

OFFICIAL COPY

# POLICE & FIRE DEPARTMENT RETIREMENT PLAN



Annual Report • July 1, 1983 to June 30, 1984 • City of San Jose, California



## CITY OF SAN JOSE

801 NORTH FIRST STREET  
SAN JOSE, CALIFORNIA 95110

BOARD OF ADMINISTRATION  
POLICE AND FIRE DEPARTMENT  
RETIREMENT PLAN

(408) 277-5137

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

Dear Mayor and Councilmembers:

The Board of Administration for the Police and Fire Department Retirement Plan is pleased to present its Annual Report for the period July 1, 1983, thru June 30, 1984.

The Board has spent considerable time and effort this year studying investment policies of the Retirement System and they have amended the Municipal Code to allow Leasing of Securities and Real Estate Investments. They also approved an actuarial study dated June 30, 1983, and based on that study they reduced the rates of contribution and recommended that Council approve the following benefits for retirees:

1. full retirement benefits after completing 30 years of service with no age restrictions.
2. payment of a portion of medical insurance premiums for members or their survivors who retire with 15 years or more of service or who are receiving at least 37 1/2% of final compensation.

The Board believes that the professional services rendered by the actuary, auditors, investment counselors, and the fund performance evaluators have produced a sound fund capable of continued growth. The Board of Administration and its staff are available to provide additional information when requested.

Sincerely,

CARM J. GRANDE, 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 2.08.400 of the San Jose Municipal Code.

As of June 30, 1984, the members of the Board were as follows:

- |                    |  |
|--------------------|--|
| CARMEN J. GRANDE   | - Chairman. Police Officer, elected in November 1980 as the employee representative for members of the Plan who are sworn police personnel. His term expires on November 30, 1985.                 |
| JERRY ESTRUTH      | - 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 January 16, 1979.   |
| DONALD RAMOS       | - Elected as a representative of the employees of the Fire Department on December 1, 1982. His term expires on November 30, 1987.  |
| LU RYDEN           | - 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 in January 1981.   |
| 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            | - Martin E. Segal Company   |
| INVESTMENT COUNSEL | - Scudder, Stevens & Clark, Inc.; Smoot, Knoche & Co.; Harris, Bretall, McElDowney & Sullivan, Inc. |
| AUDITOR            | - Peat, Marwick, Mitchell & Company   |

The Board meets on the first 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 9:00 a.m. Members of the Retirement Plan may attend any of the meetings.

ANNUAL REPORT

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

TABLE OF CONTENTS

Letter of Transmittal	
Board of Administration	
Table of Contents	1
Investment Policy Statement	2-5
Summary of the Principal Provisions	6-8
Highlights of the Plan	8
New Retirees and Deaths	9
Statement of the Actuary	10-11
Investment Counsels' Statements	12-16
Retirement Fund Portfolio	17-23
Portfolio Performance Report	24
Industry Analysis of Equities	25
Plan Revenues	26
Contributions & Revenue	27
Retirees & Beneficiaries	28-36
AUDITED FINANCIAL REPORTS	

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 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 plan consisting of retirement allowances and death benefits.

Investments in such Retirement Plan are subject to the restrictions specified in the San Jose Retirement Code 3.36.540. Further investment management guidelines are imposed by the Retirement Board.

INVESTMENT GUIDELINES

General

The Board Shall:

- (1) Require that the Retirement System 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 3.36.540. 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.
- (c) In the case of any solvent institution other than those described above, the net earnings for its fixed charges for the last five fiscal years have averaged per year not less than three times its average annual fixed charges; and during either of the last two years, net earnings have not been less than three times its 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 40% 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 3.36.540:

- (1) 96% of stocks must be registered on a national exchange, although this is not required with preferred stocks or banks and insurance companies which have a net worth of at least \$50 million.
- (2) Corporation must have total assets of at least \$50 million or gross sales of at least \$150 million and at least 5 million shares of common stock outstanding.
- (3) 90% of stocks pay a cash dividend in each of five years next preceding the date of the investment.
- (4) Investment in any corporation shall not exceed 5% of the outstanding shares of the corporation.
- (5) Not more than 5% of the total assets at cost may be invested in preferred stocks.

- (6) Not more than 2% of the total fund at cost shall be invested in the common stock of any corporation.
- (7) Each common and preferred stock purchase must be approved by independent investment counsel.

#### Real Estate

The Board may elect to invest in commercial industrial and residential real estate or real estate related debt instruments provided that:

- (1) The real estate is defined as any real property within the United States improved by multifamily dwelling, industrial or commercial buildings.
- (2) Real estate related debt instruments shall be defined as conventional mortgage backed securities and first mortgages.
- (3) The fund shall at no time:
  - a. Invest directly or indirectly more than 25% of the fund's assets, valued at cost, in real estate investment as defined hereinabove; nor,
  - b. Invest directly or indirectly more than 5% of the fund's assets, valued at cost, in any one property, project, or debt instrument regardless of the manner of investment.
- (4) The investment advisors employed by the Board to assist in the location and acquisition of real estate must bring their proposal to the Board for approval. Any such proposal must be approved by an affirmative vote of four (4) of the Board members before any funds may be invested.

#### Credit Unions

No retirement fund monies shall be deposited in any such institution in excess of an amount insured by an agency of the Federal Government, and shall be made only if the rate of return and degree of safety offered are competitive through other investment opportunities.

#### 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. Becker 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 meets 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 reviews 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 prepares 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 AND FIRE DEPARTMENT RETIREMENT PLAN  
San Jose, California

MEMBERSHIP - Mandatory for all full-time employees.

MEMBER CONTRIBUTIONS - All members contribute 11.07% of base salary.

CITY'S CONTRIBUTIONS - The City contributes 36.21% 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 Plan. The City's contributions will not be refunded to the employee.

MILITARY LEAVE CREDIT - A member is entitled to credit for City service if military service was performed during: (1) a time of war, (2) a national emergency proclaimed by the President or the Congress, (3) or under orders requested by the United Nations outside the United States or territories, and/or (4) the time a National Conscription Act was in effect.

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

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 70.

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 a Vested Retirement, Service Retirement, Service-Connected Disability with 20 years' service, and Non-Service Connected Disability with 20 years' service:

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

For Service-Connected Disability with less than 20 years' service, any age:

CALCULATE: 50% X final compensation = monthly retirement allowance.

For 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. Thirty-two percent for first 2 years plus 1% interest 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.

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.

The Spouse	will receive 24% of final compensation for two 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 Plan is under the management of a Board of Administration of five members consisting of two City Councilpersons, a Civil Service Commissioner, and two elected employees who are members of the Retirement Plan.

The Board of Administration is a policy-making body and responsible for the proper operation of the Plan. The Plan operates as an independent trust, separate and distinct from the City and other entities. The administration of the Plan 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 Plan's resources. Scudder, Stevens and Clark, Inc.; Harris, Bretall, McEldowney & Sullivan, Inc.; and Smoot, Knoche & Company are retained for full-time investment counsel.

COST OF LIVING - Annually the Bureau of Labor Statistics index for the month of December is compared to the preceding December index number. The Board determines the change to be effective beginning April 1st each year. A maximum of 3% is granted with any excess accumulated for use in future years. A retiree draws no COL increase for the first year, then a pro-rata increase for the months before the next April 1st.

#### 1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

1. There were 1,576 contributing members in the Plan as of June 30, 1983.
2. Nineteen members retired because of disabilities during the period of July 1, 1983 through June 30, 1984.
3. There are 338 members and 68 survivors receiving benefits from the Plan as of June 30, 1984.
4. During the reporting period, four Fire members and 38 Police members left the membership of the Retirement Plan and had their contributions refunded.
5. The Retirement Fund balance as of June 30, 1984 was \$174,686,000 in the Regular Fund and \$36,756,000 in the Cost-of-Living Fund.
6. Payment of pensions and survivors' benefits increased monthly from \$423,500 in June 1983 to \$465,000 in June 1984.
7. The annual time-weighted return for the entire portfolio was 9.5% as of June 30, 1984.
8. Interest, dividends and net gain on sale of investments for the period were \$19,472,000 and averaged about \$1,622,600 per month.

1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

The following persons were granted a monthly retirement allowance during the period of July 1, 1983 to June 30, 1984.

SERVICE RETIREMENT

None

NON-SERVICE CONNECTED DISABILITY

None

SERVICE-CONNECTED DISABILITY RETIREMENTS

POLICE DEPARTMENT

Bell, Robert M  
Geppert, Kenneth J  
Grant, Robert A  
Green, Norman W  
Haslemann, Joe J  
Houston, Herrell J  
Moore, Bruce  
Pulliam, Norvel  
Seaton, Charles  
Zamzow, James W

FIRE DEPARTMENT

Anderson, Algie  
Brazil, La Vern F  
Chambers, Royce R  
Dye, Donald A  
Lane, Gaylord R  
Schackelford, Jeff  
Spaulding, Benjamin  
Towend, Stewart  
Wheeler, Henry A

DEATHS

POLICE DEPARTMENT

Bledsoe, John A      4/16/84

FIRE DEPARTMENT

Humburg, Walter	9/24/83	Murphy Gerald J	1/11/84
Horne, Billy W	10/01/83	Volante Louis J	1/26/84
Jones, Arthur B	11/23/83	Miller, David A	3/01/84
Acquistapace, Joseph M	1/10/84	Alvarez, Artie	6/05/84

STATEMENT OF THE ACTUARY

Martin E. Segal Company

We have prepared an actuarial valuation as of July 1, 1983 of the Police and Fire Department Retirement Plan for the City of San Jose. The actuarial method used was entry-age normal cost, with the unfunded supplemental present value amortized over 34 years from the valuation date. This method will produce stable contribution rates in relation to payroll because average entry age does not vary significantly from year to year.

The actuarial assumptions for mortality, withdrawal, disability and retirement were the same as used in the prior valuation (June 30, 1981). The interest assumption was increased to 8.00%, and the salary scale was changed to one that varies both by age and service, and averages 6.75% over a full career. The valuation report shows the effects of these changes in assumptions on the contribution rates and the present value of accumulated plan benefits.

The contribution rates for members and the City were computed in accordance with the City Charter. In our opinion, the recommended contribution rates are sufficient to maintain and improve the sound financial condition of the Retirement Plan.

*Steven T. Itelson*

Steven T. Itelson, F.S.A.  
Martin E. Segal Company  
Actuaries and Consultants  
57 Post Street  
San Francisco, California 94104

Information Required by Accounting Principles Board  
Opinion Number 8  
San Jose Police and Fire Department Retirement Plan  
For Year Beginning July 1, 1983

- 1) The amounts shown below were determined for the Plan as in force on July 1, 1983. Benefit improvements approved by the City Council after that date are excluded from these results.
- 2) The range of the City's contributions under Opinion Number 8 (with percentages of payroll in parentheses) is as follows:

a) Minimum

1) Normal Cost	\$12,034,400 (22.41%)
2) Amortization of Unfunded Supplemental	
Present Value over 40 years	1,501,200 ( 2.80%)
Total	<u>\$13,535,600 (25.21%)</u>

b) Maximum

1) Normal Cost	\$12,034,400 (22.41%)
2) 10% of Unfunded Supplemental	
Present Value	3,653,000 ( 6.80%)
Total	<u>\$15,687,400 (29.21%)</u>

Amortization payment is on the basis of a level percentage of covered payroll assumed to increase 5% per annum. Contributions include the permanent cost-of-living benefits.

- 3) The present value of all vested benefits was \$149,692,000 as of July 1, 1983, against which there were assets of \$172,953,000 at market value. Hence assets exceeded the value of vested benefits.
- 4) Actuarial assumptions were changed from the July 1, 1981 valuation to that as of July 1, 1983. The changes included increasing the interest assumption from 7.25% to 8.00% per annum, and decreasing the salary scale. From entry at age 25 to earliest service retirement at age 50, the 1981 salary scale averaged 8.80% per annum and the 1983 scale averages 6.77% per year. The actuarial asset value was also changed from the mean of cost and market values to the market value as of June 30, 1983, with future appreciation spread over 5 years to give a moving market value. The effects of these changes include decreasing the City's contribution rate and the present value of vested benefits.

In our opinion, the actuarial methods and assumptions are acceptable under Opinion Number 8.

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

INVESTMENT REPORT

of

SCUDDER, STEVENS & CLARK, INCORPORATED  
INVESTMENT COUNSEL

JUNE 30, 1984

After rising at "boom" rates in the first part of the year, business activity is now slowing to a more comfortable pace. The trends of industrial production, employment, retail sales, and housing are cooling. The utilization of the economy's resources remains a comfortable distance from the strained levels which historically have required correction.

Inflation continues surprisingly subdued. In the past few months, the year-over-year rise of wholesale prices has averaged about 2% and consumer prices 4%. Moderation has come from all avenues --- industrial commodity prices, wages, the dollar, and, as reflected in such a bellwether as the price of gold, inflationary psychology. Concern that inflation could soon obstruct the continued expansion of the economy has diminished.

Recently credit market pressures have also eased. Loan demand has moderated, rapid money supply growth has been checked, and the liquidity problems of some major U.S. financial institutions have retreated to a less critical stage. The level of interest rates has receded from the zone where the high cost of credit risked paralyzing business activity.

These developments have confirmed our expectation that the economy is settling down to a 3-4% rate of growth that should continue through 1985. The supports to this continued expansion are positive real income and employment growth, a strong consumer balance sheet, and a high level of business confidence.

