

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

The Health Service Board held a special board forum instead of a regular business meeting.

- The program began with a review of fiduciary standards and board member roles presented by Deputy City Attorney Erik Rapoport, who regularly advises the board. The city charter, California constitution, California Uniform Prudent Investor Act (UPIA), and the Employee Retirement Income Security Act of 1974 (ERISA) were quoted. The prudent person standard was emphasized. Other important points involved: resolving all issues “solely through the department head or his/her designees”; resolving appeals within 60 days; and seeking independent advice where the board might determine the need to exercise its fiduciary duties.
- Board actuaries AON Hewitt outlined the trends impacting future premium costs. In 2015 Millennials became the new majority. They are 53.5 million compared to 44.6 million Baby Boomers (most of us), and 52.7 million generation Xers. They have no interest in retirement and prefer a consumer-centric model for selecting health benefits (won't pay for what they don't perceive they need). Curiously, half of all working adults ages 50-64 say they will delay retirement and another 16% say they never expect to stop working. By 2020, women will be the majority, and minority workers will increase to 37% of the workforce. It was also pointed out that many plans are consolidating, which limit options

*continued on page 2*

## Retirement Committee Report

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

### Fiscal Year 2016/15 Earnings:

- The Fund earned 3.79% in October, erasing losses of the previous three months. SFERS' U.S. stocks earned 7.84% for the month, and international stocks earned 6.95%.
- The market value of the Fund was \$20.4 billion on Oct. 31, 2015, and FYTD earnings were -.49%.

### Public Comment on the Protect Our Benefits (POB) Lawsuit

- POB's lawyer, David Clisham, and many members made public comments requesting that the Retirement Board not discriminate against approximately 8,000 members retiring before Nov. 6, 1996, as to receiving certain supplemental cost of living adjustments (COLAs). Speakers included Larry P. Barsetti, Richard Kosta, Elmer Carr, Don Scheppler, Lauren O'Leary, Lois Scott, Sharon Johnson, Claire Zvanski, Joseph Asaro and Herbert Weiner.
- Speakers requested that the Retirement Board seek independent counsel, as POB sued the City, represented by the city attorney.

### Employee and City Contribution Rates are adopted!

- Since you are a member of a defined benefit (DB) plan, assumptions are required to fully fund the pension to pay your promised benefits.
- The Board adopted the following economic assumptions: “actuarial return” of 7.5%, “price inflation” of 3.25% and “wage inflation” of 3.75%. These are the same assumptions that were adopted last year.
- Janet Brazelton, SFERS's *actuarial*

*continued on page 2*

## December Calendar

### Annual Holiday Party

Wednesday, Dec. 9

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

Short business meeting: 10:30 a.m.

Raffle: 10:45 a.m.

Luncheon: 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, Jan. 21, 1 p.m.

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

### Veteran Police Officers

Tuesday, Dec. 8, 11 a.m.

San Francisco Scottish Rite  
Masonic Center,  
2850 19th Ave. & Sloat Blvd.

### Retirement System

Wednesday, Dec. 9, 1 p.m.

1145 Market St., 6th Floor

### Health Service System

Thursday, Dec. 10, 1 p.m.

City Hall, Room 416

### UESF Retired Division

For time/location, contact

Diane Doe at 1 (415) 822-2099 or

*Ddoe@mac.com.*

### SEIU 1021 West Bay

### Retirees Chapter

Monday, Dec. 21, 12-2 p.m.

Holiday Luncheon

R.S.V.P.: David Williams

1 (415) 939-5149 or [iamdhw@comcast.net](mailto:iamdhw@comcast.net).

## Retirement Committee Report

continued from page 1

services coordinator, and Cheiron, the consulting actuary, presented the Demographic Experience Study. The report analyzed the “experience analysis” over the last five years. The key finding was that members live longer. Therefore, contribution rates must rise by about 3.5% of salary to be phased in over the next five years. The contribution rate for FY 2016 was estimated at 22.8% of salaries, a decrease from the previous year.

