

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 is close to finalizing premium rates for plan year 2017. The rates and benefits hearings review all annual rate submissions from those who provide dental, vision, drug and medical services, and claims processing. All of these costs make up the premium cost of the health plan we choose, in addition to claims costs during the plan year. That is why it is so important to monitor this process.

- Early retirees are rated with actives, but don't have the union contract offset to reduce that cost. Medicare retirees (over age 65) are rated separately, with Medicare taking the bite out of the premium. Medicare rates will be reviewed in June. The Health Insurance Tax (HIT) required by the Affordable Care Act tax has been suspended for 2017, so rate increases are fairly low.
- Pharmacy rates are raising premiums because of the high cost of specialty drugs. It is important to note that about 75% of all premium rates are pharmacy costs, regardless of plan.

### Sutter HMO—Oh No!

- The room was packed with retirees and union representatives. I spoke on behalf of all city retirees. Union representatives spoke on behalf of their members. AON Hewitt, the actuary, presented the details of the proposal, with a recommendation to not consider this proposal for the 2017 plan year.
- While some premium costs were lower for early retirees, most direct

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## Retirement Committee Report

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

### The Fund is in the Black for the Fiscal Year!

- The Fund earned 1.02% in April. For 10 months ending 4/30/16 (FY2015-16) the Fund earned .89%. Private equity and real assets were the best-performing asset classes, up 8.53% and 9.13%, respectively. These gains offset losses in public securities.

### The Pre-1996 Retirees' Supplemental COLA (Cost Of Living Adjustment):

- A deluge of speakers flooded the meeting, with compelling testimony from members from POB, RECCSF, SEIU Local 1021 West Bay Retirees, IFPTE Local 21 Retired, retired firefighters and police, and spouses and widows. Over 2000 members have died since the lawsuit was filed, at the rate of about 34 per month. The charter entitles members to the payment. The prevailing message was that the pre-1996 retirees gave their service willingly and proudly and they must be paid before they die. These retirees are from 74 to 103 years of age, living on fixed incomes, and with increasing needs for medical care. Speakers protested the ongoing delays by the Retirement Board and staff, and demanded a vote at the June meeting.
- Director Jay Huish reported that 18,100 members received the Supplemental COLA payments, totaling \$56 million. The director reported that interest will be included in the May 31 payment.
- Independent legal counsel is being hired, and the director stated that matter will be calendared for action at the June meeting.

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## June Calendar

### Annual Installation Luncheon

Wednesday, June 8

**By reservation only**

No-host bar 11 a.m.

Luncheon 12:15 p.m.

Irish Cultural Center

45th Ave. &amp; Sloat Blvd.

### News & Views

### Editorial Committee Meeting

Tuesday, June 21, 9 a.m.

Taraval Police Station

All interested parties welcome.

### Executive Board Meeting

Tuesday, June 21, 10 a.m.

Taraval Police Station

All interested parties welcome.

### Public Meetings:

### Retired Firemen &

### Widows Association

Thursday, September 15, 1 p.m.

Irish Cultural Center,

45th Ave. &amp; Sloat Blvd.

### Veteran Police Officers

Tuesday, June 14, 11 a.m.

San Francisco Scottish Rite

Masonic Center,

2850 19th Ave. &amp; Sloat Blvd.

### Retirement System

Wednesday, June 8, 1 p.m.

1145 Market St., 6th Floor

### Health Service System

Thursday, June 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, June 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.

## Retirement Committee Report

*continued from page 1*

### Update on Directive to Look For a Headquarters Building (HQ):

- Staff “has given direction to its opportunistic real estate partners to discuss any potential San Francisco-based investment that could qualify as a headquarters building for SFERS.” Staff cited five specific buildings and will provide further information.
- Commissioner Meiberger inquired about development and City “surplus land.” President Cohen provided leadership with discussions at City Hall.
- Claire Zvanski spoke in favor, and mentioned that the Retirement System has been talking about a headquarters since she joined in 1973, and that renting to Health Services would be beneficial to all our members.

