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Report on  
Board of Administration

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# **Police & Fire Department Retirement Plan**

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July 1, 1977 to June 30, 1978  
City of San Jose, California

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CITY OF SAN JOSE

801 NORTH FIRST STREET  
SAN JOSE, CALIFORNIA 95110

Board Members:

J.A. Colla  
D.E. Ewing  
**R.E. Jones**  
D. Runyon  
F.P. Nicoletti

September 25, 1978

BOARD OF ADMINISTRATION  
POLICE AND FIRE DEPARTMENT  
RETIREMENT PLAN  
(408) 277-5137

The Honorable Mayor and City Council  
City of San Jose  
San Jose, California

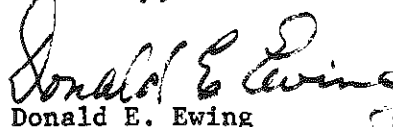
Dear Mayor and Council Members:

The Board of Administration of the Police and Fire Department Retirement Plan is pleased to present its annual report for the period July 1, 1977 to June 30, 1978. Some of the significant events worthy of note were:

- (1) The Police and Fire Retirement Fund ranks in the 7th percentile among comparable public agencies. The present earned interest rate is 6.8%. This performance represents a significant savings to the San Jose city taxpayers as each 1/2% of earned interest represents over \$300,000.00 deposited to the retirement fund.
- (2) The 1974 through June, 1977 actuarial review has confirmed the increasing costs to the Retirement System fund. Disability retirements and the inflation rate are exceeding expectations and escalating costs. This financial strain has resulted in a multimillion dollar deficit projected in the future for the fund. The employees and City of San Jose must make a larger contribution to the Retirement Fund to offset the projected deficit.
- (3) The consolidation of three Central Fire District stations with the City of San Jose Fire Department brought 45 firefighters of varying periods of service into this system.

The Board has made every effort to seek professional counsel in the areas of investment counsel, actuary and auditor service, that we may continue to produce a sound financial fund capable of continued growth. The Board of Administration and its staff are available to provide additional information when requested.

Sincerely,

  
Donald E. Ewing  
Chairman  
Board of Administration

# POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

## BOARD OF ADMINISTRATION

The Retirement Plan is administered by a five-member Board of Administration 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.

As of June 30, 1978, the members of the Board were as follows:

- |                    |   |  |
|--------------------|---|--|
| JOSEPH A. COLLA    | - | He is a member of the City Council and is one of its official representatives on the Board. He became a member of the Board on July 10, 1967.  |
| DONALD E. EWING    | - | Police Lieutenant, elected in February, 1974 as a representative of the Police Department to fill the term of Barton L. Collins, Retired; term to expire on November 30, 1980.                   |
| RAYMOND E. JONES   | - | First elected as a representative of the employees of the Fire Department on October 11, 1962. His present term expires on November 30, 1978.  |
| DAVID RUNYON       | - | Member of the City Council appointed to the Board January 15, 1977.  |
| FRANK P. NICOLETTI | - | He is a member of the Civil Service Commission and serves on the Board at the pleasure of that body. He was selected by the members of the Commission on February 6, 1975 to serve on the Board. |

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

- |                    |   |                                |
|--------------------|---|--------------------------------|
| ACTUARY            | - | The Wyatt Company              |
| INVESTMENT COUNSEL | - | Scudder, Stevens & Clark, Inc. |
| AUDITOR            | - | Arthur Young & Company         |

The Board meets on the second Tuesday of each month and holds special meetings as the occasion demands. The meetings are currently held in the Council Chambers, Second Floor, City Hall, at 10:00 A.M. Members of the Retirement Plan may attend any of the meetings.

# ANNUAL REPORT

## 1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

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BOARD OF ADMINISTRATION  
POLICE AND FIRE DEPARTMENT RETIREMENT PLAN  
INVESTMENT POLICY STATEMENT

Resolution No. 768 adopted on July 8, 1974 includes:

GENERAL ENVIRONMENT

It is the policy of the San Jose Police and Fire Department Retirement Plan (2904.2) to effect economy and efficiency in the public service by providing a means whereby employees who become super-annuated or otherwise incapacitated, without hardship or prejudice, may be replaced by more capable employees, and to that end provide a retirement system consisting of retirement allowances and death benefits.

Investments in such Retirement System are subject to the restrictions specified in the San Jose Retirement Code (2904.58). Further investment management guidelines are imposed by the Retirement Board.

INVESTMENT GUIDELINES

General

The Board shall:

- (1) require that the Retirement Plan be fully funded to assure that all disbursement obligations will be met.
- (2) attempt to insure that investment earnings be sufficiently high to provide a funding source, along with contributions from City employees and the City, in order to offset liabilities in perpetuity.
- (3) strive for the highest total return on invested funds consistent with safety in accordance with accepted investment practices.

Fixed Income

The Board shall require that the majority of the portfolio be invested in high quality, marketable bonds as provided in Section 2904.58. Specifically, retirement funds may be invested only in bonds that meet one or more of the following criteria:

- (1) Securities which are legal investment for Savings Banks in California or Massachusetts or New York.
- (2) Bonds which are direct obligations of, or secured by the full faith and credit of, the Dominion of Canada or any of its provinces, cities or municipal corporations.
- (3) Bonds guaranteed by any solvent corporation which are not in default either as to principal and interest provided:

- (a) In the case of public utilities, net earnings available for fixed charges for the previous five fiscal years have averaged not less than two times average fixed charges after depreciation and taxes, and net earnings during either of the last two years have been not less than two times fixed charges.
- (b) In the case of finance companies, net earnings in the last five fiscal years have averaged one and one-half times average fixed charges, and during either of the last two years net earnings have not been less than one and one-half times fixed charges.

(4) Public Improvement Bonds of San Jose.

Active bond management, including the use of bond swaps to improve total yield, is encouraged. In pursuing this objective, it is possible that certain transactions will temporarily lower the return or change the maturity of the portfolio. Transactions of this type are allowed as long as an optimum balance is achieved between yield to maturity, quality and marketability based on expected market changes.

Short-Term Investments

The Board of Administration will designate a member of the City's staff to make short-term investments of the Fund after consulting investment counsel to determine appropriate maturity.

Common Stock

The primary emphasis of the common stock portfolio will be on high quality, readily marketable securities offering potential for above average growth as protection against inflation. The maximum amount of common stock to be held is 25% of the Fund's assets valued at cost. Common stock investments are limited to those meeting all of the following criteria as set forth in Section 2904.58 (5):

- (1) Stocks must be registered on a national exchange, although this is not required with banks and insurance companies which have a net worth of at least \$50 million.
- (2) A cash dividend has been paid on 8 out of the 10 years next preceding the date of purchase, and the earnings available for dividends for 10 years have been equal to the amount of dividends paid and the company has earned the dividend paid in each of the last 3 years.
- (3) Not more than 2% of the total fund at cost shall be invested in the common stock of any corporation.
- (4) Investment in any corporation shall not exceed 5% of the outstanding shares of the corporation.
- (5) The bonds of the corporation shall qualify for purchase in order to qualify the common stock of the corporation for purchase.

- (6) Not more than 5% of the total assets at cost may be invested in preferred stocks.
- (7) Each common and preferred stock purchase must be approved by independent investment counsel.
- (8) No such investment may be made except upon the affirmative vote of at least 3 members of the Retirement Board.

#### Supervision

The investment counsel shall continually supervise the investment securities in the Fund, and shall initiate such recommendations for purchase, sale, substitution, redemption or conversion of securities as it should deem advisable.

#### Performance Goals

Investment performance will be measured quarterly, but it is not expected that the performance goals identified below will be satisfied in any single quarter or year. It is, however, expected that these goals will be satisfied over a full market cycle, or if shorter, a five-year period.

Common stocks will outperform the following three measures:

- (1) Standard and Poor's 500 Index
- (2) New York Stock Exchange Index
- (3) A. G. Beckers' Median (300 Institutional Funds)

Fixed income investments will outperform the following two measures:

- (1) Salomon Brothers High Grade Corporate Bond Index
- (2) Moody's AA Utility Index

#### Investment Reports

The Investment Counsel will meet quarterly with the Board to discuss the economy and the security markets to assist the Board in determining and re-examining basic investment policies.

The Investment Counsel shall review the policies between meetings in light of changing market conditions or changes in the requirements of the Fund and recommend the appropriate action to the Board.

The Investment Counsel shall prepare quarterly appraisals giving a listing of securities held and showing the composition, average cost, and market values of the assets under supervision.

SUMMARY OF THE PRINCIPAL PROVISIONS OF  
THE POLICE & FIRE DEPARTMENT RETIREMENT PLAN  
San Jose, California

MEMBERSHIP Mandatory for all full-time employees.

MEMBER CONTRIBUTIONS All members contribute 6.59% of the base salary.

CITY'S CONTRIBUTIONS The City contributes 23.28% of base salary.

INTEREST Two percent annual interest is calculated each bi-weekly pay period and added to your contributions. This interest is derived from investments.

TERMINATION BENEFITS Upon termination, the member shall be paid all of his accumulated contributions and interest in full satisfaction of all rights and benefits under this retirement system. The City's contributions will not be refunded to the employee.

MILITARY LEAVE If during your employment with the City of San Jose, you have military service, the City will pay your contributions and the City's contributions into the retirement system for that period of time. This is not refundable to an employee who resigns and requests refund of his contributions.

VESTING OF PENSION CREDIT After 10 years of service you may resign your position with the Police or Fire Department and leave your contributions in the retirement system.

VESTED RETIREMENT Member can collect retirement benefits at age 55 with 10 years of service and 20 years having elapsed from date of membership.

SERVICE RETIREMENT Retirement at age 55 with at least 20 years service.

SERVICE-CONNECTED DISABILITY Retirement resulting from the result of an injury or disease arising out of and in the course of such member's employment with the City. (No minimum period of service required.)

NON-SERVICE-CONNECTED-DISABILITY Retirement resulting from other than a service-connected disability with at least 2 years service.

MANDATORY RETIREMENT Age 65

EARLY SERVICE RETIREMENT Retirement at age 50 with at least 20 years service. Member's retirement allowance shall be reduced by that amount which the value of such allowance as deferred to age 55 will purchase at the actual age of retirement.

CALCULATIONS FOR RETIREMENT ALLOWANCE

- For
1. A Vested Retirement.
  2. A Service Retirement.
  3. A Service-Connected Disability with 20 years service.
  4. A Non-Service-Connected Disability with 20 years service.

is:  $2 \frac{1}{2}\% \times \text{years of service} \times \text{final compensation} = \text{monthly retirement allowance.}$   
There is a maximum of 75% (30 years of service equals 75%).



