

Retirement System Newsletter



Both Plans Exceed Established Benchmarks

By Ron Kumar

The Police & Fire Department Retirement Plan (P&F) earned 19.3 percent return on investments for the fiscal year ended June 30, 2007 compared to their benchmark of 18.8 percent. P&F's total assets increased by \$424 million over the year. The \$2.7 billion P&F plan has also earned double digit returns for four straight years. The percentage gain exceeded P&F's actuarial assumed rate of 8.0 percent by more than double.

"A majority of the return was derived from asset allocation," said Russell Crosby, newly appointed Director of Department of Retirement Services. "This indicates that the Trustees' asset allocation decisions were the driving force to the portfolio's outstanding performance."

The Federated City Employees' Retirement System (FCERS) returned 16.22 percent for the same time period compared to their benchmark of 15.7 percent. FCERS's total assets increased by \$239 million over the year. The \$1.8 billion FCERS earned double digit returns in three of the past four years and exceeded their actuarial assumed rate of 8.25 percent in each of those four years.

As of June 30, 38.9 percent of the P&F portfolio was invested in domestic equities, 1.4 percent in private equities, 22.6 percent in international equities (developed markets), 6.3 percent in international emerging market equities, 19.7 percent in domestic core fixed income, 3.7 percent in long duration fixed income, 7.2 percent in real estate, and 0.2 percent of the portfolio was held in cash equivalents.

See Benchmarks page 9

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Russell U. Crosby New Director of Retirement



City Manager Debra Figone has announced the appointment of Russell U. Crosby as the second Director of Retirement Services. Both Boards and the staff welcome him in his new position with the City. He comes to the City from the UFCW-Employer's Benefit Plans and

the United Mine Workers Health and Retirement Plans where he managed multiple healthcare and pension trust funds. Mr. Crosby is pleased to be here serving the active employees and retirees of both systems. He is committed to continued improvements in the high quality of service that everyone expects.

Administration Boards Elections

Announcements regarding the up coming employee elections for the Federated City Employees Retirement System Board of Administration and the Police and Fire Retirement Board were circulated by the City Clerk's Office. By the time this newsletter goes to print the nomination process will have been completed.

The election will be held November 26, 2007 for recommending to the City Council one employee/member of the Federated City Employees Retirement System who is not an employee of the Information Technology Department to serve as a trustee on the Board of Administration for a term that will expire November 30, 2011. Employees from the Information Technology Department are excluded because the other employee member on the Board is already from the Infor-



mation Technology Department and there is a restriction regarding having more than one Trustee from the same Department. The only exception is if an elected Trustee becomes a member of the Department of another existing Trustee.

Also on November 26, 2007, there will be an election to recommend to the City Council a Fire Department member to serve on the Board of Administration of the Police and Fire Department Retirement Plan for a term, which expires on November 30, 2011.

Ballots for both elections will be mailed to eligible voters on October 26, 2007. Any questions about the nomination or election procedure may be referred to the Office of the City Clerk (408) 535-1252.

Board Meeting Dates and Times @ 1737 North First

Month	Police and Fire Board of Administration	Federated Board of Administration
November	November 1, 2007 @ 8:30 AM	November 8, 2007 @ 8:30 AM
December	December 6, 2007 @ 8:30 AM	December 13, 2007 @ 8:30 AM
January	January 3, 2008 @ 8:30 AM	January 10, 2008 @ 8:30 AM

Retirement Conference Room
The City of San José Retirement Department
 1737 N. First St., Suite 600,
 San Jose, CA. 95112-4505

Get to Know Us Better

By Rhonda Snyder



In this month's "GET TO KNOW US BETTER" column, we would like to introduce you to Hoa (pronounced "Wa") Lang. Hoa is our Accounting Technician in the Accounting Section. She started with the City in 1997, and has been with Retirement Services for 3.5 years. She is another one of our faithful "behind-the-scene-does-an-outstanding-job" team members.



