

December 2016

## Open Letter to "Al Casciato": Our Retirement Board Isn't For Sale!

### What Price for a Seat at the Table?

by Patrick Monette-Shaw

When a distinct group of people includes a subgroup consisting of 85% of the main group, shouldn't the subgroup deserve fair, balanced representation — and a seat at the table? Why should this be any different for City employee retirees? What about diversity?

Of 65,194 current City employees and retirees, only 7,821 are "Public Safety" (police officers and firefighters). The remaining 56,529 — everybody else — are considered "Miscellaneous" employees. [Note: There are 844 current Sheriff's employees, but they are not plan participants in the City's Retirement System.]

Now, Public Safety officers are trying to monopolize all three elected seats on the Board of Directors of the Employees' Retirement System, which would essentially gut diversity on the Retirement Board.

It's ironic that Public Safety officers are now trying to eliminate any semblance of diversity on SFERS' Board of Directors, given two previous lawsuits filed against the Police Department and Fire Department alleging discrimination and bias in hiring and promotions, which forced the City to address diversity in both departments. More than irony, it's a continuing past practice of Public Safety officers in both departments.

#### The Price of a Seat

For that matter, how much does it cost to buy a seat at the table on San Francisco's various Boards and Commissions? Consider the San Francisco Employees' Retirement System's (SFERS) Board. Do City employees' eventual pensions once they retire depend on who's been buying Board seats?

By reports, retired police captain Croce "Al" Casciato has bragged that the San Francisco Police Officers Association (POA) intends to donate \$100,000 to elect him to SFERS' Board. Al also reportedly bragged IFPTE Local 21 may contribute another \$85,000 to his campaign, for a total of \$185,000 — that reportedly continues to grow — to buy a seat that is essentially an unpaid position. Why?

Our pensions shouldn't depend on dark money campaign contributions! Really, \$185,000 or more for a seat at the table on our Pension Fund's board? What's in it for you, Al, and what are your donors expecting in return? What's in it for *them*?

Similarly, at last report, both former Supervisor Bevan Dufty and Gwenyth Borden, a current appointee to SFMTA's Board of Directors, raised \$85,000 apiece for their campaigns in the BART District 9 election on November 8.

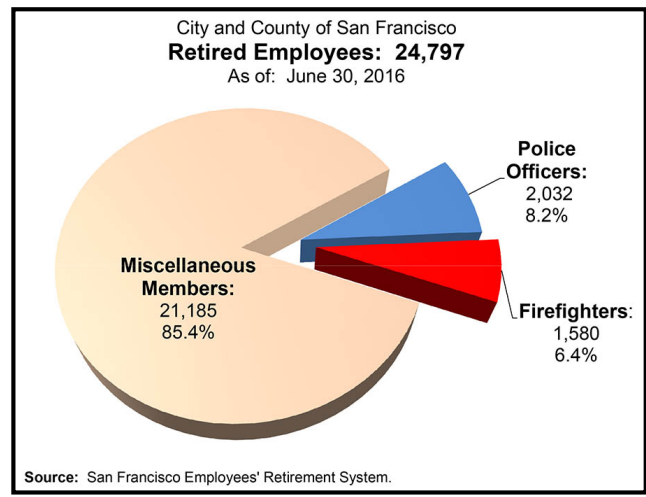
While candidates to boards of the Community College District, the Unified School District, and BART must report campaign contributions to San Francisco's Ethics Commission, for some unknown reason candidates for our Retirement System board don't report campaign contributions.

Look for your ballot in a light green envelope in U.S. Mail Around Dec. 19<sup>th</sup>



**Biting the Hand That Feeds You:** SFERS' Commissioner's Joe Driscoll and Wendy Paskin-Jordan, former Police Chief Frank Jordan's wife. Driscoll has learned to bite the hand that fed him!

**“What about diversity? 'Public Safety' is trying to monopolize all three elected seats on SFERS' Board, which would essentially gut diversity on the Board.”**



**IS IT FAIR** for the red and blue Public Safety slices to exclude the beige Miscellaneous slice from representation at the table?

**“How much does it cost to buy a seat at the table on San Francisco's various Boards and Commissions? Al Casciato has bragged the POA and Local 21 are donating \$185,000 (that reportedly continues to grow) for a seat at the table on our Pension Fund's board. Really? What's in it for his donors? What are they expecting in return?”**

## Smearing an Opponent's Good Name

An October 20 [letter](#) published in the POA's November 2016 *POA Journal*, purportedly authored by 18 people affiliated with 13 labor unions, wrongly claims 24-year incumbent Herb Meiberger is suddenly unable to build strong working relationships with other SFERS Board members and SFERS' staff. That claim is pure nonsense. As our elected Miscellaneous retiree, Herb has served with distinction for 24 years *collaboratively* as a Board member.