The news on inflation is unlikely to remain as positive as it has over the last year because many of the forces that have pushed inflation down will probably not be sustained, and an increase from today's 4% level to 5½-6% can be expected.

These economic conditions may support a renewed rise in interest rates. Although the economy is expected to grow more slowly, consumer and business credit demands should expand as income and profit growth slows. Also, unless dramatic early action is taken on the budget the private sector will continue to compete with heavy Federal credit demands required to finance a \$175 billion deficit. Finally, although interest rates still seem to be held up by exaggerated inflationary fears, this "inflation premium" is unlikely to be squeezed down while cyclical inflationary pressures build.

We believe the portfolio is well-structured based on our outlook over the next 12 months. The average maturity of the fund is approximately 8.5 years, and is comprised of approximately 50% U.S. government related securities. The current yield on the portfolio is 12.35%. Our current strategy is to continue purchases in the intermediate area (2-8 years) until some definitive action is taken toward reducing the Federal deficits.

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN  
INVESTMENT REPORT  
OF  
SMOOT, KNOCHE & CO.  
INVESTMENT COUNSEL  
JUNE 30, 1984

Since July 1, 1983 (beginning of Plan's fiscal year), the stock market has been exhibiting a case of the jitters despite the continual flow of good economic news. In times like these, it is often helpful to reexamine the fundamentals to see if anything new has been added to the investment equation. At the moment, economic conditions continue to be positive. Retail sales are growing (albeit at a slower pace), industrial production continues to climb, credit is plentiful, inflation is relatively low and profits along with cash flows for most corporations are still rising.

In the face of all this good news, what seemingly has made investors apprehensive? Stripped to its core, the bearish sentiment toward securities rests squarely upon the notion currently in vogue that federal deficits will prove to be unmanageable which, in turn, will create an unpredictable interest rate pattern and cause a continuation of our unfavorable balance of payments position with foreign countries thereby resulting in a serious decline in economic activity.

While we don't claim any special insight, we do know that economic activity is sooner or later reflected in corporate earnings power which is the ultimate engine that drives security prices. If the lackluster market is indicating a weak economy lies ahead, the facts would seem to belie the point as mentioned above.

Secondly, as long as the economy continues to expand, which it should unless the Federal Reserve Board overreacts and excessively shrinks the money supply, future deficits should turn out to be less than expected at present. Also, "doing something about the deficit", election year or not, has become a battle cry for both republicans and democrats.

Recognizing we have also come through a series of alarming and negative political and human-related events (i.e., KAL007 airline disaster), the bombing of Beirut, deployment of NATO missiles in Europe and the pull-out from Lebanon, we believe that both real as well as imaginary fears are at their zenith and a cooling off period can't be too far ahead. Once this occurs, investors will once again regain confidence in the positive economic situation which is producing higher corporate earnings and commence purchasing common stocks. For these reasons, we have continued to make selective investments during these past months of "rolling market corrections" in those companies which, in our opinion, will benefit from the present economic expansion.



# Harris Bretall McEldowney & Sullivan, Inc.

## ECONOMIC AND MARKET OUTLOOK JULY 1984

### ECONOMIC COMMENTS:

MAIN STREET IS BOOMING ALONG. SO ARE INTEREST RATES! CONSUMER AND CAPITAL GOODS SHOPPING LISTS, LENGTHENED SINCE 1980, ARE STILL IN THE PROCESS OF BEING WORKED DOWN. IT IS NOW THE STRONGEST RECOVERY SINCE 1949 IN TERMS OF FINAL DEMAND. UNFORTUNATELY, WE ARE LIVING ON BORROWED MONEY AND BORROWED TIME.

KEYNES REVISITED: The economy continues to exceed expectations. Funded by a plenteous money supply and powerful fiscal stimulus (the deficit and investment tax incentives), we expect real GNP to grow at 4-5% for the balance of the year.

VOICKER IN HANDCUFFS: In this environment the Fed cannot be expected to loosen its credit stance. While some tightening would normally be appropriate through an increased discount rate or a greater reduction of reserves, the Fed may well remain relaxed to accommodate domestic bank problems and the LDC debt challenge. Although inflation has been lower than expected, the money market stubbornly pushes rates higher to reflect private and public sector demands.

CONSUMER CLIPS COUPONS: Consumer intentions to purchase durables jumped to a new high last month. Personal income continues zippy (one third of the increase comes from interest income) and ability to incur debt promises retail sales will remain strong through year-end. While housing starts have softened and auto sales have recently flattened, it only seems to mean the recovery has settled down to a steady roar. For interest rates to decline, personal income and debt must grow more slowly than the money supply. Before the Fed actively eases money, the economy must slow sharply to much lower levels. With fiscal policy hyper-stimulative and unemployment dropping to 7.1%, a four year low, neither prospect is to be expected near term. Most likely, interest rates will move still higher until the next recession depresses business spending.

PROFIT MARGIN MALAISE: Corporate profits appear to have peaked for this cycle in the first quarter of 1984. Productivity has lagged during this recovery, most likely due to a heavy debt structure (short term debt is now 50% of total). As the cycle progresses, short rates should increase substantially, by at least first quarter 1985. Further pressure on profit margins should be expected.

DON'T DRINK THE WATER: The international debt situation is getting super-serious. The IMF, imposing impractical restrictions, is now viewed as a tool of the Yankee banks. We must expect that these debts will not be repaid and this will shortly be reflected in bank accounting statements. While the banking system will survive, current managements and shareholders may not.

LONGER TERM: The tremendous increase in debt service costs at the federal level could become so crushing as to encourage the inflationary solution of printing money. The battle will be joined by raising taxes dramatically, about the time the business cycle is on the wane. We see no easy way out of a debt-financed boom that will ultimately end in at least a sharp growth recession.

## MARKET SUMMARY:

WE CONTINUE TO BE CAUTIOUS. INTEREST RATES, PARTICULARLY SHORT RATES, LOOK HIGHER THROUGH EARLY 1985. EQUITY MARKET VALUATION IS STILL MUCH TOO RICH IN SPITE OF A TWELVE MONTH MARKET DECLINE. PROFITS ARE GOOD, BUT NOT GREAT. THE FUTURE IS CLOUDED.

BET ON REAGAN: But don't bet on the election year cycle this time around. Our economic work suggests interest rates are going higher and our valuation models indicate equities are still very expensive relative to current bond and cash returns. We do not expect profits to be exceptionally good in 1985 nor rates to drop before mid-year. When they do decline, it will probably be in a recessionary environment.

RAIN FORECAST: Recent studies have indicated that equity markets fall when:

1. Deficits decline (1985 taxation);
2. Money growth declines (reserves reduced);
3. Bank and economic liquidity decreases (in progress);
4. The Fed is tightening (after election);
5. After a peak economic quarter (first quarter 1984);
6. A recession is anticipated (late 1985, early 1986).

While these general rules are inter-related, we envision all to be happening now or expected to happen after election. Equity markets rise when the Fed eases.

THE SUMMER REALITY: The market recently became oversold on a short term basis with its drop below DJIA 1100. Stocks rallied within their downtrends but we see no fundamental underpinnings. Moderation in some economic series cannot be stretched to imply interest rates will drop. Any market strength will likely be used as an exit for major institutions still low on cash.

THE BEAR CASE: High rates; declining earnings; reduced growth. The pressures for use of the printing press are increasing; corporate debt, private debt, government debt and world debt have reached staggering levels. Interest rates and currency valuations are now acting as the major disciplines. In the coming year, we can expect a concerted effort on the part of policymakers to reverse the fiscal and monetary stimulus of the recent past. This will be very disinflationary, even deflationary. If we are successful in deleveraging the economy, we reduce the nominal growth rate of all its components. This will certainly impact the two main components of equity valuations -- earnings and growth rates. While this would be positive for the bond market and eventually for equities, the transition period would be painful.

OUR POSITION: Our guess is the worst ravages of a troubled market remain ahead. Main Street is still enjoying the euphoria of good times. When business turns sour, it may well be at a time when stimulus cannot be easily increased. With cash reserves earning 11%, we believe market dynamics argue for caution. We continue with minimum equity exposure in a diversified list of quality companies which have earnings growth in place. We will, however, add to holdings as select issues decline to attractive valuation levels.

SECTOR SPECTRUM:

- . Financial Sector - Interest rates rising, pressure on margins. Bank accounting yet to reflect LDC debt. Permanent change in cost of funds.
- . Health Sector - Restrained by U.S. dollar. Permanent change caused by DRG's not fully reflected.
- . Energy Sector - Abundant supply until end of decade argues against price increase. OPEC production control tenuous.
- . Consumer Sector - Still strong. Demographics of 29-44 year olds suggest this high spending group will keep sector stronger, longer.
- . Technology Sector - Pricing, personnel, and technology competition are intensifying faster than markets can grow. Implied continuing pressure on profits.
- . Basic Sector - Commodity prices (except paper, steel) continue weak. No recovery yet in sight.
- . Capital Goods Sector - Booming. Primarily short-payback investments (computer-related). Should continue strong until yield curve inverts.
- . Information Services - Publishing and broadcasters providing the earnings momentum to become market leaders into early 1985.
- . Gold - Exclusion of 30% withholding tax for foreign investor makes U.S. dollar even more attractive as an international base currency. The dollar competes well with gold as the "store of value." Gold looks lower.

## POLICE AND FIRE DEPARTMENT

## RETIREMENT FUND PORTFOLIO

June 30, 1984

Maturity Value	Security	Percent	Maturing	Total Cost	Market Value
<u>CASH &amp; CASH EQUIVALENTS</u>					
2,234,000	Investment FD-State Treasury			\$ 2,234,000	\$ 2,234,000
50,000	Quebec Hydro-El S-X USP NC69	5.000	07/15/84	50,000	50,000
5,200,000	American Svgs & Loan C/D	11.300	07/30/84	5,199,826	5,200,000
76,000	Muni Crdt Union Time Dep C/D	10.000	08/22/84	76,000	76,000
504,000	Sears Savings Bank NCD	11.200	09/13/84	504,100	504,100
2,000,000	Commercial Paper		09/17/84	1,898,889	1,900,000
375,000	Home Sav of Amer NCD	11.950	09/25/84	375,000	375,000
3,800,000	Commercial Paper		10/16/84	3,601,165	3,601,165
600,000	Great Western Svgs & Loan NCD	10.000	10/17/84	600,000	600,000
2,100,000	Commercial Paper		11/05/84	1,996,332	1,996,332
200,000	American Svgs & Loan NCD	11.250	12/20/84	200,000	200,000
200,000	American Svgs & Loan C/D	10.750	01/23/85	200,000	200,000
200,000	World Svgs & Loan C/D	10.550	02/21/85	200,000	200,000
500,000	Great Western Svgs&Loan CD	10.600	02/25/85	500,000	500,000
3,300,000	Great Western S & L NCD	10.650	02/26/85	3,296,473	3,300,000
1,000,000	Great Western S & L C/D	11.000	03/14/85	1,000,000	1,000,000
1,500,000	United States Treas Nts	9.625	03/31/85	1,494,609	1,474,200
1,000,000	Ford Motor Co NT F/R NC	14.750	04/01/85	1,000,000	1,013,100
45,000	Milwaukee Gas Light Co.	5.625	05/15/85	46,068	42,600
TOTAL CASH & CASH EQUIVALENTS				<u>\$24,472,462</u>	<u>\$24,466,497</u>

INTERMEDIATE TERM BONDS

2,700,000	United States Treas Nts	9.750	11/15/85	2,712,656	2,599,600
1,500,000	United States Treas Nts	10.875	02/28/86	1,497,422	1,454,500
1,500,000	United States Treas Nts	7.875	05/15/86	1,500,586	1,375,300
1,300,000	United States Treas Nts	8.000	08/15/86	1,327,188	1,180,600
2,500,000	United States Treas Nts	10.250	03/31/87	2,482,031	2,321,900
1,000,000	United States Treas Nts	12.625	11/15/87	996,580	977,200
100,000	Pennsylvania Electric Co.	4.000	03/01/88	93,500	72,000
1,000,000	United States Treas Nts	12.000	03/31/88	997,830	954,100
6,500,000	United States Treas Nts	10.500	08/15/88	6,376,641	5,862,200
2,500,000	United States Treas Nts	11.375	02/15/89	2,503,125	2,303,900
4,500,000	United States Treas Nts	11.750	05/15/89	4,489,861	4,189,200
2,000,000	Texas Commerce Bk C/D	12.000	09/01/89	1,999,060	1,999,060
2,500,000	United States Treas Nts	11.875	10/15/89	2,493,070	2,328,900
2,000,000	Sears Roebuck Notes F/R NC	14.125	11/15/89	2,000,000	2,015,000
2,700,000	United States Treas Nts	10.500	01/15/90	2,720,625	2,362,500
2,500,000	United States Treas Nts	10.750	07/15/90	2,470,703	2,191,400
2,500,000	United States Treas Nts	10.750	08/15/90	2,513,281	2,190,600
100,000	Wisconsin Elec Pwr Reg	5.000	11/15/90	106,000	66,000