### Good of the Order

- Commissioner Meiberger cited several unanswered important inquiries from member Sai Orr posed at board meetings and in emails. He requested expeditious responses.
- Commissioner Makras cited staff’s inability to fill nearly a dozen positions that have remained unfilled for several years.
- Commissioner Makras stated concerns about the custody bank’s (Northern Trust) securities lending program, and presented a list of questions to the executive director for answers at the December meeting.
- Commissioner Makras expressed his loss of confidence in staff’s ability to manage hedge funds. He cited delays in selection of the committee (Only four of five members have been selected.), hiring staff, reviewing the requests for proposals (RFPs), and staff’s earlier commitment to invest by November 2015.
- Commissioner Makras requested that staff bring a recommendation in December to redeploy the \$1 billion allocated to hedge funds to protect the Fund in a bear market.
- Commissioner Meiberger cited Gretchen Morgenson’s Nov. 6, 2015 article in *The New York Times*—*A Hedge Fund Sales Pitch Casts a Spell on Public Pensions*—that stated: “Hedge funds have reduced diversifying effects, and are more uncorrelated with the market.” The Pulitzer Prize winner cited the American Federation of Teachers’ report—*All That Glitters Is Not Gold*—that stated: “Ten of the 11 pension funds reviewed in the report demonstrated significant correlation between the performance of the hedge funds they invested in and the performance of the overall fund. The similar returns occurred even during the 2008 crisis, the study found.” The report also noted that manager fees were 57¢ out of every dollar in net returns to the funds.
- Staff’s entire basis for recommending hedge funds is that they diversify and will protect the Fund in a bear market.

Questions? Comments?

Contact Herb Meiberger at [herb.sf@gmail.com](mailto:herb.sf@gmail.com), Herbert Weiner at [h.weiner@sbcglobal.net](mailto:h.weiner@sbcglobal.net), or Claire Zvanski at 1 (415) 341-3085 or [czvanski@hotmail.com](mailto:czvanski@hotmail.com).

### New Members

|                    |     |                  |     |
|--------------------|-----|------------------|-----|
| Daniel R. Arellano | MTA | Shirley M. Green | FCS |
| Paul Chignell      | POL | David H. Jensen  | USD |

## Health Service Committee Report

continued from page 1

and reduce the leverage of large employers.

- HSS presented a compelling comparison of health benefits in the nine Bay Area counties. Our benefits continued to come out on top for all categories. The full report is available online, but it is 150 pages long!
- Specialty medications are driving the costs of prescriptions, and health plans are struggling to balance these increasing costs with improvements in treatment. Cost-tiering is the current solution. Kaiser is an exception, with only two tiers; look for Kaiser to introduce additional prescription cost tiers in the future.
- Effective in 2018, a 40% Excise Tax will be imposed on high cost employer health care benefits (Cadillac Tax) above a preset threshold. Threshold for single employee/retiree: \$10,200; early retirees and high risk professionals (police, fire): \$11,800; employee and retiree family: \$27,500; early retiree and high risk professionals: \$30,950. The threshold is the full cost of the medical plan/coverage, not household income. The HSS board continues to seek creative options to limit this tax.
- Calendared issues not covered at this meeting will be addressed in future meetings.

Questions? Comments? Contact Claire Zvanski at 1 (415) 341-3085 or [czvanski@hotmail.com](mailto:czvanski@hotmail.com).

### RECCSF Secretary Position Vacant

A great opportunity to become more involved and meet other members.

Responsibilities:  
taking monthly board and general meeting minutes.

If interested, please contact Claire Zvanski at 1 (415) 341-3085 or [czvanski@hotmail.com](mailto:czvanski@hotmail.com).

### Rest In Peace

The following members have recently passed away.

|                    |     |                    |     |
|--------------------|-----|--------------------|-----|
| Ursula E. Becker   | POL | Alan T. Johnson    | POL |
| Kathleen H. Crowe  | PTC | Thomas Low         | CRT |
| Doris Dulcich      | REC | Leo J. Mc Allister | POL |
| Muriel Hawkins     | GEN | Josephine T. Mohr  | CRT |
| Pauline L. Jang    | CRT | James W. Popoff    | FIR |
| Virginia J. Jessup | GEN | Maryanne Sporman   | DPW |

# President's Message

By Claire Zvanski

2015 has been a trying year. RECCSF made a number of cost-cutting decisions to stay viable as your primary benefits information source and representative, and supported the Protect Our Benefits (POB) lawsuit to restore the supplemental COLA threshold in the charter that was eliminated by Proposition C.