Meiberger has worked hard and collaboratively with Police Officers and Firefighters for over 14 years to increase their pension benefits, but suddenly the signatories to the October 20 letter asking Meiberger to withdraw from re-election either have complete amnesia, or have so much hubris that you might as well call them full of B.S.!

Meiberger has watched the backs of Police and Fire retirees and active members. Herb convinced five of seven of the then-retirement board members to sign a [paid ballot argument](#) in the Voter Guide to enhance Public Safety officers' retirement benefits in the 2002 San Francisco election, increasing their maximum retirement benefit from 75% to 90% of their final salaries at the time of retirement. The ballot measure required 50%+1 affirmative votes to pass, but received fully 64.25% of votes cast.

Notably SFERS' then-Commissioners Joe Driscoll (SFFD) and Al Casciato (SFPD) did *not* sign on to the 2002 ballot argument, which was sponsored by a group called "Public Safety Officers for a Better Retirement," with the two largest contributors to the group being the San Francisco Police Officers Association and the San Francisco Firefighters. Given that Driscoll and Casciato failed to sign on to the ballot measure, a legitimate question for other Public Safety officers is: "*Al, Joe, why weren't you two watching my back, as Herb did in 2002?*"

Shamefully, the October 20 letter included not one actual signature. Does anyone — other than the signatories — really believe that the 18 "co-signers" speak for *all* of the union members of *each* of the 13 labor organizations listed in the letter?

The false claim Meiberger is unable to build strong working relationships is absurd for several reasons. First, SFERS' Commissioner Victor Makras (SFERS Board's immediate past president) and Commissioner Leona Bridges (former Managing Director for Barclays Global Investors of San Francisco) have endorsed Meiberger for January 2017 re-election.

If Herb was "disruptive," why did current SFERS' Commissioners Makras and Bridges, former SFERS Commissioner Peter Ashe, two charter members of Protect Our Benefits (POB), and five past presidents of IFPTE Local 21 all endorse Herb for re-election in January 2017? They all endorsed him as a sole endorsement, not as a dual endorsement.

Second, although Bob Muscat and Gus Vallejo from IFPTE Local 21, Marty Halloran and Gary Delagnes from the POA, and Joe Driscoll (as a member of Firefighters Local 798, not as a SFERS Commissioner) signed on to the October 20 letter asking Herb to withdraw, there's no escaping the fact that the POA endorsed Meiberger in Herb's 2006 election, and IFPTE Local 21 endorsed Meiberger in both 2006 and 2012. Both unions previously endorsed Herb because of his clear experience and qualifications to serve as a Retirement Board commissioner.

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In addition, the group known as “Protect Our Benefits” (POB) also endorsed Herb in 2012, as did the full San Francisco Labor Council. And in the current 2017 election, another prominent 10-year Local 21 union member endorsed Herb, along with the five past presidents of Local 21. Clearly Muscat and Vallejo are *not* speaking for all of Local 21’s rank-and-file members!

That Driscoll signed the October 20 letter asking Meiberger to withdraw from the Board election illustrates his own galling hubris, along with obvious ingratitude.

In 1985, Driscoll was one of Meiberger’s students in an investment course at Golden Gate University. Around 1990, Driscoll pursued obtaining the Chartered Financial Analyst (CFA) credential. To become a CFA, it’s *required* that another CFA “sponsor” you for it. Indeed, Herb did sponsor Joe, although Joe never thanked Herb for doing so. How’s that (Joe signing the October 20 letter asking Herb to withdraw) for biting the hand that fed you? It smacks of ethical bankruptcy!

Suddenly, you wrongly alleged in your candidate statement in the December issue of the *News & Views* newsletter published by RECCSF (Retired Employees of the City and County of San Francisco), Mr. Casciato, that Meiberger has a “record of disruption and delay [that] is costing us, and he must be replaced.” That’s more sheer nonsense, Al, demonstrating that your slip is showing and is unsightly (woven entirely of even more hubris). Meiberger has no such record of “disruption and delay,” and your claim that he does borders on slander, in my book.

## A Candidate’s Deliberate Misinformation

Al, your RECCSF [candidate statement](#) also wrongly asserts that “Our pension fund lost \$1.5 billion last year.” Where did where did you get that number from, Al? Out of thin air? That’s complete hoey, Sir, and a Donald Trump-size lie to boot!