Maturity Value	Security	Percent	Maturing	Total Cost	Market Value
2,000,000	United States Treas Nts	11.750	01/15/91	2,000,000	1,825,600
2,000,000	FHLMC Coll Mtg Oblig Ser D2	12.375	05/01/91	1,991,875	1,890,000
1,000,000	United States Treas Nts	13.750	05/15/92	998,930	994,400
1,000,000	Untl Bk Recon & Dev.	14.750	06/01/92	1,000,000	1,032,500
TOTAL INTERMEDIATE TERM BONDS				<u>\$45,270,964</u>	<u>\$42,186,460</u>

LONG TERM BONDS

1,500,000	Prov of Ontario Nts F/R NC	14.625	08/31/92	1,500,000	1,558,100
500,000	GMAC DEB F/R NC82	7.125	09/01/92	448,125	349,400
100,000	Container Corp Am SF D FR NR78	6.625	03/15/93	100,000	62,000
300,000	Allied Chemical DEB F/R NR78	6.600	08/01/93	300,000	192,800
200,000	Anaconda Co. DEB SF F/R	6.625	11/15/93	199,000	130,300
1,000,000	United States Treas Bds	9.000	02/15/94	999,630	747,200
200,000	Weyerhaeuser Co SF DEB FR NR79	7.650	07/15/94	200,000	136,000
350,000	Intl Bk Recon & Dev SF FR NC81	6.375	10/01/94	347,375	213,500
500,000	Ford Motor Credit DEBS FR NC85	9.500	01/15/95	496,250	385,000
200,000	Alum Co of Amer SF DEB FR NR80	9.000	05/15/95	198,000	148,000
500,000	Household Finance Deb F/R	7.500	08/01/95	500,000	320,600
400,000	Alum Co of Amer DEB F/R NR81	7.450	11/15/96	400,000	245,000
650,000	Prov of Manitoba DEB F/R NC94	14.750	03/15/97	608,400	658,900
300,000	Goodyear Tire&Rub SF F/R NR82	7.350	09/15/97	300,000	180,000
250,000	Std Oil Ind SF DEB F/R NR78	6.000	01/15/98	247,500	136,600
350,000	Exxon DEB F/R NR/78	6.500	07/15/98	350,000	203,900
200,000	Duke Power 1st&REF Mtg F/R	7.000	02/01/99	198,500	111,500
200,000	Beth Steel SF DEB FR	6.875	03/01/99	198,750	106,000
300,000	Dow Chem DEB F/R NR7/79	7.750	07/15/99	300,000	180,400
1,000,000	Gen Mtrs Acc Corp DEB FR NC86	8.750	02/01/00	995,000	655,000
500,000	Monsanto Co SF DEB FR NC85	8.500	06/15/00	497,500	320,600
500,000	Armco Steel Corp DEB FR NR85	9.200	07/15/00	500,000	336,300
500,000	Ford Motor Cred SF DEB FR NC85	9.700	07/15/00	498,750	350,600
500,000	Inland Stl 1st SER Q FR NR85	9.500	09/01/00	497,500	346,300
500,000	Amer Cyanamid Co SF DEB F/R	7.375	04/15/01	495,000	285,600
1,000,000	Ford Motor Cred SF DEB FR NC86	9.125	06/01/01	997,500	663,800
500,000	Texaco S F DEB F/R NR81	7.750	06/01/01	500,000	298,100
1,000,000	Gen Mtrs Acc Corp DEB F/R NC86	8.750	06/15/01	945,800	657,500
500,000	Mobil Oil Co DEB F/R Nr81	7.375	10/01/01	500,000	286,900
300,000	Firestone Tire SF DEB F/R NR81	7.300	10/15/01	300,000	164,300
500,000	Shell Oil DEB F/R NR82	7.250	02/15/02	500,000	285,000
500,000	Sun Inc. DEB F/R	7.125	05/01/02	495,000	278,100
500,000	Procter & Gamble SF DB FR NR82	7.000	05/15/02	495,000	280,000
259,326	GNMA Pass/Thru #2733 F/R	6.500	06/15/03	225,614	162,400
500,000	Consumers Pwr 1st Mtg F/R NR78	8.625	08/01/03	506,745	251,900
1,000,000	Illinois Bell Tel DEB F/R NC78	8.000	12/10/04	992,500	590,000
500,000	Dow Chem SF DEB FR NR85	8.500	02/01/05	500,000	310,000
1,200,000	Prov of Ontario DEB FR NC 90	8.875	03/01/05	1,151,069	792,000
500,000	Bethlehem Steel SF DEB FR NR85	8.450	03/01/05	500,000	290,000
2,000,000	So Cal Edison 1st & Ref S-NN	15.125	04/01/05	1,984,000	2,022,500
1,000,000	United States Treas Bds NC00	8.250	05/15/05	999,688	628,800
1,250,000	Sears Roebuck SF DEB FR NR86	8.000	04/01/06	1,224,553	753,100

Maturity Value	Security	Percent	Maturing	Total Cost	Market Value
677,597	GNMA Pass/Thru #14197 F/R	8.000	12/15/06	694,538	451,449
546,967	GNMA Pass/Thru #12752 F/R	8.000	12/15/06	560,642	364,417
602,082	GNMA Pass/Thru #15117 F/R	8.000	12/15/06	598,507	401,137
699,142	GNMA Pass/Thru #14264 F/R	8.000	01/15/07	716,620	465,200
179,269	GNMA Pass/Thru #1697M F/R	7.500	05/15/07	173,247	115,600
2,557,576	FNMA Pass/Thru Pool #391	6.500	09/01/08	1,857,439	1,868,514
2,811,451	Fedl Hm Ln Mtg Corp Pc#1833328	8.500	10/01/08	2,270,247	2,811,451
200,000	New York Tel Ref Mtge F/R NC74	7.500	03/01/09	197,500	108,300
863,930	GNMA Pass/Thru #31275 F/R	9.000	03/15/09	800,080	610,150
907,884	GNMA Pass/Thru #31190 F/R	9.000	05/15/09	840,786	641,193
938,955	Fedl Hm Ln Mtg Corp PC18-1213	10.250	11/01/09	801,632	938,955
1,000,000	Florida Pwr & Lt 1st F/R NR85	15.250	03/01/10	1,000,000	1,015,000
500,000	Pacific Tel&Tel DEBS F/R NC79	9.500	06/15/11	500,000	329,400
500,000	New Yk Tel 1 Ref SER W FR NR78	8.300	08/15/12	505,800	291,300
994,289	GNMA Pass/Thru #68307 F/R	11.500	06/15/13	960,732	880,800
961,421	GNMA Pass/Thru #68308 F/R	11.500	06/15/13	928,973	852,500
2,430,394	FNMA Pass/Thru GRP#3343	10.250	07/01/13	2,011,151	2,430,394
2,479,333	GNMA Pass/Thru #66878	11.500	07/15/13	2,429,746	2,219,500
1,984,328	GNMA Pass/Thru #66613 F/R	11.500	07/15/13	1,944,642	1,775,500
2,490,916	GNMA Pass/Thru #66614 F/R	11.500	07/15/13	2,443,277	2,219,400
500,000	So Cent Bell Tel FR NR78	8.250	08/01/13	497,700	290,000
1,000,000	Pacific G & E 1st&Ref FR NR85	16.250	02/01/14	980,000	1,055,000
1,000,000	Pacific Tel&Tel DEB F/R NC83	9.625	11/01/14	1,000,000	660,000
2,000,000	New York Tel DEB F/R NC81	8.250	10/15/15	1,828,403	1,150,000
2,000,000	Southern Bell T&T DEB FR NC82	8.125	05/01/17	1,790,730	1,145,000
1,000,000	New Jersey Bell DEB F/R NC 83	8.750	06/01/18	963,750	617,500
1,000,000	Southern Bell T&T FR NC83	8.625	09/01/18	959,380	603,800
1,000,000	So Westrn Bell Tel DEBF/R NC84	9.625	03/15/19	882,500	653,800
1,000,000	Mt States T&T DEB F/R NC84	11.250	11/01/19	1,000,000	773,800
TOTAL LONG TERM BONDS				<u>\$56,330,772</u>	<u>\$44,813,060</u>

#### STOCK EQUIVALENT CONVERTIBLES

350,000	US Steel Corp CV SUB DEB FR	5.750	07/01/01	<u>\$342,875</u>	<u>\$197,750</u>
TOTAL STOCK EQUIVALENT CONVERTIBLES				<u>\$342,875</u>	<u>\$197,750</u>

#### COMMON STOCKS

	Cash & Cash Equivalents			\$14,277,220	\$14,277,609
29,600	Guardian Inds. Corp.			779,379	469,900
10,000	General Elec. Co.			449,876	525,000
8,000	Bandag Inc.			442,587	364,000
10,600	Atlantic Richfield Co.			499,293	482,300
7,800	Schlumberger Ltd.			401,106	352,950
4,000	Bristol Myers Co.			190,260	188,000
31,400	Baxter Travenol Labs Inc.			944,329	482,775
5,200	Pepsico Inc.			197,782	217,100
29,400	Payless Cashways Inc.			684,644	481,425

Shares	Description	Total Cost	Market Value
16,200	Overnite Transn Co.	432,621	319,950
6,700	Dayton Hudson Corp.	192,658	210,212
13,440	Levi Strauss & Co.	672,529	384,720
20,300	Melville Corp.	861,933	728,262
5,700	Wal Mart Stores Inc.	190,323	235,125
3,400	Pacific Telesis Group	198,832	184,875
3,400	Southwestern Bell Corp.	196,707	189,975
27,200	American Express Co.	1,207,563	782,000
7,000	Morgan J P & Co. Inc.	503,236	434,875
24,400	Merrill Lynch & Co. Inc	1,058,758	655,750
26,000	Phibro Salomon	944,770	695,500
2,700	CBS Inc.	192,456	211,275
6,000	Allied Corp.	186,859	189,750
25,000	American Med Intl Inc.	693,750	575,000
8,000	Atlantic Richfield Co.	228,720	364,000
15,000	Borden Inc.	425,912	866,250
36,000	Brush Wellman Inc.	452,760	1,206,000
35,000	Colgate-Palmolive Co.	623,700	805,000
25,000	Commonwealth Edison Co.	516,875	568,750
10,000	Eastman Kodak Co.	737,120	692,500
20,000	Engelhard Corp	667,997	505,000
15,000	FMC Corp.	469,352	729,375
10,000	Gatx Corp.	376,277	285,000
18,000	Great Nthn Nekoosa	490,174	612,000
14,000	Hercules Inc.	249,340	418,250
10,000	Household Intl In.	244,597	251,250
7,000	Intl Business Machines Corp.	756,350	740,250
8,000	Merck & Co. Inc.	605,418	740,000
10,000	Mobil Corp.	269,556	265,000
14,000	Monsanto Co.	737,240	605,500
14,000	Panhandle Eastn Corp.	288,942	483,000
12,000	Philip Morris Inc.	706,440	831,000
12,000	Purolator Courier Corp.	654,638	387,000
18,000	Ralston Purina Co.	291,680	546,750
12,000	Reynolds R J Inds. Inc.	390,130	684,000
20,000	Richardson-Vicks Inc.	568,775	532,500
12,000	Safeway Stores	254,622	276,000
2,400	Sea-Land Corp.		42,600
10,000	Standard Oil of California	220,071	350,000
5,000	Standard Oil of Ind.	249,052	285,625
7,000	TRW Inc.	275,182	449,750
15,000	Union Carbide Corp.	809,752	765,000
15,000	Union Pac. Corp.	687,427	581,250
25,000	Warner-Lambert Co.	741,375	784,375
30,000	Westinghouse Elec. Corp.	413,850	660,000
TOTAL COMMON STOCKS & CASH EQUIVALENTS		<u>\$40,802,795</u>	<u>\$40,951,303</u>

