

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

HSS Board President Randy Scott reported he attended a meeting with all city commissioners, and Mayor Mark Farrell and his chief of staff. He thanked Department of Human Resources Director Micki Callahan and her staff for its support and assistance during the search for the new HSS Executive Director, **Abbie Yant**, whose bio is available on myhss.org. He stated that Dr. Follansbee reported a conversation with the medical director of **Best Doctors**. At the end of the meeting he thanked and praised **Mitchell Griggs** for his service as acting director during the past year, and also thanked all HSS staff for their outstanding service during this period. HSS now serves 120,383 lives!

The **Rates and Benefits** process has started, and presentations might seem obscure and confusing related to rate setting. President Scott reminded the Board of the blackout period. Commissioners are not allowed to have face-to-face or any type of telephone, email, text, letter, fax, or use of any social media communication with any vendors during this time. Additionally, there is an RFP for actuarial and consulting services to which this blackout period also applies. Commissioner Breslin stated that the Board appoints the actuary to serve the Board, and not the executive director.

Blue Shield presented information on its **new 2019 pharmacy drug tier structure**. This new tier structure is very confusing, would raise costs to members, and could potentially target members with the greatest need for specialized drugs. Blue Shield said that its purpose is to help manage rising drug costs. The confusing issue is that

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Retirement Committee Report

By Claire Zvanski and Herb Weiner

Post-Nov. 6, 1996 retirees: Watch your retirement stipend at the end of February. It will contain the **2016-17 supplemental COLA**, retroactive to July 1. Pre-96 retirees are still in limbo, awaiting the decision of the appellate court.

- The SFERS Board approved the 2% July 1, 2018 basic COLA (cost of living adjustment) for all qualified SFERS members who retired on or before July 1, 2018, payable effective July 1, 2018. Since the San Francisco-Oakland-San Jose CPI-U had a 2.94% increase in 2017, it becomes 3%. The 1% difference between the (rounded) 3% CPI-U increase and the 2% basic COLA will be credited to the COLA bank for all members who retired prior to July 2, 2018. This ensures future basic COLAs in years when the CPI-U does not reach or exceed 2%.
- The fund is still over **\$24 billion**. It is at \$24.21 billion as of Feb. 14. It recovered more than 50% of its losses by mid-February, according to CIO Bill Coaker. He says the losses are 2.01%. The S&P 500 lost 4.36%. He anticipates full recovery by the end of February. **Global equities** continue to be the best performers at **returns over 17%**.
- The **absolute return** program (hedge funds) has returned **8% annualized** (net of all fees) outperforming the Hedge Fund Research Fund of Funds Composite Index, which was up 6.78%.
- The next investment committee meeting will be held on March 21, 2018, and will focus on the **strategic investment plan** for SFERS.

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March Calendar

Regular Meeting

Wednesday, April 11

Business meeting & program:
10 a.m.

Scottish Rite Masonic Temple
2850-19th Ave. at Sloat Blvd.

News & Views

Editorial Committee Meeting

Tuesday, March 20, 9 a.m.

Taraval Police Station

All interested parties welcome.

Executive Board Meeting

Tuesday, March 20 10 a.m.

Taraval Police Station

All interested parties welcome.

Public Meetings:

Retired Firefighters &

Spouses Association

Thursday, March 15, 1 p.m.

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

Veteran Police Officers

Tuesday, March 13, 11 a.m.

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

Retirement System

Wednesday, March 14, 1 p.m.

1145 Market St., 6th Floor

Health Service System

Thursday, March 8, 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. 26, 12-2 p.m.

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

Contact: David Williams

1 (415) 939-5149 or

iamdhw@comcast.net.

New Logo!!! New T-shirts!!!

The RECCSF Membership Committee has created, and our executive board has approved, a new RECCSF logo featuring the San Francisco skyline.

Many organizations offer for sale an identifying article of clothing that many members wear to their gatherings. In this spirit, RECCSF is now ordering a production run of unisex t-shirts bearing our new logo, offered at \$15 for white, \$20 for colored, in sizes small, medium, large, and extra large.

If you're interested in purchasing a t-shirt, please fill in the attached order form. (If you're ordering a colored t-shirt, please be sure to write your preferred color on the form.)

To submit your form, or request further information, please email Membership Chair "Skee" Tostanoski at sfskee@sbcglobal.net.