You also cleverly imply in your candidate statement that SFERS’ board is “dysfunctional” without you, without providing any clear example, let alone a definition, of “dysfunctional.” Most observers do not believe SFERS’ current Board is at all dysfunctional, so your claim the Board is appears to be empty campaign rhetoric trying to drum up votes, devoid of reality — the same kind of “devoid of reality” that plagues Donald Trump.

Reports presented during SFERS’ open meetings show our Pension Fund was valued at \$20.4 billion on June 30, 2015 in an audited statement. A preliminary valuation of our Fund as of June 30, 2016 estimates it was \$20.0 billion, a loss of just \$422.6 *million*, not the \$1.5 *billion* loss you wrongly claimed in your RECCSF candidate statement. You also wrongly inflated in your candidate statement that the Pension Fund was valued at \$18 billion when you resigned in 2012. It was valued at just \$15.3 billion, not \$18 billion. You were off by \$3 billion, Al!

SFERS’ Chief Investment Officer Bill Coaker’s November 9, 2016 memo to the Board shows that by September 30, 2016, our plan’s value is now estimated at \$20.7 billion, having regained value between the end of June and the end of September, and is \$300 million higher than the June 2015 valuation. You should have had that data in your hip pocket — before you wrote your candidate statement presenting false information to RECCSF members.

Like most Plan members, I want a fiduciary on SFERS’ Board who can add and subtract, and report accurate data, Al. You remember

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**“ That Driscoll signed the October 20 letter asking Meiberger to withdraw from the Board election illustrates his own galling hubris, along with obvious ingratitude, since Herb had sponsored Joe for obtaining the Chartered Financial Analyst (CFA) credential 25 years ago. It smacks of ethical bankruptcy.”**

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**“ Al, your RECCSF candidate statement also wrongly asserts that ‘Our pension fund lost \$1.5 billion last year.’ Where did where did you get that number from, Al? Out of thin air? That’s complete hoey, Sir, and a Donald Trump-size lie to boot!”**

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**“ I want a fiduciary on SFERS’ Board who can add and subtract, and report accurate data, Al. You remember how to add and subtract, right? It’s too bad RECCSF members haven’t sued you for misstating our Fund’s performance, misleading them to gain their votes based on erroneous — rather than accurate — information.”**

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how to add and subtract, right? It's too bad RECCSF members haven't sued you for misrepresenting our Fund's performance, misleading them and trying to gain their votes based on erroneous — rather than accurate — information. If you willfully misrepresented materially false information during an election period, how are we to trust your veracity as a legal fiduciary to our Pension Plan, Al?

## The Failed DROP Program

Let's take a look at your own record, Al. Under your so-called "leadership," you supported creating the DROP (Deferred Retirement Option Program) retirement enhancement for police officers in 2008, which effectively allowed police officers to "double-dip" — collecting a City salary and simultaneously drawing a monthly pension (deposited into a 4% interest-bearing account that the officer accesses at the end of their DROP period), while still actively employed as cops.

You subsequently enrolled in DROP yourself, presumably before the program sunsetted on June 30, 2011, and you retired on June 30, 2012. What date did you enroll in the DROP program, Al?

The City Controller's payroll database for Calendar Year 2012 shows you received \$203,471 in "Other Pay" and you received \$108,175 in "Regular Pay," indicating "Total Pay" of \$311,646 during the six months between January and June when you retired. Another question, Al: Was any portion of that \$203,471 in "Other Pay" a payout from your double-dipping DROP account?

As a retiree, you now collect an annual pension of approximately \$208,937 (compared to Meiberger, who earns a quarter of that at an annual pension of \$42,927).

On April 16, 2011, the *San Francisco Examiner* [reported](#) the City Controller had released a [report](#) the day before, indicating that the three-year DROP program that began enrolling officers into the program on July 1, 2008 cost the City \$52 million — apparently based on just 169 police officers who enrolled in DROP during the first 30 months of the program (July 1, 2008 to December 31, 2010) — even while budget deficits forced cancellation of Police Academies for new police recruits. The true total costs of DROP have not been documented.