Hoa Lang

Hoa is responsible for the account balancing side of Retirement Services pension payroll for over 4,100 pension payments each month. She verifies all the new retirement set-ups, adjustments to pension payments and all the many changes the Analysts input each month into PensionGold, the pension administration system, before they are actually "booked" into the pension

payment run. Her resilient ability to input the hundreds of changes each month is remarkable.

Hoa is also responsible for booking the Revenues and Expenses for the real estate properties owned by the Funds. Both responsibilities are key priorities in Retirement Services, and Hoa does a great job on both, and with a positive attitude.

In her "spare personal time", Hoa continues to utilize her skills in watching over other important assets, by caring for her parents. When she does have some free time, she loves to go shopping and world traveling. She has been to China, Japan, Canada, and Hawaii to name a few.

Hi Hoa, nice to meet you!

Live all you can; it's a mistake not to. It doesn't so much matter what you do in particular, so long as you have your life. If you haven't had that, what have you had?

Henry James, *The Ambassadors*

Benefits of Long-Term-Care in Retirement

As a retiree you can elect is Long Term Care to enhance the quality of your retirement. Long Term Care should be part of retirement planning. According to the American Health Care Association "Failure to prepare for the cost of a nursing facility stay or other long-term care is a primary cause of impoverishment among the elderly".

Kaiser, Blue Shield and Secure Horizons health plans do not provide Long Term Care. Medicare is only conditional and temporary. Current Long Term Care costs are extraordinary and future health care inflation will likely outpace our savings rate.

**Save
November 7th
1:30 PM
for an On-site
Meeting
Regarding Long
Term Care in
Retirement**

To help current retirees understand the benefits of Long Term Care, Marc Derendinger will be on-site on November 7 at 1:30 PM to explain the benefits of having Long-Term-Care protection and the pitfalls of not having any coverage. If you are interested please RSVP at 408-873-2331.

August, September and October Retirees

Name	Position	Department	Years
Larry G. Bohannan	Planner II	PBCE	37.82
David E. Moore	Fire Captain	Fire Department	32.54
José Luna	Battalion Chief	Fire Department	32.40
Steve E. Padilla	Fire Captain	Fire Department	31.29
Rita A. Torres	Senior Librarian	Library Department	30.67
Dale M. Ozawa	Equipment Maintenance Supervisor	General Services Department	30.03
Lorenzo S. Sanchez	Police Sergeant	Police Department	28.48
Rudolph R. Arroyo	Fire Engineer	Fire Department	28.12
Hosea Clark	Senior Facility Attendant	Convention, Arts, Entertainment	27.89
Manuel M. Jurado	Police Officer	Police Department	27.26
Virgilio Hernandez	Firefighter	Fire Department	27.35
David J. Conners	Senior Electrician	General Services Department	26.75
Thomas C. Jensen	Police Officer	Police Department	26.52
Ernest A. Hernandez	Police Officer	Police Department	26.12
Carol Postier	Police Data Specialist II	Police Department	26.01
James H. Caddell, III	Police Officer	Police Department	25.62
David M. Sandoval	Police Officer	Police Department	25.04
David M. Thompson	Building Inspector Manager	PBCE	24.12
Siegfried Pfendt	Associate Engineer	PBCE	23.44
Robert D. Hodges	Electrician	Transportation Department	22.91
Edward Diep	Accountant II	Public Works Department	22.79
Gerald A. Silva	Auditor	City Auditor's Office	22.64
James E. Talbott	Senior Electrician	Airport	21.70
Mabel W. Shiramizu	Recreation Supervisor	Parks, Recreation, Neighbor Ser.	20.08
Don B. Wadsworth	Building Inspector Supervisor	PBCE	19.40
Thomas J. Nanson	Assistant Master Fire Mechanic	General Services Department	18.24
Robert Chessman	Environmental Inspector II	Environmental Services	17.87
Thomas E. Lakia	Building Inspector	Public Works Department	17.40
James Baker	Network Engineer	Airport	17.03
Harryette Clarke	Senior Office Specialist	Environmental Services	16.87
Elena Ponciano	Senior Office Specialist	Public Works Department	16.85
Eulalio Galindo	Community Services Supervisor	Parks, Recreation, Neighbor Ser.	16.50
Gary D. Levering	Senior Heavy Diesel Operator	Environmental Services	16.28
Steven Willis	Administrative Officer	Environmental Services	16.05
Theresa A. Videan	Public Safety Dispatcher II	Police Department	15.27
Christine Card	Public Safety Dispatcher II	Police Department	14.00
Macleen Silva	Office Specialist II	Parks, Recreation, Neighbor Ser.	11.92
Kirk A. Seal	Firefighter	Fire Department	11.89
Frank R. Bowman	Maintenance Supervisor	Transportation Department	11.74
Camille Garcia	Police Officer	Police Department	11.37
Diana D. Lewis	Senior Analyst	Airport	10.22
Felton L. Whitten	Custodian	General Services Department	8.22
Robert L. Boyes	Community Activity Worker	Parks, Recreations Neighbor Ser.	8.10
Yolanda Perez	Marketing Representative II	Airport	7.62