*But the year isn't quite over.*

- We are not sure if we will be able to organize meetings in neighboring counties, but are still committed to doing so.
- We are also committed to identifying more recent retirees and encouraging them to join RECCSF; there is strength in numbers.
- About 8,600 of our retiree colleagues might not have the supplemental COLA restored for them; these members deserve our support and representation. We will continue to represent them and urge the Retirement Board to “do

## Nov. 17 Board Meeting Actions

- Unanimously endorsed Joseph Driscoll for reelection to Retirement Board.
- Approved funds up to \$2000 for purchase of new printer for RECCSF office.

the right thing”: follow the charter, and restore the supplemental cola for *all* members of the Retirement System.

- We are only as strong as our membership. We need your participation and support to fill the Secretary position, and would like you to consider joining our board, as well; *you* keep us relevant and viable.
- *If planning to attend the Wednesday, Dec. 9 RECCSF Annual Holiday Party, please RSVP the RECCSF office at 1 (415) 681-5949 or [reccsf@att.net](mailto:reccsf@att.net) by Wednesday, Dec. 2, to help us plan for adequate refreshments.*

*Happy holidays! Our wish for all our members is that 2016 should bring us all more joy and prosperity.*

Questions? Comments? Contact [czvanski@hotmail.com](mailto:czvanski@hotmail.com) or 1 (415) 341-3085.



## Save the Date!

### Wednesday, Dec. 9, 2015

### RECCSF Annual Holiday Party Hosted Refreshments

The RECCSF Board will be hosting tea sandwiches, and fruit and vegetable platters at no cost to members!

Please RSVP to the RECCSF office at  
1 (415) 681-5949 or  
[reccsf@att.net](mailto:reccsf@att.net) by Wednesday, Dec. 2.

If planning to attend, please RSVP by Wednesday, Dec. 2,  
to help us plan for adequate refreshments.

**If you know of any recent retirees, please invite them to join us at the party.**

# November General Membership Meeting



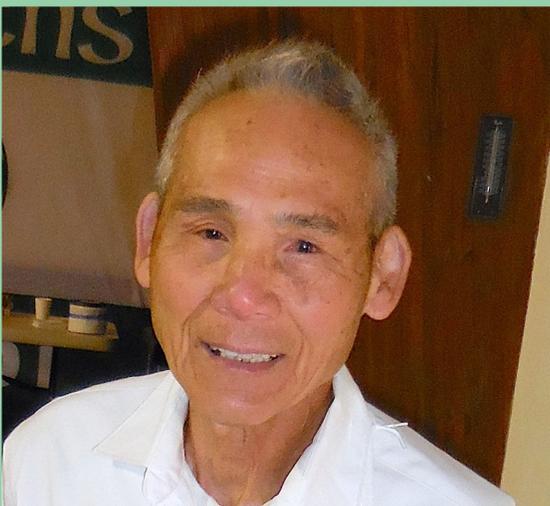
*New member Jim Kimball, SFFD.*



*Jan Casazza, "Road Scholar" volunteer ambassador, give a comprehensive presentation on the many travel and educational opportunities available through this organization. [www.roadscholar.org](http://www.roadscholar.org)*



*Linda Tabor-Beck conducting her popular grocery store gift card raffle.*



*Member greeter volunteer Thomas Dang.*



*RECCSF raffle volunteer Leo Martinez.*

# *Holiday Party Raffle Donations Needed!*

RECCSF is seeking donations for our  
Dec. 9 annual party raffle.

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

If you can help, we have several options  
on how to connect with us:

- Drop off cash or items to  
Mary Anne McGuire-Hickey by  
**Thursday, Dec. 3;**
- leave a message at the office: [reccsf@att.net](mailto:reccsf@att.net) or  
1 (415) 681-5949; or
- contact Mary Anne McGuire-Hickey at  
1 (415) 467-6862, who can arrange for pickup.