The *Examiner* also reported in 2011:

*"Data provided by the Retirement Board on officers that have retired through the program shows at least 37 officers out of 168 — about one-fifth — who entered the program didn't stay in DROP till the end ...*

*One officer, for instance, left DROP eight months before his three-year term was up and got a payout of \$244,482. Meanwhile, one homicide inspector stayed in the DROP program for less than five months and retired with an extra payout of \$53,000, records show."*

In the last six months of DROP (between January and June 30, 2011) an additional 173 police officers rushed to enroll — likely knowing the Board of Supervisors was poised to discontinue the program at the end of the three-year trial program — bringing the total to 342 police officers who enrolled in DROP.

Neither Cheiron (the actuarial consultant to SFERS' Board), nor the City Controller have conducted an analysis of the costs of the additional 173 officers who enrolled in DROP during the last six months before the program ended in June 2011. The Cheiron analysis of DROP appears to have been based on the first 169 officers who had enrolled at the time Cheiron conducted its analysis and reported the \$52 million cost! It's not known whether the additional 173 officers cost the City additional millions that Cheiron appears not to have analyzed.

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**"Under your so-called 'leadership,' you supported creating the DROP (Deferred Retirement Option Program) retirement enhancement for police officers in 2008, which effectively allowed police officers to 'double-dip' — collecting both a City salary, and deposits into their retirement accounts simultaneously while still actively employed. You subsequently enrolled in DROP yourself, Al."**

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**"The three-year trial DROP program that began enrolling officers into the program on July 1, 2008 cost the City \$52 million — apparently based on just 169 police officers who enrolled in DROP during the first 30 months. Neither Cheiron (the actuarial consultant to SFERS' Board), nor the City Controller have conducted an analysis of the costs of the additional 172 officers who enrolled in DROP during the last six months before the program ended in June 2011."**

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On July 12, 2012 the *San Francisco Public Press* [reported](#) that the DROP program had “ended a year ago,” after the Board of Supervisors voted 10-1 on June 21, 2011 to discontinue the DROP program because it wasn’t “cost neutral,” as then-POA president Gary Delagnes and the legal text of Prop. B in the February 5, 2008 voter guide had initially promised.

## Inadequate Education and Experience

San Franciscans are indebted for your service as a police officer, Al. You were a great policeman protecting the city from criminals. We all thank you for that service!

But let’s face facts, Al: Your 43 years of service to the City was as a cop, not as a financial professional. We value your career as a cop, Al, but you’re *not* a certified financial investment professional, as Meiberger is, clearly shown by each of your credentials. We need someone with tangible, measurable financial skills. Al, you just don’t have the background, the degrees and credentials, or the financial career that your opponent, Herb, has. Surely you must know that you’re not as qualified as Herb is.

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**“ But let’s face facts, Al: Your 43 years of service to the City was as a cop — for which San Franciscans are indebted — not as a financial professional. ”**

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Meiberger holds two higher education degrees, one a B.A. in Mathematics and Chemistry from the University of South Dakota, and a second, M.B.A. in finance from the University of California–Berkeley. In addition, Herb earned the Chartered Financial Analyst (CFA) designation in 1987, which he has now held for 29 years. He’s been a finance instructor at SF State University for 30 years, is an Adjunct Professor of Finance at Hult International Business School in San Francisco, and previously taught CFA review courses for the Stalla/Becker Educational program, which tends to suggest that in addition to his two college degrees, he also holds a teaching credential.

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**“ We need someone with tangible, measurable financial skills. Al, you just don’t have the background, the degrees and credentials, or the financial career that your opponent, Herb, has. ”**

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What about you, Al? What higher education degrees have you earned and in which academic discipline(s)? [Bloomberg.com](#) reports that you are a graduate of California State University at San Francisco (a.k.a., San Francisco State University), but didn’t list the degree that you earned. Bloomberg also reported you attended the FBI National Academy, but again didn’t list any degree or certificate you earned from the FBI. Does the FBI actually award university-level degrees, or credentials in finance, investing, or mathematics, Al, or just course certificates? [Google books](#) reports that you earned a B.A. in Urban Studies in 1978 from SF State.

By my calculation, you received your Urban Studies degree nine years after you joined the Police. Apparently you don’t hold any degrees involving finance or investing. What was the focus of your Urban Studies degree, Al? Criminal Justice? Policing? Finance or investing? Some other focus?

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**“ What was the focus of your Urban Studies degree, Al? Criminal Justice? Policing? Finance or investing? Some other focus? ”**

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Your candidate statement in RECCSF’s newsletter claims the Board needs “solid and smart” leadership in uncertain economic times ahead. I’m not sure what you mean by “smart” leadership, Al. While you undoubtedly possess cop’s innate “street smarts,” Al, I personally favor “book-learnin’ smarts in finance,” as in someone like Herb who has two advanced degrees, and solid investment experience smarts.