Maturity Value	Security	Percent	Maturing	Total Cost	Market Value
<u>COST-OF-LIVING FUND</u>					
<u>CASH &amp; CASH EQUIVALENTS</u>					
602,500	Investment FD-State Treasury			\$ 602,500	\$ 602,500
600,000	American Svgs & Loan C/D	11.300	07/30/84	599,980	600,000
245,900	Sears Savings Bnk NCD	11.200	09/13/84	245,900	245,900
200,000	Commercial Paper		09/17/84	189,889	190,000
375,000	Home Sav of Amer NCD	11.950	09/25/84	375,000	375,000
800,000	Commercial Paper		10/16/84	758,140	758,140
1,500,000	Commercial Paper		11/05/84	1,425,952	1,425,952
200,000	American S & L NCD	11.250	12/20/84	200,000	200,000
200,000	American S & L C/D	10.750	01/23/85	200,000	200,000
200,000	World Svgs & Loan C/D	10.550	02/21/85	200,000	200,000
200,000	Great Western S & L C/D	10.600	02/25/85	200,000	200,000
300,000	Great Western S & L NCD	10.650	02/26/85	299,679	300,000
500,000	Great Western S & L C/D	11.000	03/14/85	500,000	500,000
250,000	United States Treas Nts	13.375	03/31/85	244,453	252,300
500,000	United States Treas Nts	9.625	03/31/85	498,203	491,400
100,000	Ford Motor Co NT F/R NC	14.750	04/01/85	100,000	101,300
TOTAL CASH & CASH EQUIVALENTS				<u>\$6,639,696</u>	<u>\$6,642,492</u>
<u>INTERMEDIATE TERM BONDS</u>					
850,000	United States Treas Nts	9.750	11/15/85	\$ 854,531	\$ 818,400
250,000	Fed Farm Cr Bk	15.800	01/20/86	249,688	259,000
250,000	United States Treas Nts	10.875	02/28/86	249,570	242,400
100,000	United States Treas Nts	7.875	05/15/86	100,000	91,700
500,000	Fed Farm Cr Bk	15.150	07/21/86	487,188	514,800
500,000	United States Treas Nts	10.250	03/31/87	496,406	464,400
100,000	United States Treas Nts	7.625	11/15/87	99,469	85,000
500,000	United States Treas Nts	12.625	11/15/87	498,290	488,600
500,000	United States Treas Nts	12.000	03/31/88	498,915	477,000
1,250,000	United States Treas Nts	10.500	08/15/88	1,225,000	1,127,300
500,000	United States Treas Nts	11.375	02/15/89	500,625	460,800
1,000,000	United States Treas Nts	11.750	05/15/89	996,884	930,900
500,000	Texas Commerce Bk C/D	12.000	09/01/89	499,765	499,765
500,000	United States Treas Nts	11.875	10/15/89	498,335	465,800
300,000	Sears Roebuck Nts F/R NC	14.125	11/15/89	300,000	302,300
800,000	United States Treas Nts	10.500	01/15/90	800,000	700,000
500,000	United States Treas Nts	10.500	04/15/90	499,844	435,600
1,000,000	United States Treas Nts	10.750	07/15/90	968,203	876,600
250,000	United States Treas Nts	10.750	08/15/90	251,328	219,100
500,000	United States Treas Nts	11.750	01/15/91	500,020	456,400
500,000	FHLMC Coll Mtg Oblig SER D2	12.375	05/01/91	497,969	472,500
200,000	Southern Cal Ed 1st F/R R86	15.250	05/15/91	194,500	204,000
500,000	United States Treas Nts	13.750	05/15/92	499,465	497,200
TOTAL INTERMEDIATE TERM BONDS				<u>\$11,765,994</u>	<u>\$11,089,565</u>



Maturity Value	Security	Percent	Maturing	Total Cost	Market Value
<u>LONG TERM BONDS</u>					
500,000	Prov of Ontario NIS F/R NC	14.625	08/31/92	500,000	519,400
100,000	United States Treas BDS	9.000	02/15/94	99,963	74,700
25,000	Alum Co of Amer DEB F/R NR81	7.450	11/15/96	25,000	15,300
25,000	Goodyear Tire&Rub SF F/R NR82	7.350	09/15/97	25,000	15,000
50,000	Monsanto Co SF DEB FR NC85	8.500	06/15/00	49,750	32,100
50,000	Ford Motor Cred SF DEB FR NC85	9.700	07/15/00	49,700	35,100
25,000	Amer Cyanamid Co SF DEB F/R	7.375	04/15/01	24,750	14,300
25,000	Texaco S F DEB F/R NR81	7.750	06/01/01	25,000	14,900
50,000	Gen Mtrs Acc Corp DEB F/R NC86	8.750	06/15/01	47,290	32,900
25,000	Mobil Oil Co DEB F/R NR81	7.375	10/01/01	25,000	14,300
25,000	Firestone Tire SF DEB F/R NR81	7.300	10/15/01	25,000	13,700
25,000	Shell Oil DEB F/R NR82	7.250	02/15/02	25,000	14,300
50,000	Sun Inc DEB F/R	7.125	05/01/02	49,500	27,800
500,000	United States Treas BDS	10.750	05/15/03	503,750	397,500
50,000	Pacific Gas & El 1st F/R NR76	8.000	06/01/03	39,940	28,900
25,000	Consumers PWR 1st Mtg F/R NR78	8.625	08/01/03	25,337	12,600
100,000	So Cal Edison 1st&REF S-NN	15.125	04/01/05	99,200	101,100
50,000	Sears Roebuck SF DEB FR NR86	8.000	04/01/06	50,224	30,100
937,150	Fedl Hm Ln Mtg Corp PC #183328	8.500	10/01/08	756,749	937,150
184,508	GNMA Pass/Thru #30303 F/R	9.000	03/15/09	170,872	130,309
938,955	Fedl Hm Ln Mtg Corp. PC18-1213	10.250	11/01/09	801,632	938,955
967,429	FNMA Pass Thru Pool #1003	8.000	01/01/10	770,316	967,429
100,000	Florida Pwr & Lt 1st F/R NR85	15.250	03/01/10	100,000	100,500
200,000	Dow Chemical SF DEB F/R NR90	11.250	07/15/10	187,000	158,000
25,000	Pacific Tel&Tel DEBS F/R NC79	9.500	06/15/11	25,000	16,500
863,359	FNMA Pass/Thru #23 F/R	8.500	08/01/11	677,507	852,210
25,000	New Yk Tel 1 REF SER W FR NR78	8.300	08/15/12	25,290	14,600
995,372	GNMA Pass/Thru #68306 F/R	11.500	06/15/13	961,779	995,372
486,079	FNMA Pass/Thru GRP#3343	10.250	07/01/13	402,230	486,079
996,151	GNMA Pass/Thru #66612	11.000	07/15/13	953,192	856,900
150,000	Pacific G&E 1st&REF FR NR85	16.250	02/01/14	146,625	158,300
50,000	Pacific Tel&Tel DEB F/R NC83	9.625	11/01/14	50,000	33,000
100,000	So Cent Bell Tel DEB FR NC82	8.250	11/01/15	95,666	58,100
50,000	Southern Bell T&T DEB FR NC82	8.125	05/01/17	44,099	28,600
50,000	Southern Bell T&T FR NC83	8.625	09/01/18	47,969	30,200
100,000	So Western Bell Tel DEBF/R NC84	9.625	03/15/19	88,250	65,400
100,000	Mt States T&T DEB F/R NC84	11.250	11/01/19	100,000	77,400
TOTAL LONG TERM BONDS				<u>\$8,093,380</u>	<u>\$8,299,004</u>

Shares	Description	Total Cost	Market Value
<u>COMMON STOCKS</u>			
	Cash & Cash Equivalents	\$3,885,921	\$3,885,977
9,400	Guardian Inds Corp.	247,260	149,225
2,000	General Electric Co.	84,090	105,000
2,600	Bandag Inc.	145,538	118,300
3,900	Atlantic Richfield Co.	183,744	177,450
2,900	Schlumberger Ltd.	149,463	131,225
1,600	Bristol Myers Co.	76,104	75,200
10,000	Baxter Travenol Labs Inc.	300,747	153,750
2,000	Pepsico Inc.	76,070	83,500
9,000	Payless Cashways Inc.	211,350	147,375
7,900	Overnite Transn Co.	206,405	156,025
2,600	Dayton Hudson Corp.	74,763	81,575
5,363	Levi Strauss & Co.	263,570	153,515
8,200	Melville Corp.	341,493	294,175
2,200	Wal Mart Stores Inc.	73,458	90,750
1,300	Pacific Telesis Group	76,024	70,687
1,300	Southwestern Bell Corp.	75,211	72,637
8,600	American Express Co.	380,847	247,250
2,300	Morgan J P & Co. Inc.	165,336	142,887
8,000	Merrill Lynch & Co. Inc.	346,963	215,000
10,000	Phibro Salomon	354,509	267,500
1,000	CBS Inc.	71,280	78,250
	TOTAL COMMON STOCKS & CASH EQUIVALENTS	<u>\$7,790,146</u>	<u>\$6,897,253</u>

TOTALS

	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
<u>RETIREMENT FUND</u>		
Cash & Cash Equivalents	\$ 24,472,462	\$ 24,466,497
Intermediate Bonds	45,270,964	42,186,460
Long Term Bonds	56,330,772	44,813,060
Stock Equivalent Convertibles	342,875	197,750
Common Stocks & Cash Equivalents	40,802,795	40,951,303
Amortization	269,094	
TOTAL RETIREMENT FUND	\$167,488,962	\$152,615,070
<u>COST-OF-LIVING FUND</u>		
Cash & Cash Equivalents	\$ 6,639,696	\$ 6,642,492
Intermediate Bonds	11,765,994	11,089,565
Long Term Bonds	8,093,380	8,299,004
Common Stocks & Cash Equivalents	7,790,146	6,897,253
Amortization	64,398	
TOTAL COST-OF-LIVING FUND	\$34,353,614	\$32,928,314
COMBINED TOTAL	<u>\$201,842,576</u>	<u>\$185,543,384</u>

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

PORTFOLIO PERFORMANCE REPORT

	Period Ending	Portfolio Value-Cost	Annual Income	Income Rate of Return
Scudder	06/30/84	\$153,249,631	\$16,522,832	10.8%
Harris	06/30/84	27,619,393	2,106,407	7.6%
Smoot	06/30/84	20,973,552	872,680	4.2%

	Period Ending	Ending Market Value	Beginning Market Value	Percent Change
Scudder	06/30/84	\$137,694,828	\$118,132,206	1.4%
Harris	06/30/84	24,081,207	28,545,403	-13.3%
Smoot	06/30/84	23,767,349	21,909,747	1.6%

MARKET PERFORMANCE DATA

Lehman Bros. Kuhn Loeb	1.8%
Standard and Poor's 500	-4.6%
Becker Median Fund	-2.09%
Salomon Bros. Bond Index	-6.3%

POLICE & FIRE DEPARTMENT RETIREMENT PLAN

INDUSTRY ANALYSIS OF EQUITIES

	<u>Market Value</u>	<u>% of Portfolio</u>
<u>CAPITAL EQUIPMENT</u>		
Electrical & Office Equipment	\$1,290,000	4.4
Machinery	<u>1,222,550</u>	<u>4.1</u>
TOTAL CAPITAL EQUIPMENT	\$2,512,550	8.5%
<u>CONSUMER NON-DURABLES</u>		
Drugs & Hospital	\$ 2,791,600	9.4
Grocery Products	4,009,000	13.5
Retail Sales	2,178,335	7.3
Photography	692,500	2.3
Beverages	300,600	1.0
Broadcasting	<u>289,525</u>	<u>1.0</u>
TOTAL CONSUMER NON-DURABLES	\$10,261,560	34.5%
<u>TRANSPORTATION</u>		
Trucking	\$925,725	3.1
Railroads	581,250	2.0
Shipping & Freight	<u>327,600</u>	<u>1.1</u>
TOTAL TRANSPORTATION	\$1,834,575	6.2%
<u>ENERGY</u>		
Oil-Domestic & Crude	\$2,880,125	9.7
Oil-Equipment & Service	<u>967,175</u>	<u>3.3</u>
TOTAL ENERGY	\$3,847,300	13.0%
<u>FINANCE</u>		
Insurance	\$1,280,500	4.3
Miscellaneous Finance	<u>2,411,512</u>	<u>8.1</u>
TOTAL FINANCE	3,692,012	12.4%
<u>INTERMEDIATES</u>		
Chemicals & Fertilizers	\$4,067,000	13.7
Paper	612,000	2.1
Metals	1,711,000	5.8
Miscellaneous Industries	<u>1,146,975</u>	<u>3.8</u>
TOTAL INTERMEDIATES	\$7,536,975	25.4%
<u>TOTAL EQUITIES</u>	<u>\$29,684,972</u>	<u>100.0%</u>

# POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

## 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 the 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 Payments	Employee Payments	Interest and Other Income	Total
1984	\$19,349,000	\$5,664,000	\$19,472,000	\$44,485,000
1983	18,058,000	5,496,000	17,442,000	40,996,000
1982	15,425,000	4,651,000	12,397,000	32,473,000
1981	12,000,000	3,069,000	8,652,000	23,721,000
1980	7,764,000	2,500,000	6,049,000	16,313,000
1979	6,872,000	2,079,000	4,843,000	13,794,000
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
10 Year Total	\$100,384,000	\$29,203,000	\$80,758,000	\$210,345,000

## SIZE OF SYSTEM

	<u>6/76</u>	<u>6/77</u>	<u>6/78</u>	<u>6/79</u>	<u>6/80</u>	<u>6/81</u>	<u>6/82</u>	<u>6/83</u>	<u>6/84</u>
Active	1,360	1,351	1,407	1,385	1,375	1,523	1,527	1,580	1,576
Retired	208	218	234	245	272	286	303	313	338
Survivors	31	37	38	49	47	52	60	63	68
TOTAL	1,599	1,606	1,679	1,679	1,694	1,861	1,889	1,956	1,982

# POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

## CONTRIBUTIONS AND REVENUE

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

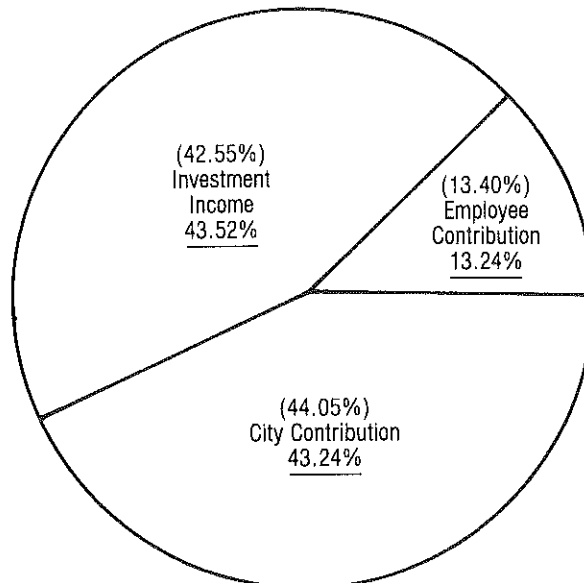
	Effective <u>10/1/81</u>
Current Service	6.91%
Cost of Living	<u>4.16%</u>
TOTAL	11.07%