Thank You!

Last chance for distribution of previously ordered T-shirts will be at the April 11 General Membership meeting.



Retired Employees of the City and County of San Francisco



Would you like to join us in purchasing a new logo T-shirt?

\$15 (white)

By request, larger sizes are \$5 more, and additional colors are \$5 more.

Please make out checks to RECCSF.

All sizes are unisex.

Sm _____ Med _____ Lg _____ XL _____

Additional \$5 XXX _____ XXXL _____

Colors=Special=Please contact Skee for colors available at sfskee@sbcglobal.net.

Your Name _____

Phone# _____

Email: _____

Retirement Committee Report

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- The longest presentation of the meeting was by Parametric Portfolio Associates, provider of **overlay and cash securitization analysis**. This has to do with how much cash should remain available at any time for both obligations (payment of pension stipends) and investments. The risks were discussed at length, including consideration of which assets were the most liquid. Commissioner Driscoll was concerned that the 70/30 ratio was not sufficient. It was emphasized that there is a point at which staff must be called so that there is a rebalance to prevent loss. The Board voted to approve Parametrics to manage cash securitization and rebalancing, and accept its guidelines.
- **Risk mitigation** was the focus of presentations by NEPC and PIMCO. SFERS already has a number of risk-mitigating elements in the plan's new asset allocation, including treasuries, hedge funds, and real-return assets (real estate). Diversification was the buzzword and recommendation.
- The **Deferred Compensation Committee** approved proposed revisions to the SFDCP Investment Policy Statement, and also the SFDCP Plan Document. It was also noted that the 2018 investment maximum is now \$18,500. Callan is the plan's investment consultant. Changes in the investment lineup will go live in March 2018, including new investment options, which include socially responsible investments. Deferred Compensation 457(b) plans are not bound by ERISA standards, and therefore are not subject to the same "safe harbor" provisions. However, it was noted that ERISA specific language was neutralized in the policy statement to reflect similar protections.
- The **employer contribution rate** of 23.31% for fiscal year 2018-19 was adopted (down slightly from 23.45% in FY2017-18). Employee contribution rates will be adjusted for the cost-sharing provisions of the 2011 Proposition C (7.57% to 7.58%).
- Jay Huish reported that SFERS responded to Supervisor Peskin's **charter amendment** altering the board composition, and sent staff to the Jan. 17 hearing. Newly proposed **Senate Bill 1031** would prevent COLAs to be approved for any plan in which the unfunded actuarial liability is greater than 20%. It does not impact **charter cities**, so SFERS is not affected.

Questions? Comments?

Contact Claire Zvanski at czvanski@hotmail.com or Herb Weiner h.weiner@sbcglobal.net.

Best Doctors is a best bet!

Many RECCSF members have remarked upon the excellent quality of the service provided by the Best Doctors service. This new free service for HSS members is provided by the Health Service System.

A hard plastic oversized card was mailed to members in the recent past. If you have questions, or did not receive this mailing, please contact the Health Service System at 1 (415) 554-1750 or myhss.org.

President's Message

By Claire Zvanski

RECCSF members will have **challenges** as long as the current political climate vilifies **public employees** and **public pension plans**. I wish that we could relax, enjoy our pensions, and know that cost of living adjustments will continue; so, that **we can live forever** in the style into which we have become accustomed (and still afford our healthcare and medications).

SB1031 was just introduced to limit all COLAs proposed after Jan. 1, 2019. The good news is that San Francisco is a charter city, so it won't apply here. Our **basic pension is federally protected**, but cost of living adjustments are not until they are incorporated into our

basic pension. If legislation like SB1031 is adopted (without exemptions) we might have to learn to **live on less**.

My point isn't to generate doom and gloom. I'm interested in enticing more of you to **join me** in attending our SFERS and HSS meetings. Maybe you would **join the RECCSF Board**. Would you help us hold meetings outside of San Francisco, or recruit active employees closer to retirement to join? These are **opportunities** to become more involved in **your RECCSF** to make it better and stronger. Help us **keep RECCSF relevant** and present in city hall. Become more involved **now!**

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



Health Service Committee Report

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generic drugs are included in all three tiers, so that some generics could cost as much as \$50 (\$100 by mail). Curiously, some brand drugs were included in tier one (\$10). A fourth tier of "specialty drugs" was added, costing 20% up to \$100. Commissioner (Supervisor) Sheehy immediately challenged Blue Shield and pointed out the discrimination. Blue Shield claimed that there is a minimum impact on HSS members (.4% or 117 members) at an estimated savings of \$360,000. Blue Shield is a flex funded (cost-sharing claims with HSS) plan. Board members were clearly upset, so additional discussion and negotiations are planned.