As well, you previously served as a SFERS Board member for a total of 17 years, between 1995 and 2012. Mr. Meiberger has a total of 24 years as a SFERS Board member, illustrating he has more experience than you as a SFERS Commissioner. Again, experience matters!

More, Meiberger worked as an SFERS employee for 20 years, managing our Pension Fund’s bond and private equity portfolios. What experience do you actually have managing on a day-to-day basis public pension funds as a financial professional, Al — beyond simply being a SFERS Board member? May I safely assume the answer to that is “no experience whatsoever”? When it comes to

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**“ What experience do you actually have managing on a day-to-day basis public pension funds as a financial professional, Al — beyond simply being a SFERS Board member? May I safely assume the answer is ‘no experience whatsoever’? ”**

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managing my pension, I prefer someone who is a certified investment professional, not just another cop looking for a gig during his retirement years, no disrespect to you intended.

That Herb asks detailed, tough questions of SFERS' investment staff and external consultants about proposed investments shows he's doing a great job at "due diligence" as a fiduciary to protect our Pension Fund's investments. Every question and due diligence issue Meiberger has raised was because he was representing the issues and perspectives of miscellaneous members who count on him to do so! Herb continues to represent the best interests of *all* members of the system, especially miscellaneous members and the pre-1996 retirees.

That doesn't make him "disruptive," as you falsely allege in your RECCSF candidate statement, Al, trying to smear Herb's good name, just as the signatories to the October 20 letter asking Herb to withdraw falsely claimed Herb doesn't have good working relationships, in another misguided attempt to smear Herb's good name. That just means he's doing the job he was elected to do. Neither you in your RECCSF candidate statement, nor the signatories to the October 20 letter, provided one example of any problematic behavior to support or document these totally false smears.

By contrast, all the years you were previously an SFERS Commissioner, you rarely asked any meaningful financial-wisdom questions from SFERS staff or consultants, preferring instead to just rubber-stamp whatever silly investment recommendations were put before you. Perhaps that's why our Fund lost \$70 million in the failed Currency Overlay Hedge Fund investment you supported, and we lost \$100 million in the Stable Value Fund in the Deferred Comp. plan under your rubber-stamp — and misguided "leadership."

## Being AWOL

Since you retired in June 2012, Al, meeting minutes of SFERS' Board meetings show no record that you have attended *any* of SFERS' 56 full Board meetings in the four years since you resigned from the Board, and show no record that you presented any oral or written testimony during those 56 meetings. Where have you been, Al? Playing golf at Trump's *National Doral Golf Club* in Florida, or just vacationing at Trump's *Mar-a-Lago Club*?

You were AWOL from attending SFERS meetings when the Board considered two unsound investments. Although current Police Officers Association president Marty Halloran attended the December 9, 2015 Board meeting considering a joint proposal from the Mayor and SFERS' Board president Malia Cohen to invest \$125 million in risky Mayor's Office of Housing DALP (Downpayment Assistance Loan Program) loans, you weren't at that meeting. When Halloran testified against investing in DALP loans as a dangerous precedent and a potential breach of fiduciary duties by SFERS' Board under the State of California's constitution, you were nowhere to be found — unless you came incognito in undercover cop disguise.

When SFERS' Board proposed investing \$3 billion of our Pension Fund in risky hedge funds on February 11, 2015 — with Commissioner Meiberger being the only "No" vote — you were also AWOL, Al. As far as that goes, Meiberger has stated "Since SFERS' Board ignored Warren Buffett's advice not to invest in hedge funds, our Plan members need a watchdog like me to contain the wolves at the door!"

You live in Pacifica, Al, not in San Francisco. You're not a stakeholder here. As a non-resident, you won't have to backstop any hedge fund losses. Should the hedge funds collapse and taxpayers have to assume additional contributions to the pension

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**"That Herb asks detailed questions of SFERS' investment staff and external consultants about proposed investments shows he's doing a great job at 'due diligence' as a fiduciary to protect our Pension Fund's investments. That doesn't make him 'disruptive,' as you falsely allege, Al. That just means he's doing the job he was elected to do."**

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**"Since you retired in June 2012 Al, meeting minutes of SFERS' Board meetings show no record that you have attended any of SFERS' 56 full Board meetings in the four years since you resigned from the Board. Where have you been, Al?"**

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fund — dragging the City down — you’re not personally at risk, Al. Herb, however would be at risk, since he’s a resident who pays taxes in the City.