### Investment of \$400 million in the Unlisted China A Shares (“China Shares”):

- Staff and the consultant recommended that SFERS hire two active managers to invest in concentrated portfolios in the China shares. Staff mentioned inefficiencies in the markets and provided the superb track records of the managers.
- SFERS’ general consultant, NEPC, stated it “believes” that both managers “are qualified to invest in China and the investment teams have the capability and resources to effectively manage the proposed portfolios.” NEPC has not met with either of the Chinese managers, and has “not done due diligence with either firm,” as “NEPC typically visits Asia one/two times a year for due diligence purposes.”
- Commissioner Meiberger mentioned his constructive conversations with staff, and his remaining concerns: SFERS would not hold title to the shares (the manager does); the different cultures and rules of law; and still paying performance fees when the portfolio has substantial losses.
- Commissioners Driscoll, Stansbury, and Paskin-Jordan voted in favor of investing; Commissioners Bridges, Cohen, and Meiberger voted against it. The motion failed.

### Deferred Compensation (DC) Updates:

- The Board affirmed the DC Committee’s recommendation to rehire Russell Associates to manage the custom target date funds (TDFs) for another five years.
- The DC Committee will have interviewed the finalists for the DC consultant on Wednesday, May 25, 2016. Angeles Consulting is the incumbent.

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 [czvanski@hotmail.com](mailto:czvanski@hotmail.com).

## Health Service Committee Report

*continued from page 1*

- service costs were significantly higher, including pharmacy copays (\$500 per day up to five days in the hospital).
- This proposal would take Sutter facilities and medical groups out of Blue Shield and United Health Care, so premium costs for Blue Shield and UHC would be difficult to assess at this time. Also, the ACO (accountable care organizations) savings have not yet been calculated.
- Migration would potentially leave 13,200 members without providers or options.
- The Board voted to not consider the Sutter HMO for plan year 2017.

### Kaiser

- The rate increase for early retirees is just under 5%.
- New benefits have been added: **acupuncture** at a \$15 co-pay up to 30 annual visits; self-referral in the American Specialty Network (see online list and conditions); and a **specialty drug tier** with a 20% coinsurance to a maximum of \$100 per prescription.
- The Board voted to accept the Kaiser rate increase.

### Blue Shield Flex Funded HMO

- Flex funding means that the HSS trust pays hospital claims. Medical groups are *capitated*, which means that they receive a flat fee per member per month and must provide all non-hospital services within that rate.
- The rate increase for early retirees is just under 4%. There are no benefit changes.

### United Healthcare (City Plan) Self-Insured Plan

- Expenses are exceeding the collected premiums at a loss ratio of 150% for early retirees.
- Since applying the full supplement for 2017 would cause a significant increase in premiums for 2018, the Board decided to split the difference and only apply 50% of the supplement for 2017.
- The Employer Group Waiver Plan (EGWP) is subsidized by the Centers for Medicare and Medicaid Services (CMS) and is applied to retiree rates in group plans. These subsidies have now decreased, including the brand manufacture discount (pharmacy).
- All of the final rates for both early retirees and Medicare retirees will be presented in June.

Kaiser announced that it is **expanding its service area in 2017** to include Watsonville, Santa Cruz, and Scotts Valley.

The UHC Medicare Advantage PPO plan passed an audit with flying colors, even for blended families with non-Medicare members.

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

# President's Message

By Claire Zvanski

Your board is continuously trying to figure out how to raise sufficient funds to keep RECCSF viable and working to help protect your benefits for the future. So, it was very exciting to receive a check from a member for \$1,000, with a note of thanks for our efforts!

*This is the most challenging period for our finances in the history of RECCSF.* What does RECCSF mean to you? An organization to keep us connected to colleagues we met during our careers? Or, an organization to monitor our benefits and keep us informed, to represent us when the City wants to change our benefits, and to fight for our benefits and quality of life? All of this and more!

Many years ago, we had members who believed in our mission and left legacy gifts. POB will be reimbursed for their legal fees, but RECCSF needs *new* legacies and donations to sustain our organization. *It is all up to you. If you believe in RECCSF, and our continuing presence at SFERS and HSS meetings to represent you, then please consider donating. Donations are not deductible.*

The equity fight for our pre-Nov 6, 1996 retiree colleagues continues. We will testify before the ERS board again in June to compel them to pay our colleagues their just due.

"Thank you," RECCSF members, for joining the class action lawsuit to force ERS to pay! *All for one and one for all!*



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

## Travel Committee Report

By Beverly Pardini and Marylou Allen

**Tue., July 12**

Talented "senior" performers, "The Kut-Ups," celebrate their 44th anniversary with an afternoon of song, dance and music at the Spreckels Center for Performing Arts in Rohnert Park. Lunch before the show at the Olive Garden.

