

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 process is beginning to find a replacement for Director Catherine Dodd, whose last day will be March 15. The board will review the job description and the RFP (Request for Proposal) that will be issued to find the best executive search firm. Subcommittee discussions would have to be publicly noticed, so the board president will select only one or two board members separately to perform specific functions (Brown Act and Sunshine Ordinance). It was noted that constituents, especially retiree representatives, are interested in being involved in the process.

The 2018 rates and benefits process begins:

- The blackout period begins. No board member may communicate in any way with any potential or current vendor until the process is concluded;
- The City Plan administrative fee

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Retirement Committee Report

By Claire Zvanski Herb Weiner, and Herb Meiberger, CFA

Solid Returns for January and the Fiscal Year!

- The Fund earned 1.54% for the month of January, and 6.68% for the first seven months of FY2016-17.
- For FY2016-17, all asset classes had positive rates of return! U.S. stocks had the highest return of 11.74%, followed by international stocks earning 9.24%.
- The Fund was valued at \$21.2 billion on 1-31-2017.

Actuarial Funding Report:

- Actuarial Services Coordinator Janet Brazelton, and Bill Hallmark and Anne Harper of Cheiron, Actuarial Consultant, presented the actuarial valuation as of 7-1-2016 (FY2015-16).
- On 7-1-2016, the market value of assets was \$20.2 billion and the "actuarial value" of assets was \$20.7 billion. The present value of pension promises ("actuarial liability") was \$24.4 billion.

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March Calendar

Regular Meeting

Wednesday, April 12

Business meeting & program:
10 a.m.

Irish Cultural Center
2700 45th Ave. at Sloat Blvd.

News & Views

Editorial Committee Meeting

Tuesday, March 21, 9 a.m.

Taraval Police Station
All interested parties welcome.

Executive Board Meeting

Tuesday, March 21, 10 a.m.

Taraval Police Station
All interested parties welcome.

Public Meetings:

Retired Firemen &

Widows Association

Thursday, March 16, 1 p.m.

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

Veteran Police Officers

Tuesday, March 14, 11 a.m.

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

Retirement System

Wednesday, March 8, 1 p.m.

1145 Market St., 6th Floor

Health Service System

Thursday, March 9, 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, March 20, 12-2 p.m.

Union Hall, 350 Rhode Island St.,
100 South Bldg.

Contact: David Williams

1 (415) 939-5149 or

iamdhw@comcast.net.

RECCSF General Membership Meeting Date Changes!

Effective 2017, RECCSF General Membership meetings will be held bimonthly.

This is a necessary austerity measure.

The RECCSF Board has decided that meetings will be held every other month, starting February, 2017.

Therefore, the meeting schedule for 2017 will be:

- February (nominate new officers)
- April (vote)
- June (installation luncheon)
- August (program to be determined)
- October (health fair)
- December (holiday party)

Bi-monthly meetings will continue to be held at 10 a.m. on the second Wednesday of the month at the United Irish Cultural Center. *News and Views* will continue to be published monthly (except in August) and sent electronically. Email blasts will continue to be sent, when necessary, to update members on critical benefit issues.

Retirement Committee Report

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- The “funding ratio” was 82.6%, based on market value, and 84.6%, based on actuarial value.
- The payroll for FY2015-16 was \$3.06 billion, an increase of 8.5% over the previous year.

Contribution Rates for the next Fiscal Year:

- A total contribution rate of 31.03% of salaries is required to fund the pension plan. The city will contribute 20.07% of salaries, and employees will contribute 10.96% of salaries.
- Payroll is estimated at \$3.2 billion, an increase of 9.3%.
- The city will contribute \$637.7 million (an increase of \$87 million).

