

P & F
RETIREMENT

OFFICIAL COPY

ANNUAL REPORT
1970

POLICE AND FIRE RETIREMENT PLAN

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POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

RETIREMENT BOARD

The Retirement Plan is administered by a five member Board composed of two representatives from the City Council, a representative from the Civil Service Commission and two representatives who are city employees, one from the Police Department and one from the Fire Department.

In accordance with Section 2222.1 of the San Jose Municipal Code, "A Board of Administration for the Police and Fire Department Retirement Plan, hereinafter in this Topic referred to as the 'Board' is hereby created and established."

As of December 31, 1970, the members were as follows:

- JOSEPH A. COLLA - He is a member of the City Council and is one of its official representatives of the Board. He became a member of the Board on July 10, 1967.
- BARTON L. COLLINS - First elected as a representative of the employees of the Police Department on September 26, 1946. His present term expires October 10, 1972.
- DOROTHY D. SILVA - She is a member of the Civil Service Commission and serves on the Board at the pleasure of that body. She was appointed on April 6, 1970.
- RAYMOND E. JONES - First elected as a representative of the employees of the Fire Department on October 11, 1962, Captain Jones serves as a member of the Board. His present term expires on November 30, 1974.
- VIRGINIA C. SHAFFER - She is a member of the City Council and is one of its official representatives on the Board. She became a member of the Board on May 28, 1962. Mrs. Shaffer serves as the President of the Board.

The Board of Administration engages the following consultants to assist in making investments and in developing a sound retirement plan:

- LARRY MITCHELL - Representative of Mitchell & Kadoyama, Inc.
- RICHARD DUNN - Representative of Scudder, Stevens & Clark, Inc.

The Board meets on the second Monday of each month and holds special meetings as the occasion demands. The meetings are currently held in the Council Conference Room, First Floor, City Hall, at 11:00 a.m. Members of the Retirement Plan may attend any of the meetings.

POLICE AND FIRE RETIREMENT PLAN

*Financial Report

as of December 31, 1970

ASSETS:

Cash in Bank	\$ 11,005	
Interest Receivable	253,410	
Investments (at Cost)	<u>18,483,659</u>	
Total Assets		<u>\$18,748,074</u>

LIABILITIES AND FUND BALANCE

Fund Balance		<u>\$18,748,074</u>
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*ANALYSIS OF CHANGES IN FUND BALANCE

Year ended 12/31/70

Fund balance 12/31/69		\$15,381,953
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Add Revenues:

Employee's Contributions:

Old Plan	\$ 2,183	
New Plan	<u>528,274</u>	\$ 530,457

City's Contributions:

Temporary Pension Increase	40,337	
Old Plan, Current Service	5,830	
Old Plan, Prior Service	2,883	
New Plan, Current Service	1,390,836	
New Plan, Prior Service	<u>959,199</u>	2,399,085

Income on Investments

Long term	805,947	
Short term	18,401	
Dividend Income	46,433	
Gain on Sale of Securities	<u>2,656</u>	873,437
Total Revenue		3,802,979

Deduct Expenditures:

Pension & Survivor Benefits	373,450	
Temporary Pension Increase	40,179	
Cost of Living Benefits Paid	<u>7,490</u>	421,119
Contribution Refund		23,329
Total Expenditures		436,858

Fund balance 12/31/70		<u>\$18,748,074</u>
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*All figures subject to final audit.

POLICE AND FIRE RETIREMENT PLAN
 COST OF LIVING FUND
*Financial Report
 as of December 31, 1970

ASSETS:

Cash in Bank	\$	16,030	
Interest Receivable		1,509	
Investments (at Cost)		<u>70,448</u>	
			<u>\$ 87,987</u>

LIABILITIES AND FUND BALANCE

Fund balance			<u>\$ 87,987</u>
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*ANALYSIS OF CHANGES IN FUND BALANCE
 Year ended 12/31/70

Fund balance 12/31/69			- 0 -
Add Revenues:			
Employee's Contributions:	\$	25,595	
City's Contributions:		67,999	
Income on Investments:			
Interest		472	
Dividends		-	
Accrued Interest Income		<u>1,509</u>	
Total Revenue			95,576
Deduct Expenditures:			
Pension and Survivor Benefits Paid		7,490	
Contribution Refunds		<u>99</u>	
Total Expenditures			7,589
Fund Balance 12/31/70			<u>\$ 87,987</u>

*All figures subject to final audit.