**Wed.-Fri, Aug. 31- Sept. 2**

The annual "Best of the West" Rib Cook-off is held in Victorian Square in Sparks, Nevada. Included: roundtrip deluxe motor coach transportation, baggage handling, and

two nights at the Silver Legacy, with several hours spent in Sparks the second day to enjoy the festivities and delicious BBQ ribs.

**Wed. Sept. 14**

"Tribute to Frank Sinatra," celebrating what would have been his 100th birthday, is this season's production of the Santa Cruz Follies; lunch prior to the show at the Scotts Valley Hilton.

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

### Rest In Peace

The following members have recently passed away.

Philip Cali	BOE	Lilia J. Patterson	GEN
Lucille Hamilton	GEN	Sol P. Weiner	POL
Shirley M. Hanson	GEN	Jack F. Wright	POL
Kazuo Hirai	DPW	Nick J. Zaboukos	DPT
Gary L. Lindley	FIR		

### No General Membership Meeting in August

### New Members

Daro Inouye	PDR	Sharon Wilensky	LIB
Mussolini Miles	DAT	Mikhael Hart	MTA

### 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

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

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



## *May General Membership Meeting*



Speaker Al Garza returned for an encore presentation on diet and exercise. To schedule a personal consultation, contact him at 1 (415) 676-9773 or [al\\_staystrong@yahoo.com](mailto:al_staystrong@yahoo.com).



Raffle volunteer Jim McCoy, Fire Department.



Member Willia Rodgers, Dept. of Human Services.



New member Steven Green, DPW, Bldg. Repair.



Members' exercise session with Speaker Al Garza.



From left: New members and former DPH colleagues Flavia Gallion and Jerry Maxwell.



# 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 Monday, May 9, a large group of retirees attended the “special meeting” of the Retirement Board. For the retirees who stood up, spoke, and were part of the visual picture, POB wants to thank you. Even though it might have been seen as though they were not paying attention—trust me—they knew you were in the room. And for the folks who couldn’t make the meeting but sent emails, letters in support and money, **you are POB!**

The Retirement Board has opted to seek outside counsel. **Really!** After so many months of information sent to the trustees citing California constitutional and contractual laws, as well as city and county charter laws, what happened? Did it get lost in the mail?

I wish I could be more positive, but a lawsuit will be filed for the pre-96ers. I’m so sorry; this is not the city I grew up in and proud to say I am from. As always, POB will keep you informed.

At their last two meetings, the HSS Board addressed two hot-topic issues: i.e., the rates relativity issue and the Sutter Health Plan and Blue Cross issues. Trust me, neither action will benefit retirees. Please check out article by Claire Zvanski for more details.

On Friday May 13 (of all days), we returned to the court of Judge Weiss for the final, final. But, once again, at last report, the City seems to be stalling again. Negotiations over attorney fees! Our attorney handed the city attorney

his service bill on Feb. 18. At this writing, now—supposedly—the city attorney will offer his counter bill by May 20. More “dancing.”

I would like to acknowledge some people who have been up front in this fight. First on the list as a group, I would like to acknowledge Sharon Johnson, who was the main catalyst at the Retirement meeting, getting members to be acknowledged even though they were apprehensive about standing up and being seen or heard. “You go, girl.”

And, of course, Claire Zvanski, president of RECCSF. Without her knowledge and insight we as retirees would be in far worse shape. Trust me on this one. “You go, girl.”

I wish I can say once we get this lawsuit and Health Service issues resolved that’ll be it, but there is an ongoing assault on defined benefit pension plans, not only here but across the nation. The politicians will use every dirty trick and then they’ll make up some: i.e., Proposition C; rates relativity equalization; vesting; pitting active union workers against retirees; and picking on elderly retirees who are the most vulnerable.

Once again POB will keep you advised. Stay in touch. Visit our website: [protectourbenefits.org](http://protectourbenefits.org). Check out Facebook. Of course, we could always use contributions at Protect Our Benefits, P.O. Box 320057, San Francisco, CA 94132.

## POB Response to Frank Moss Opinion

In response to Mr. Moss’ inquiry in regard to vesting, it is our belief that benefits increased post-retirement become a member’s vested right. (Sweezy case.) Most importantly, pre-1996 retirees, prior to Prop C 2011, received the Supplemental COLA.