CALCULATIONS FOR RETIREMENT ALLOWANCE (Cont.)

For: 4. Service-connected disability with less than 20 years service, any age.  
50% x final compensation = monthly retirement allowance.

5. Non-service-connected disability from 2 through 19 years of service, any age. There is no non-service-connected disability retirement under 2 years service. 32% for first 2 years plus 1% for each year thereafter.

FINAL COMPENSATION The meaning of "Final Compensation" is: The average monthly compensation during the highest 12 consecutive months of service; (usually the last 12 months) limited to 108% of the 12 months immediately preceding the last 12 months of service.

SURVIVORSHIP ALLOWANCE

Death after retirement - If you 1. had been retired for service, or  
2. had retired for service-connected disability.

Death before retirement - If you 3. die at age 55 or older with 20 years service due to a non-service-connected injury or illness, or  
4. you die at any age due to a service-connected injury or illness.

The Spouse will receive 37 1/2% x final compensation.  
1 Child will receive 25% x final compensation.  
2 Children will receive 50% x final compensation.  
3 or more Children will receive 75% x final compensation.

The maximum family benefit is 75% of your final compensation.

SURVIVORSHIP ALLOWANCE

Death after retirement - If you 1. had been retired for non-service-connected disability.

Death before retirement - If you 2. die before age 55 due to a non-service-connected injury or illness with 2 or more years service.

Your Spouse will receive 24% of final compensation for 2 years of service and 0.75% for each year thereafter. (Maximum 37 1/2%).  
1 Child will receive 25% x final compensation.  
2 Children will receive 37 1/2% x final compensation.  
3 or more Children will receive 50% x final compensation.

The maximum family benefit is 75% of your final compensation.  
Dependent children are paid to age 18 or to age 22 if full-time student.

MANAGEMENT The System is under the management of a Board of Administration of 5 members consisting of 2 City Councilpersons, a Civil Service Commissioner, and 2 elected employees who are members of the retirement system.

The Board of Administration is a policy-making body and responsible for the proper operation of the System. The System operates as an independent trust, separate and distinct from the City and other entities. The administration of the System is under its guidance and direction and is subject to such rules, regulations and directives as it may adopt from time to time. Members serve without compensation. The City Attorney provides legal advice and counsel.

ADMINISTRATION A full-time Retirement and Benefits Administrator is employed. He heads the Employee Services Division of the City Personnel Department and serves as Secretary and Executive Officer to the Board of Administration.

The City provides office space, administrative and clerical services of the Personnel Department and fiscal services of the Finance Department without any direct charge.

The Trust Department of Wells Fargo Bank is employed as custodian of fund assets and collector of investment income.

ACTUARIAL SOUNDNESS Plan and benefit provisions are periodically reviewed by an enrolled actuary to assure continuing soundness.

INVESTMENT AUTHORITY AND POLICY The investment authority is broad and flexible, allowing maximum utilization of the System's resources. Scudder, Stevens & Clark, a nationally known investment advisory service, is retained for full-time investment counsel.

### 1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

#### HIGHLIGHTS

1. Membership in the Plan was 1,407 as of June 30, 1978.
2. Three members retired for service and eighteen members retired because of disabilities during the period of June 30, 1967 through June 30, 1978.
3. There are 234 members and 38 survivors receiving benefits from the Plan as of June 30, 1978.
4. During the reporting period, five Fire members and thirty-two Police members left the membership of the Retirement Plan and had their contributions refunded.
5. The Retirement Fund balance as of June 30, 1978 was \$62,480,000 in the Regular Fund and \$1,580,000 in the Cost of Living Fund.
6. Payment of pensions or survivors benefits increased from about \$186,000 per month to about \$211,000 per month during the reporting period.
7. The annual time-weighted return for the entire portfolio was 6.87% as of June 30, 1978.
8. Interest and dividends on investments for the period were \$3,806,000 and averaged about \$317,000 per month.

## 1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

The following persons were granted a monthly retirement allowance during the period of July 1, 1977 to June 30, 1978:

### SERVICE RETIREMENTS

#### POLICE DEPARTMENT

Merlin Wheatley

#### FIRE DEPARTMENT

### SERVICE-CONNECTED DISABILITY RETIREMENTS

#### POLICE DEPARTMENT

Virginia Adams  
William Bennett  
Rick Papa  
James Roorda  
Lawrence Tambellini  
Joseph Vittoe  
Brad Welch  
Stephen Windisch  
Thomas Zenahlik

#### FIRE DEPARTMENT

Hilbert Bolton  
Frank Capurso  
Danny Holmes  
Robert Jones  
Murray Nelson  
Jan Ozga  
Robert Robertson  
Donald Warning

### NON-SERVICE-CONNECTED DISABILITY RETIREMENT

#### POLICE DEPARTMENT

Robert Allen

#### FIRE DEPARTMENT

### SERVICE RETIREMENT CHANGED TO SERVICE-CONNECTED DISABILITY RETIREMENT

#### POLICE DEPARTMENT

George Cannell

#### FIRE DEPARTMENT

Charles Fonseca

### DEATHS

<u>POLICE DEPARTMENT</u>	<u>COMMUNICATIONS</u>	<u>FIRE DEPARTMENT</u>
James Morton January 12, 1978	Vincent Murtha April 7, 1978	John Bell September 10, 1977
Pat Murphy October 11, 1977		Ronald LeBeau October 12, 1977
		William Malpass October 19, 1977
		Alvin McCuiston January 19, 1978

## STATEMENT OF THE ACTUARY

This statement summarizes the actuarial method and assumptions used in the June 30, 1977 actuarial valuation of the Police and Fire Department Retirement Plan. The City and member contribution rates for the fiscal year 1978-1979 have been developed from this valuation.

The actuarial method used for both basic and cost-of-living benefits is the entry-age-normal cost method. The purpose of this method is to stabilize contribution rates.

This method has been applied for the first time to the evaluation of cost-of-living benefits. The change was made in order to properly take into account the full costs of these benefits. This change, along with the change in the actuarial assumption for the cost-of-living benefits, accounts for most of the increase required in the Plan's contribution rates.

The actuarial assumptions for the June 30, 1977 valuation were developed from a study of the Plan's actual experience with respect to turnover, disability and retirement for the period July 1, 1974 to June 30, 1977 and from an appraisal of future conditions. The principal changes were: (1), to increase the interest assumed to be earned by the fund from 6% to 7%; (2), to increase the assumed future pay increases from 3% annually to 5% for general pay increases (7% initially) plus an allowance of 0.8% to 5% for merit increases; and (3), to assume that cost-of-living increases of 3% compounded annually will continue indefinitely instead of for just ten years as was previously assumed.

City and members' contribution rates were calculated in conformance with the City Charter. Because of the steep increases in the rates developed by this valuation, the new rates are being phased in over four years beginning with fiscal year 1978-79. In our opinion, the new City and members' contribution rates establish a sound financial basis for funding this plan.

ARTHUR YOUNG & COMPANY

101 PARK CENTER PLAZA  
SAN JOSE, CALIFORNIA 95113

Honorable City Council  
City of San Jose

We have examined the accompanying combining balance sheet of the City of San Jose Police and Fire Department Retirement System at June 30, 1978 and the related combining statements of changes in reserve balances and of cash receipts and disbursements for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The security investments of the Police and Fire Department Retirement System are held by the Wells Fargo Bank, N.A. Accordingly, such security investments owned by the Retirement System at June 30, 1978 were confirmed to us by the Wells Fargo Bank, N.A.

In our opinion, the statements mentioned above present fairly the combined financial position of the City of San Jose Police and Fire Department Retirement System at June 30, 1978 and the combined changes in reserve balances and cash receipts and disbursements for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



September 6, 1978

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM  
COMBINING BALANCE SHEET  
June 30, 1978

	<u>Combined Retirement System</u>	<u>Retirement Fund</u>	<u>Cost of Living Fund</u>
	(Thousands)		
<u>ASSETS</u>			
Cash in bank	\$ 963	\$ 840	\$ 123
Receivable from the City of San Jose General Fund:			
Employee contributions	37	35	2
Employer contributions	130	123	7
Accrued interest receivable	789	768	21
Investments (Notes 1 and 2)	<u>62,158</u>	<u>60,723</u>	<u>1,435</u>
	<u>\$64,077</u>	<u>\$62,489</u>	<u>\$1,588</u>
<u>LIABILITIES AND RESERVES</u>			
Payable to terminated employees	\$ 1	\$ 1	\$ -
Reserves (Notes 1 and 3):			
Employee contributions	10,411	9,850	561
General	<u>53,665</u>	<u>52,638</u>	<u>1,027</u>
Total reserves	<u>64,076</u>	<u>62,488</u>	<u>1,588</u>
	<u>\$64,077</u>	<u>\$62,489</u>	<u>\$1,588</u>

See accompanying notes.



CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM  
COMBINING STATEMENT OF CHANGES IN RESERVE BALANCES  
Year ended June 30, 1978

	Combined Retirement System		Retirement Fund		Cost of Living Fund	
	Employee Contribution Reserve	General Reserve	Employee Contribution Reserve	General Reserve	Employee Contribution Reserve	General Reserve
			(Thousands)			
Balance at June 30, 1977	\$ 8,729	\$45,841	\$8,289	\$44,981	\$440	\$ 860
Employee contributions:						
Cash received	1,871	-	1,743	-	128	-
Receivable at June 30, 1978	37	-	35	-	2	-
Receivable at June 30, 1977	(27)	-	(25)	-	(2)	-
	<u>1,881</u>	<u>-</u>	<u>1,753</u>	<u>-</u>	<u>128</u>	<u>-</u>
Employer contributions:						
Cash received, net of refunds due to employee terminations of \$387	-	6,337	-	6,014	-	323
Receivable at June 30, 1978	-	130	-	123	-	7
Receivable at June 30, 1977	-	(94)	-	(90)	-	(4)
	<u>-</u>	<u>6,373</u>	<u>-</u>	<u>6,047</u>	<u>-</u>	<u>326</u>
Interest income:						
Cash received	-	3,340	-	3,239	-	101
Receivable at June 30, 1978	-	789	-	768	-	21
Receivable at June 30, 1977	-	(747)	-	(728)	-	(19)
Interest allocations	188	(188)	178	(178)	10	(10)
Amortization of premiums/discounts on investments in debt securities (Note 1)	-	38	-	35	-	3
	<u>188</u>	<u>3,232</u>	<u>178</u>	<u>3,136</u>	<u>10</u>	<u>96</u>
Refunds to terminated employees:						
Returned to terminated employees	(140)	-	(132)	-	(8)	-
Payable at June 30, 1978	(1)	-	(1)	-	-	-
Payable at June 30, 1977	14	-	13	-	1	-
	<u>(127)</u>	<u>-</u>	<u>(120)</u>	<u>-</u>	<u>(7)</u>	<u>-</u>
Dividend income received	-	466	-	463	-	3
Gain on sale of investments	-	87	-	84	-	3
Loss on sale of investments	-	(57)	-	(56)	-	(1)
Retirement benefits paid	-	(2,307)	-	(2,037)	-	(270)
Death benefits paid	-	(230)	-	(230)	-	-
Transfer to general reserve upon retirement of employees	(260)	260	(250)	250	(10)	10
Balance at June 30, 1978	<u>\$10,411</u>	<u>\$53,665</u>	<u>\$9,850</u>	<u>\$52,638</u>	<u>\$561</u>	<u>\$1,027</u>

See accompanying notes.