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

	Effective <u>10/1/81</u>
Current Service	18.42%
Prior Service	6.68%
Cost of Living	<u>11.11%</u>
TOTAL	36.21%

The following sources contributed their share of the revenues received by the Retirement Fund in 1982-83:

Employee Contribution	13.24%	\$ 5,664,000
City Contribution	43.24%	19,349,000
Investment Income	<u>43.52%</u>	<u>19,472,000</u>
TOTAL REVENUE	100.00%	\$44,485,000



POLICE & FIRE EMPLOYEES' RETIREMENT SYSTEM  
RETIREES AND BENEFICIARIES AS OF JUNE 30, 1984

NAME	YRS SERV	DATE RET/DTH	MONTHLY BASE	COL	TOTAL
D MAULDIN, WILLIAM P	47	3/26/44	97.89	296.21	6,625.88
D VOLONTE, LOUIS J	29	5/02/49	115.86	299.19	2,905.35
D BASILE, FRANK	28	1/14/52	186.85	354.99	6,360.06
MATRANGA, JOHN	22	2/01/53	170.65	304.58	5,578.20
D HUMBURG, WALTER	30	3/04/53	173.19	401.83	1,425.68
ADAMS, HARLEY	27	7/14/53	197.69	361.14	6,559.44
GUPTILL, LOVELL E	24	7/01/54	217.67	366.20	6,853.35
ANDERSON, ERNEST D	26	8/01/55	226.54	386.73	7,198.50
JONES, IVOR A	34	8/24/57	216.42	392.46	7,146.99
MORSS, KENNETH G	30	9/21/57	217.31	371.36	6,909.69
D MAC LEAN, ARTHUR A	16	11/27/57	250.86	326.36	6,775.35
MILLER, EMMETT C	30	11/01/59	284.89	411.61	8,175.39
GARCIA, SIMON	30	2/27/62	278.02	382.26	7,750.20
EDES, HUGH A	36	7/01/62	325.50	452.38	9,130.62
CAMPBELL, LAWRENCE B	31	2/01/63	417.58	485.23	10,597.02
QUAIN, RALPH C	22	4/01/63	336.44	374.61	8,346.21
S ANDERSON, IRENE C	17	6/13/63	156.44	113.28	3,165.90
FLESNER, FREDERICK J	25	7/28/63	342.48	395.60	8,663.46
PRACNA, EDWARD S	36	9/13/63	431.27	523.06	11,201.76
S SAWYER, BARBARA F	18	1/01/64	224.69	234.65	5,391.66
PARKER, HAROLD C	22	5/01/64	440.09	440.43	10,335.39
D BATTI, GEORGE J	34	5/11/64	352.28	442.57	9,329.85
D EMERY, LOUIS W	15	8/20/64	282.94	287.87	6,700.05
BROWDER, SAMUEL D	22	4/01/65	364.86	375.59	8,691.27
GRAY, RAYMOND T	37	4/01/65	326.78	431.38	8,899.20
S LUNSFORD, PHYLLIS M	37	6/25/65	345.38	342.74	8,077.08
DAVIS, HARVEY	39	9/01/65	371.32	473.47	9,915.99
D HOFFMAN, VERNON D	20	12/06/65	341.08	348.00	8,088.33
ACQUISTAPACE, JOSEPH M	21	2/01/66	107.58	102.99	4,127.07
ALVARES, ARTIE	23	2/01/66	333.51	349.80	7,337.31
BOSQUE, CHARLES J	20	5/03/66	301.42	311.83	7,198.26
D WAAS, CARL G	21	6/07/66	337.89	341.78	7,977.84
D MATTERN, JOHN A	16	7/16/66	391.56	350.28	8,707.59
KIDDER, DONALD R	29	9/01/66	398.52	426.31	9,681.78
S RUSSO, JOSEPHINE	39	2/09/67	159.89	232.17	4,601.94
S VITEK, HILVIE A	42	2/11/67	281.81	272.60	6,507.57
D CREAMER, WILLIAM M	23	4/15/67	368.40	331.88	8,219.76
D FUSCO, GEORGE W	22	6/10/67	352.07	317.28	7,856.70
S WAKEMAN, LELA C	31	9/08/67	207.15	229.75	5,128.23
D ANDERSON, WILLIAM E	09	11/14/67	377.00	259.79	7,474.53
D TURNAGE, GORDON E	08	3/08/68	365.59	247.91	7,201.17
D BARTOLINI, HERBERT R	08	4/01/68	366.77	248.57	7,222.80
D FISHER, RAYMOND H	22	1/01/69	382.48	334.24	8,412.72
D BREWER, GLENN J	10	2/10/69	385.15	269.83	7,688.04
S BONE, NADALIE M	36	3/10/69	344.39	291.05	7,458.69
CHEW, ARNOLD W	04	4/21/69	373.41	191.42	6,629.91
D OSTERMEIER, CLIFFORD C	05	5/20/69	384.77	224.67	7,153.53
D BARR, JACK L	21	7/14/69	394.05	317.34	8,350.20
MURPHY, GERALD J	42	10/28/69	814.23	605.46	8,518.14
D HART, JAMES H	01	12/03/69	383.42	202.01	6,871.71

POLICE & FIRE EMPLOYEES' RETIREMENT SYSTEM  
RETIREES AND BENEFICIARIES AS OF JUNE 30, 1984

NAME	YRS SERV	DATE RET/DTH	MONTHLY BASE	COL	TOTAL
MC CAY, E D	27	2/01/70	999.77	660.75	19,491.00
ERLANDSON, JOHN K	25	7/01/70	595.43	414.59	11,855.46
ANKENBAUER, FRANK J	24	7/05/70	576.31	400.19	11,462.04
D WATSON, ROBERT K	08	8/01/70	461.00	258.63	8,446.92
D STENZEL, EUGENE F	08	8/01/70	461.00	258.63	8,446.92
D DAVIS, DALE D	08	9/01/70	461.00	258.63	8,446.92
D STOUT, BERNARD	24	9/01/70	569.48	397.01	11,344.53
WILSON, JACK E	34	9/01/70	955.53	631.71	18,630.81
CONNETT, THERON F	31	10/01/70	835.79	559.50	16,377.72
D ANDERSON, CLARENCE W	23	12/21/70	545.36	380.29	10,865.16
FISHER, VERN	25	1/03/71	599.87	416.69	11,932.23
D CANUEL, JOHN B	25	1/05/71	766.40	494.23	14,797.08
D TRUE, ROBERT	31	1/11/71	1,147.89	704.80	21,746.64
D CROSBY, JAMES	29	1/14/71	839.24	550.09	16,307.73
D CANNELL, GEORGE H	33	1/16/71	1,486.60	873.54	27,703.02
S GIBSON, HENRIETTA	25	2/04/71	345.75	229.65	6,753.96
D COOMER, SAM D	09	2/09/71	376.90	224.93	7,064.19
D BATTEN, RUSSEL L	28	3/01/71	1,105.24	668.49	20,819.82
D TANNER, FRANCIS	20	5/01/71	546.62	342.58	10,437.30
BLACKMORE, JOHN R	42	5/17/71	1,953.51	62.41	35,400.48
D MASON, ROLAND S	07	6/22/71	511.45	256.21	9,010.68
D ROLSTON, CHAD C	26	7/01/71	680.42	432.47	13,062.99
D KNAPP, JOHN F	30	7/15/71	1,484.00	796.61	26,769.45
D LOWE, WILLIAM C	22	7/15/71	662.48	402.89	12,505.17
D EVANS, CARL L	26	8/01/71	655.23	421.79	12,641.91
D KENNEDY, EDWIN	24	8/01/71	744.57	448.84	14,008.08
D PLACE, ROBERT R	11	8/01/71	413.82	236.60	7,634.58
D RICKETTS, EDWARD B	21	9/01/71	583.10	363.60	11,112.27
D FLAIR, GARY L	09	10/12/71	506.35	265.03	9,054.33
D HOULIHAN, EARL E	08	11/11/71	510.71	261.36	9,062.43
D BIRBY, RICHARD A	15	12/01/71	508.13	296.63	9,446.16
D MANTHEY, JAMES E	19	12/01/71	648.63	380.49	12,079.71
D MILLER, HERBERT W	35	1/03/72	973.81	606.84	18,553.44
D CURTISS, MARVIN W	27	1/04/72	766.04	474.44	14,560.59
S CECIL, GEORGIA L	18	1/26/72	318.63	262.42	6,820.32
D GREEN, LEON R	35	2/01/72	824.68	471.27	15,211.65
GREEN, MARJORIE	35	2/01/72	494.81	282.77	9,127.11
D FRIES, JOSEPH J	22	2/15/72	691.49	415.25	12,990.72
D HIGGINS JR, THOMAS J	24	3/01/72	1,040.20	574.71	18,955.56
D LESLIE, SEAN R	08	3/01/72	530.28	269.72	9,390.30
MARAL, MANUEL G	40	3/01/72	769.75	547.42	15,460.80
D WESTERHOUSE, JAMES	27	3/01/72	857.69	513.47	16,094.46
D JONES, ARTHUR B	35	4/01/72	937.50	.00	7,075.40
D SCARPACE, SAM J	30	4/01/72	771.56	493.28	14,846.52
D TOLLENAAR, CORNEAL S	20	4/01/72	647.13	385.38	12,119.49
D MILLER, ARTHUR R	24	5/01/72	815.35	445.11	14,795.13
D MC CARGAR, JOHN W	02	6/06/72	308.10	129.37	4,710.25
D MILLER, DAVID P	31	7/02/72	944.25	362.80	15,341.97
CARDONA, VELMA F	20	7/16/72	351.67	135.13	5,713.98
D BERNARDO, C DONALD	27	8/01/72	753.53	289.53	12,243.30



POLICE & FIRE EMPLOYEES' RETIREMENT SYSTEM  
RETIREES AND BENEFICIARIES AS OF JUNE 30, 1984

NAME	YRS SERV	DATE RET/DTM	MONTHLY BASE	COL	TOTAL
D PETERSEN, GUNNER	26	8/01/72	845.49	324.88	13,737.63
D TOUSSAINT, HAROLD P	29	8/01/72	1,013.45	389.40	16,466.46
S WALLER, JEAN M	25	9/06/72	544.62	209.26	8,848.92
D LAMB, WILLIAM J	19	9/15/72	637.31	244.86	10,354.83
S COLLINS, ANTOINETTE M	26	11/20/72	449.36	172.67	7,301.28
D MILLER, JESSE E	25	12/01/72	884.28	339.77	14,367.75
KLEIN, ELMER L	32	1/03/73	1,643.50	631.49	26,703.54
D LARSEN, JAMES D	13	1/15/73	605.17	232.54	9,832.92
S SHANNON, MARJORIE D	35	1/26/73	651.44	250.33	10,584.81
D SCHAEFER, CHARLES L	29	2/14/73	904.83	347.66	14,701.56
D BRENNEMAN JR, VIRGIL A	06	2/15/73	535.00	205.56	8,692.59
D SADLER, BERNICE L	24	2/15/73	546.03	209.80	8,871.87
D DONOHUE, JAMES W	06	3/04/73	387.73	148.97	6,299.73
S FERNANDEZ, BEVERLY J	23	3/11/73	610.52	376.12	11,581.02
D GILBERT, GEORGE	27	3/15/73	731.12	280.94	11,879.40
D GRAY, LOREN R	30	4/01/73	853.13	327.80	13,861.56
D HOWARD, ORRIN J	20	4/01/73	575.00	220.95	9,342.78
D JONES, JOHN W	34	4/01/73	2,164.79	831.79	35,173.44
D LENNON, JOHN F	20	4/01/73	590.70	226.94	9,597.39
D MOODY, WILLEY R	30	4/01/73	987.00	379.25	16,036.89
D SANCHEZ, JOSEPH X	14	4/01/73	658.00	252.83	10,691.19
D YUMA, FRANK J	27	4/01/73	776.12	298.20	12,610.23
D WALTON, J C	04	4/01/73	527.18	202.55	8,565.51
S GILCHREST, DOROTHY M	24	5/16/73	387.31	230.82	7,255.56
D HOFFMAN, FRED	29	6/01/73	1,031.78	354.84	16,275.93
S LA COUR, JOYCE	12	6/15/73	492.69	169.46	7,772.19
D BRUCE, GORDON J	05	7/01/73	601.42	206.84	9,487.26
D EVANS, DAVID T	26	8/01/73	955.34	328.58	15,070.44
D HARRIS, COY M	27	9/12/73	810.23	278.66	12,781.20
S VASQUEZ, LUPE	22	9/25/73	564.38	194.10	10,866.63
D MARKS JR, LEONARD G	18	10/01/73	1,062.50	365.42	16,760.73
D SILVA, EDWARD N	25	10/01/73	870.38	299.33	13,729.89
D SATARIANO, ANTHONY S	27	11/14/73	807.78	277.80	12,742.38
D CORDONI, JULIUS L	11	12/01/73	664.20	228.43	10,477.56
D BIAS, JAMES B	13	1/02/74	594.64	204.51	9,380.28
D CRAWFORD, JAMES L	14	1/02/74	688.00	236.62	10,853.07
D GOULD, MICHAEL L	09	1/02/74	649.49	223.36	10,245.42
D NUFER, JOSEPH M	14	1/02/74	688.00	236.62	10,853.07
D TORGUSON, DONALD L	11	1/02/74	558.96	192.22	8,817.24
CONROW, DAN R	28	1/05/74	974.21	335.04	15,367.83
HORNBECK, MELVIN A	36	1/06/74	1,462.97	503.16	23,078.13
D WILLIS, RONALD L	10	1/15/74	478.61	164.60	7,549.95
D MARTINELLI, WALTER L	28	2/01/74	843.22	290.02	13,301.79
D SILFVAST, ROBERT E	17	2/01/74	703.59	241.97	11,098.86
D CHOYCE, JAMES A	14	3/01/74	603.25	207.48	9,516.27
D COLLINS, BARTON L	38	3/01/74	1,709.63	587.97	26,968.92
D GARRINGER, ESTIEL L	26	3/01/74	965.43	332.03	15,229.41
PROVASI, DANTE C	27	3/01/74	868.46	298.66	13,699.53
MAC KENZIE, WILLIAM H	29	4/01/74	1,549.13	532.77	24,437.04
D STEFANINI, MARIO P	29	4/01/74	939.06	322.97	14,813.52