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

INVESTMENT REPORT
12/31/69 - 12/31/70

During the year, a net total of \$4,000,000 was added to The Police and Fire Department Retirement Plan investment portfolio to bring the Plan's investment on a cost basis to \$18,484,000. The annual rate of income from investments at year-end was increased by \$311,000, raising the total yearly income to \$1,044,000. The majority of the 1970 contributions (almost 90%) was invested in high coupon, long-term, ten-year protected, corporate bonds having an average yield of 8.07%. The remaining contributions were invested in common stocks, providing a dividend rate of return of approximately 3.44%. The annual return based on the total cost of the portfolio was 5.65%. The following figures set forth the historical record of the Fund since June 30, 1959 when Scudder, Stevens & Clark began the supervision of the assets.

JUNE 30, 1959 to DECEMBER 31, 1970
CUMULATIVE PERFORMANCE

<u>Period Ending</u>	<u>Investments at Cost</u>	<u>Year End Annual Rate of Income</u>	<u>Rate of Return</u>
12/31/70	\$18,484,000	\$1,044,000	5.65%
12/31/69	14,418,000	732,900	5.08
12/31/68	12,125,000	599,000	4.94
12/31/67	10,186,000	474,800	4.66
12/31/66	8,345,000	369,800	4.43
12/31/65	7,051,000	301,700	4.28
6/30/64	5,518,000	227,900	4.14
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6/30/59	2,103,000	77,800	3.69

JUNE 30, 1959 to DECEMBER 31, 1970
GROSS BOND PURCHASE HISTORY

<u>Period Ending</u>	<u>Investments at Cost</u>	<u>Income</u>	<u>Annual Rate of Return</u>
12/31/70	\$ 3,865,734	\$ 312,025	8.07%
12/31/69	1,495,000	114,350	7.65
12/31/68	1,940,000	124,000	6.40
12/31/67	1,840,000	105,000	5.71
12/31/66	1,385,000	72,000	5.20
12/31/65	2,313,000	105,400	4.56
6/30/64	967,000	40,000	4.14
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6/30/59	475,000	19,000	4.07

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

THE FOLLOWING PERSONS APPLIED FOR AND RECEIVED ENTITLEMENT FOR A MONTHLY RETIREMENT BENEFIT DURING THE PERIOD JANUARY 1, 1970 TO DECEMBER 31, 1970:

- E. DALE McCAY - Employed 8-14-42 to 2-1-70 in the Police Department. Retired under provisions of Section 2903.179.
- ROBERT MATSON - Employed 11-15-61 to 8-1-70 in the Fire Department. Retired under provisions of Section 2903.209.
- JOHN ERLANDSON - Employed 9-1-44 to 7-1-70 in the Fire Department. Retired under provisions of Section 2903.175.
- FRANK ANKENBAUER - Employed 2-1-46 to 7-5-70 in the Police Department. Retired under provisions of Section 2903.175.
- EUGENE STENZEL - Employed 12-15-61 to 8-1-70 in the Fire Department. Retired under provisions of Section 2903.209
- HERBERT GIBSON - Employed 11-15-45 to 8-1-70 in the Fire Department. Retired under provisions of Section 2903.208.
- D. DALE DAVIS - Employed 1-5-62 to 9-1-70 in the Fire Department. Retired under provisions of Section 2903.209.
- BERNARD STOUT - Employed 11-12-45 to 9-1-70 in the Fire Department. Retired under provisions of Section 2903.208.
- JACK E. WILSON - Employed 12-11-35 to 9-1-70 in the Police Department. Retired under provisions of Sections 2903.175 and 2903.179.
- THERON CONNETT - Employed 10-28-38 to 10-1-70 in the Fire Department. Retired under provisions of Sections 2903.175 and 2903.179.
- RONALD B. LeBEAU - Employed 4-1-39 to 10-1-70 in the Fire Department. Retired under provisions of Sections 2903.207 and 2903.208.

THE FOLLOWING PERSON DIED WHILE IN THE SERVICE OF THE CITY DURING THE PERIOD JANUARY 1, 1970 TO DECEMBER 31, 1970:

- RICHARD HUERTA - Employed 4-15-63 to 8-6-70 in the Police Department. Died on 8-6-70.

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Pension and Survivor Benefits Paid
January 1, 1970 - December 31, 1970