Membership in the City Plan has increased for both active and **early retirees**. The paid claims experience is 102% of premiums, which is lower than previous years. This is lower than the claims experience for active employees.

The HSS FY 2018-2019 and FY 2019-20 General Fund Administration Budget and Healthcare Sustainability Fund Budget were approved.

The HSS 2017 Annual Report was presented by Mitchell Griggs, and a comprehensive demographics report was presented by Marina Coleridge. Delta Dental appointed a new plan representative.

Questions? Comments?

Contact Claire Zvanski at czvanski@hotmail.com.

New Members

James M. Deignan	Police
Jane Watanabe	MUNI
Olga Thomsen	DPH
Diana Rathbone	HRC
Patricia A. Gray	LHH/ SFGH (DPH)
Olee Wade	PUC

Useful Phone Numbers

RECCSF Office	Health Service System	S.F. Retirement System
Email: reccsf@att.net	Web site: myhss.org	Web site: sfgov.org/sfers
Web site: sfretirees.org	Phone Numbers:	Phone Numbers:
Phone Number:	1 (415) 554-1750	1 (415) 487-7000
1 (415) 681-5949	1 (800) 541-2266	1 (888) 849-0777

2018/19 RECCSF New Executive Board Member Election!

RECCSF is currently soliciting members to run for the RECCSF Executive Board, either as board members or officers.

Terms are for two-year periods.

We encourage members to consider enriching their RECCSF experience by serving in one of these capacities.

If interested, please contact John "Skee" Tostanoski at 1 (415) 699-1050 or sfskee@sbcglobal.net.

For newcomers in particular, it's a great way to get to know your fellow members.

2018/19 New Board Member/Officer Installation Schedule

Nominations presented by the Nomination Committee, taken from the floor, and voted on at the April 11 General Membership Meeting.

Installation at June 13 RECCSF Annual Luncheon.

February General Membership Meeting



RECCSF banner on proud display!



A special birthday celebration was held for Jill Seichau, 96 years young!



New member Olee Wade, PUC.



Longtime volunteer raffle facilitator Leo Martinez.



New Deferred Compensation representative Lenora Jenkins. (Joe Collins has retired.)



CARA representative David Williams updated members on latest critical political issues.



New Executive Director of the Health Service System Abbie Yant introduced herself to the membership.

For Your Calendar:

Save the date!

2018 RECCSF Annual Luncheon & New Board
Member/Officer Installation Ceremony

Wednesday, June 13, 2018

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.

See's Candy Gift Certificate Order Update

By Sue Blomberg

Each year around the holidays, we order See's Candy gift certificates at a discounted price for our members—and RECCSF also makes a little money. Because we order an amount that is greater than the minimum, we are entitled to the discount price—and it's good for an entire year.

You can only get the discounted price at a See's Candy discount store, but can redeem the gift certificates at any See's Candy store. The discount stores do not cover specialty items—such as, Christmas, Valentine's Day, Easter, etc.—but cover everything else, including the gift certificates. If you buy the gift certificate at a See's Candy discount store, you can use it to pay for specialty items at a regular See's Candy store.

Below is a list of greater Bay Area See's Candy discount stores:

2016 Market St., San Francisco;

400 South Airport Blvd., So. San Francisco;

1027 El Camino Real;

(in the Sequoia Station Shopping Center,
Redwood City);

1238 W. El Camino Real, Sunnyvale;

1675 W. San Carlos St., San Jose;

2380 Monument Blvd., Suite E, Pleasant Hill;

1933 Davis St., San Leandro; and

333 S. McDowell Blvd., Petaluma.

When you visit any of these locations, you will need to give them our group number: 06364711 Retired Employees of the City and County of San Francisco

If you have any questions, please contact me at
1 (415) 221-9731 or suesue22@pacbell.net.

Stay the Course: How to Maintain Motivation with your Financial Goals.