Also, by report, nobody has seen you attend any SFERS Board meetings in the past four years. If you’ve been missing in action and haven’t participated in any SFERS meetings at all for that long, why are you now trying to unseat Mr. Meiberger, Al?

Al, you’re simply not as qualified to manage our \$21 billion pension portfolio as Herb is. Why does this remind me that Donald Trump was not as qualified to be Commander-in-Chief as his opponent was?

## Two Lawsuits Over Lack of Diversity

Again, the 7,821 current and retired “Public Safety” officers are trying to monopolize all three elected seats on SFERS’ Board of Directors.

It’s somewhat ironic that Public Safety officers are actively working to eliminate any semblance of diversity on SFERS’ Board of Directors, given two previous lawsuits filed against the Police Department and Fire Department alleging discrimination and bias in hiring and promotions, and a lack of diversity in both departments.

The Fire Department had been under a 10-year Federal consent decree between 1988 and 1997 over hiring, promotions, and management practices. The Fire Department had been involved in lawsuits for 25 years involving and alleging discrimination. It has long struggled to reflect the diversity of San Franciscans it serves.

Similarly the Police Department had been under a 25-year Federal consent decree between 1973 and 1998 also for discrimination in hiring and promotions. The federal oversight was to correct biased hiring and promotions.

The City’s minority-based police association, Officers for Justice, was founded in 1968 by minority officers fed up with unfair treatment. The association has fought for nearly 50 years for fair treatment within the Police Department. The association filed a Federal lawsuit in 1973, which it eventually won in 1978 resulting in the consent decree against the Police Department and the City.

Despite the end of the consent decree, a scandal surfaced involving officers who allegedly exchanged bigoted text messages between 2010 and 2012. Then, a new set of racist and homophobic text messages surfaced in April 2016 exchanged by police officers in 2014 and 2015.

## Monopoly Will Eliminate Diversity

*What did you do to support Miscellaneous members, Al, while you served on SFERS’ Board?*

Do I sleep better at night knowing that your 43 years of service as a San Francisco cop was invaluable? Yes.

Do I sleep better at night wondering about your inadequate financial qualifications to manage the assets of our \$21 billion Pension Fund? The answer to that question is not “No,” Al. It’s “Hell no”! At the thought of you returning to SFERS’ Board as a mere rubber-stamp, I toss and turn all night losing sleep, Al.

You claim, Al, that current SFERS’ Commissioners Brian Stansbury (Police), Joe Driscoll (Fire), and Wendy Paskin-Jordan (former Police Chief Frank Jordan’s wife) asked you to run. Your [web site](#) (as of November 30) shows no endorsements of you from any SFERS commissioners, nor from other “financial experts” that you claim you have in your hip pocket.

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If you win, Al, all three of the three elected seats will be monopolized by “Public Safety” officers (Police and Fire), and effectively Public Safety will have a four-member majority on the seven-member Board. This would steal power from, and exclude, the 85% of Miscellaneous members having any voice or representation at the table. Meiberger notes astutely, “No public pension fund representing miscellaneous members has all their elected seats held exclusively by Public Safety officers.”

Why should SFERS Board be any different? Why should our Board have all three elected seats be controlled by Public Safety?

How do you sleep at night, Al, knowing you are deliberately trying to strip Miscellaneous members from fair, balanced representation, or any representation?

We have to make sure that our Pension Fund and its Board of Directors doesn’t become a place where “dark money” campaign contributions buying a seat at the table matters more than the interests of Pension Plan members and beneficiaries.

Mr. Casciato: How can I trust you’ll watch my back, since you didn’t watch the backs of your fellow police officers and firefighters during the 2002 election to improve their retirement benefits?

Have you lost your ethical compass, Al, regarding disenfranchising the current 21,185 Miscellaneous retirees and the 35,344 current, active Miscellaneous employees by stripping us from representation? Or is this all about your own ego, Sir? Is this all about *you*, and not about *us*?

Fair representation is critical to any democracy. Next time you shave look closely into the mirror. Al, do you really want to strip 56,529 retired and currently active Miscellaneous members of fair, balanced — or *any* — representation on SFERS’ Board?

If we miss out at on a seat at the table, we’ll miss out on influencing the menu!

Al, will you please do Miscellaneous members a favor and stand down — withdraw — immediately, preserving and retaining a seat at the table for the 85% of plan participants who deserve having a voice? Monopolizing the three elected seats would effectively end diversity on the Board. Your withdrawing could save members \$75,000 for the cost of the election!