<u>NAME</u>	<u>DATE RETIRED</u>	<u>TOTAL PAID DURING PERIOD</u>	<u>AMOUNT OF MONTHLY PENSION</u>
Salisbury, D. E.	2-1-59	3,385.48	284.19
Dennis, H. C.	4-1-39	3,048.21	255.88
Basile, F.	1-14-52	3,056.07	256.54
Malpass, W. A.	10-7-56	3,763.32	315.91
Browder, S. D.	4-1-65	4,879.77	409.63
Creamer, W. M.	4-15-67	4,520.25	379.45
Bosque, C. J.	5-3-66	3,964.65	332.81
Alvares, A.	2-1-66	4,386.73	368.24
Hoffman, V. D.	12-6-65	4,561.71	382.93
Pinkston, J. A.	4-16-66	5,064.66	425.15
Lorenz, H. E.	3-15-68	4,720.74	396.28
Quain, R. C.	4-1-63	4,648.20	390.19
Acquistapace, J. M.	2-1-66	4,386.73	368.24
MacLean, A. A.	11-27-57	3,853.74	323.50
Matranga, J.	2-1-53	2,791.14	234.30
Gadsby, W. R.	9-1-63	4,748.85	398.64
Kidder, D. R.	9-1-66	5,241.82	440.02
Flesner, F. J.	7-28-63	4,731.61	397.19
Emerson, R. M.	12-10-58	1,001.41	84.06
Schwandt, H. J.	1-1-57	3,180.94	267.02
Powers, J. J.	8-22-55	3,706.38	311.13
Emery, L. W.	8-20-64	3,846.61	322.90
Parker, H. C.	5-1-64	5,983.03	502.24
Garcia, S.	2-27-62	3,902.46	327.59
Miller, E. C.	11-1-59	4,187.68	351.53
Powers, E. W.	6-1-59	4,081.66	342.63
**Humburg, W.	3-12-53	2,832.61	237.78
Murray, C. A.	3-12-62	4,488.57	376.79
Jones, I. A.	8-21-57	3,324.61	279.08
Anderson, E. D.	8-1-55	3,705.22	311.03
Kirby, H.	7-1-62	5,359.74	449.92
Cecil, D.	7-7-66	5,588.22	469.10
Haas, C. G.	6-7-66	4,444.39	373.08
Morss, K. G.	9-20-57	3,338.28	280.23
Foley, R. J.	5-13-42	2,710.15	227.50

Fuller, P.	1-8-46	2,300.22	193.09
Gomes, A.	1-15-68	5,237.53	439.66
Crawford, A. F.	4-5-68	4,740.51	397.94
Anderson, W. E.	11-14-67	4,625.79	388.31
Bartolini, H. R.	4-1-68	4,500.24	377.77
Holden, R. S.	4-26-62	3,936.54	330.45
Brewer, G. J.	2-10-69	4,725.75	396.70
Mattern, J. A.	7-16-66	5,150.31	432.34
Turnage, G. E.	3-8-68	4,485.73	376.55
Poelle, W. P.	9-11-68	5,109.57	428.92
Stanley, J. H.	1-14-68	4,452.25	373.74
+Terry, E. E.	9-1-43	73.56	95.92
Campbell, L. A.	2-1-63	5,769.31	484.30
Rebhan, B. E.	8-15-65	4,959.49	416.32
Ratkovich, P. J.	4-1-68	4,488.94	376.82
Mauldin, W. P.	9-26-44	2,368.59	198.83
Atwell, H. F.	12-19-66	4,541.95	381.27
Murphy, P. F.	4-18-50	2,619.97	219.93
Higgins, T. J.	8-1-53	3,417.52	286.88
Guerin, P. C.	2-15-66	4,617.49	387.61
Fusco, G. W.	6-10-67	4,319.88	362.63
Spadafore, C.	3-1-60	3,607.18	302.80
Edes, H. A.	7-1-62	4,568.97	383.54
Anderson, H. H.	11-1-55	3,723.42	312.56
Jennings, R. R.	9-5-60	4,211.86	353.56
Batti, G. J.	5-11-64	4,789.27	402.03
Pracna, E. S.	4-13-63	5,958.37	500.17
Gray, R. T.	4-1-65	4,370.41	366.87
Conyers, Sr., F. E.	10-26-62	4,629.40	388.61
Brown, W. C.	4-1-67	3,439.21	288.70
+Kunze, B. E.	11-22-55	842.70	228.14
Davis, H.	9-1-65	4,966.14	416.88
Morton, J. H.	1-14-52	2,658.78	223.19
Murtha, V. D.	4-1-65	4,474.06	375.57
Emery, W.	5-26-60	3,635.17	305.15
Guptill, L. E.	7-1-54	3,560.10	298.85
Volonte, L. J.	5-2-49	2,112.49	177.33
Fisher, R. H.	1-1-69	4,692.99	393.95
Urzi, R. S.	3-18-68	4,491.78	377.06
Adams, H.	7-14-53	3,233.35	271.42