*Thank you!*



## **Useful Phone Numbers**

**RECCSF Office**  
Email: [reccsf@att.net](mailto:reccsf@att.net)  
Website: [sfretirees.org](http://sfretirees.org)  
Phone Number:  
1 (415) 681-5949

**S.F. Retirement System**  
Website: [www.sfgov.org/sfers](http://www.sfgov.org/sfers)  
Phone Numbers:  
1 (415) 487-7000  
1 (888) 849-0777

**Health Service System**  
Website: [www.myhss.org](http://www.myhss.org)  
Phone Numbers:  
1 (415) 554-1750  
1 (800) 541-2266

# Protect Our Benefits

By Skip McKinney

*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.*

On Oct. 15, 2015, the final proposals for judgment in the Proposition C lawsuit brought by Protect Our Benefits (POB) against the City and County of San Francisco (CCSF) were heard in the courtroom of Superior Court Judge Mary Wiss.

On Oct. 26, 2015 Judge Wiss issued her ruling and a writ. She denied both the POB and CCSF proposals for judgment and issued a judgment that parallels the appellate court decision. The resulting writ to CCSF is to pay supplemental COLA retirement allowances for 2013 and 2014 and in

the future—without regard to Prop. C—and to pay all back allowances with interest. The writ applies to CCSF employees who retired after 1996. The writ does not include those who retired before Nov. 6, 1996.

The writ orders CCSF to file to the writ on or before Dec. 2, 2015 showing what it has done to comply with the writ; the hearing regarding compliance with the writ will be held on Wednesday, Dec. 9, 2015, at 1:30 p.m., in Dept. 305 of the Superior Court, 400 McAllister St., San Francisco.

The writ does not prohibit the Retirement Board from including the pre-1996 retirees in the supplemental COLA without the fully funded condition. The Retirement Board *must* follow the charter, and the charter contains no language imposing the fully funded condition on pre-1996 retirees or excluding them from the supplemental

COLA.

POB attorney David Clisham has been directed to explore any and all avenues that would bring the pre-1996 retirees in line with the post-1996 retirees. He is working on a theory that the San Francisco Employees' Retirement System (SFERS) *must* grant the Supplemental COLA to *all* retirees because the San Francisco Charter has not been changed as a result of the court's ruling. Mr. Clisham strongly feels that there hasn't been a change to the charter and that SFERS cannot discriminate against the 8,305 pre-1996 retirees based on retirement dates.

SFERS is expected to issue back pay with interest within the next two months to those who retired after Nov. 6, 1996. Further efforts to aid the pre-1996 retirees—if necessary—will not prevent the payment of back pay and interest to those who retired after Nov. 6, 1996.

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## Is It Time for a Financial Checkup?

By Jude Gogan,  
SVP & Chief Operating Officer  
San Francisco Federal Credit Union

Financial fitness is more than just having a savings account or being debt free; it's an overall concept that ranges from knowing how much income you need to achieve your goals to how much money you will need to retire comfortably.

You don't have to be an expert in all areas to become financially fit. Practicing the basics of smart money management is all it takes for most people to reach their goals. But, sometimes you have questions and you want

to know that you are on track. San Francisco Federal Credit Union can help you identify the places in your financial "body" that need the most attention, then prescribe just what you need to become—and remain—financially robust.

Check your money management vital signs by asking yourself the following questions:

- Are your goals current? Are you meeting them at the rate you would like?

- Are you setting money aside for emergencies?
- Do you have a positive net worth?
- Are your spending habits what you want them to be?
- Have you seen your credit report lately?

If you answered "no" to any of these questions, you may benefit from a financial checkup. Call us today or stop in for some financial guidance and information on products and services that can help.

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## "Frugal Few" Committee Report

By Linda Tabor-Beck, chair

The Frugal Few would like to wish all of our fellow RECCSF members a very happy holiday season, traditionally a time of giving.

While RECCSF is not a tax deductible charity, we would be most appreciative of your help. A donation of any size automatically enrolls you as a Friend of RECCSF; and any present or future bequests to RECCSF will help ensure the fiscal health of this vitally

important organization.