From our friends at San Francisco Federal Credit Union

As anyone who's ever made goals for the year knows, setting them is easy; following through, however, is another story. This can be especially true when it comes to financial goals. We all want to build a nice savings cushion or pay off debt, but sticking to your plan can be very challenging as the weeks and months roll on, and new expenses present themselves.

To help you stay focused, check out these tips for achieving your financial goals this year:

Save with a friend. It's always easier to stay motivated when a friend or partner is trying to meet a goal as well. You can keep each other accountable, offer inspiration when one of you gets discouraged, share the highs, and commiserate about the lows of your parallel journeys. Plus, if you're the kind of person who's motivated by competition, you can even turn your goals into a friendly game. Set a timeline and establish a (low-cost) prize for the person who achieves their goal first.

Make mini-goals. It can be easy to become overwhelmed and lose focus if you just dwell on the big picture. For example, if your goal is to save \$1,000 by July, don't fixate on that dollar amount. \$1,000 can seem so far from \$0. Instead, break it up into mini-goals. Your first big accomplishment might be to save \$250 by the end of February, which is a more attainable and less panic-inducing objective. When you hit your mini-goals, treat yourself to a modest reward—such as, going to the movies. Setting smaller goals and reaping their rewards will reinforce your dedication.

Get help from a coach. Just as you might consult a personal trainer to help you get into physical shape, a financial coach can strengthen your money habits in order for you to attain your goal. A coach is particularly helpful if you want to take control of your finances, but aren't sure where to start, experience frequent setbacks, or need assistance with staying focused.

This article is courtesy of, and provided by, the credit union's financial partner, BALANCE. As a benefit of belonging to San Francisco Federal Credit Union, you have access to personal financial counseling at no charge through BALANCE. We are always here to help. Please visit any of our branches or call us at 1 (415) 775-5377.

Rest In Peace

Names are currently unavailable,
and will be listed in the
April News & Views.

Bequests

RECCSF is grateful to any members who remember
our organization in their estate planning.

Protect Our Benefits

By Skip McKinney

Protect Our Benefits is an organization whose goals are to enhance the dignity and quality of life of all San Francisco city and county retirees and preserve their health and retirement benefits. The opinions are those of the writer.

As of this writing, most post-1996 retirees should have received their supplemental COLAs. Enjoy it, and know that POBI is still fighting for you.

SFERS v. CCSF (pre-1996)

On Feb. 5, 2018, POBI, along with RECCSF, SEIU 1021, International Federation of Professional and Technical Engineers Local 21, Veteran Police Officers Association, San Francisco Firefighters Local 798, and Retired Firefighters and Spouses Association of the San Francisco Fire Department submitted its application to file its brief in support of the Retirement Board of the San Francisco Employees' Retirement System. *On behalf of POBI: Thank you very much!*

By presenting additional facts and references, we believe that our amicus brief will assist the court in reaching a decision in favor of SFERS; which, consistent with its fiduciary responsibilities and discretion, issued a decision on July 13, 2016 to pay the supplemental COLA to pre-1996 retirees without the fully funded condition.

The appeals court has received all files and briefs to consider as part of the appeal, and will be scheduling a court date. This will allow the parties to further explain to the appellate court, in person, the arguments they made in their briefs. POB will keep you updated.

Health Service System

Abbie Yant has been appointed as the executive director of the Health Service System. When she gets settled into her new position, POBI will meet with her on behalf of our members to offer our support and address our concerns. POBI wishes her all the best

in her new assignment.

SFERS Retirement Board

The Retirement Board, at a special meeting on Jan. 24, approved a plan to reduce investments in the fossil fuel industry. Staff was directed to identify the riskiest, dirtiest fossil fuels and submit a divestment outline for the Board's approval by April 2018, and a recommendation on phased investment from the identified fossil fuels by October 2018. After the vote, President of the Retirement Board Brian Stansbury stated: "While the Board is committed to socially responsible investing, we must ensure that all investment decisions meet our fiduciary duties, and do not negatively affect our investment returns." Rest assured that POB will remain ever-vigilant to ensure that actions taken by the Board will not negatively impact the retirement benefits of our members.

POB Reorganization

We are operating as Protect Our Benefits, Inc. (POBI), and Protect Our Benefits Trust (POBT). We are reorganizing under the guidelines and parameters of the state and federal tax code.