Open Enrollment Begins November 1—30, 2007

By Carol Bermillo

Retiree Benefit Open Enrollment is right around the corner. This is a time when retirees have the opportunity to make changes to their benefit coverage for medical, dental, and/or vision plans. Eligible retirees who have previously dropped coverage may re-enroll. This year the Open Enrollment period begins November 1, 2007 to November 30, 2007. The changes will become effective on January 1, 2008.

Open Enrollment packets will be mailed to eligible retirees the week of October 22, 2007. There is a Retiree Health Benefit Fair scheduled for November 7, 2007 from 10:00 AM to 1:00 PM. It will be at Retirement Services, 1737

North First Street, Suite 600. Your Open Enrollment Packet will include more detailed information related to the Retiree Benefit Health Fair.



Retirees are eligible to sign-up for Personal Accident Insurance, Allstate Cancer Insurance and/or Long Term Care insurance anytime during the year. Although Retirement Services provides opportunities during Open Enrollment to review these insurance benefits, you are not required to enroll or make changes for these benefits exclusively during Open Enrollment.

If you do not receive a packet, please call **Carol Bermillo** at (408) 392-6720 or (800) 732-6477.

New Life Insurance Opportunity for Retirees

Limited opportunity available for qualified Retirees to purchase Life Insurance from Standard Life

Standard Life Insurance will be offering current and future retirees the opportunity to purchase additional life insurance. Coverage will be available in the following amounts: \$5,000; \$10,000; \$15,000; \$20,000; \$25,000.

Current retirees will be able to apply for coverage for a limited time. Coverage will be effective upon Standard Life's approval of satisfactory Evidence of Insurability. Current retirees will be able to sign-up November 1 thru December 31.

Future retirees must decide within 30-days of their retirement to elect coverage as well. They will have guaranteed coverage for either \$5,000 or \$10,000. For the higher amounts of \$15,000, \$20,000 and \$25,000 satisfactory Evidence of Insurability and approval by Standard Life is required.

Premiums will be deducted from the retiree's monthly benefit check. More complete information will be sent in the mail soon.

Monthly Cost Per \$1,000	
Age	Cost
Less than 40	0.300
40 – 49	0.340
50 – 54	0.520
55 – 59	0.830
60 – 64	1.270
65 – 69	2.340
70 – 74	4.020
75 – 79	5.980
80 – 82	8.140
83 – 85	10.120
86 – 88	13.340
89+	25.180

Give ... even a little means a lot!



Combined Giving Campaign is here again and retirees as in the past, retirees may participate. The Combined Giving Campaign will run from October 17, 2007 to November 21, 2007.

The same Federations will be participating: Earth Share, United Way,

Community Health Charities, Arts Council Silicon Valley and there is one new Federation; Local Independent Charities of America.

You will be receiving materials in the mail soon to sign up and participate. You may donate as little as \$2 a month. *A little means a lot!* It would be a positive impact to our community if every retiree contributed.

Last year retirees contributed over \$10,000 during the campaign.

If you did not receive your materials by November 1 and are interested in participating, please call (408) 392-6700 to request one.