Davis, D. D.	9-1-70	1,844.00	461.00
LeBeau, R.	10-1-70	5,348.43	1,782.81
Ostermeier, C. C.	5-20-69	4,617.24	384.77
McCay, E. D.	2-1-70	9,554.98	999.77
Hart, J. H.	12-3-69	4,601.04	383.42
Murphy, G. J.	10-28-69	9,770.76	814.23
Erlandson, J. K.	7-5-70	3,397.36	595.43
Chew, A. W.	4-21-69	4,480.92	373.41
Sims, R. E.	4-27-69	5,515.20	459.60
Barr, J. L.	7-14-69	4,728.60	394.05
Stenzel, E. F.	8-1-70	2,270.02	461.00
Stout, B.	9-1-70	2,277.92	569.48
Gibson, H. E.	8-1-70	2,771.34	569.61
Ankenbauer, F. J.	7-5-70	3,204.69	576.31
Matson, R. K.	8-1-70	2,270.01	461.00
Wilson, J. E.	9-1-70	3,822.12	955.53
Fernandez, R. L.	12-11-69	5,159.96	407.02
Connett, T. F.	10-1-70	2,507.37	835.79

Survivorship Benefits:

Sawyer, B. E.	5,380.60	451.67
Wakeman, L. C.	2,770.41	232.56
Ogden, A. L.	3,272.88	274.74
Vitek, H. A.	3,457.77	290.26
Bruegmann, M. A.	5,932.51	498.00
Lunsford, P. M.	4,619.13	387.75
Russo, J.	2,244.25	188.39
Hill, I. C.	1,279.57	107.41
Shepherd, D. M.	5,913.46	496.40
Blackwood, T. C.	4,708.00	399.95
Bone, N. M.	493.63	344.39
Collins, D. D.	12.49	387.21
Davis, R. M.	2,012.64	167.72
	<u>\$ 422,081.73</u>	

** Less charge to fund 01-619-826
Industrial Award to Mr. Humburg

- 962.52

\$ 421,119.21

centless adjustment

.21

\$ 421,119.00

+B. E. Kunze receives a monthly
pension of \$228.14 less \$18.46
paid by State Industrial Insurance
Fund. Deceased on 5/8/70

+E. E. Terry deceased on 1-12-70

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Contributions Refunded
January 1, 1970 - December 31, 1970

NAME	<u>COST OF LIVING</u>		<u>REGULAR FUND</u>		<u>TOTAL REFUND</u>
	<u>CONTRIBUTIONS</u>	<u>INTEREST</u>	<u>CONTRIBUTIONS</u>	<u>INTEREST</u>	
Kerns, James			1,239.91	61.13	1,301.04
Hernandez, Vera			1,394.88	109.19	1,504.07
Phelps, P. Scott			820.80	33.25	854.05
James, Ralph	3.10		2,125.26	108.78	2,237.14
Dent, Darold	2.79		287.61	4.55	294.95
Giguere, Jacquelyn			1,773.18	574.15	2,347.33
Dodge, Gregory	10.20	.02	384.14	4.19	398.55
Smith, Hugh	8.34	.02	706.50	13.54	728.40
Pettipiece, Jimmie	10.78	.04	2,836.17	188.65	3,035.64
Childs, Robert	12.26	.04	1,856.43	82.89	1,951.62
Taylor, Gary	9.51	.01	879.84	27.64	917.00
DeFraga, Dave	15.45	.06	353.68	2.93	372.12
Taylor, David	12.76	.06	280.10	3.08	296.00
Myers, Norma	11.64	.06	1,805.44	140.71	1,957.85
*Huerta, Richard	12.99	.59	2,803.10	177.50	2,994.18
Davis, Charles			2,023.49	132.68	2,156.17
	<u>109.82</u>	<u>.90</u>	<u>21,570.53</u>	<u>1,664.86</u>	<u>23,346.11</u>
Interest and Centless Adjustment					- 18.11
					<u>\$ 23,328.00</u>

*Richard Huerta deceased on 8-6-70

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

CODE REVISIONS ENACTED IN 1970

1. Ordinance 15118 adopted on 3-16-70 adopted a new Part 6 (Cost of Living Ordinance) and also amended the Code to permit disability retirement at age 65 and require determination as to whether service or non-service.
2. Ordinance 15286 adopted on 7-20-70 amended S 2903.60 to change the final compensation from 36 months to 12 months aggregate service.
3. Ordinance 15311 adopted on 8-10-70 amended S 2903.177, 178 and .208 to increase Service and Disability allowances on or after 9-1-70 for members who retired on or after 1-1-70 with more than 20 years of service.
4. Ordinance 15430 adopted on 8-17-70 amended S 2903.250 and .251, .255 to change the manner in which return of contributions and interest is to be made. Provides for return of contributions to surviving minor children when there is no surviving spouse.
5. Ordinance 15347 adopted on 8-24-70 amended S 2904.505 to determine how the percentage of increase or decrease in the cost-of-living is made and calculated.