 817-4243. An immediate response is recommended, because class sizes are limited to 42 participants.

*Note: the Web Site also lists other free and moderately priced films, activities, and performances, etc., offered by San Francisco State University.*

## 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](mailto: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!

## Travel Committee Report

By Beverly Pardini and Marylou Allen

### Sunday, April 5

In the heart of the Sierra Foothills, in the town of Murphys, lies the beautiful Ironstone Vineyards. Built in the style of a 19th-century gold stamp mill, their heritage Museum is home to a 44-lb. Crystalline Gold Leaf specimen, the largest in the world. Enjoy a bountiful Easter Sunday brunch, with time to browse their gift shops and visit the wine tasting room before heading home.

### Wednesday, April 22

Located in the heart of California's wine country at Safari West, a 90-minute ride exploring the Sonoma Serengeti on an African wildlife safari, alongside romping herds of exotic wildlife. Buffet lunch included, with time to visit the gift shop and live gentle animals. Safari West is fully accredited by the Association of Zoos and Aquariums.

### Wed.- Fri., May 20-22

Two nights at the Carson Valley Inn. Trip starts with a scenic ride through the Lake Tahoe region and into the Carson Valley. On second day, trip to Virginia City; includes a lavish tea at the Historic Fourth Ward School House. Return home on the third day through Reno, with stop at the Silver Legacy.

### Sun.-Tue., July 12-14

Attendance at *The Pageant of the Masters* in Laguna Beach, where this year's theme is "The Pursuit of Happiness," exploring the many sources of happiness—both ancient and modern—through "living pictures"; includes two nights at the Embassy Suites in Anaheim, a visit to the California Space Center to see the Endeavor, and dinner at the Tivoli Restaurant.

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

## Handling Cash Flow Changes

By Bernadette Bardine,  
Richmond Branch Manager  
San Francisco Federal Credit Union

With ever-increasing gas prices, we're all feeling the pain in our budgets. The extra money we're putting into the gas tank is coming from somewhere—where are you feeling the squeeze? Have you cut back on \$3 coffees and dining out? Have you decided to take a less expensive vacation? Are you supplementing your income with credit cards?

Cash flow changes, whether due to the cost of fuel, the cost of healthcare, reduced income, or a life change such as marriage or divorce, affect us all. These changes can be stressful because they make us feel out of control. You

can take control, however. Assess the situation by examining your income, withholdings, assets, expenses, and debt. We can help you design a budget, complete with an action plan that will serve as a tool to guide you through the cash flow change.

Cash flow changes can be expected as we journey through life's different stages and challenges. Facing the cash flow change early and getting professional advice is the best way to weather any financial storm.

The San Francisco Federal Credit Union is here to help you through difficult financial times. Contact us to learn about products and services that can save you money and get you back on track.

### Abbreviated Financial Statement for RECCSF For the Fiscal Year ended July 31, 2014

<b>Revenue:</b>		
Membership Dues	\$39,643.00	
Contributions	9,331.32	
Other	5,724.22	
		\$54,698.54
<b>Expenditures:</b>		
Bulletin	\$21,880.84	
Meeting & Office Expenses	41,677.60	
Other	10,685.39	
		\$74,243.83
Deficit for the year		(\$19,545.29)
		=====

Your RECCSF is dedicated to providing you with important and vital decisions from the Retirement and Health Service boards, as well as on other issues that affect you as City retirees.

Like many membership-based organizations, our expenses exceed our income. We rely upon your dues and generosity to continue our mission.

Please consider donating or establishing a gift-planning or endowment program to help defray our costs and allow us to continue to serve you.

Thank you.

## LETTERS TO THE EDITOR

Editor:

The most recent Retirement publication created an illusion that Blue Shield was a victim of Sutter Health.

In fact, we retirees are the victims of Blue Shield's incompetence, greed and betrayal of "open enrollment" contracts.

They—Blue Shield—have selected to not accept Sutter's proposal to maintain present agreement in place (through 12/31/2015). We should consider filing a class action suit against our own Retirement System and Blue Shield for breach of contract.

Am I the only person who feels this is incompetence to parade Blue Shield employees' photos as the good guys?

*Daniel P Daly  
Former Chief Investment Officer  
Treasurer's office*

*Editor's note: The writer appears to be referring to the most recent HSS publication, not the Retirement Board's.*

Editor:

What does the retirement fund gain from Supervisor Malia Cohen's initiative to invest \$50 million of retiree funds into the City's first time homebuyer programs? Sounds like a "feel-good" for Malia.

Still, *no-no-no* on hedge fund involvement.

*M.F. Gates,  
retiree - SFWD/UEB*

## Blue Shield and Sutter Health Reach Agreement

Good news for HSS members enrolled in Blue Shield. A two-year contract between Blue Shield and Sutter Health was signed, effective Feb. 1, 2015. This means that Sutter hospitals and doctors will continue to participate in the Blue Shield network. There will be no changes required for HSS members who have chosen Sutter Health doctors, or who have access to Sutter hospitals, based on their current plan enrollment.

Blue Shield information:

[blueshieldca.com/employer/knowledge-center/features/sutter.sp](http://blueshieldca.com/employer/knowledge-center/features/sutter.sp)

Sutter Health information:

[sutterhealth.org/blueshield/index.htmlp](http://sutterhealth.org/blueshield/index.htmlp)

*Editor's Note:*

*If you were an e-mail subscriber, you would have received this news on Feb. 2!*

## RECCSF Executive Board Report

The Board adopted the Membership Committee report regarding cost-saving suggestions from electronic newsletter and other budget cuts.

New FY 2014-2015 budget dues increase: \$48 annually, \$600 lifetime; to be voted on by the membership at the Wednesday, April 8 General Membership Meeting.

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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 is only \$36 per year.
- Please download membership application form from our Web site, [www.sfretirees.org](http://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](mailto:sheilamullen@mac.com)  
Sheila Mullen, Editor

## News & Views

March 2015

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Sheila Mullen, Editor

Office: (415) 681-5949

Fax: (415) 681-5398

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



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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

Tuesday, March 17, 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](mailto:sheilamullen@mac.com). All letters subject to further editing for space reasons.

### News & Views

April Deadline:

Friday, March 13  
5:30 p.m.

Please e-mail your submissions to:  
[sheilamullen@mac.com](mailto:sheilamullen@mac.com).

Visit our Web site:

[sfretirees.org](http://sfretirees.org)

RECCSF office

e-mail address:

[reccsf@att.net](mailto:reccsf@att.net)

# Welcome, New Retirees

## Upcoming General Membership Meeting

Wednesday, March 11

Two speakers!

Older Adult Program at City College

Health Service System Wellness Program