Managers and Supervisors Mentor Employees to Fruitful Retirement

By Karin Carmichael

It has been said more than once, employees that enjoy their retirement have been mentored by someone along the line. They have had someone they trust who has taken an interest in them and informed them about the benefits of their retirement plan. In most organizations, that person usually has been a new employee's manager. Let's face it, employees who are secure in their future are less stressed and is able to work smarter.

As a result, Retirement Services has kicked off a new educational presentation for Managers and Supervisors. It is called the "*Retirement Mentor Program.*" This program is offered as a brown bag to Managers and Supervisors. It has been delivered to two Departments (Department of Transportation and Parks, Recreation and Neighborhood Services).

The program introduces the benefits from Retirement Services. A wide range of topics and issues are discussed with the focus on Managers and Supervisors having enough knowledge to recognize when it would be beneficial for their employee to contact Retirement Services. For instance, if the Supervisor knows that an employee who is terminating their employment because of a debilitating

illness, the employee may be entitled to a benefit through his or her retirement plan. There are time frames that must be met and they can slip by very quickly. A manager who knows this information may save an employee's benefit.

This class will be offered in the future as a brown bag opportunity for Managers and Supervisors. As well, Departments can request to have the material presented to Managers and Supervisors by contacting Karin Carmichael either calling her at (408) 392-6712 or by emailing her at Karin.carmichael@sanjoseca.gov.

'...employees who are secure in their future are less stressed and able to work smarter.'

“Certified Self-reliant Retirement Specialist”

Would you like to retire from the City of San Jose knowing that you had done everything possible to maximize your retirement benefits?

Retirement Services is rolling out a new program in March 2008 to help you do just that!! Earn recognition as a “Certified Self-reliant Retirement Specialist” beginning with the Early and/or Mid-Career classes and then following a plan design to educate you on every option or benefit in retirement.

Retirement Services will award you a Certificate of Completion at the end of the program. Come and learn about this program. The Early Career – “Financial Planning for

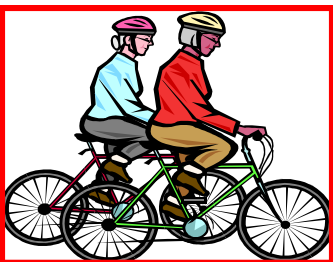
Your Future” begins on Tuesday, March 25, 2008 and Mid-Career – “Building Your Wealth” begins on Wednesday, March 26, 2008.

Mark your calendar now and watch for additional information!!



Brown Bag Schedule of Classes		
Date	Topic	Location
October 16 @ 11:30 AM	<i>Selling a Home</i>	CHW - 119
November 13 @ 11:30 AM	<i>Understanding Loans and How to Qualify</i>	CHW - 119
December 4 @ 11:30 AM	<i>Tax Planning for 2007 and Beyond</i>	CHW -119

City of San José Office on Aging



Did you know the City of San José’s Office on Aging offers a program dedicated to serving older adults age 50+, families, and caregivers? The Older Adult Resource Program provides information and assistance in private homes, local senior centers, and at the Older Adult Resource Center located at 5730 Chambertin Drive in San José. The range of services provided by the Older Adult Resource Program includes information and referral, assistance with completing forms, and a weekday operated Helpline (407)979-7911. Upon completing an as-

essment of needs, the Older Adult Resource Specialist will make recommendations for appropriate services. Some examples of information provided by the Older Adult Resource Program include housing, transportation, health insurance, home health care, legal aid, and much more.

The primary goal of the Older Adult Resource Program is to enhance the quality of life for seniors. This service is free to all residents of San José. Please call (408)979-7904 for more information.