Approval of “Basic” Cost Of Living Adjustment (COLA):

- The San Francisco-Oakland-San Jose Consumer Price Index (CPI) had a 3.53% increase for 2016, which is rounded to 4%.
- All qualified SFERS members who retired on or before July 1, 2017 will receive a 2% cost of living adjustment (basic COLA), payable effective July 1 2017. In addition, the 2% difference will be credited to the “COLA bank” for all members who retired prior to July 2, 2017.
- As mentioned in last month’s report, no supplemental COLA will be paid.

Staff recommends termination of SFERS’s top performing, longest serving international equity manager:

- Capital International currently manages \$229 million in international equities, and has significantly outperformed its EAFE (Europe, Asia, and the Far East) benchmark. Since 1986, Capital International earned 8.15% per year, compounded annually, far exceeding EAFE’s return of 5.91%. From 1986 to 1998, Capital International outperformed EAFE by 7% per year for 13 years.
- Chief Investment Officer Bill Coaker cited “enormous growth of firm assets,” large decline of the firm’s “strategy assets,” “increased focus on retail accounts,” and “staff turnover.” Mike Bowman, a representative of Capital International, refuted these assertions. Mr. Bowman stated that the decline of strategy assets was due to shift from defined benefit (DB) plan assets to defined contribution (DC) assets, citing SFERS’s large commitment to Capital International in its DC Plan.
- The item was continued to the March meeting.

Rest In Peace

The following members have recently passed away.

Marian Cass	AIR	Robert A. Larsen	GEN
Roy A. De Paolo	DPT	Bette B. Shafae	DPH
Mary Y. Hansen	WTR	Gordon E. Steele	FIRE
Frank M. Kunst	FIRE	Mary E. Zeller	DSS

Approval of the Budget for FY2017-18:

- Executive Director Jay Huish presented SFERS’s budget totaling \$87 million. The investment division budget is \$63 million, including \$2 million for “incentive pay-retroactive salaries,” and includes several new positions.
- Commissioner Meiberger suggested allocating \$30,000 for an external audit of the deferred compensation (DC) plan, a one-time cost of \$1 per participant. Commissioner Driscoll said this was unnecessary because assets are verified when we terminate administrators every five years.
- The item was continued to the March meeting.

Increased Secrecy for staff’s meetings:

- The executive director presented the Travel Expense Report, which failed to disclose with whom staff had met.
- Commissioner Meiberger noted that this was the first time this has been done, and voiced his concerns for this lack of transparency.

Commissioner Meiberger’s last meeting:

- Commissioner Meiberger congratulated Al Casciato on winning his election, and thanked members for their support throughout his 25-year tenure on the board.

The official video of the meeting is available at:

http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=175&clip_id=27109

Questions? Comments?

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

Keep the Heat on Congress to Protect and Improve Medicare and Medicaid!

Contact Representative

Nancy Pelosi: 1 (866) 828-4162.

Contact Senators Dianne Feinstein or

Kamala Harris: 1 (855) 976-0757.

“My name is _____ and I am a constituent from your district. I am calling to tell you that I am expecting you to fight against any proposals to cut, privatize, or limit America’s most essential social programs—Medicare, Medicaid and Social Security.

These programs must be protected, improved and expanded—not cut.

I depend on these programs. I earned them and I could not live without them—just as millions of other Californians do. I am counting on you to represent my interests and those of my friends, family and colleagues in your district.

I am watching you and how you vote on these critical programs. Thank you.”

You can call every day!

President's Message

By Claire Zvanski

Money. Even the new “sharing economy” thrives on it! Barter still exists, but on a limited scale. So, it’s back to money.

We are very fortunate. Our defined benefit retirement plan provides us with a lifetime income. (Many other retirees hope to not outlive their investments that remain subject to the whims of Wall Street). We also have lifetime health benefits. (Of course, affording these benefits is a different discussion, and there is no federal protection).

The only benefits subject to the whims of Wall Street are our COLAs. The *regular* COLA is subject to the local consumer price index, while the *supple-*

mental COLA depends solely on those variables producing the 7.5% return or 100% market rate funding—depending on when you were hired.