Endorsements

POBI will not be endorsing a candidate for the upcoming election. Because POBI is not a political action committee, this does not mean that POBI finds the candidates unacceptable. Quite the contrary: POBI recommends that each member explore the issues and assess the positions of the candidates prior to voting. POBI believes there are many qualified candidates: No matter who wins, we will work together in collaboration to achieve our goals.

Final Thoughts

After attending the SFERS special meeting on divestment of fossil fuels, I came away somewhat troubled. SFERS is a resource for our members, and not an instrument to compel social or

political change. Approximately 100 people attended the special meeting, and, although I applaud those people who advocate for climate change, most were not members of the Retirement System. Unfortunately, some of them became vocal and disruptive. Here's the bottom line: The only entities impacted by decisions of the Retirement Board—including divestment decisions—are the SFERS plan participants who depend on our fund for their financial support. It was very telling that those who protested the loudest did not have to live with the outcomes of the decisions.

In addition, to protect our pension systems the Retirement Board must be free from political meddling and intimidation. That's why it was so disheartening to hear a member of the Board of Supervisors threaten the Retirement Board with a ballot measure to replace the trustees if they do not divest from the fossil fuel industry.

Don't get me wrong: It's good that we're divesting of fossils, but in a timely manner. I understand that, and I have no problem with it. Maybe it's the way that it happened that is the reason I am so troubled. It's not easy to give up a product that we use for everything—whether it's production, packaging or delivery. The world is not going to stop because San Francisco is divesting of fossil fuels. Let's just ensure that these types of decisions are left to those whose sole and exclusive responsibility is to safeguard our pensions. Let the fund experts of the #1-rated public pension fund in the United States decide to move forward.

Please note that we have a new address: Protect Our Benefits, Inc., P.O. Box 210250, San Francisco, CA 94121-0250. Once again, your contributions are not yet tax deductible, but much appreciated. Please mail them to our new P.O. box number and stay informed at protectourbenefits.org.

Remember:

"United we stand, divided we fall."

Bylaws Change!

Active employees within five years of retirement are eligible to join RECCSF.

RECCSF Officers

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

Board Members

Bonnie Bompert	Raymond Mason
Carol Cochran	Jerry Maxwell
Thomas Dang	Mary Anne McGuire-Hickey
Adlai "A.J." Jew	Sheila Mullen
Sharon Johnson	Tim O'Brien
George K. Lau	Beverly Pardini
Stephanie M. Lyons	Linda Tabor-Beck
John Madden	John "Skee" Tostanoski
Leo Martinez	David Williams

February 20 Board Meeting Results

- Invitations being extended to five mayoral candidates to address the membership at the April 11 General Membership meeting.
- Approved bylaws amendment: Article 11.D. "Past presidents will continue to be voting members of the Executive Board. A president elected after June 2009 will not be a member of the Executive Board after his/her term has ended."

Membership and Subscriptions

for retired city employees as of July 31, 2015

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

Active city employees within five years of retirement are eligible to join RECCSF.

- \$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



Volunteers needed to help make our RECCSF Annual June 13 luncheon a continuing success!

For many years, RECCSF's core June Luncheon Committee has made our Annual June luncheon a stunning success. This year, we need additional volunteers to join our existing committee.

(At this point, we are welcoming ideas for this year's event theme, as well as assigning various production tasks.)

If you can help, please contact Committee Chair Mary-Anne McGuire Hickey at 1 (415) 467-6862 or m McGuire-hickey@sbcglobal.net.

This is a fun project, and a great way for our newer members to get to know other RECCSF members.

We hope to hear from you soon!

News & Views

March 2018

Volume 119, Number 3

Sheila Mullen, Editor

Office: 1 (415) 681-5949

Office email: reccsf@att.net

Executive Board Meeting

Tuesday, March 20
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 16, 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 website:

sfretirees.org

RECCSF office

email:

reccsf@att.net

3915 Irving St.,
San Francisco, CA 94122

General Membership Meeting

Wednesday, April 11, 10 a.m.

Election of RECCSF Officers and Board Members for Fiscal Years 2018/2019

Invitations have been extended to five mayoral candidates to address the membership at the April 11 General Membership meeting.

New meeting location!

Scottish Rite Masonic Temple, 2850-19th Ave., at Sloat Blvd.

(Parking available in lower level garage.)