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM  
COMBINING STATEMENT OF CHANGES IN RESERVE BALANCES  
Year ended June 30, 1978

	Combined Retirement Employee Contribution Reserve
	\$ 8,729
Balance at June 30, 1977	
Employee contributions:	1,871
Cash received	37
Receivable at June 30, 1978	(27)
Receivable at June 30, 1977	<u>1,881</u>
Employer contributions:	
Cash received, net of refunds due to employee terminations of \$387	-
Receivable at June 30, 1978	-
Receivable at June 30, 1977	<u>-</u>
Interest income:	
Cash received	-
Receivable at June 30, 1978	-
Receivable at June 30, 1977	188
Interest allocations	-
Amortization of premiums/discounts on investments in debt securities (Note 1)	<u>188</u>
Refunds to terminated employees:	(140)
Returned to terminated employees	(1)
Payable at June 30, 1978	14
Payable at June 30, 1977	<u>(127)</u>
Dividend income received	-
Gain on sale of investments	-
Loss on sale of investments	-
Retirement benefits paid	-
Death benefits paid	
Transfer to general reserve upon retirement of employees	<u>(260)</u>
Balance at June 30, 1978	<u>\$10,411</u>

ent System

Retirement Fund

Cost of Living Fund

General  
Reserve

Employee  
Contribution  
Reserve      General  
Reserve

Employee  
Contribution  
Reserve      General  
Reserve

(Thousands)

\$45,841	\$8,289	\$44,981	\$440	\$ 860
-	1,743	-	128	-
-	35	-	2	-
-	(25)	-	(2)	-
-	<u>1,753</u>	<u>-</u>	<u>128</u>	<u>-</u>
6,337	-	6,014	-	323
130	-	123	-	7
(94)	-	(90)	-	(4)
<u>6,373</u>	<u>-</u>	<u>6,047</u>	<u>-</u>	<u>326</u>
3,340	-	3,239	-	101
789	-	768	-	21
(747)	-	(728)	-	(19)
(188)	178	(178)	10	(10)
<u>38</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>3</u>
<u>3,232</u>	<u>178</u>	<u>3,136</u>	<u>10</u>	<u>96</u>
-	(132)	-	(8)	-
-	(1)	-	-	-
-	13	-	1	-
-	(120)	-	(7)	-
466	-	463	-	3
87	-	84	-	3
(57)	-	(56)	-	(1)
(2,307)	-	(2,037)	-	(270)
(230)	-	(230)	-	-
<u>260</u>	<u>(250)</u>	<u>250</u>	<u>(10)</u>	<u>10</u>
<u>\$53,665</u>	<u>\$9,850</u>	<u>\$52,638</u>	<u>\$561</u>	<u>\$1,027</u>

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM  
COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
Year ended June 30, 1978

	<u>Combined Retirement System</u>	<u>Retirement Fund</u>	<u>Cost of Living Fund</u>
	(Thousands)		
Receipts:			
Employee contributions	\$ 1,871	\$ 1,743	\$ 128
Employer contributions, net of refunds due to employee terminations of \$387	6,337	6,014	323
Interest income	3,340	3,239	101
Dividend income	466	463	3
Sales and maturing of investments:			
Time deposits	13,265	12,694	571
U.S. Treasury securities	429	339	90
U.S. Government sponsored securities	1,284	1,284	-
Corporate bonds	1,066	1,014	52
Corporate stocks	1,882	1,842	40
Total receipts	<u>29,940</u>	<u>28,632</u>	<u>1,308</u>
Disbursements:			
Refunds to terminated employees	140	132	8
Death benefits paid	230	230	-
Retirement benefits paid	2,307	2,037	270
Investment purchases:			
Time deposits	14,020	13,322	698
U.S. Treasury securities	7,361	7,147	214
U.S. Government sponsored securities	1,135	1,135	-
Corporate bonds	1,050	1,000	50
Corporate stocks	2,858	2,849	9
Total disbursements	<u>29,101</u>	<u>27,852</u>	<u>1,249</u>
Excess of receipts over disbursements	839	780	59
Cash balances at June 30, 1977	<u>124</u>	<u>60</u>	<u>64</u>
Cash balances at June 30, 1978	<u>\$ 963</u>	<u>\$ 840</u>	<u>\$ 123</u>

See accompanying notes.

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM  
NOTES TO COMBINING FINANCIAL STATEMENTS  
June 30, 1978

1. Accounting policies

A. Basis of presentation

The City of San Jose Police and Fire Department Retirement System (the "Retirement System") was established to provide retirement benefits for employees of the Police and Fire Departments of the City of San Jose (the "City") pursuant to various retirement plans adopted by the City. The retirement plans require the City to account for Retirement System transactions in two funds: (1) the Retirement Fund and (2) the Cost of Living Fund. The accompanying financial statements are prepared on the accrual basis.

Administrative costs of the Retirement System are paid by the General Fund of the City and are not included in the accompanying financial statements.

B. Description of the Retirement System

The Retirement System is administered by the Retirement and Benefits Administrator under the direction of the Board of Administration.

All sworn officers of the City's Police and Fire Departments are required to be members of the Retirement System.

The Retirement System is financed by employee payroll deductions and by City contributions. Prior service costs (which relate to employee services performed prior to the date of an actuarial valuation) (Note 3) are financed entirely by City contributions.

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM  
NOTES TO COMBINING FINANCIAL STATEMENTS  
June 30, 1978

1. Accounting policies (continued)

B. Description of the Retirement System (continued)

Current service costs are shared by the City and member employees in the ratio of \$8 from the City for each \$3 from the employees. Contribution rates (expressed as a percentage of salaries) are set by the Board of Administration and adjusted periodically (not less than once each five years) based on studies by consulting actuaries (Note 3). Contributions made by employees, together with interest earned thereon, are refundable upon termination of employment.

Retirement benefits are payable upon disability, death, or normal retirement of the employee. The benefit amount is based upon a formula arising from the employee's highest annual rate of pay while employed, adjusted for changes in the cost of living subsequent to retirement up to a maximum of 3% per year (cumulative changes in excess of 3% per year are offset against years in which the change is less than 3%), as evidenced by changes in the Consumer Price Index published by the United States Department of Labor's Bureau of Labor Statistics.

C. Investments

Investments are stated at original cost as adjusted, in the case of bonds, for amortization of premiums and discounts (differences between purchase cost and maturity value) on purchased debt securities. Gains or losses on each investment are recognized only upon sale of the investment. Generally, government obligations and corporate bonds are held until they mature.



CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM  
NOTES TO COMBINING FINANCIAL STATEMENTS  
June 30, 1978

1. Accounting policies (continued)

C. Investments (continued)

Prior to the year ended June 30, 1978, investments were stated at cost and premiums and discounts were not amortized as an element of interest income as required by generally accepted accounting principles. This departure from generally accepted accounting principles did not have a material effect upon the financial statements.

D. Reserve for future benefits

The Retirement System does not provide a reserve in the balance sheet for the unfunded portion of the present value of future benefits (Note 3).

2. Investments

Investments in the accompanying balance sheet are stated at cost as increased for net amortization of premiums and discounts of \$37,396. The following table summarizes the investments held at June 30, 1978 at amortized cost and at the lower of amortized cost or market (applied on an individual investment basis) for purposes of comparison.

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM  
NOTES TO COMBINING FINANCIAL STATEMENTS  
June 30, 1978

2. Investments (continued)

	At the Lower of Amortized Cost or Market	At Amortized Cost		
		Combined Retirement System	Retirement Fund	Cost of Living Fund
Time deposits	\$ 1,077,315	\$ 1,077,315	\$ 1,039,555	\$ 37,760
U.S. Treasury securities	16,564,260	17,084,850	16,482,194	602,656
U.S. Government sponsored securities	4,264,925	4,699,598	4,682,848	16,750
International agency securities	587,250	757,708	757,708	-
Canadian Government securities	1,055,620	1,132,665	1,132,665	-
	<u>22,472,055</u>	<u>23,674,821</u>	<u>23,055,415</u>	<u>619,406</u>
Corporate bonds	23,117,845	25,964,064	25,258,315	705,749
Corporate stock	9,450,804	11,441,492	11,369,548	71,944
	<u>\$56,118,019</u>	<u>\$62,157,692</u>	<u>\$60,722,833</u>	<u>\$1,434,859</u>

Gross unrealized gains representing the excess of market value over amortized cost for all investments at June 30, 1978 aggregate approximately \$231,000 comprised of: government obligations and corporate bonds - \$124,000 and corporate stocks - \$107,000. These unrealized gains, when offset against the unrealized losses in the "Lower of Amortized Cost or Market" column of the above table, produce an aggregate market value for all investments of approximately \$56,349,000 at June 30, 1978.

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM  
NOTES TO COMBINING FINANCIAL STATEMENTS  
June 30, 1978

2. Investments (continued)

Investments in government obligations and corporate bonds having an aggregate principal (maturity value) of \$49,801,024 are included in the table above at an aggregate amortized cost of \$49,638,885. This \$162,139 difference represents the net of unamortized discounts and premiums at June 30, 1978.

3. Present value of future benefits

The present value of future benefits is the amount of assets which would, if owned at a given date and invested at the assumed yield rate, provide sufficient funds without further contributions to pay current members the retirement benefits to which they are expected to become entitled. It is an estimate computed by an actuary using data and assumptions appropriate to the membership and circumstances of the retirement plan. During the year the Retirement System obtained an actuarial valuation as of June 30, 1977 which did not identify the present value of vested benefits for services rendered through that date. The valuation did indicate that the present value of future benefits was \$237,000,000 in excess of System assets at that date, and that level contribution rates for the City and employees of 38.08% and 7.51%, respectively, expressed as a percentage of future salaries, would be necessary over the ensuing forty years to finance such benefits. These rates, in aggregate, are approximately 50% in excess of the rates previously in effect (23.28% and 6.59%, respectively) and which are based on the previous (1974) actuarial study. The increase is due principally to changes in the actuarial

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM  
NOTES TO COMBINING FINANCIAL STATEMENTS  
June 30, 1978

3. Present value of future benefits (continued)

method and assumptions used in computing cost-of-living effects, which change more realistically reflects existing circumstances.