It is highly probable that the city will propose charter changes in the next election that would further reduce our benefits. You might think that your current pension is protected, but it all depends on what is proposed. The city learned its lesson, and will likely propose creative changes not subject to federal protections.

RECCSF needs your financial support to continue to be your voice, advocate and representative. Please send your donations and bequests to **Friends of RECCSF**, 3915 Irving St., San Francisco, CA 94122-1294, so that RECCSF can continue to: publish *News and Views*; represent *your* interests at the retirement and health service boards; and monitor city policies.



Thanks in advance for your support. RECCSF is a 501.c(4) and donations are not tax deductible.

Questions? Comments? Please feel to contact me at 1 (415) 341-3085 or czvanski@hotmail.com.

Health Service Committee Report

continued from page 1

- is now set at \$3 per member, per month, including two added benefits for actives;
- The rate stabilization policy and amount was set, which helps supplement the premium cost to keep the City Plan affordable for actives and early retirees;
 - Review of the City Plan claims experience verified sustaining the plan, attracting more members, and justified moving Medicare members into a fully-funded option (the New City Plan). The City Plan is thriving; and
 - AON Hewitt (actuaries) compared HSS plan designs with national employers including government, proving that HSS provides significantly superior benefits at lower co-pays and costs.
- The City’s budget process is mov-

ing forward, and departments are asked to submit budgets with 3% reductions each year for the next two years, FYs 2017/18 and 2018/2019. The board approved its budget submission today, noting that cuts will be made in the Wellbeing program to meet FY2018/2019 reduction requirements.

The move of Medicare members into the New City Plan MAPD (Medicare Advantage Plan with Drugs) where dependents were not Medicare eligible allowed dependents to remain in Blue Shield (split families). The transition caused some issues but Blue Shield has now resolved them all.

Pamela Johnson is the new communications manager. She came from

MTA and DPW, and also ran her own public relations firm.

HSS is closely watching the federal scene with President Trump’s nomination for secretary of the department of health and human services, Representative Tom Price (R-GA). He is opposed to price negotiations for drugs, and supports reducing Medicare and Medicaid spending along with repealing the ACA (Affordable Care Act).

Lastly, the 2017 demographics report has been completed. It reveals where all HSS members reside, including retirees.

Questions? Comments? Please feel free to contact me at 1 (415) 341-3085 or czvanski@hotmail.com.

New Members

Ardella W. Holl	USD	John J. Norton	FIRE
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Useful Phone Numbers

RECCSF Office

Email: reccsf@att.net

Web site: sfretirees.org

Phone Number:

1 (415) 681-5949

Health Service System

Web site: myhss.org

Phone Numbers:

1 (415) 554-1750

1 (800) 541-2266

S.F. Retirement System

Web site: sfgov.org/sfers

Phone Numbers:

1 (415) 487-7000

1 (888) 849-0777

February General Membership Meeting



Top row, from left: Sharon Johnson, Al Casciato, Carol Cochran, Tom O'Neill, Skip McKinney, Jim McCoy. Bottom row, from left: Steve LaPlant, Leo Martinez, John Bettencourt.



"Skee" Tostanoski, Nominating Committee chair, gave a status update. Nominees will be identified and voted on at the April General Membership Meeting, and installed at the June Annual Luncheon.



Jennifer Chang, Catholic Charities, OMI Center, gave a presentation on Aging and Disability Resource Centers in San Francisco. Information on center locations: ADRC Supervisor at 1 415 750-8720.



Speaker Rowena Fontanos, MNA, Community Outreach Supervisor, Institute on Aging, gave a comprehensive presentation on the extensive services available for seniors. Telephone: 1 415 750-8720. Email: rfontanos@ioaging.org. Website: www.ioaging.org.