Here are some questions for City employees and retirees who get to cast votes in this election: Would you elect Meiberger as San Francisco’s police chief to protect your safety? If not, why would you elect Al to oversee and protect your \$21 billion pension portfolio?

Are you at all concerned about what could possibly go wrong if Al wins? Are you concerned that Al may have already reached his Peter Principle level of incompetence?

Who do you want managing your Pension Fund? A second cop on SFERS’ Board, or a dedicated, certified investment professional like Professor Meiberger?

For taxpayers ineligible to vote in this election, share this article with your friends and family members who *can* vote, and urge them to vote to re-elect Commissioner Meiberger.

Me? I’m voting for Meiberger in January to protect Miscellaneous members’ interests in our pensions, and for fair, balanced representation on SFERS’ board and a seat at the table!

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**“ You claim, Al, that current SFERS’ Commissioners Brian Stansbury, Joe Driscoll, and Wendy Paskin-Jordan asked you to run. Your web site (as of November 30) shows no endorsements of you from any SFERS commissioners, nor from other ‘financial experts’ that you claim you have in your hip pocket. ”**

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## More POA Propaganda

In what can only be described as something out of cartoonist Don Asmussen's "Bad Reporter" column in the *San Francisco Chronicle* — which runs under the slogan "The lies behind the truth, and the truth behind those lies that are behind that truth" — the *POA Journal* is yet again spewing deliberate disinformation.

In the [December issue](#) of the Police Officers Associations' *POA Journal*, Sergeant Christopher Canning claims he was told (without citing any specific data or giving a source, suggesting the POA's ongoing whispering smear campaign) that:

*"While Captain Casciato served on the Retirement Board the fund tripled in size from \$6 billion to a staggering \$18 billion.*

*Meiberger has mired our pension system in politics and he has routinely blocked investments. I'm told that in the past 24 months Meiberger has cost our pension system over \$130 Million [sic: million] in 'lost' profits."*

Both of Canning's claims are — yet again — pure nonsense! Here's the truth behind Canning's lies: First, Casciato and his POA biographer are off by \$3 billion!

When you left the Retirement Board in June 2012, Al, your own "President's Message" in SFERS' Annual Report for 2012 noted that the Fund's *Net Assets Market Value* had an ending value of \$15.3 billion as of June 30, 2012, not \$18 billion. All that your wanna-be biographer, Canning, had to do was check SFERS' Annual Report for 2012, but he appears to have relied on your November 2016 RECCSF's *News & Views* "Candidate Statement" in which you had also wrongly claimed, Al, that during your tenure on the Board the Fund had grown to \$18 billion. Perhaps Canning should stick to doing Police Sergeant work, rather than pretending to be a fact-based biographer.

Indeed, while you were on the Board, Al, the Fund actually declined in value from \$16.9 billion in 2007 to \$15.3 billion in 2012. That was a **negative 9.4% return** during your last five years as a Commissioner, Al. Any of your supporters who inflate \$3 billion in pension profits despite a 9.4% five-year loss, are simply not worthy of being believed.

Second, Canning's false charge (which he seems to have pulled out of more thin air) that Herb had cost the Pension fund \$130 million in lost profits is simply wrong, and Canning offered no proof or documentation regarding any such loss. Al, what \$130 million loss is your biographer Canning referring to?

Canning's false claim Herb mired SFERS' Board in politics and routinely blocks investments wasn't based on any concrete facts or examples. Canning's claims are so absurd they're unworthy of a response.

After you resigned from SFERS' Board in 2012, our Fund's value has increased from \$15.3 billion to \$21 billion — a 37% net improvement in just four years. The Fund's performance improved as soon as you left, Al! As well, our separate Deferred Compensation Plan *declined* by \$1.6 billion (a negative 10%) during your last five years on the Board, Al. Most members rightfully believe we'd be better off without you, Al!

Any candidate who claims fictitious investment returns isn't suitable for our Retirement Board, Al, you included!

## The "Public Safety-Only" Kool-Aid®

Protect Our Benefits (POB) is a political action committee representing the interests of retired City employees. POB was formed in January 1999 to protect and enhance all City employees' (active and retired) benefits. POB's membership is largely composed of police officers and firefighters. POB endorsed Meiberger for re-election in 2012. For that matter, the Police Officers Association endorsed Herb in 2006, and IFPTE Local 21 had endorsed him in *both* 2006 and 2012.