Members That Have Passed Away

Name	Department	Retired	Passed Away
Carroll W. Krenz	Airport Department	7/22/90	6/4/07
Pauline Hawkins	Communications Department	8/1/73	9/23/07
Ralph D. Libby	Communications Department	9/8/89	4/21/07
Allan S. McClure	Economic Development	7/10/91	6/1/07
Virginia L. Collier	Environmental Services	1/21/05	6/22/07
Louis N. Garcia	Environmental Services	4/4/98	7/14/07
Donnalee E. Matthews	Finance Department	6/24/90	5/27/07
Ethan M. Coburn	Fire Department	5/6/87	6/22/07
Glenn V. Sinnott	Fire Department	4/1/75	8/8/07
Kimberly Thronson	Fire Department	Active	6/4/07
Robert A. Caltabiano	Fire Department	6/6/82	7/23/07
Robert W. Ellis	General Services	1/6/91	8/19/07
Ernestine Cleghorn	Library Department	7/3/93	5/18/07
L. Rheda Allen	Library Department	11/9/85	6/8/07
Ruth Parsons	Library Department	5/16/87	7/18/07
Salvatore A. Nicoletta	Parks & Recreation	9/30/78	7/18/07
Lucille L. Jones	Parks, Recreation & Neighborhood Services	9/3/77	6/1/07
Beverly J. Anderson	Police Department	12/4/04	7/7/07
David M. Sandoval	Police Department	6/23/07	6/25/07
Dorothy H. Miller	Police Department	3/16/80	8/8/07
Stephen Ronco	Police Department	7/31/04	7/5/07
William J. Wittman	Police Department	11/3/86	7/16/07
Anna I. Wilson	Public Works Department	4/20/85	5/23/07
Earl W. Hall	Water Pollution Control Plant	7/18/92	5/5/07

Please Help & Be Heard!

As you may have heard, the City is working on solutions to resolve the General Fund structural deficit over the next three years. We're looking at all possible solutions to solve the over \$100 million projected shortfall.

However, we know great ideas come from those who do and did the work. We'd like to hear your suggestions and recommendations.

The most effective way to capture this information is through an electronic survey. Please take a few minutes to complete this electronic survey and give us any other suggestions you may have to address the recurring budget shortfall. You can access the Electronic Survey from the City's Intranet page or from home at

www.SJBudgetEmployeeSurvey.com

The City Manager's General Fund Structural Deficit Task Force will incorporate the results of this survey into a strategy plan that will be considered by the City Council in early 2008.

Benchmarks

Continued from page 1

For the same time period, the FCERS's portfolio had 43.6 percent invested in domestic equities, 1.7 percent in private equities, 16.5 percent in international equities, 26.8 percent in domestic fixed income, 6.3 percent in global fixed income, 5.0 percent in real estate, and 0.1 percent of the portfolio was held in cash equivalents.

The P&F administers retirement and health benefits for approximately 3,700 active and retired Police and Fire employees and their families. And the FCERS provides same services to approximately 7,400 active and retired non-sworn employees of the City and their families. For more information visit our website at www.sjretirement.com.

Mayor's Budget Shortfall Advisory Group Meeting Schedule

The Budget Shortfall Advisory Group meetings will be held at San José City Hall, Rooms 118-119 (in the Wing), 200 E. Santa Clara Street. Meetings of the advisory group are open to the public. All times are from 6 p.m. to 8 p.m.

November 15*

December 3

January 7*

Meetings in January TBD

* Co-meeting with the City Manager's General Fund Structural Deficit Task Force

We appreciate your help with this issue.

Did you know

The City of San José Airport Bonds sales broke industry records?

The San Jose Holiday Parade has won more international awards than any other parade of it's size?

- Did you know San Jose is home to more than half the biggest tech firms in the world?
- Leads the country in developing affordable housing?
- San José is on the top ten list of Best Walking Cities?
- San José's Retirement Services has won Achievement for Excellence in Financial Reporting 7 years in a row

Of course you didn't know. Good news doesn't make headlines. If you'd like to receive the good news about the City of San José subscribe via email to **INSIDE SAN JOSE**, the City's award-winning monthly electronic newsletter. To join the subscription list send an email to insidesanjose@sanjoseca.gov or go to the City's website and click on Publications for back issues.

To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please call **408-392-6707** or **408-294-9337 (TTY)** as soon as possible, but at least three business days before the meeting/event. You may also email **Roger.Pickler@sanjoseca.gov**, Fax: 408-392-6732



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