Grenville Berliner, visiting from his new home in Thailand, would like to hear from other RECCSF members. Email: grenville.berliner@yahoo.com. Address: 2/306 Nakornping Condo, Rm. 1619 Changphuek, Chiang Mai, 50300 Thailand.



Al Casciato, recently elected as retirement board trustee, retired. Congratulations, Al!
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David Williams, CARA, informing members on how to keep the heat on Congress to protect and improve Medicare and Medicaid. Representative Nancy Pelosi: 1 866-828-4162. Senators Dianne Feinstein or Kamala Harris: 1 855 976-0757. You can call every day!



Skip McKinney presented the POB report.



Linda Tabor-Beck presented the Frugal Few Committee Report, and assisted in the regularly-scheduled meeting raffles.

To: All

I would like to thank all of those who participated and worked so diligently on the Retirement Board Campaign.

Now it is time to “roll up my sleeves,” and get to work on making sure that our retirement benefits are protected—always focusing on the goal that all retirees and beneficiaries receive their promised benefits in a timely manner.

Trustee-elect Al Casciato
SFERS Retirement Board

Nominations Committee Report

By John (Skee) Tostanoski, Nominations chair

In my opinion, we are blessed to have a board that cares so much they are willing to “go the extra mile” for us to keep getting the job done.

However, we are specifically appealing to you, our members, to join us in the business of keeping RECCSF growing and active, by running for the board and helping to get our message out on issues critical to the health and financial well-being of all our members.

To date, the following have been nominated:

Secretary: Bonnie Bompert (Incumbent)

Treasurer: George Lau (Incumbent)

Sergeant at Arms: Leo Martinez (Incumbent)

Hospitality Chair: Steven Green

Additional nominations needed for: Program Chair

Board members (five positions):

Thomas Dang (Incumbent)

Adlai “A.J.” Jew (Incumbent)

Jerry Maxwell

Herb Meiberger (Incumbent)

Sheila Mullen (Incumbent)

If you are interested in running for any of those positions, want more information, or have questions, please contact me at 1 (415) 699-1050 or sfskee@sbcglobal.net.

*Please consider responding to the call;
RECCSF needs you!*

A Farewell Message

RECCSF members and friends, thank you very much for your 25 years of support! It has been a pleasure listening to and learning from you.

I was proud to support enhancing benefits for the pre-1996 retirees, and I sincerely hope that they ultimately prevail.

I’ve enjoyed working with Sheila Mullen, Jean Thomas, Claire Zvanski, and Herb Weiner in the writing and production of the regular *News & Views* Retirement Committee Report. I that hope the articles have been educational and informative.

The Retirement System has undergone significant changes in recent years in its shift toward an “endowment culture.” There will be even more significant changes in the future. I sincerely hope that retirees remain active, vigilant, and involved.

Thank you for your support and encouragement.

*Best wishes,
Herb Meiberger, CFA*

2017/18 New Board Member/ Officer Installation Schedule

Nominations presented by the Nomination Committee, taken from the floor, and voted on at the April 12 General Membership Meeting.

Installation at June 14 RECCSF Annual Luncheon.

For Your Calendar: Save the date!

2017 RECCSF Annual Luncheon & New Board
Member/Officer Installation Ceremony

Wednesday, June 14, 2017

No-Host Cocktails - 11 a.m. Luncheon - 12:15 p.m.

United Irish Cultural Center
45th Ave. & Sloat Blvd.
San Francisco

More information coming later!

Protect Our Benefits

By Skip McKinney

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

On Jan. 27, 2017, Superior Court Judge Mary Wiss ruled in favor of the city, which allows them to hold the pre-1996 retirees to the requirement of section A8.526-3 (d)—that supplemental COLA benefits be paid out only if SFERS is fully funded. This was not unexpected. The court argued that if the charter retains this mandate the retirement board has no authority to exempt pre-1996 retirees from the full funding requirement. Ironically, this is the same mandate that was determined to be *invalid*, as it was ruled a change and not a clarification of the 2008 voters as the city contended in the POB vs. CCSF suit—which then allowed the post-1996 retirees to be exempt from the full funding requirement.