POLICE & FIRE EMPLOYEES' RETIREMENT SYSTEM  
RETIREES AND BENEFICIARIES AS OF JUNE 30, 1984

NAME	YRS SERV	DATE RET/DTH	MONTHLY BASE	COL	TOTAL
S REBMAN, ETHEL M	21	4/23/74	210.56	204.66	4,873.83
S GARCIA, JENNIF S	27	5/07/74	535.99	163.36	8,208.87
S BUCK, LILLIAN M	20	5/15/74	557.90	170.04	8,544.48
BAKER, BERNICE M	25	6/01/74	392.86	119.74	6,016.83
FAVORITE, LAWRENCE R	35	6/12/74	1,074.00	327.33	16,448.58
D COPURN, JIMMIE C	18	6/15/74	619.86	188.92	9,493.32
D BERNARDO, RALPH H	30	7/10/74	873.24	266.15	13,373.97
S PINKSTON, LENA M	29	9/07/74	216.58	220.99	1,750.28
S CAROTTA, SHIRLEY R	29	11/05/74	549.38	313.53	10,128.75
D NURISTO, LOUIS G	14	12/01/74	663.37	202.18	10,159.71
D LIMA, SAM	28	1/02/75	846.83	258.07	12,969.18
D DEVITT, FRANCIS M	28	2/01/75	1,051.73	320.53	16,107.39
D SAPENA, TONY R	29	3/01/75	1,509.82	460.14	23,123.10
D KINCAID, RICHARD R	32	3/27/75	984.49	300.03	15,077.55
D ANGELO, ANTHONY E	24	4/01/75	801.11	244.15	12,269.16
D DONALD, PEGGY J	24	4/01/75	535.28	163.14	8,197.98
D FONSECA, CHARLES	30	4/01/75	1,140.75	347.67	17,470.89
D KINNEY, THOMAS R	29	4/01/75	1,161.73	354.05	17,792.01
D SAWYER, HOWARD D	13	4/01/75	657.32	200.33	10,066.98
SILVA, RAYMOND J	23	4/01/75	774.72	236.11	11,865.00
D SINNOTT, GLENN V	28	4/01/75	869.53	265.00	13,317.00
D AZZARELLO, JOSEPH S	33	5/01/75	1,600.25	426.89	23,794.32
D RICHARDS, JOHN K	14	5/01/75	796.34	212.46	11,841.18
S DONALD, PEGGY J	28	5/15/75	1,010.52	269.57	15,025.56
D JACOBSON, GEORGE A	15	6/01/75	771.48	205.80	11,471.22
D RAMBOER, LEO M	28	6/01/75	883.98	235.83	13,144.14
D CUFFARO, MARCO S	26	6/10/75	1,040.01	277.44	15,464.07
S CARDONA, VELMA F	30	7/08/75	547.94	188.45	8,643.63
S HOLDEN, GERTRUDE	16	8/18/75	157.75	167.35	3,815.97
S PERRY, LUCILLE A	27	8/25/75	518.46	178.30	8,178.51
D ROBERTSON, HARRY A	06	9/06/75	708.69	189.07	10,537.77
D KEITH, GARY L	13	10/18/75	589.19	187.00	9,074.84
D DONALD, HOWARD C	28	1/01/76	1,740.78	464.39	25,883.97
KEISER, BETTY J	20	1/02/76	390.67	104.21	5,808.87
HILSCHER, ARTHUR J	29	1/03/76	1,433.45	382.39	21,314.07
D KOSIK, VICTOR A	28	1/03/76	1,039.81	277.38	15,461.04
D FERNANDEZ, GABRIEL J	29	1/06/76	948.11	252.92	14,097.54
D BLOOMFIELD, HAROLD E	24	1/25/76	800.38	213.51	11,900.91
HALLER, LEWIS A	34	2/07/76	1,706.66	455.31	25,376.91
KUEHNIS, FLOYD E	34	2/07/76	1,475.52	393.63	21,939.84
D SULLIVAN, MARIS S	24	3/20/76	1,026.50	273.84	15,263.25
D NELSON, ROBERT P	30	3/21/76	993.62	265.06	14,774.22
D SEIBERT, SAM H	29	3/28/76	1,216.75	324.60	18,092.19
D MURTHA, WILLIAM J	09	4/01/76	663.30	176.95	9,862.77
D RICCI, FRANK J	28	4/01/76	940.03	250.77	13,977.48
D COLE, VERNON S	24	6/13/76	1,033.41	237.55	14,918.34
D MOGILEFSKY, ARTHUR A	09	7/04/76	755.16	173.58	10,901.43
MADDOX, WILLIAM A	28	8/14/76	1,239.51	284.93	17,893.68
S CONVERSA, JESSIE C	30	8/29/76	637.37	170.03	9,477.12
D KEYSER, ORVILLE J	28	9/19/76	1,222.16	280.93	17,643.06

POLICE & FIRE EMPLOYEES' RETIREMENT SYSTEM  
RETIREES AND BENEFICIARIES AS OF JUNE 30, 1984

NAME	YRS SERV	DATE RET/DTM	MONTHLY BASE	COL	TOTAL
D VAN DYCK, JON M	16	11/14/78	1,001.37	159.49	13,626.03
D WILLIAMS, RONALD T	13	11/14/78	1,001.37	152.99	13,549.74
S CISSELL, JANE M	15	12/09/78	1,156.28	267.43	16,043.85
D SHANNON, GRETAAANN	13	1/01/79	720.88	114.82	9,809.34
D RALSTON, LLOYD W	30	1/06/79	1,502.06	239.24	20,439.12
D FUNK, HAROLD S	24	1/14/79	1,185.54	188.82	16,132.05
D NOSEWORTHY, ALEC	31	2/15/79	1,257.92	200.36	17,117.13
S POELLE, JEAN A	17	2/16/79	312.33	220.94	6,259.47
BALLARD, BUCK B	24	2/17/79	1,238.06	197.19	16,846.80
D MC KAY, EDWARD D	32	3/17/79	2,329.43	371.01	31,697.43
D MARSH, LEONARD H	16	3/18/79	971.60	154.75	13,220.91
D MITCHELL, JAMES W	23	3/18/79	1,520.33	242.15	20,687.79
D VAN ETEN, DAVID	31	3/18/79	1,905.82	303.55	25,933.29
WIEN, WILLIAM A	27	3/30/79	1,397.10	222.52	19,010.91
D URBANI, EDWARD	31	3/31/79	1,457.39	232.12	19,831.23
D KING, JAMES R	27	4/01/79	1,156.51	184.21	15,737.19
D JOST, FRANKLIN D	20	4/29/79	1,014.36	127.30	13,400.67
S LORENZ, RUTH H	25	5/23/79	216.42	189.42	4,763.70
S SIMS, ETHEL J	23	6/14/79	344.70	239.86	6,861.45
S STANLEY, RUTH M	23	6/19/79	204.11	177.04	4,473.90
D MOSS, GENE D	19	7/14/79	1,002.33	125.80	13,241.82
WARNING, LOREN R	22	8/01/79	725.24	91.02	9,581.19
D PIPKINS, ROBERT W	20	8/04/79	990.59	124.33	13,086.81
D EVANS I, HAROLD H	28	8/14/79	1,397.28	175.38	18,459.63
D MC GREW, JAMES M	08	9/09/79	377.37	78.91	456.28
D TENBRINK, ROBERT	09	9/11/79	844.90	106.05	11,162.10
D THOMPSON, GARY R	16	9/11/79	1,002.51	125.83	13,244.34
D DE LUCA, PETER P	31	9/15/79	1,301.18	163.32	17,190.06
S MURRAY, VERA E	32	10/04/79	179.87	228.59	4,794.42
D PINCK, GREGORY J	09	10/09/79	843.90	105.92	8,685.98
D GREER, DENNY R	28	10/14/79	1,391.65	174.66	18,385.14
S BAROZZI-RASH, MARYANN	26	10/23/79	449.50	172.70	7,303.32
RAGSDALE, ELWIN G	28	11/11/79	1,022.91	128.39	13,513.83
D GERMANO, EUGENE J	32	1/12/80	1,675.15	210.23	22,130.37
D ROY, CHARLES D	24	1/12/80	1,430.19	179.50	18,894.36
D JURADO, JOHN J	19	2/19/80	1,024.49	128.58	13,534.62
D MAGENGAST, THOMAS C	25	3/11/80	1,315.26	165.08	17,376.00
D CUNNINGHAM, ELIZABETH J	23	3/15/80	979.74	122.96	12,943.32
D KEENEY, WILLIAM H	24	3/15/80	1,101.14	138.21	14,547.30
D POLLOCK, DAVID A	19	3/15/80	1,206.88	151.47	15,944.16
D MILLER, DOROTHY H	20	3/16/80	842.39	105.73	11,128.86
D RIST, WAYNE H	25	3/29/80	1,335.07	167.56	17,637.63
D CIRAULO, SALVADOR J	33	3/30/80	1,556.84	195.41	20,567.64
D COTTLE, EDWARD M	26	3/30/80	1,396.64	175.29	18,451.14
D DE LISE, JOSEPH S	23	3/30/80	1,082.04	135.81	14,294.97
D LUCCHESI, GEORGE	28	3/30/80	1,504.12	188.78	19,871.01
D SAN FILIPPO, ROY F	25	3/30/80	1,332.57	167.25	17,604.72
D ONZO, JOSEPH J	24	4/13/80	1,107.69	136.61	14,605.44
D WIENS, GEORGE M	24	4/13/80	1,277.75	157.59	16,847.79
D JAEGER, GEORGE N	10	4/20/80	911.80	112.44	12,022.41

POLICE & FIRE EMPLOYEES' RETIREMENT SYSTEM  
RETIREES AND BENEFICIARIES AS OF JUNE 30, 1984

NAME	YRS SERV	DATE RET/DTH	MONTHLY BASE	COL	TOTAL
D STEGEMILLER, JAMES R	22	10/18/76	1,242.97	285.74	17,943.75
S SCRIBNER, BETTY J	28	11/14/76	747.77	227.91	11,452.38
D SEKANY, GREGORY A	06	1/03/77	765.70	176.01	11,053.65
D ELORREAGA, PAUL	14	1/12/77	792.82	182.24	11,445.12
S HEEREN, MILDRED	31	2/21/77	385.78	252.13	7,487.70
S AMBURGEY, DORINE	35	2/28/77	801.16	307.83	13,017.18
D LEE, RAYMOND W	29	3/14/77	1,376.86	316.52	19,876.68
D KLEIN, THEODORE P	31	3/19/77	1,881.55	432.52	27,162.24
D CAMPBELL, WILLIAM C	25	3/20/77	1,182.62	271.85	17,072.40
D CLEARY, ROBERT	28	3/20/77	1,676.11	385.29	24,196.44
D DWYER, GEORGE J	27	3/20/77	1,264.22	290.62	18,250.47
D KASICH, ROBERT C	09	4/11/77	790.82	153.45	11,083.74
D DEVENS, LEE E	28	4/17/77	1,671.95	324.44	23,433.33
HICKEY, JANET S	31	4/23/77	1,213.72	235.52	17,010.99
D BRUNE, RALPH F	29	6/01/77	1,390.32	269.79	19,486.17
D ADAMS, VIRGINIA S	22	6/14/77	825.44	160.18	11,569.05
DE CAMP, HOWARD	24	7/06/77	1,114.57	216.28	15,621.36
D BOLTON, HILBERT	30	7/12/77	1,369.66	265.78	19,196.61
D JONES, ROBERT A	10	7/12/77	733.07	142.24	10,274.31
D NELSON, MURRAY E	31	9/02/77	1,185.95	230.15	16,621.95
D CAPURSO, FRANK J	14	9/06/77	788.89	153.10	11,056.92
S BELL, CHERYL J	02	9/11/77	767.45	148.92	10,756.23
D SHANNON, CLARENCE M	22	9/11/77	979.86	190.16	13,733.52
D ZENAHLIK, THOMAS P	09	12/14/77	841.81	163.35	11,798.40
D ROORDA, JAMES R	07	12/18/77	818.44	158.81	11,470.86
D WHEATLEY, MERLIN W	30	1/05/78	1,698.59	329.61	23,806.77
D VITTOE, JOSEPH R	29	1/07/78	1,230.11	238.71	17,240.82
D BENNETT, WILLIAM G	08	1/10/78	844.85	163.96	11,841.30
D PAPA, RICK L	03	1/11/78	731.55	141.96	10,253.16
S MC CUISTION, EVELYNN M	18	1/20/78	688.33	133.57	9,647.34
GERHARD, JOHN K	30	3/04/78	2,832.64	549.67	39,701.13
D WARNING, DONALD A	22	3/14/78	946.48	183.67	13,265.52
D WINDISCH, STEPHEN F	30	3/31/78	1,987.32	385.65	27,853.56
D ALLEN, ROBERT L	21	4/01/78	1,631.93	316.69	22,872.60
D TAMBELLINI, LAWRENCE J	26	4/01/78	1,532.87	297.47	21,484.29
S MURTHA, MARY F	27	4/07/78	188.17	205.52	4,621.05
D OZGA, JAN	10	5/09/78	831.98	132.51	11,321.07
D WELCH, BRADFORD W	05	5/13/78	859.09	136.83	11,689.95
D HOLMES, DANNY R	11	5/14/78	832.53	132.61	11,328.69
D ROBERTSON, ROBERT A	29	6/13/78	1,243.36	198.03	16,918.86
D NEIBAUER, RICHARD J	21	7/08/78	1,060.24	168.87	14,427.12
S HEANEY, CHARLOTTE R	27	9/20/78	298.29	102.60	4,705.56
D JONES, RAYMOND E	32	10/01/78	1,911.04	304.38	26,004.27
D ESCOBAR, JOSEPH R	21	10/14/78	531.68	84.68	11,423.57
ESCOBAR, PATRICIA M	21	10/14/78	531.67	84.68	3,045.85
D SARGENT, GREGORY S	30	10/14/78	1,738.26	276.85	23,653.11
D EDWARDS, DONALD F	23	10/15/78	1,339.74	213.39	18,230.40
S SIEBENTHALL, ROBYN J	08	10/28/78	632.93	100.81	8,612.55
S MILLER, LAURA L	14	11/03/78	865.65	137.88	11,779.29
S GUERIN, HELEN M	22	11/11/78	197.47	192.76	4,580.43