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**" Al, your own 'President's Message' in SFERS' Annual Report for 2012 noted an ending value of \$15.3 billion as of June 30, 2012, not \$18 billion you wrongly claimed. "**

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**" While you were on the Board, Al, the Fund actually declined in value from \$16.9 billion in 2007 to \$15.3 billion in 2012. That was a negative 9.4% return during your last five years as a Commissioner. "**

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**" After you resigned from SFERS' Board in 2012, our Fund's value has increased from \$15.3 billion to \$21 billion — a 37% net improvement in just four years. Members rightfully believe we'd be better off without you, Al. "**

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**" Any candidate who claims fictitious investment returns isn't suitable for our Retirement Board, Al, you included! "**

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In the December issue of RECCSF's *News & Views*, retired firefighter Skip McKinney wrote a column regarding the upcoming SFERS Board election. It's clear McKinney drank the "Public Safety-only" Kool-Aid<sup>®</sup>, and doesn't understand the underlying issues of diversity and balanced representation on the Board. Many POB members do support Herb! McKinney wrote, in part:

*"I feel that we are in danger of being divided, due to a comment at a recent RECCSF meeting of equal representation of miscellaneous employees: 'too much blue (police, fire) on the board.' (Casciato is a retired police captain.) 'You need a maverick on the board, someone like Meiberger.'*

*I would like to state: 'We are all one, blue or miscellaneous employees.' We all belong to the same retiree's club. We don't need divisiveness. Vote for whom you feel can best represent your interests, based on their qualifications — not on the color of their uniform."*

The divisiveness McKinney refers to was brought on entirely by you, Al. One group of City employees (Police and Fire) is deliberately seeking to take over all three elected seats on SFERS' Board, at the expense of Miscellaneous members. One Op-Ed in RECCSF's December *News & Views* newsletter written by Richard Evans noted, in part:

*"However, it troubles me that the miscellaneous employees [would] not [be] represented on [SFERS'] Board [if Meiberger lost his seat]. They number, by far, the largest single 'group' of employees governed by the Board. I agree that each group needs to be represented, but not at the expense of any other group."*

Mr. Evans was the Director (Department Head) of San Francisco's Department of Public Works for five years — 1987–1992 — and had been represented by the Municipal Executives Association (MEA) before he retired in 1992. If Evans can understand this, why can't Mr. McKinney?

More troubling is that McKinney doesn't seem to understand that you, Al, are simply not as qualified as Herb is. You have a single degree in Urban Studies, whereas Herb has multiple degrees, is an instructor in finance at SF State, is an Adjunct Professor at Hult International Business School, and worked at SFERS for 20 years before retiring from the City.

Worse, McKinney is wrong: We are not all "one," regardless of the color of our uniforms. During the 16 years I was a City employee, I don't recall ever seeing the POA or Firefighters Local 798 actively advocating for better (or equal) benefits for Miscellaneous members during contract bargaining talks or during development of the City's budgets. Al, tell McKinney that Miscellaneous members don't want Public Safety *monopolizing* all three elected seats on SFERS' Board! It's high time McKinney — and all Public Safety officers — stand in *solidarity* with Miscellaneous members, and support equity, diversity, and balance on SFERS' Board and our right to a seat at the table. After all, Public Safety represents just 10.4% of active employees and 14.6% of retirees!

We're not for sale, Al. Haven't we earned — or do we not *deserve* — balanced representation? What happened to diversity and fair balance at the table, Al? You could solve McKinney's concerns about "divisiveness," Al, by standing down and withdrawing from this election.

*Monette-Shaw is a columnist for San Francisco's Westside Observer newspaper, and a retired San Francisco City employee. He received a James Madison Freedom of Information Award in the "Advocacy" category in 2012 from the Northern California Chapter of the Society of Professional Journalists. He's a member of the California First Amendment Coalition (FAC) and the ACLU. He can be contacted at [monette-shaw@westsideobserver.com](mailto:monette-shaw@westsideobserver.com).*

## Further Reading

- November 2016 RECCSF Guest [Op-Ed](#)
- December 2016 RECCSF Four Guest [Op-Ed's](#)
- [www.herbmeiberger.com](http://www.herbmeiberger.com)
- <http://sfretirees.org/bulletin.html>

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**"It's clear Skip McKinney drank the 'Public Safety-only' Kool-Aid<sup>®</sup> and doesn't understand underlying issues of diversity and balanced representation on the Board. Many POB members do support Herb."**

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**City employees and retirees: Who do you want managing your Pension Fund? A second cop on SFERS' Board, or a dedicated, certified investment professional like Professor Meiberger?**

**We're not for sale, Al. What happened to diversity and fair balance at the table?"**

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