Controller Ben Rosenfield sent the retirement board a letter requesting that the board study the proposed statement of decision. He stated that

the “board members will conclude that the court of appeals will not come to a different conclusion than the superior court...but should the board continue with this litigation, the city will pursue all avenues at its disposal to recover its cost.”

The board did study the proposed statement of decision, and, contrary to the conclusions of the controller’s office, voted to appeal the decision to the appellate court.

As of the June 20, 2015 actuarial evaluation, there were approximately 8,300 members who retired prior to Nov. 6, 1996. As a result of deaths, SFERS retiree membership decreases by approximately 80 members per month. These pre-1996 members are among our most senior and vulnerable, whose retirement benefits average about \$3100 a month before taxes and health insurance. Be assured that POB remains steadfast in its position that all retirees be treated the same with regard to the supplemental COLA as envisioned by the voters on Nov. 5, 1996.

Speaking of the controller’s office, POB would appreciate that they pursue all the same avenues at its disposal so that POB could recover its *past-due*

costs from our victory in the POB vs. CCSF, as it is so eager to do with the retirement board.

It has come to POB’s attention that there may be some confusion with the transition to the United Healthcare plan. The big problem seems to be terminology. If you encounter a problem, please contact HSS at 1 (415) 554-1750 or United Health Care at 1 (877) 259-0443.

Also new in 2017, you are eligible for in-depth medical reviews by world-renowned medical services experts, or for concerns about treatment plans. Please refer to Page 29 of your 2017 health benefits booklet, or call 1 (866) 904-0910.

By now, you know that we have a new trustee on the retirement board. Al Casciato received 9,855 votes (or 62%) to Herb Meiberger’s 6,119 votes (or 38%).

Congratulations to Al, and thanks to Herb for your years of dedicated service to the Retirement Board.

Herb, good luck with your future endeavors.

Al, good luck with your new activities and watch out for the “heat-seeking missiles” that come with your new position.

As always, POB will keep you inform of any developments that arise. Visit POB’s website, protectourbenefits.org or Facebook.

As you can see, we have more fights ahead; and, unfortunately, this takes money. Your contributions are not tax deductible, but most appreciated. Please mail them to POB at Box 32007, San Francisco, Calif. 94132

“Remember: “United we stand; divided we fall.”

Feb. 21 Board Meeting Results

- Accepted Treasurer’s Report.
- Approved presenting certificate of appreciation to Catherine Dodd, Ph.D., R.N., upon her retirement as Director, Health Service System.
- Approved presenting certificates of appreciation to all department heads and commissioners who retire from or leave the health service system or retirement board.
- Approved presenting certificate of appreciation to Herb Meiberger, CFA, in recognition of his 25 years of service.
- Approved change of venue for RECCSF meetings to The San Francisco Scottish Rite Masonic Center, 2850-19th Ave., at Sloat Blvd., commencing August 2017. (*April 12 and June 14 RECCSF meetings will be held at the Irish Cultural Center.*)
- Approved sending out an “email blast” for the recruitment of a new RECCSF office manager.
- Approved proposed bylaws language: Active employees may join within five years of retirement.

**Thank you,
Reyna Kuuk, for your
eight years of dedicated
service as RECCSF
office manager.**

Looking for a New Car?

*From Your Friends at San Francisco
Federal Credit Union*

Spring is a great time to “start fresh,” and, for many people, that means buying a new car. Use this checklist as a guide to finding your new vehicle:

- **Get pre-approved for a loan at the credit union.** Pre-approval allows you to enter the car-buying process with a clear idea of what you can afford. When you stop in for a pre-approval, we can also discuss other products and services that can streamline the car-buying process.
- **Prioritize in writing.** Make a list of important car features. Start with “must-haves,” or features you need in a vehicle. Next, list “nice-to-haves,” or features you’d enjoy but could do without. Bring your list to the

dealership as a reminder.