Some other combination of rates, however, could produce the same present value but to do so would involve either different time periods or contribution rates which would not be level. To that end, the actuary provided a four step annual increase formula. That concept has been adopted by the Retirement Board and implementation of revised rates is now under review by the Board. Contributions by the City and employees for the year ended June 30, 1978 have been continued at the rates previously in effect.

## POLICE AND FIRE DEPARTMENT

## PORTFOLIO - RETIREMENT FUND

June 30, 1978

CASH AND SHORT TERM BONDS

Maturity Value	Security		Maturing	Total Cost	Market Value
1,039,555	Cash in Savings Account	5.000		1,039,555	1,039,555
2,000,000	U S Treas Bills		07/06/78	1,935,042	1,935,045
1,000,000	U S Treas Bills		09/14/78	966,532	966,530
1,000,000	U S Treas Bills		10/12/78	966,188	966,190
1,000,000	Contl Ill Bk C/D	8.050	12/06/78	1,000,000	1,000,000
1,000,000	United States Treas Nts	5.875	04/30/79	1,000,090	980,000
1,250,000	United States Treas Nts	6.125	05/31/79	1,243,945	1,225,000
1,000,000	United States Treas Nts	7.125	11/30/79	999,910	985,000
30,000	Detroit Edison Gen & Ref O	3.250	05/15/80	30,000	27,150
500,000	United States Treas Nts	7.375	02/15/81	499,609	487,500
2,000,000	United States Treas Nts	6.875	03/31/81	2,008,125	1,920,000
200,000	Govt Natl Mtg Assn Part Cf	5.250	04/01/81	203,500	184,000
500,000	J C Penney Finl Debs	9.450	10/15/81	500,000	505,000
150,000	Export Import Bk Wash P/C	5.100	02/20/82	150,000	133,500
500,000	Pacific Gas & Elec 1st Fr	9.850	06/01/82	500,000	517,500
1,000,000	United States Treas Nts	8.000	02/15/83	1,030,875	985,000
40,000	Prov of Ontario Usp	4.000	05/01/83	39,224	32,600
				14,112,596	13,889,570

MEDIUM TERM BONDS

1,000,000	United States Treas Nts	7.250	02/15/84	1,006,875	940,000
50,000	Quebec Hydro-El S-X Usp	5.000	07/15/84	50,000	39,000
1,000,000	United States Treas Nts	7.250	08/15/84	999,460	940,000
42,000	Alberta Mun Fin Usp	5.000	12/15/84	41,412	34,020
45,000	Milwaukee Gas Light Co	5.625	05/15/85	46,067	37,575
100,000	Minneapolis Honeywell Regulatr	6.000	04/15/86	100,500	85,500
1,500,000	United States Treas Nts	7.875	05/15/86	1,500,585	1,440,000
100,000	Consumers Power 1st	4.000	08/01/86	95,908	71,000
1,300,000	United States Treas Nts	8.000	08/15/86	1,327,187	1,254,500
200,000	C I T Finl Db	6.375	10/01/86	199,000	170,000
75,000	Natl Biscuit Sub Deb	4.750	04/01/87	78,937	60,375
99,000	Columbus & So Ohio Elec	4.125	01/01/88	94,298	67,320
100,000	Pennsylvania Electric Co	4.000	03/01/88	93,500	68,500
				5,633,732	5,207,790

LONG TERM BONDS

150,000	Pacific Tel & Tel Co Deb	4.375	08/15/88	140,526	107,250
100,000	Wells Fargo Bk Cap Nts	4.500	09/15/89	100,000	68,000
250,000	Intl Bk Recon & Dev Sf	4.500	02/01/90	251,125	173,750
200,000	Beneficial Finance Rg	5.000	11/01/90	200,000	140,000
100,000	Wisconsin Elec Pwr Reg	5.000	11/15/90	106,000	69,500

Maturity Value	Security		Maturing	Total Cost	Market Value
150,000	So Cal Edison 1st	5.250	05/15/91	143,625	106,500
200,000	Intl Bk Recon & Dev	5.375	04/01/92	159,208	144,000
500,000	Gmac Deb	7.125	09/01/92	448,125	427,500
150,000	Southwestern Bell Tel Deb	4.750	10/01/92	131,437	101,250
40,000	Cleve Elec Illum 1st	3.875	03/01/93	40,776	23,600
100,000	Container Corp	6.625	03/15/93	100,000	85,500
125,000	Beneficial Finance	4.750	05/15/93	125,000	81,250
300,000	Allied Chemical Deb	6.600	08/01/93	300,000	258,000
200,000	Household Finance	4.875	09/15/93	199,000	131,000
100,000	Union Electric 1st	4.500	11/01/93	100,750	61,000
200,000	Anaconda Co Deb	6.625	11/15/93	199,000	170,000
200,000	Weyerhaeuser Co	7.650	07/15/94	200,000	186,000
350,000	Intl Bk Recon & Dev	6.375	10/01/94	347,375	269,500
500,000	Ford Motor Credit Debs	9.500	01/15/95	496,250	512,500
200,000	Intl Paper S/F Deb	8.850	03/15/95	200,000	197,000
200,000	Alum Co of Amer SF Deb	9.000	05/15/95	198,000	197,000
50,000	Illinois Bell Telephone	3.250	07/15/95	50,499	26,500
500,000	Household Finance Deb	7.500	08/01/95	500,000	432,500
75,000	Southwestern Bell Tel Deb	4.625	08/01/95	75,980	47,625
400,000	Alum Co of Amer Deb	7.450	11/15/96	400,000	350,000
170,000	Con Edison 1st	5.900	12/15/96	170,000	113,050
100,000	Pacific G & E	4.625	06/01/97	99,875	60,500
300,000	Goodyear Tire & Rub	7.350	09/15/97	300,000	259,500
100,000	New York Telephone Co	4.625	10/01/97	101,750	61,500
200,000	Cities Service Deb	6.125	11/01/97	192,500	171,000
75,000	Southern Bell/So Cent Bell Deb	5.000	12/01/97	76,925	48,375
250,000	Std Oil Ind SF Deb	6.000	01/15/98	247,500	192,500
200,000	Intl Harvester SF Deb	6.250	03/01/98	200,000	161,000
350,000	Exxon Deb	6.500	07/15/98	350,000	281,750
200,000	Duke Power 1st & Ref Mtg	7.000	02/01/99	198,500	162,000
200,000	Beth Steel SF Deb	6.875	03/01/99	198,750	170,000
125,000	American Tel & Tel Debs	4.375	05/01/99	125,125	73,125
300,000	Dow Chem Deb	7.750	07/15/99	300,000	273,000
1,000,000	Gen Mtrs Acc Corp Deb	8.750	02/01/00	995,000	965,000
50,000	Mt States Tel & Tel Deb	5.000	04/01/00	51,139	31,500
200,000	Pacific Tel & Tel	4.625	05/01/00	201,250	116,000
500,000	Monsanto Co SF Deb	8.500	06/15/00	497,500	482,500
500,000	Armco Steel Corp Deb	9.200	07/15/00	500,000	495,000
500,000	Ford Motor Cred SF Deb	9.700	07/15/00	498,750	517,500
500,000	Inland Steel Co 1st Mtg	9.500	09/01/00	497,500	507,500
500,000	Amer Cyanamid Co SF Deb	7.375	04/15/01	495,000	437,500
100,000	Bell Tel Penna Deb	4.750	05/01/01	106,500	61,500
1,000,000	Ford Motor Cred SF Deb	9.125	06/01/01	997,500	995,000
500,000	Texaco S F Deb	7.750	06/01/01	500,000	447,500
500,000	Mobil Oil Co Deb	7.375	10/01/01	500,000	432,500
300,000	Firestone Tire SF Deb	7.300	10/15/01	300,000	252,000
500,000	Shell Oil Deb	7.250	02/15/02	500,000	445,000
500,000	Sun Inc Deb	7.125	05/01/02	495,000	425,000
500,000	Procter & Gamble	7.000	05/15/02	495,000	427,500
356,536	Gnma Pass/Thru	6.500	06/15/03	310,186	293,251
500,000	Consumers Pwr 1st Mtg	8.625	08/01/03	506,745	455,000
500,000	Cincinnati G & E 1st	9.150	11/01/04	500,000	502,500



Maturity Value	Security		Maturing	Total Cost	Market Value
1,000,000	Illinois Bell Tel Deb	8.000	12/10/04	992,500	910,000
500,000	Dow Chemical SF Deb	8.500	02/01/05	500,000	472,500
1,000,000	Prov of Ontario Deb	8.875	03/01/05	996,875	950,000
500,000	Bethlehem Steel SF Deb	8.450	03/01/05	500,000	460,000
1,000,000	United States Treas Bds	8.250	05/15/05	999,687	960,000
100,000	N Y Telephone Ref	4.875	01/01/06	100,000	59,000
750,000	Sears Roebuck SF Deb	8.000	04/01/06	757,552	690,000
200,000	Southwest Bell Tel Deb	5.375	06/01/06	200,000	128,000
500,000	Pacific Gas & Elec 1st	9.625	12/01/06	498,750	502,500
961,214	Gnma Pass/Thru #14197	8.000	12/15/06	985,244	884,317
912,514	Gnma Pass/Thru #12752	8.000	12/15/06	935,327	839,512
933,851	Gnma Pass/Thru #15117	8.000	12/15/06	928,306	859,142
908,047	Gnma Pass/Thru #14264	8.000	01/15/07	930,747	835,402
247,862	Gnma Pass/Thru #16970M	7.500	05/15/07	239,535	219,047
200,000	New York Tel Ref Mtge	7.500	03/01/09	197,500	170,000
500,000	Pacific Tel & Tel Debs	9.500	06/15/11	500,000	522,500
500,000	New York Tel 1 Ref Ser W	8.300	08/15/12	505,800	460,000
500,000	So Cent Bell Tel	8.250	08/01/13	497,700	457,500
500,000	Southwstn Bell Tel Deb	9.250	01/15/15	497,500	507,500
				28,483,700	25,570,200

#### CONVERTS - BONDS & PREFERRED

1,600	Comm Edison 1.425 CV Pref	1.43		41,609	31,600
400,000	Chase Manhattan Corp CV	6.500	07/01/96	404,000	310,000
350,000	US Steel Corp CV Sub Deb	5.750	07/01/01	342,875	255,500
				788,485	597,100