We look forward to celebrating the season with members and friends at RECCSF's Wednesday, Dec. 9 annual holiday party; financial donations payable to RECCSF will be gratefully accepted at the party, or can be mailed to the RECCSF office at 3915 Irving St., San Francisco, CA 94122-1294.

Stay well and safe during the holiday season; and RECCSF looks forward to sharing with you another exciting year in 2015.

If you have any questions about *News & Views* going fully electronic as of the October 2015 issue (or have any other RECCSF-related questions), please leave a message at the RECCSF office at 1 (415) 681-5949 or email [reccsf@att.net](mailto:reccsf@att.net); we will respond to your inquiries as soon as possible.

# Travel Committee Report

By Beverly Pardini and Marylou Allen

## Mon.–Wed., Dec.14–16

*Ebenezer*—A musical Christmas Carol is a classic Dickens story presented at the El Dorado in Reno, with an included buffet dinner. Two nights at the Silver Legacy, with escort-hosted cocktail party upon arrival, and visits to other casinos during stay.

## Friday, Feb. 12

Visit to Monterey Bay Aquarium features expert guide for ADA-accessible 60-minute tour. Learn how they care for more than 35,000 plants and animals, make a home for a shark, grow a living kelp forest & more; lunch on your own.

## Sun.–Wed., March 20-23

“Las Vegas at Leisure” includes three nights at the downtown Golden Nugget, roundtrip deluxe motor coach transportation, baggage handling, escorted day trip to Laughlin on the Colorado River, and a night motor coach tour of the “strip,” stopping at the Bellagio.

Info: Marylou at 1 (800) 334-3465 or [mrylallen@yahoo.com](mailto:mrylallen@yahoo.com).



## Annual Firefighter Toy Program

*If you can, please bring new unwrapped toys to the Dec. 9 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.*



## Membership and Subscriptions

for retired city employees as of July 31, 2015

Membership application: [www.sfretirees.org](http://www.sfretirees.org); email: [reccsf@att.net](mailto:reccsf@att.net).

- \$48, annual
- \$600, lifetime (payable over six months in six payments of \$100 per month, or annually over six years in increments of \$100 per year)
- Subscriptions for mailed printed copies will be available for an additional \$25 a year. (Exceptions may be made for members without computer access.)

*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.

Submissions to *News & Views* are solicited and encouraged.

Submit in Word document to: [sheilamullen@mac.com](mailto:sheilamullen@mac.com), or

Sheila Mullen, editor, RECCSF office, 3915 Irving St., San Francisco, CA 94122-1294

Telephone: 1 (415) 681-5949, Fax: 1 (415) 681-5398



Retired Employees of the  
City and County of San Francisco,  
3915 Irving St.,  
San Francisco, CA 94122-1294

### News & Views

December 2015

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Sheila Mullen, Editor

Office: 1 (415) 681-5949

Fax: 1 (415) 681-5398

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

### RECCSF Officers:

Claire Zvanski, President

Linda Tabor-Beck,  
First Vice President

John Madden,  
Second Vice President

Secretary, Vacant

George Lau, Treasurer

Leo Martinez, Sergeant-at-Arms

### Executive Board Meeting

*No meeting in December.*

#### Note to members:

Please keep RECCSF updated  
with changes in address,  
phone number and email.

#### News & Views

January Deadline:

☛ Friday, Dec. 11, 5:30 p.m.

Please email your submissions to:  
[sheilamullen@mac.com](mailto:sheilamullen@mac.com).

Letters to the Editor of 50 words or less welcome.

All letters subject to further editing.

Visit our website:

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

RECCSF office

email address:

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

## Welcome, New Retirees

### Upcoming General Membership Meeting

Wednesday, Dec. 9 RECCSF Annual Holiday Party 10:15 a.m.

The RECCSF Board will be hosting tea sandwiches, and fruit and vegetable platters at no cost to members! If planning to attend, please RSVP the RECCSF office at 1 (415) 681-5949 or [reccsf@att.net](mailto:reccsf@att.net) by Wednesday, Dec. 2, to help us plan for adequate refreshments.