- **Head to the dealership.** Remember that you’re in charge; don’t let salespeople pressure you. If they do, ask to work with someone else. Before you test-drive a vehicle, inspect it. Look under the hood, find the spare tire and open the trunk.
- **Compare and research.** If you find a car you like, don’t feel pressured to buy it the day you drive it. Take time to compare prices and research the value of your trade-in: And feel free to stop back in and see us if you’d like additional guidance on whether you’ve found the right deal.
- **Settle on a price and buy your car.** Get copies of all documents, and don’t drive the car home until all the financials are complete.

For details on our vehicle products and services, call us at 1 (415) 775-5377 or visit SanFranciscoFCU.com.

We need member photos and notes!

Since our general membership meetings are now scheduled bi-monthly, our editor will welcome notes from and personal photos of our members—at work or play—to be published in *News & Views* in non-meeting months.

For photos, include captions with member name and activity description, and email to sheilamullen@mac.com. For notes, we are especially interested in hearing from members located outside the Bay Area, California, or United States.

Items suitable for publication will be printed as space allows.

Travel Committee Report

By Beverly Pardini and Marylou Allen

Wed., March 8

Tour and tasting at St. George’s Distillery, located at the old Alameda naval base. Learn about craft distillation and artisanal spirits (gin, vodka, absinthe, whiskey, rum, brandy, liqueurs, etc.) with a knowledgeable spirits guide. Tour lasts about 1.5 hours and concludes in the tasting room with sampling of six made-on-site spirits. Lunch is on your own prior to the tour and tasting. Tour limited to 32; **valid ID required.**

Friday, June 9

Before the era of the Indian Casino explosion, there was Golden Gate Fields for an afternoon of good food and fun betting on the horses. Join us for Turf Club finish line seating and prime rib buffet lunch; casual dress code advised.

Thursday, July 6

The motor coach travels to Felton and the Big Trees Railroad Station in the Santa Cruz Mountains, then through Henry Cowell Redwood State Park before arriving at the Santa Cruz Beach Boardwalk. Enjoy lunch on your own, play a few games, or take a ride on the roller coaster before boarding the motor coach for the return trip home.

Info: Marylou at 1 (800) 334-3465 or mrlyallen@yahoo.com.

Membership and Subscriptions

for retired city employees as of July 31, 2015

Membership application: www.sfretirees.org; email: reccsf@att.net.

- \$48, *annual*
- \$600, *lifetime* (payable over four months in four payments of \$150 per month, or annually over four years in increments of \$150 per year)
- Members without computer access should contact the RECCSF office at 1 (415) 681-5949.

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, or

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

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



I want to know!

Join

RECCSF

Retired Employees of the City and County of
San Francisco



News & Views

March 2017

Volume 118, Number 3

Sheila Mullen, Editor

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RECCSF Officers:

Claire Zvanski, President
Mary Anne McGuire-Hickey,
First Vice President
Linda Tabor-Beck,
Second Vice President
Secretary, Bonnie Bompert
George Lau, Treasurer
Leo Martinez, Sergeant-at-Arms

Executive Board Meeting

**Tuesday, March 21,
10 a.m.**

Taraval Police Station
2345-24th Ave.

All interested parties welcome.

Note to members:

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

News & Views

April Deadline:

☛ Friday, March 17, 5:30 p.m.
Please email your submissions to:
sheilamullen@mac.com.

Letters to the editor and opinion pieces are welcome.
All submissions subject to further editing.

Visit our Web site:

sfretirees.org

**RECCSF office
email address:**

reccsf@att.net

Upcoming General Membership Meeting

Wednesday, April 12

**Election of RECCSF Officers and
Board Members for Fiscal Years 2017/2018**

Program to be determined.

Welcome, New Retirees

