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.

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 Zvanksi, 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 (415) 822-2099 or
doe@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.

continued on page 2
Rest In Peace
The following members have recently passed away.

Ursula E. Becker  POL
Kathleen H. Crowe  PTC
Doris Dulcich REC
Muriel Hawkins GEN
Pauline L. Jang CRT
Virginia J. Jessup  GEN

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.

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, Herbert Weiner at h.weiner@sbcglobal.net, or Claire Zvanski at 1 (415) 341-3085 or 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.
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 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 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 or 1 (415) 341-3085.

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.

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 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

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

Jan Casazza, "Road Scholar" volunteer ambassador, give a comprehensive presentation on the many travel and educational opportunities available through this organization. www.roadscholar.org

New member Jim Kimball, SFFD.

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 or 1 (415) 681-5949; or
  - contact Mary Anne McGuire-Hickey at 1 (415) 467-6862, who can arrange for pickup.

Thank you!
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.

“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.
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.

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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.

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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.

- **$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, 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
Volume 116, Number 11
Sheila Mullen, Editor
Office: 1 (415) 681-5949
Fax: 1 (415) 681-5398
Office email: reccsf@att.net

Note to members:
Please keep RECCSF updated with changes in address, phone number and email.

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.

News & Views
January Deadline:
☛ Friday, Dec. 11, 5:30 p.m.
Please email your submissions to:
sheilamullen@mac.com.
Letters to the Editor of 50 words or less welcome.
All letters subject to further editing.

Visit our website:
sfretirees.org
RECCSF office
email address:
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 by Wednesday, Dec. 2, to help us plan for adequate refreshments.