POLICE & FIRE EMPLOYEES' RETIREMENT SYSTEM  
RETIREES AND BENEFICIARIES AS OF JUNE 30, 1984

NAME	YRS SERV	DATE RET/DT4	MONTHLY BASE	COL	TOTAL
D DORR, DONALD R	20	5/13/80	943.28	113.24	12,401.31
LAIL, HAROLD A	24	5/25/80	987.47	118.54	12,982.23
D WALLACE, GORDON M	25	6/08/80	1,319.76	155.54	17,316.87
D PARADISO, JOSEPH	33	7/05/80	1,586.08	181.73	20,750.31
D RAIKES, FOSTER P	17	7/06/80	873.09	100.04	11,422.50
D BARNETT, JAMES E	30	7/12/80	1,622.22	185.87	21,223.14
S WARRICK, ANTOINETTE D	27	8/11/80	448.41	269.60	8,427.93
S WARRICK, MARIA	27	8/11/80	298.94	143.19	5,189.64
D CONVERS JR, FRANCIS E	24	9/13/80	1,278.51	139.51	16,644.54
D NEWMAN, DON M	21	9/14/80	975.00	106.40	12,693.30
S GADSBY, MARY E	22	10/24/80	193.34	211.43	4,751.13
D MEAGHER, ROBERT W	24	1/01/81	1,146.07	112.53	14,773.26
D STRUTHERS, RICHARD M	25	1/01/81	1,384.31	135.93	17,844.36
D BOHN, THEODORE M JR	20	1/06/81	1,434.65	140.86	18,493.11
D MULLINS, FRED R	14	1/12/81	952.00	93.47	12,271.59
D BORCH, HENRY M	25	1/13/81	1,788.64	175.63	23,056.35
D BROWN, WILLIAM J	29	1/17/81	2,172.83	213.35	28,008.66
D PETERSON, COURTNEY	21	2/01/81	1,163.64	111.71	14,969.85
S ANGER, ROBYNNE	10	2/22/81	1,449.88	139.20	18,652.44
D GUIDO, JAMES J JR	25	2/28/81	1,402.15	134.62	18,038.40
RICHARDSON, HAROLD D	23	3/01/81	531.42	49.28	9,806.90
D GARINO, KENNETH J	21	3/03/81	1,012.88	93.93	12,991.56
D MOORE, SHARON A	14	3/03/81	686.25	63.64	8,802.12
D HILL, RICHARD N	25	3/31/81	1,661.18	154.04	21,306.81
S GOMES, GRACE	22	4/07/81	240.11	201.09	5,178.75
D HALL, RICHARD R	25	4/12/81	1,867.12	109.86	23,205.54
D BUSH, WILBERT E	16	6/03/81	992.32	29.77	19,864.98
S CRAWFORD, DAWN L	10	6/04/81	193.18	106.55	3,518.19
S CRAWFORD, IDA M	10	6/04/81	217.32	146.34	4,268.61
D HORNE, BILLY W	24	7/07/81	1,206.11	24.12	3,690.69
D MC VEA, IRVIN G	24	7/07/81	1,218.23	61.64	15,022.92
D SHANNON, RONALD D	25	7/07/81	1,196.57	60.55	14,755.86
D CANCELLA, JOSEPH	24	7/12/81	1,210.96	61.28	14,933.34
S ERICKSON, MICHAEL S	13	8/25/81	391.80	19.02	4,822.11
S ERICKSON, SCOTT G	13	8/25/81	391.80	19.02	4,822.11
D JOHNS, MERLE W	26	9/01/81	1,580.79	71.85	19,398.42
S ANDERSON, ELSIE H	09	9/06/81	474.50	172.76	7,597.47
D DOYLE, PATRICK B	14	10/06/81	1,054.36	45.75	12,912.96
D MAZZONE, RICHARD T	13	11/03/81	1,083.64	43.67	13,232.25
D MILLER, DAVID G	24	11/03/81	1,363.75	13.64	11,019.12
D WILLIAMS, BOB	04	12/01/81	1,017.51	38.91	12,400.11
D MOORE, ANN C	21	1/05/82	1,205.76	42.38	14,650.53
D MUSSER, MARILYN J	12	1/05/82	967.82	34.02	11,759.46
D SCHAAR, JOHN G	31	1/05/82	1,548.29	54.42	18,812.40
D WARTMAN, LLOYD C	31	1/05/82	1,949.67	68.53	23,689.38
D MOORE, DONALD E	28	1/09/82	1,855.52	65.22	22,545.42
D FANUCCHI, ROSCOE	32	1/16/82	1,974.05	69.39	23,985.60
D GIVIN, WILBUR	27	1/16/82	1,549.83	54.48	18,831.15
S SCHWANDT, CATHERINE M	34	2/01/82	116.48	196.01	3,667.98
D ERICKSON, RICHARD A	29	2/02/82	1,695.42	56.11	20,559.18

POLICE & FIRE EMPLOYEES' RETIREMENT SYSTEM  
RETIREES AND BENEFICIARIES AS OF JUNE 30, 1984

NAME	YRS SERV	DATE RET/DTH	MONTHLY BASE	COL	TOTAL
S GUSTAFSON, MARTHA	15	2/06/82	414.50	79.67	4,833.30
S HALL, BENITA	15	2/06/82	621.74	145.22	9,002.46
S HALL, LINDA	15	2/06/82	310.87	61.44	3,350.79
D BOND, WILLIAM R	23	3/02/82	1,339.88	40.20	16,199.16
D NORTON, PHILLIP O	20	3/02/82	1,570.47	47.11	18,986.97
D RYAN, ELLSWORTH J	25	4/10/82	1,669.68	50.09	20,186.43
D SCOTT, JOHN W	25	4/11/82	1,470.29	44.11	17,775.81
D CALTABIANO, ROBERT A	11	6/06/82	1,168.81	35.06	14,130.90
S CONVERS, EVELYN	32	6/09/82	185.52	230.79	4,886.55
S EMERY, GRETCHEN	29	6/16/82	142.32	195.22	3,962.01
S BERTOTTI, CAROL	22	6/22/82	1,206.77	36.20	14,589.84
S BERTOTTI, JENNIFER	22	6/22/82	804.51	24.14	9,726.54
D STAGG, KENNETH E	28	8/06/82	2,314.83	69.44	27,986.28
D BRADFORD, GEORGE H	37	8/07/82	2,064.06	61.92	24,954.48
D ANASTACIO, OLIVER J	29	8/08/82	1,628.90	48.87	19,693.41
D EWING, DONALD E	27	9/11/82	2,232.61	66.98	26,992.26
D GRAY, LYLE L	09	10/05/82	1,280.25	38.41	15,478.23
S SMITH, WILLIAM	10	10/31/82	934.32	28.03	11,295.93
D FRATES, CHARLES W	27	11/02/82	1,879.44	56.38	22,722.42
D TERRY, GLENN	24	1/04/83	1,773.71	53.21	21,444.15
D GREEN, ROBERT H	27	1/06/83	1,673.91	50.22	20,237.58
D RAZIUK, LEO	25	1/08/83	2,273.85	68.22	27,490.86
D ROMO-LEROUX, GONZALO A	01	1/15/83	954.09	28.62	11,534.94
D OWEN, LESLIE R	25	2/01/83	1,571.13	47.13	18,994.95
D KEY, BILLY P	24	3/05/83	1,563.23	46.90	18,899.46
S POWERS, ANNETTE	39	4/07/83	156.20	242.80	4,679.30
D BLACKSTOCK, M CARROLL	21	4/09/83	1,604.16	44.92	19,339.76
S URZY, LAURA J	21	4/10/83	205.92	172.44	4,437.22
D WEESNER, STEVEN LEF	12	4/24/83	1,299.24	36.38	18,565.28
D EARNSHAW, JOSEPH W JR	22	6/07/83	1,496.76	.00	17,961.12
D WHALEN, RICHARD J	30	6/07/83	2,209.91	.00	26,518.92
D CASTLIO, GLEN	21	6/15/83	1,643.89	.00	20,603.42
D PLINSKI, LEO G	26	6/17/83	1,758.84	.00	21,106.08
D DYE, DONALD A	25	7/10/83	1,899.38	.00	22,241.13
D GREEN, NORMAN W	19	7/30/83	1,331.05	.00	14,685.92
D BRAZIL, LA VERN F	30	8/02/83	1,958.37	.00	21,478.90
D SEATON, CHARLES	15	8/02/83	1,325.31	.00	14,535.66
D LANE, GAYLORD R	24	8/28/83	1,582.84	.00	16,032.64
D SPAULDING, BENJAMIN W	27	9/11/83	1,634.08	.00	15,796.11
D GEPPERT, KENNETH J	12	10/04/83	1,414.16	.00	12,590.59
D ANDERSON, ALGIE	29	11/30/83	2,007.00	.00	14,115.90
D GRANT, ROBERT A	14	12/06/83	1,567.07	.00	10,716.74
S MURPHY, EVE I	42	1/11/84	458.00	327.76	4,939.53
D WHEELER, HENRY A	28	1/29/84	1,964.63	.00	10,013.28
D PULLIAM, NORVEL	25	2/07/84	2,331.97	.00	11,177.37
D ZAMZOW, JAMES W	28	2/12/84	2,011.62	.00	9,295.07
S MILLER, JANICE E	24	3/01/84	841.68	8.42	3,400.40
D CHAMBERS, ROYCE R	15	3/06/84	1,402.69	.00	5,384.52
D HASLEMAN, JOE J	20	3/06/84	1,381.58	.00	5,303.48
D BELL, ROBERT M	22	4/03/84	2,143.06	.00	6,286.31

POLICE & FIRE EMPLOYEES' RETIREMENT SYSTEM  
RETIREEES AND BENEFICIARIES AS OF JUNE 30, 1984

NAME	YRS SERV	DATE RET/DTH	MONTHLY BASE	COL	TOTAL
D HOUSTON, HERRELL J	20	4/03/84	1,631.38	.00	4,785.38
D SHACKELFORD, JEFF	24	4/03/84	2,003.08	.00	5,875.70
D TOWNEND, STEWART	24	4/03/84	1,707.20	.00	5,007.79
S BONHAM, PRISCILLA J	03	4/17/84	602.89	.00	1,487.13
D MOORE, BRUCE	27	5/01/84	2,600.03	.00	5,200.06
S ALVARES, VIRGINIA	23	6/05/84	187.60	189.75	377.35
TOTAL RETIREES 406			379,984.40	92,003.12	5,317,803.27

CODES:

D = DISABILITY  
S = SURVIVOR  
# = NOT ENTITLED TO COST-OF-LIVING

---

**AUDITED  
FINANCIAL  
REPORTS**

---



Board of Administration  
City of San Jose  
Police and Fire Department  
Retirement System:

We have examined the accompanying combining balance sheet of the City of San Jose Police and Fire Department Retirement Plan (The Plan) as of June 30, 1984 and the related combining statements of revenues, expenses and fund balances and of changes in fund balances 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 financial statements of the Plan for the year ended June 30, 1983, were examined by other auditors whose report dated October 6, 1983 expressed an unqualified opinion on those statements.