#### STOCK EQUIVALENT CONVERTIBLES

300,000	Dart Ind Sub Deb	4.250	07/15/97	300,000	225,000
				300,000	225,000

#### COMMON STOCKS

10,000	Chesebrough-Ponds			346,943	245,000
8,000	Gillette			330,560	229,000
8,000	American Home Products			242,302	227,000
5,000	Baxter Travenol Labs			214,225	211,875
7,000	Eli Lilly			374,301	323,750
5,000	Merck			340,953	277,500
7,000	Coca-Cola			297,424	292,250
18,000	Ralston Purina			291,680	288,000
6,000	R J Reynolds Industries Co			390,130	342,750
6,000	Federated Dept Stores			289,880	222,000
2,000	Penney, J C			164,875	73,000
6,000	Safeway Stores			254,623	242,250
5,000	CBS Inc			278,030	262,500
2,500	Eastman Kodak			251,655	133,437
10,000	Continental Ill Corp			275,785	282,500
10,000	Household Finance			244,597	193,750
10,000	Continental Corp			286,125	255,000

Maturing Value	Security	Maturing	Total Cost	Market Value
5,000	United Technologies Corp		198,650	211,875
12,000	Firestone Tire & Rubber		294,865	168,000
7,000	T R W		275,183	261,625
3,500	Intl Business Machines		927,611	900,375
5,000	Xerox		422,312	261,875
3,000	General Electric		180,775	151,500
2,500	R C A Corp		104,960	67,187
10,000	McGraw-Hill		180,687	225,000
6,000	Times-Mirror		154,575	173,250
5,000	Union Carbide		365,954	190,000
5,000	International Paper		358,920	198,125
6,000	Bethlehem Steel		246,622	136,500
7,000	Freeport Minerals Co.		218,340	169,750
7,000	Kennecott Copper		246,067	162,750
4,000	Atlantic Richfield		200,840	202,000
11,000	Gulf Oil		309,820	255,750
6,000	Standard Oil of California		239,132	239,250
5,000	American Tel & Tel		319,450	299,375
10,000	Allegheny Power System		213,000	180,000
12,000	Gulf States Utilities		178,960	154,500
3,000	Houston Inds Inc		156,333	91,125
10,000	Tampa Electric		196,750	190,000
7,000	Panhandle Eastern Pipe Line		288,942	310,625
6,500	Tenneco		216,705	199,062
			11,369,547	9,501,062

COST-OF-LIVING FUND  
CASH AND SHORT TERM BONDS

37,760	Cash in Savings Account	5.000		37,760	37,760
100,000	United States Treas Nts	5.875	04/30/79	100,009	98,000
100,000	United States Treas Nts	7.125	11/15/80	99,468	97,000
100,000	United States Treas Nts	6.875	03/31/81	100,406	96,000
50,000	J C Penney Finl Debs	9.450	10/15/81	50,000	50,500
100,000	United States Treas Nts	8.000	02/15/83	104,062	98,500
				491,707	477,760

MEDIUM TERM BONDS

100,000	United States Treas Nts	7.875	05/15/86	100,000	96,000
100,000	United States Treas Nts	7.625	11/15/87	99,469	94,000
				199,469	190,000

LONG TERM BONDS

25,000	Alum Co of Amer Deb	7.450	11/15/96	25,000	21,875
25,000	Goodyear Tire & Rub SF	7.350	09/15/97	25,000	21,625
50,000	Monsanto Co SF Deb	8.500	06/15/00	49,750	48,250
50,000	Ford Motor Cred SF Deb	9.700	07/15/00	49,700	51,750
25,000	Amer Cyanamid Co SF Deb	7.375	04/15/01	24,750	21,875
25,000	Texaco S F Deb	7.750	06/01/01	25,000	22,375
25,000	Mobil Oil Co Deb	7.375	10/01/01	25,000	21,625
25,000	Firestone Tire SF Deb	7.300	10/15/01	25,000	21,000

Maturity Value	Security	Maturing	Total Cost	Market Value
25,000	Shell Oil Deb	7.250 02/15/02	25,000	22,250
50,000	Sun Inc Deb	7.125 05/01/02	49,500	42,500
50,000	Pacific Gas & Elec 1st	8.000 06/01/03	39,939	43,750
25,000	Consumers Pwr 1st Mtg	8.625 08/01/03	25,337	22,750
50,000	Cincinnati G & E 1st	9.150 11/01/04	50,000	50,250
50,000	Sears Roebuck SF Deb	8.000 04/01/06	50,224	46,000
25,000	Pacific Tel & Tel Debs	9.500 06/15/11	25,000	26,125
25,000	New York Tel 1 Ref Ser W	8.300 08/15/12	25,290	23,000
50,000	So Cent Bell Tel Deb	8.250 11/01/15	49,687	45,500
			589,178	552,500

#### STOCK EQUIVALENT CONVERTIBLES

25,000	McDonnell Douglas CV	4.750 07/01/91	23,187	27,625
25,000	Fed Nat Mtg Asn CV Sub Cap Deb	4.375 10/01/96	16,750	22,250
15,000	Pfizer Inc CV S/D	4.000 02/15/97	15,000	12,600
25,000	Dart Ind Sub Deb FR Exch MMM	4.250 07/15/97	25,000	18,750
			79,937	81,225

#### COMMON STOCKS

200	American Home Products	6,606	5,675
200	Baxter Travenol Labs	8,549	8,475
100	Eastman Kodak	11,335	5,337
100	Intl Business Machines	24,423	25,725
100	Union Carbide	6,985	3,800
100	International Paper	6,659	3,962
150	U S Steel	7,385	3,956
		71,944	56,931

	Total Cost	Market Value
Retirement Fund		
Cash and Short Term Bonds	14,112,596	13,889,570
Medium Term Bonds	5,633,732	5,207,790
Long Term Bonds	28,483,700	25,570,200
Converts - Bonds & Preferreds	788,485	597,100
Stock Equivalent Convertibles	300,000	225,000
Common Stocks	11,369,547	9,501,062
TOTAL	60,688,060	54,990,772
Net amortization of premiums and discounts	34,773	
TOTAL	60,722,833	54,990,722

#### Cost-of Living-Fund

Cash and Short Term Bonds	491,707	477,760
Medium Term Bonds	199,469	190,000
Long Term Bonds	589,178	552,500
Stock Equivalent Convertibles	79,937	81,225
Common Stocks	71,944	56,931
TOTAL	1,432,235	1,358,416
Net amortization of premiums and discounts	2,624	
TOTAL	1,434,859	1,358,416

# PLAN REVENUES

The Plan's Retirement Fund has three principal sources of income. One is the payments made by the employer (City Government). Another is the payments made by City employee members of the Plan. The third is the interest earnings from the monies invested in bonds and other securities.

The pattern of revenues for the last decade is shown in the following table:

Fiscal Year Ending In June	Employer	Employee	Interest	Total
1978	\$ 6,337,000	\$ 1,871,000	\$ 3,806,000	\$12,014,000
1977	6,047,000	1,738,000	3,199,000	10,984,000
1976	4,751,000	1,246,000	2,621,000	8,618,000
1975	3,781,000	889,000	2,277,000	6,947,000
1974	3,577,000	798,000	1,769,000	6,144,000
1973	2,992,000	704,000	1,431,000	5,127,000
1972	2,732,000	645,000	1,268,000	4,645,000
1971	2,704,000	617,000	983,000	4,304,000
1970	2,264,000	502,000	739,000	3,505,000
1969	1,802,000	413,000	572,000	2,787,000
10 Year Total	\$36,987,000	\$ 9,423,000	\$18,665,000	\$65,075,000

## SIZE OF SYSTEM

	1968	1969	1970	1971	1972	1973	1974	6/76	6/77	6/78
Active	938	992		1067	1128	1225	1260	1360	1351	1407
Retired	75	82		110	138	161	175	208	218	234
Survivors	7	10		19	20	22	27	31	37	38
TOTAL	1020	1084		1196	1286	1408	1462	1599	1606	1679

# POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

## CONTRIBUTIONS AND REVENUES

Each member of the Retirement Plan contributes the following percentage of pay:

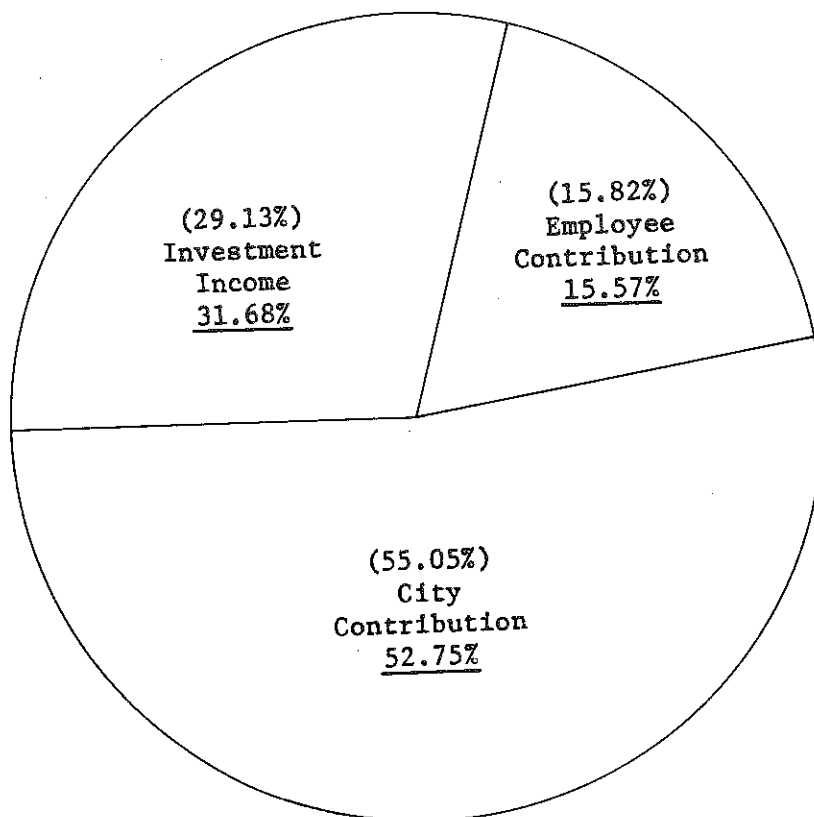
	<u>Prior to 7/1/76</u>	<u>Effective 7/1/76</u>
Current Service	5.98%	6.14%
Cost of Living	<u>0.44%</u>	<u>0.45%</u>
TOTAL	6.42%	6.59%

The City contributes to the Retirement Plan the following percentage of payroll:

	<u>Prior to 7/1/76</u>	<u>Effective 7/1/76</u>
Current Service	15.93%	16.37%
Prior Service	5.70%	5.70%
Cost of Living	<u>1.18%</u>	<u>1.21%</u>
TOTAL	22.81%	23.28%

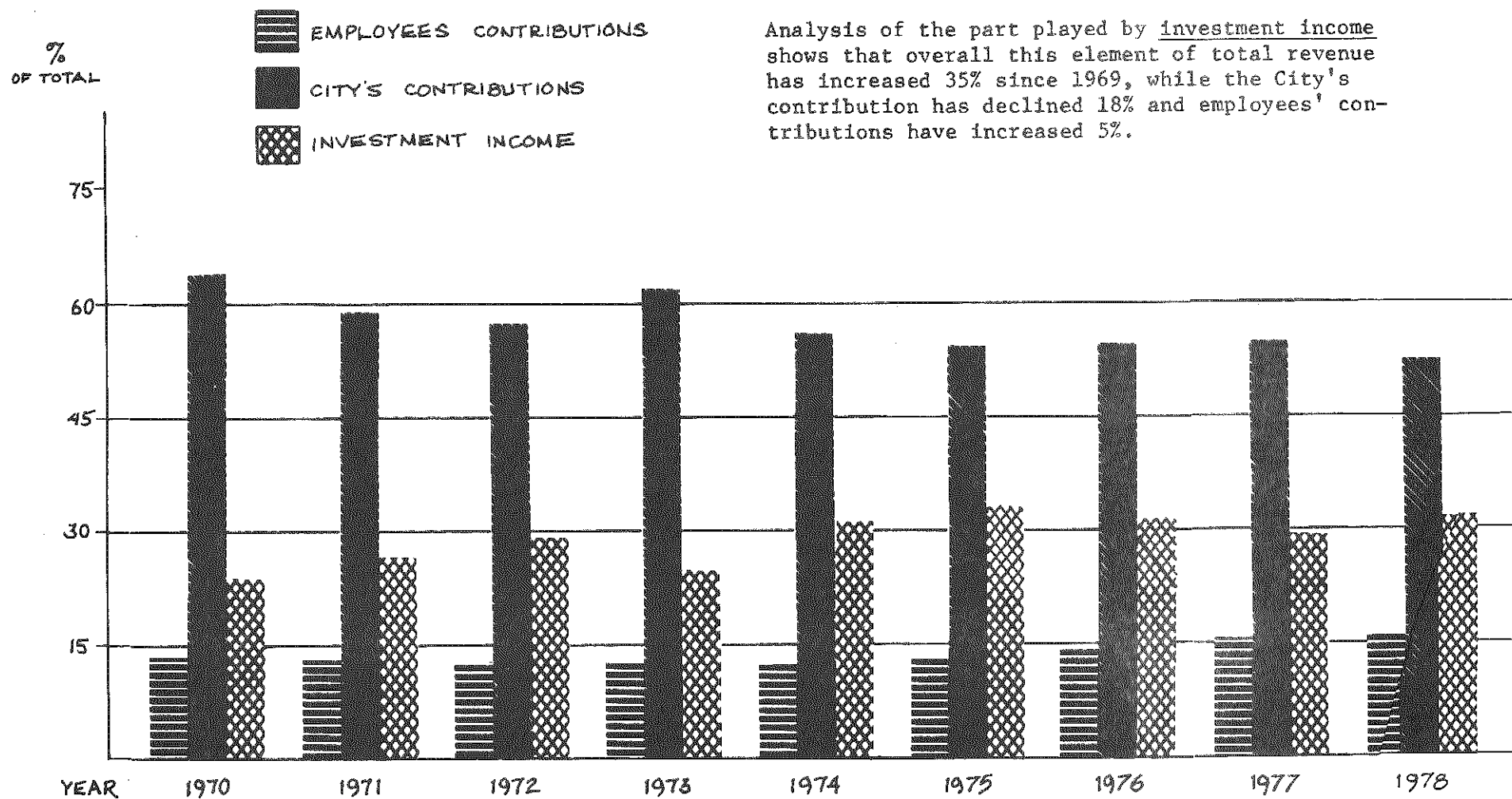
The following sources contributed their share of the revenues received by the Retirement Fund in 1977-78:

Employee Contribution	15.57%	\$ 1,871,000
City Contribution	52.75%	6,337,000
Investment Income	<u>31.68%</u>	<u>3,806,000</u>
TOTAL REVENUES	100.00%	\$ 12,014,000



(1977) Ratio  
1978

## RELATIONSHIP OF CONTRIBUTIONS





POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

INVESTMENT REPORT

of

SCUDDER, STEVENS & CLARK, INCORPORATED  
INVESTMENT COUNSEL  
June 30, 1978

During the past fiscal year, the investments of your portfolio at cost have increased to **\$62,120,000** from \$53,688,000 while the year-end annual rate of income has increased by \$608,000 to \$4,298,000. The overall rate of return on your Fund has been maintained at 6.87%.

We have continued to stress a defensive posture in both equity and fixed income investments over the past year. This has occurred because of structural imbalances in our economic system brought about by inadequate return on new investments, high energy costs and high inflation rates. These imbalances have contributed in large measure to the volatility of the capital markets.

In this environment, our equity purchases continued to emphasize high-yielding, well-capitalized issues, and provided a current return of 4.23%. Regarding fixed income, the programs we set in motion last year which emphasized quality, marketability and current return, continue to be valid. This year, however, we have directed 85% of new investment money to short-term investments. These short-term investments have earned an annualized 6.93% rate of return. For comparison purposes, and to demonstrate the risks that we felt were evident in the long-term segment of the market during this period (7/1/77 to 6/30/78), the Salomon Brothers' Corporate Bond Rate of Return Index earned -0.82 as a result of declining market value prices.

Since these statistics demonstrate what a significant role short-term investments can play in a portfolio, we should mention some further advantages in their use. Primarily, they provide diversification in an uncertain investment environment. They provide protection against unexpected high inflation, restrictive credit conditions, deterioration of the dollar and, as we have noted above, decline of prices in the long-term bond market. At the current time, they also provide attractive yields.

We believe that interest rate pressure will continue to build through the end of the year. The level of economic activity will be rising at near a 4% rate, inflation will remain a continuing problem, and private financial demands will continue to mount. At the same time, Federal government and agency demands will intensify, increasing the competition of funds. Early in 1979, we anticipate some easing of credit market pressures. When that time approaches, your Fund will be well situated to take advantage of any downward move in interest rates.

# PERFORMANCE PORTFOLIO REPORT

## A. By Investment Counsel 1973 - 1978

### Bond Investments

<u>Period Ending</u>	<u>Gross Purchases</u>	<u>Gross Sales</u>	<u>Current Rate of Return</u>
06/30/78	\$10,641,000	\$1,960,000	7.22%
06/30/77	12,986,000	4,432,000	7.38%
06/30/76	9,921,000	2,044,000	8.73%
12/31/74	4,526,000	290,000	8.93%
12/31/73	2,103,000	996,000	8.04%

### Common Stock Investments (including Convertibles)

06/30/78	\$ 1,726,000	\$ 855,000	4.23%
06/30/77	4,316,000	3,203,000	5.10%
06/30/76	4,877,000	839,000	3.17%
12/31/74	523,000	867,000	5.40%
12/31/73	2,540,616	471,000	3.37%

### Total Investments

<u>Period Ending</u>	<u>Investments at Cost</u>	<u>Year-end Annual Rate of Income</u>	<u>Rate of Return</u>
06/30/78	\$62,587,000	\$4,298,000	6.87%
06/30/77	53,688,000	3,690,000	6.87%
06/30/76	44,476,000	2,928,000	6.58%
12/31/74	35,279,000	2,426,000	6.88%
12/31/73	28,907,000	1,692,000	5.85%

The Cost-of-Living Fund, which is included in the above figures, amounts to approximately \$1,432,000 invested in high coupon bonds, convertibles and common stocks providing an estimated annual income of \$105,000 for a current yield of 7.35%.

## B. By City Staff

<u>Calendar Year</u>	<u>Regular</u>			<u>Cost-of-Living</u>		
	<u>Investments at Cost (1)</u>	<u>Interest and Dividends (2)</u>	<u>Actual Rate (3)</u>	<u>Investments at Cost (1)</u>	<u>Interest and Dividends (2)</u>	<u>Actual Rate (3)</u>
06/30/78	\$60,688,000	\$3,702,000	6.10%	\$1,432,000	\$104,000	7.26%
06/30/77	52,476,000	3,122,933	5.95%	1,211,000	76,053	6.28%
06/30/76	43,517,000	2,525,072	5.80%	959,000	96,117	6.68%
1974	34,604,000	1,923,285	5.56%	675,000	46,739	6.92%
1973	28,523,000	1,326,580	4.65%	384,000	36,655	9.55%

- (1) Appraisal of Security Holdings, quarterly; Scudder, Stevens & Clark, as of June 30.
- (2) Annual Financial Reports, Director of Finance, City of San Jose. (Less Cash in Bank and Interest Receivable, but includes Gain/Loss from sale of securities).
- (3) Based upon cost (annual income divided by total investments at cost).

# POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Retirees and Beneficiaries as of June 30, 1978

	NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	COL	TOTAL
D	Mauldin, William	17	09/26/44	193.04	58.82	2,956.26
D	Volonte, Louis	29	05/02/49	172.17	52.46	2,636.70
	Murphy, Patrick	27	04/19/50	213.53	56.97	907.48
D	Basile, Frank	28	01/14/52	249.07	75.92	3,814.65
	Morton, James	25	01/14/52	216.69	57.82	1,753.32
	Matranga, John	22	02/01/53	227.48	69.32	3,483.84
D	Humburg, Walter	30	03/04/53	230.86	70.35	3,535.59
	Adams, Harley	27	07/14/53	263.52	80.30	4,035.75
	Higgins, Thomas	33	08/01/53	278.53	84.88	4,265.70
	Guptill, Lovell	24	07/01/54	290.15	88.43	4,443.69
	Anderson, Ernest	26	08/01/55	301.98	92.03	4,624.80
	Malpass, William	26	10/07/56	306.71	81.83	1,403.76
	Schwandt, Herman	34	01/01/57	259.25	79.01	3,970.47
	Jones Ivor	34	08/21/57	270.96	82.57	4,149.66
	Morss, Kenneth	30	09/21/57	272.07	82.93	4,166.94
D	MacLean, Arthur	16	11/27/57	314.08	95.74	4,810.38
	Powers, Edward	39	06/01/59	332.66	101.38	5,094.72
	Miller, Emmett	30	11/01/59	341.30	104.01	5,226.99
	Emery, Walter	29	05/26/60	296.27	90.27	4,537.14
	Jennings, Ralph	32	09/05/60	343.27	104.63	5,257.35
	Garcia, Simon	30	02/27/62	318.05	96.93	4,870.95
	Murray, Charles	32	03/12/62	365.82	111.47	5,602.38
S	Holden, Gertrude	16	**08/18/75	180.47	54.99	2,763.78
S	Ogden, Anna	40	**12/15/63	266.74	81.30	4,085.22
	Kirby, Henri	29	07/01/62	436.82	133.13	6,690.00
	Edes, Hugh	36	07/01/62	372.37	113.49	5,702.97
	Conyers, Francis Sr.	32	10/26/62	377.30	114.99	5,778.42
	Campbell, Lawrence	31	02/01/63	470.20	143.29	7,201.05
	Quain, Ralph	22	04/01/63	378.83	115.47	5,802.00
	Flesner, Frederick	25	07/28/63	385.63	117.51	5,905.83
	Gadsby, Walter	22	09/01/63	387.03	117.96	5,927.49
	Pracna, Edward	36	09/13/63	485.61	148.02	7,437.42
S	Bruegman, Mary	5	**10/13/63	322.35	98.25	5,957.65
S	Sawyer, Barbara	18	**12/13/60	263.11	80.18	4,029.48
	Parker, Harold	22	05/01/64	487.62	148.60	7,467.87
	Batti, George	34	05/11/64	390.33	118.94	5,977.77
D	Emery, Louis	15	08/20/64	313.50	95.55	4,801.41
	Browder, Samuel	22	04/01/65	397.70	121.21	6,090.93
D	Murtha, Mary	27	04/01/65	205.11	62.50	851.41
	Gray, Raymond	37	04/01/65	356.19	108.57	5,455.26
	Murtha, Vincent	27	04/01/65	364.64	111.12	4,157.10
S	Lunsford, Phyllis	37	**06/25/65	376.46	114.73	5,765.49
S	Rebhan, Ethel	21	**04/22/74	229.51	69.94	3,514.92
	Davis, Harvey	23	09/01/65	404.74	123.36	6,198.78
D	Hoffman, Vernon	20	12/06/65	371.78	113.31	5,693.91
	Alvares, Artie	23	02/01/66	357.52	108.96	5,475.45
	Acquistapace, Joseph	22	02/01/66	357.52	108.96	5,475.45
	Guerin, Peter	22	02/15/66	376.33	114.70	5,763.66
S	Pinkston, Lena	29	**09/07/74	386.96	117.89	5,925.90

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Retirees and Beneficiaries as of June 30, 1978

NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	COL.	TOTAL
Bosque, Charles	20	05/03/66	323.12	98.46	4,948.44
D Haas, Carl	21	06/07/66	362.22	110.39	5,547.39
S Cecil, Georgia	18	**01/26/72	341.57	103.65	5,225.91
D Mattern, John	16	07/16/66	419.75	127.93	6,428.61
Kidder, Donald	29	09/01/66	427.21	130.18	6,542.61
D Atwell, Harold	20	12/19/66	370.17	112.81	5,669.13
S Pierce, Dolores	9	**06/29/67	321.29	97.91	6,961.72
S Russo, Josephine	39	**02/09/67	182.91	55.74	2,801.25
S Vitek, Hilvie	42	**02/11/67	281.81	85.90	4,316.13
D Creamer, William	23	04/15/67	368.40	112.27	5,642.04
D Fusco, George	22	06/10/67	352.07	107.30	5,392.02
S Wakeman, Lela	32	**09/08/67	225.79	68.81	3,457.98
S Phipps, Ruth	7	**10/05/67	184.49		2,213.88
D Anderson, William	9	11/14/67	377.00	114.90	5,773.83
Stanley, Jack	23	01/14/68	362.86	110.59	5,557.29
Gomes, Anthony	22	01/15/68	426.86	130.09	6,537.42
D Turnage, Gordon	8	03/08/68	365.59	111.41	5,598.99
D Lorenz, Herman	25	03/15/68	384.74	117.26	5,892.42
D Urzi, Robert	21	03/18/68	366.08	111.56	5,606.49
D Bartolini, Herbert	8	04/01/68	366.77	111.77	5,617.02
S Hauser, Irene	6	**03/24/72	365.85	111.50	3,980.99
D Crawford, Andrew	10	04/05/68	386.35	117.77	5,917.32
D Poelle, William	17	09/11/68	416.43	126.91	6,377.61
D Fisher, Raymond	22	01/01/69	382.48	116.56	5,857.62
D Brewer, Glenn	10	02/10/69	385.15	117.38	5,898.60
S Bone, Nadalie	37	**03/10/69	344.39	104.97	5,274.51
Chew, Arnold	1	04/21/69	373.41	99.62	5,552.34
D Sims, Robert	23	04/27/69	459.60	122.61	6,833.88
S Collins, Doris	39	**05/17/69	387.21	103.29	4,776.39
D Ostermeier, Clifford	5	05/20/69	384.77	102.64	5,721.12
D Barr, Jack	21	07/14/69	394.05	105.13	5,859.30
Murphy, Gerald	42	10/28/69	814.23	217.21	12,106.92
D Hart, James	1	12/03/69	383.42	102.28	5,701.05
S Fernandez, Beverly	23	**03/12/73	610.52	162.87	9,077.91
McCay, E	27	02/01/70	999.77	266.70	14,865.63
Erlandson, John	25	07/01/70	595.43	135.45	8,578.95
Ankenbauer, Frank	24	07/05/70	576.31	131.10	8,303.52
D Stenzel, Eugene	8	08/01/70	461.00	104.87	6,642.12
S Huerta, Marie	6	**08/06/70	479.54	109.09	6,909.30
D Davis, Dale	8	09/01/70	461.00	104.87	6,642.12
D Stout, Bernard	24	09/01/70	569.48	129.55	8,205.12
Wilson, Jack	34	09/01/70	955.53	217.36	13,767.24
D LeBeau, Ronald	31	**10/12/77	1,782.81	341.82	6,373.89
S LeBeau, Ruth	31	10/01/70	891.41	202.78	10,067.71
Connett, Theron	31	10/01/70	835.79	190.14	12,042.24
D Burgstrom, Carl	16	11/01/70	563.04	128.08	8,112.27
D Anderson, Clarence	23	12/21/70	545.36	124.06	7,857.54
Fisher, Vern	25	01/03/71	599.87	136.48	8,643.15
D Canuel, John	25	01/05/71	766.40	174.36	11,042.52

## POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Retirees and Beneficiaries as of June 30, 1978

NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	COL	TOTAL
D True, Robert	31	01/11/71	1,147.89	261.12	16,538.76
D Crosby, James	29	01/14/71	839.24	190.91	12,091.80
D Cannell, George	33	01/16/71	1,486.60	338.18	21,419.01
S Gibson, Henrietta	25	**02/04/71	345.75	78.64	4,981.44
D Coomer, Sam	9	02/09/71	376.90	85.72	5,430.21
D Batten, Russel	28	03/01/71	1,105.24		
D Tanner, Francis	20	05/01/71	546.62	106.08	7,661.31
Blackmore, John	42	05/17/71	1,953.51	379.08	27,379.62
D Mason, Roland	7	06/22/71	511.45	99.25	7,168.29
D Rolston, Chad	26	07/01/71	680.42	132.03	9,536.46
S Carotta, Shirley	29	**11/05/74	549.38	106.60	7,699.77
S Anderson, Irene	18	**07/01/71	156.44	30.35	2,192.52
D Knapp, John	30	07/15/71	1,484.00	287.98	20,799.27
D Lowe, William	22	07/15/71	662.48	128.55	9,285.00
D Evans, Carl	26	08/01/71	655.23	127.15	9,183.45
D Place, Robert	11	08/01/71	413.82	80.30	5,799.93
D Kennedy, Edwin	24	08/01/71	744.57	144.50	10,435.74
S Thaysen, Dorothy	24	**05/16/73	387.31	75.17	5,428.53
D Ricketts, Edward	21	09/01/71	583.10	113.16	8,172.60
D Warrick, Robert	27	10/05/71	814.32	158.02	11,413.20
D Flair, Gary	9	10/12/71	506.35	98.27	7,096.95
D Houlihan, Earl	8	11/11/71	510.71	99.09	7,157.76
D Manthey, James	19	12/01/71	648.63	125.86	9,090.84
D Bibby, Richard	15	12/01/71	508.13	96.85	7,101.18
D Miller, Herbert	35	01/03/72	973.81	188.96	13,648.41
D Curtiss, Marvin	27	01/04/72	766.04	148.65	10,736.52
D Green, Leon	35	02/01/72	1,319.49	256.05	18,493.47
D Fries, Joseph	22	02/15/72	691.49	134.19	9,691.71
D Higgins, Thomas Jr.	24	03/01/72	1,040.20	201.86	14,579.10
D Westerhouse, James	27	03/01/72	857.69	166.44	12,021.09
Maral, Manuel	40	03/01/72	769.75	149.37	10,788.51
D Leslie, Sean	8	03/01/72	530.28	102.91	7,432.32
D Tollenaar, Corneal	20	04/01/72	647.13	125.58	9,069.93
D Hardman, Stanley	24	04/01/72	939.61	182.33	13,169.16
D Scarpace, Sam	22	04/01/72	771.56	149.72	10,813.89
S Heeren, Mildred	30	**02/21/77	385.78	74.87	5,407.02
D Jones, Arthur	35	04/01/72	937.50	181.93	13,139.76
D O'Brien, John	26	04/17/72	827.56	131.81	11,260.98
S Luchessi, Jessie	31	**04/22/72	641.65	102.20	8,731.17
D Bishop, Curtis	28	05/01/72	962.43	153.29	13,096.14
D Miller, Arthur	24	05/01/72	815.35	129.86	11,094.75
D McCargar, John	2	06/06/72	308.10	49.07	4,192.44
D Miller, David	31	07/02/72	944.25	150.39	12,848.76
S-2 Cardona, Velma	20	**07/08/75	899.61	124.79	12,024.24
D Anderson, William	26	08/01/72	849.42	135.29	11,558.40
S DeMers, Alice	35	**02/27/77	801.16	127.60	10,901.67
S Shannon, Marjorie	35	**01/26/73	651.44	103.76	8,864.40
D Bernardo, Charles	27	08/01/72	753.53	120.01	10,253.52
D Petersen, Gunner	26	08/01/72	845.49	134.67	11,504.97

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Retirees and Beneficiaries as of June 30, 1978

NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	COL	TOTAL
D Toussaint, Harold	29	08/01/72	1,013.45	161.42	13,790.46
Barozzi, Ernest	26	09/01/72	796.40	126.85	10,836.99
S Haller, Jean	25	**09/06/72	544.62	86.74	7,410.81
D Lamb, William	19	09/15/72	637.31	101.50	8,672.04
S North, Antoinette	27	**11/20/72	449.36	71.57	6,114.63
D Miller, Jesse	25	12/01/72	884.28	140.84	12,032.70
Klein, Elmer	30	01/03/73	1,643.50	261.77	22,363.83
D Larsen, James	13	01/15/73	605.17	96.39	8,234.85
D Schaefer, Charles	29	02/14/73	904.83	144.11	12,312.33
D Sadler, Bernice	24	02/15/73	546.03	86.97	7,430.04
D Brenneman, Virgil Jr.	6	02/15/73	535.00	85.21	7,279.98
D Donohue, James	6	03/04/73	387.73	61.75	5,275.95
D Gilbert, George	27	03/15/73	731.12	116.45	9,948.63
D Lennon, John	20	04/01/73	590.70	94.07	8,037.78
D Moody, Willey	30	04/01/73	987.00	157.21	13,430.55
D Tuma, Frank	27	04/01/73	776.12	123.61	10,560.87
D Sanchez, Joseph	14	04/01/73	658.00	104.80	8,953.62
D Jones, John	34	04/01/73	2,164.79	344.79	29,457.15
D Howard, Orrin	20	04/01/73	575.00	91.59	7,824.30
D Walton, J	4	04/01/73	527.18	83.97	7,173.60
D Gray, Loren	30	04/01/73	853.13	135.88	11,608.83
D Hoffman, Fred	29	06/01/73	1,031.78	129.49	13,630.86
S LaCour, Joyce	13	**06/15/73	656.92	82.46	8,678.70
D Bruce, Gordon	5	07/01/73	601.42	75.48	7,945.32
D Evans, David	26	08/01/73	955.34	119.91	12,621.12
D Harris, Coy	27	09/12/73	810.23	101.70	10,704.12
S Vasquez, Lupe	24	**09/25/73	940.63	118.06	12,426.72
D Silva, Edward	25	10/01/73	870.38	109.23	11,498.55
D Marks, Leonard Jr.	18	10/01/73	1,062.50	133.36	14,036.85
S Easley, Barbara	13	**07/15/76	291.17	36.55	5,755.65
D Satariano, Anthony	27	11/14/73	807.78	101.38	10,671.60
D Cordoni, Julius	11	12/01/73	664.20	83.36	8,774.79
D Torguson, Donald	11	01/02/74	558.96	70.15	7,384.44
D Gould, Michael	9	01/02/74	649.49	81.51	5,531.84
D Nufer, Joseph	14	01/02/74	688.00	86.35	9,089.25
D Crawford, James	14	01/02/74	688.00	86.35	8,891.25
D Bias, James	13	01/02/74	594.64	74.63	7,855.83
Conrow, Dan	28	01/05/74	974.21	122.28	12,870.42
Hornbeck, Melvin	36	01/06/74	1,462.97	183.62	19,327.44
D Heaney, William	27	01/09/74	821.86	103.16	10,857.78
D Willis, Ronald	10	01/15/74	478.61	60.07	6,322.95
S Perry, Lucille	27	**08/25/75	518.46	65.07	6,849.36
D Silfvast, Robert	17	02/01/74	703.59	88.30	9,295.14
D Martinelli, Walter	28	02/01/74	843.22	105.84	11,139.96
D Choyce, James	14	03/01/74	603.25	75.72	7,969.62
D Garringer, Estiel	26	03/01/74	965.43	121.17	12,754.35
Provasi, Dante	27	03/01/74	868.46	109.00	11,473.29
D Collins, Barton	38	03/01/74	1,709.63	214.57	22,586.04
MacKenzie, William	29	04/01/74	1,549.13	194.42	20,465.58

# POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Retirees and Beneficiaries as of June 30, 1978

	NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	COL	TOTAL
D	Stefanini, Mario	29	04/01/74	939.00	117.86	12,406.02
S	Garcia, Jennie	27	**05/07/74	535.99	49.70	6,874.74
S	Buck, Lillian	24	**05/15/74	557.90	51.74	7,550.41
	Baker, Bernice	25	06/01/74	392.86	36.43	5,038.98
	Favorite, Lawrence	35	06/12/74	1,074.00	99.59	13,775.46
D	Coburn, Jimmie	18	06/15/74	619.86	57.48	7,950.51
D	Bernardo, Ralph	30	07/10/74	873.24	80.97	11,200.41
S	Scribner, Betty	28	**11/14/76	747.77	69.34	9,591.12
D	Nurisio, Louis	14	12/01/74	663.37	61.51	8,508.57
D	Cissell, David	15	01/02/75	669.06	62.03	8,581.47
D	Lima, Sam	28	01/02/75	846.83	78.52	10,861.65
D	Devitt, Francis	28	02/01/75	1,051.73	97.52	13,489.77
D	Sapena, Tony	29	03/01/75	1,509.82	139.99	19,365.27
D	Kincaid, Richard	32	03/27/75	984.49	91.28	12,627.27
D	Kinney, Thomas	29	04/01/75	1,161.73	107.72	14,900.67
D	Angelo, Anthony	24	04/01/75	801.11	74.28	10,275.18
S-2	Donald, Peggy	24	**05/15/75	1,545.80	111.18	19,449.42
D	Fonseca, Charles	30	04/01/75	1,140.75	105.78	14,631.57
D	Sawyer, Howard	13	04/01/75	657.32	60.95	8,430.96
	Silva, Raymond	23	04/01/75	774.72	71.84	9,936.78
	Rasmussen, Pauline	23	04/01/75	376.47	34.90	4,828.62
D	Sinnott, Glenn	28	04/01/75	869.53	80.63	11,152.89
D	Richards, John	14	05/01/75	796.34	48.50	9,916.59
D	Azzarello, Joseph	33	05/01/75	1,600.25	97.46	19,927.47
D	Ramboer, Leo	28	06/01/75	883.98	53.84	11,007.96
D	Jacobson, George	15	06/01/75	771.48	46.98	9,606.96
D	Cuffaro, Marco	26	06/10/75	1,040.01	63.34	12,950.94
D	Robertson, Harry	6	09/06/75	708.69	43.16	8,825.10
D	Keith, Gary	13	10/18/75	700.91	42.69	8,728.26
D	Hall, Stanley	15	11/01/75	828.99	50.49	10,323.18
D	Donald, Howard	28	01/01/76	1,740.78	106.01	21,677.37
	Keiser, Betty	20	01/02/76	390.67	23.79	4,864.89
D	Kosik, Victor	28	01/03/76	1,039.81	63.32	12,948.39
	Hilscher, Arthur	29	01/03/76	1,433.45	87.29	17,850.27
D	Fernandez, Gabriel	29	01/06/76	948.11	57.74	11,806.50
D	Bloomfield, Harold	24	01/25/76	800.38	48.74	9,966.87
	Haller, Lewis	34	02/07/76	1,706.66	103.94	21,252.54
	Kuehnis, Floyd	34	02/07/76	1,475.52	89.86	18,374.25
D	Sullivan, Maris	24	03/20/76	1,026.50	62.52	12,782.76
S	Conversa, Jessie	30	**08/29/76	637.37	38.81	7,936.95
D	Nelson, Robert	30	03/21/76	993.62	60.51	12,373.26
D	Seibert, Sam	29	03/28/76	1,216.75	74.10	15,151.80
D	Murtha, William	9	04/01/76	663.30	40.40	8,259.90
D	Ricceri, Frank	28	04/01/76	940.03	57.25	11,705.91
D	Cole, Vernon	24	06/13/76	1,033.41	31.00	12,493.92
D	Mogilefsky, Arthur	9	07/04/76	755.16	22.65	9,129.87
	Maddox, William	28	08/14/76	1,239.51	37.19	14,985.69
D	Keyser, Orville	28	09/19/76	1,222.16	36.66	14,775.90
D	Stegemiller, James	22	10/18/76	1,242.97	37.29	14,915.64

# POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Retirees and Beneficiaries as of June 30, 1978

NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	COL	TOTAL
D Sekany, Gregory	6	01/03/77	765.70	22.97	9,257.31
D Elorreaga, Paul	14	01/12/77	792.82	23.78	9,585.18
D Lee, Raymond	29	03/14/77	1,376.86	41.31	16,646.25
D Klein, Theodore	31	03/19/77	1,881.55	56.45	22,747.95
D Dwyer, George	27	03/20/77	1,264.22	37.93	15,284.43
D Cleary, Robert	28	03/20/77	1,676.11	50.28	20,264.16
D Campbell, William	25	03/20/77	1,182.62	35.48	14,297.88
D Kasich, Robert	9	04/11/77	790.82		9,489.84
D Devens, Lee	28	04/17/77	1,671.95		20,063.40
Hickey, Janet	31	04/23/77	1,213.72		14,564.64
D Brune, Ralph	29	06/01/77	1,390.32		16,683.84
D Adams, Virginia	22	06/14/77	825.44		10,373.03
DeCamp, Howard	24	07/06/77	1,114.57		13,195.08
D Jones, Robert	10	07/12/77	733.07		8,536.72
D Bolton, Hilbert	30	07/12/77	1,369.66		15,949.91
D Nelson, Murray	31	09/02/77	1,185.95		11,819.97
D Capurso, Frank	14	09/06/77	788.89		7,757.42
S- Bell, Cheryl	2	**09/11/77	767.45		7,436.98
D Zenahlik, Thomas	9	12/14/77	841.81		5,539.67
D Roorda, James	7	12/18/77	818.44		5,280.26
Wheatley, Merlin	30	01/05/78	1,698.59		9,972.37
D Vittoe, Joseph	29	01/07/78	1,230.11		7,142.57
D Bennett, William	8	01/10/78	844.85		4,823.82
D Papa, Rick	3	01/11/78	731.55		4,153.32
S McCuistion, Evelyn	18	**01/20/78	9,664.57		11,664.57
Gerhard, John	30	03/04/78	2,832.64		11,056.43
D Warning, Donald	23	03/14/78	946.48		3,389.02
D Windisch, Stephen	30	03/31/78	1,987.32		6,026.07
D Tambellini, Lawrence	27	04/01/78	1,532.87		4,598.61
D Allen, Robert	21	04/01/78	1,631.93		4,895.79
D Ozga, Jan	10	05/09/78	831.98		1,449.27
D Welch, Bradford	5	05/13/78	859.09		1,385.63
D Holmes, Danny	11	05/14/78	832.53		1,315.93
D Robertson, Robert	29	06/13/78	1,243.36		746.02
			TOTAL	27,266.91	
					TOTAL 2,537,765.09

S Survivor  
S-2 Own Retirement and Survivor  
D Disability