The main argument is the language of the charter itself. The charter language does not allow the Retirement Board to treat pre-1996 retirees and post-1996 retirees differently. The only way they can hold the pre-1996 retirees to the full funding requirement is to amend the charter by a ballot measure approved by the voters; otherwise the existing language binds them.

The use of the word “may” in the court of appeal decision and the lack of reference to a charter section derive from the principle that the court has no authority to change the charter language. Court decisions frequently contain statements and opinions that are not part of the actual decision. In this case, it appears that the only avenue to avoid implementation of the actual charter language is through a charter amendment. Without such an amendment, there is no discretion but to comply with the existing language; and, as you know, there is no such language to withhold the supplemental COLA from pre-1996 retirees or treat them differently from all other retirees. The 2011 measure does not authorize the “fully funded” condition to be applied to pre-1996 retirees. Neither did the 2008 measure.

## OPINION

By Frank Moss

I noted in the recent issue of the RECCSF April *News & Views* John Madden’s urging that we move on, and essentially give up the fight for the supplemental COLA for pre-1996 retirees.

I believe that his reasoning is based on his opinion that the court found that the pre-1996 retirees had no vested right to that supplemental COLA.

I would request the opinion of the POB attorney as to the correctness of Mr. Madden’s opinion. I also noted that, according to the City’s records, Mr. Madden retired in 1999 (which may have influenced his reasoning).

“Thank you,” POB, for all that you’ve done for the post-1996 and the pre-1996 retirees, and urge you to continue the fight for *all* retirees; I also ask that retirees who have benefited from their efforts contribute to POB.

## Smart Shopping Pays

By Karen Johnson, Golden Gate Branch Manager  
San Francisco Federal Credit Union

**Become an advertising critic.** Advertisers may use “puffing” to sell a product—a practice that legally allows a certain amount of exaggeration. Therefore, an advertisement for face cream may claim to give your skin a youthful radiance, but it can’t promise to shed 20 years from your appearance overnight, unless it actually can (highly doubtful).

**Buy rationally.** Compare the prices at multiple places before making a major purchase and avoid impulse buying. Question your need and desire for each item. Avoid shopping when you are hungry, tired, depressed, rushed or distracted.

**Be on-guard when online.** Only buy from secure Internet sites and read the privacy policy. Review return, refund, and shipping and handling policies. As with any delivered item, request that the shipper receive a signature before leaving a package on your doorstep, or have it delivered to your office.

**Know the warranty.** Some are verbal (usually worthless); some implied (that your refrigerator will indeed keep food cold); and some are written. Federal law does not require written warranties, but most come with major purchases. Understand it and save it in a safe place. “Extended warranties” are actually service contracts that you have to pay for. (Warranties are free.) To determine if you really need one, weigh the cost of the service contract against projected maintenance and repair bills.

**Nervous about a purchase?** Check with the Better Business Bureau for past complaints against a seller or manufacturer before you buy.

San Francisco Federal Credit Union wants to help you master your money. We can help you control your spending and make wise financial decisions when it comes to new purchases. Contact us to learn about our products and services.

## No General Membership Meeting in August

### May 11 Board Meeting Actions:

- Approved Treasurer’s Report.
- Voted for June *News & Views* to contain seven pages.

### RECCSF Members Elected to Board at May 11 General Membership Meeting; Installation at June 8 RECCSF Annual Luncheon.

<i>President</i>	Claire Zvanski
<i>First Vice President</i>	Mary Anne McGuire-Hickey
<i>Second Vice President</i>	Linda Tabor-Beck
<i>Secretary</i>	Bonnie Bompert

### Board members

Ning Aguirre	Beverly Pardini
Sharon Johnson	John “Skee”
John Madden	Tostanoski

## Membership and Subscriptions

for retired city employees as of July 31, 2015

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



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### *News & Views*

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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, June 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*

#### **July/August Deadline:**

☛ Friday, June 17, 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, June 8**

**Annual Luncheon and Installation of RECCSF Officers and Board Members**

No-host refreshments 11 a.m. Luncheon 12:15 p.m.

***Speaker change!***

**John Trasviña**

Dean of the School of Law, University of San Francisco

*By reservation only*



*Flag Day*  
*June 14*