In our opinion, the aforementioned financial statements present fairly the financial position of the City of San Jose Police and Fire Department Retirement Plan at June 30, 1984 and the results of its operations and the changes in its fund balances for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Peat, Marwick, Mitchell & Co.*

October 19, 1984

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Combining Balance Sheet

June 30, 1984

with comparative totals for June 30, 1983  
(in thousands of dollars)

	Retirement Fund	Cost of Living Fund	Total <u>1984</u>	<u>1983</u>
<u>Assets</u>				
Cash	\$ -	304	304	67
Receivable from City of San Jose:				
Employee contributions	143	85	228	192
Employer contributions	515	228	743	627
Accrued interest	3,658	762	4,420	2,706
Receivable from broker	896	311	1,207	-
Investments, at cost (note 4)	167,489	34,354	201,843	181,705
Securities purchased under agreements to resell	<u>2,278</u>	<u>722</u>	<u>3,000</u>	<u>-</u>
	\$ <u>174,979</u>	<u>36,766</u>	<u>211,745</u>	<u>185,297</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Payable to brokers	\$ -	-	-	12,754
Bank overdraft	275	-	275	66
Payable to terminated employees	<u>18</u>	<u>10</u>	<u>28</u>	<u>-</u>
Total liabilities	<u>293</u>	<u>10</u>	<u>303</u>	<u>12,820</u>
Fund balances:				
Employee contributions	24,067	8,204	32,271	26,699
Employer contributions and general	<u>150,619</u>	<u>28,552</u>	<u>179,171</u>	<u>145,778</u>
Total fund balances	<u>174,686</u>	<u>36,756</u>	<u>211,442</u>	<u>172,477</u>
	\$ <u>174,979</u>	<u>36,766</u>	<u>211,745</u>	<u>185,297</u>

See accompanying notes to combining financial statements.

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Combining Statement of Revenues, Expenses and Fund Balances  
For the year ended June 30, 1984

with comparative totals for June 30, 1983  
(in thousands of dollars)

	Retirement Fund	Cost of Living Fund	Total	
			<u>1984</u>	<u>1983</u>
Operating revenues:				
Contributions	\$ 17,128	8,146	25,274	23,554
Interest	13,654	2,987	16,641	13,160
Dividends	1,229	124	1,353	1,603
Net gain on sales of investments	<u>1,272</u>	<u>213</u>	<u>1,485</u>	<u>2,672</u>
Total	<u>33,283</u>	<u>11,470</u>	<u>44,753</u>	<u>40,989</u>
Operating expenses:				
Refunds to terminated employees	186	75	261	177
Retirement benefits paid	4,479	840	5,319	4,819
Professional fees	<u>208</u>	<u>-</u>	<u>208</u>	<u>200</u>
Total	<u>4,873</u>	<u>915</u>	<u>5,788</u>	<u>5,196</u>
Excess of revenues over expenses	<u>28,410</u>	<u>10,555</u>	<u>38,965</u>	<u>35,793</u>
Fund balances at beginning of year	<u>146,276</u>	<u>26,201</u>	<u>172,477</u>	<u>136,684</u>
Fund balances at end of year	\$ <u>174,686</u>	<u>36,756</u>	<u>211,442</u>	<u>172,477</u>

See accompanying notes to combining financial statements.

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Notes to Combining Financial Statements

June 30, 1984 and 1983

(1) Description of Plan

(a) General

The City of San Jose Police and Fire Department Retirement Plan (the Plan) was established to provide retirement benefits for employees of the Police and Fire Departments of the City of San Jose (the City). The Plan is administered by the Retirement and Benefits Administrator, an employee of the City, under the direction of the Board of Administration. Costs of administration other than outside professional fees, service bureau charges, and investment training seminars and conferences for members of the Board are borne by the City.

All sworn officers of the City's Police and Fire Departments, are required to be members of the Plan. There are approximately 1,600 participants in the Plan at June 30, 1984 and 1983.

The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Pension Benefits

Employees with 10 or more years of service are entitled to annual pension benefits beginning at normal retirement age (55) equal to 2-1/2% of their final compensation for each year of service up to a maximum benefit of 75% of final average salary. Final compensation is the average monthly compensation during the highest 12 consecutive months of service limited to 108% of compensation the 12 months immediately preceding the last 12 months of service. In addition, retirement benefits are adjusted for annual cost of living allowances. The current maximum increase to the retirement allowance is 3% per year.

If employees terminate employment before 10 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the City's contributions; however the employees' accumulated contribution plus 2% interest per year is refunded.

(c) Death Benefits

If an employee's death, before retirement, is service related an annuity of 37.5% of employee's final compensation is payable to the surviving spouse. A benefit amount for dependent children is paid at a rate of 25% of final compensation per child with a maximum family benefit of 75% of final compensation. These benefits are payable for service related death, and for death after service or service-connected disability retirement.

(Continued)

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Notes to Combining Financial Statements

(1) Description of Plan, Continued

If a vested employee dies after retirement, a continuing benefit of 1.875% of final compensation times the years of service is payable to a spouse. For surviving children, the benefit payable is 1.25% (1.875% for two, or 2.58% for three children) times final compensation times the years of service.

If an employee's death prior to retirement is non-service related, and the employee has at least two years of service, a pension benefit of 24% of final compensation for the first two years of service, plus .75% for each year thereafter, to a maximum of 37.5% of final compensation is payable to a surviving spouse. Benefits for dependent children are:

- o 1 Child - 25% of final compensation
- o 2 Children - 37.5% of final compensation
- o 3 or more Children - 50% of final compensation

The maximum benefit payable to a family under any circumstances is 75% of final compensation.

(d) Disability Benefits

If an employee, before retirement, suffers a service related disability, a benefit of 50% of final compensation or 2.50% of final compensation times years of service (maximum of 30 years) if greater is payable.

If an employee with at least 2 years of service suffers a non-service related disability, an annual benefit of 32% of final compensation is payable for the first 2 years of service plus 1% for each year thereafter, up to 50% for 20 years of service is payable. For employees with more than 20 years of service, the benefit is 2.50% of final compensation times years of service (maximum 30 years).

(e) Investments

Investment recommendations are made by the investment counselors and acted upon by the Board of Administration. Substantially all investments are held by Wells Fargo Bank, custodian. The net assets and operations of the Retirement System are accounted for as a Trust and Agency Fund of the City of San Jose.

(f) Plan Termination

In the event the Plan is terminated, there is no plan for the distribution of net assets.

(Continued)

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Notes to Combining Financial Statements

(2) Basis of Financial Statement Presentation

The Plan requires that transactions be accounted for in two funds: (1) the Retirement Fund and (2) the Cost of Living fund.

The financial statements are prepared on the accrual basis of accounting.

In March 1980, the Financial Accounting Standards Board (FASB) promulgated Statement No. 35, entitled "Accounting and Reporting by Defined Benefit Pension Plans". Requirements of Statement No. 35 include that investments be carried at fair market value and that a new format for financial statement presentation be followed. This Statement was to be effective for plan years beginning after December 15, 1980 but for state and local governmental units was deferred in June 1984 to plan years beginning after June 15, 1985.

In December 1982, the National Council on Governmental Accounting (NCGA) issued Statement No. 6, entitled "Pension Accounting and Financial Reporting: Public Employee Retirement Systems and State and Local Government Employers." This Statement requires that equity security investments be presented at cost and that all pension obligations be presented as "the actuarial present value of credited projected benefits." The NCGA deferred the effective date of this statement until plan years beginning after December 15, 1984.

The Retirement System has not elected early adoption of either FASB Statement No. 35 or NCGA Statement No. 6.

(3) Summary of Accounting Policies

(a) Investments

Investments in debt securities are stated at original cost, adjusted for amortization of premiums or discounts (differences between purchase cost and maturity value) on a straight-line basis over the remaining life of the issue. In the event of a permanent impairment of value of the debt securities, a provision would be made to reduce the carrying value to market value. Investments in equity securities are recorded at cost. Gains or losses relative to individual securities are recognized only upon sale, on a first-in, first-out basis. Generally, it is managements intention to hold government obligations and corporate bonds until maturity.

(b) Allocation of Investment Income

Earnings on investments of the Plan and gains and losses upon sale of investments are initially credited to the Undistributed Earnings Reserve. A monthly allocation is made therefrom to the Employee Contributions reserve based on the balance in that account at an annual rate of earnings of 2%, as specified by the Municipal Code.

(Continued)

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Notes to Combining Financial Statements

(4) Investments

Investments, at amortized cost, consist of:

	Retirement Fund	Cost of Living Fund	Total	
			1984	1983
	(in thousands of dollars)			
Cash equivalents:				
Deposit with Treasurer of the State of California	\$ 3,554	1,063	4,617	1,595
Negotiable certificates of deposit	22,366	5,227	27,593	25,598
Bankers acceptances	<u>9,675</u>	<u>3,607</u>	<u>13,282</u>	<u>11,570</u>
Total cash equivalents	<u>35,595</u>	<u>9,897</u>	<u>45,492</u>	<u>38,763</u>
Debt securities:				
Commercial paper	2,564	285	2,849	3,833
U.S. Treasury bonds and notes	41,574	10,883	52,457	44,860
U.S. Government-sponsored agency	22,250	6,729	28,979	25,012
International agencies	1,347	-	1,347	1,347
Canadian Government (denominated in U.S. dollars)	3,309	500	3,809	3,809
Corporate bonds	34,055	2,090	36,145	37,358
Net unamortized premium or discount	<u>269</u>	<u>64</u>	<u>333</u>	<u>180</u>
Total debt securities	<u>105,368</u>	<u>20,551</u>	<u>125,919</u>	<u>116,399</u>
Equity securities	<u>26,526</u>	<u>3,906</u>	<u>30,432</u>	<u>26,550</u>
	\$ <u>167,489</u>	<u>34,354</u>	<u>201,843</u>	<u>181,712</u>

The approximate market value of the Plan's investments were as follows:

	<u>1984</u>	<u>1983</u>
	(in thousands of dollars)	
Cash equivalents	45,492	38,763
Debt securities	110,366	122,405
Equity securities	<u>29,685</u>	<u>32,583</u>
	<u>\$ 185,543</u>	<u>193,751</u>

(Continued)

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Notes to Combining Financial Statements

(5) Funding Policy

As a condition of participation, employees were required to contribute 11.07% of their base salary to the Plan. The City contributed at a rate of 36.27% of the base salary of all members. The City rate is the percentage of salary necessary, on an actuarial basis, to provide for the payment of the benefits, also taking into account the contributions being made by the members. These rates are changed in accordance with each actuarial study.

(6) Actuarial Data and Contribution Rates

The estimated present value of accumulated plan benefits at July 1, 1983 was calculated in accordance with the provisions of FASB #35 and is approximately \$211,619,000. Accumulated plan benefits are those future benefit payments that are attributable under the Retirement Plan's provisions to employees' service rendered to the benefit information date. The vested benefits (benefits to which participants are entitled, regardless of future services with the City) which are included in such amount total \$149,692,000.

(Continued)



CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Notes to Combining Financial Statements

(6) Actuarial Data and Contribution Rates, Continued

The more significant assumptions underlying the actuarial computations used in the July 1, 1983 and July 1, 1981 valuations are as follows:

	Valuation Date	
	<u>July 1, 1983</u>	<u>July 1, 1981</u>
Assumed rate of re- turn on investments	8.00%	7.25%
Post-retirement mortality	Same as July 1, 1981	1971 Group Annu- ity Mortality Tables with a five year setback for females
Pre-retirement mortality	Same as July 1, 1981	Based upon experi- ence rates
Employee turnover	Same as July 1, 1981	Based upon experi- ence rates
Salary increases	6.50% per year through age 45 and 5.5% there- after; 9.50% is assumed during the first four years after employment regardless of age.	10% per year through age 29, 9% from 30 through 39, 8% from 40 through 49 and 7% per there- after
Service retirement	Based upon experience rates.	50% at age 55 in- creasing to 100% at age 65
Disability rate - Non service	Same as July 1, 1981	Based upon experi- ence rates
- Service	Same as July 1, 1981	Based upon experi- ence rates

CITY OF SAN JOSE  
POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Combining Statement of Changes in Fund Balances

For the year ended June 30, 1984

with comparative totals for the year ended June 30, 1983  
(in thousands of dollars)

	Retirement Fund		Cost of Living Fund		Total			
	Employee Contri- butions	Employer Contributions and General	Employee Contri- butions	Employer Contributions and General	1984 Employee Contri- butions	Employer Contributions and General	1983 Employee Contri- butions	Employer Contributions and General
Balances at beginning of year	\$ 20,644	125,632	6,055	20,146	26,699	145,778	21,288	115,396
Employee contributions, net of refunds	3,523	-	2,141	-	5,664	-	5,319	-
Employer contributions, net of refunds	-	13,419	-	5,930	-	19,349	-	18,058
Investment income, net of gain or loss on sales of investments	-	16,155	-	3,324	-	19,479	-	17,435
Allocation of investments	435	(435)	138	(138)	573	(573)	469	(469)
Retirement benefits	-	(4,479)	-	(840)	-	(5,319)	-	(4,819)
Transfers upon retirement of employees	(535)	535	(130)	130	(665)	665	(377)	377
Professional fees	-	(208)	-	-	-	(208)	-	(200)
Balances at end of year	\$ <u>24,067</u>	<u>150,619</u>	<u>8,204</u>	<u>28,552</u>	<u>32,271</u>	<u>179,171</u>	<u>26,699</u>	<u>145,778</u>

See accompanying notes to combining financial statements.