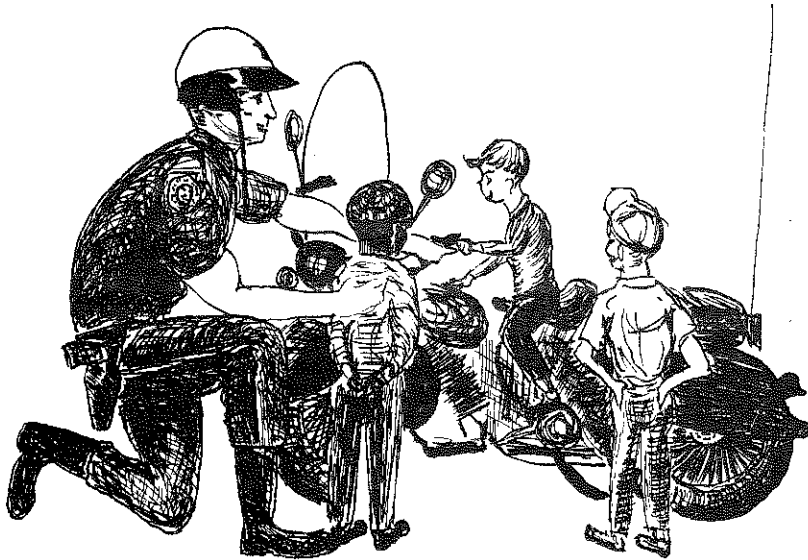


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ANNUAL REPORT  
1967

POLICE AND FIRE RETIREMENT PLAN

ANNUAL REPORT

FOR PERIOD JANUARY 1, 1967 - DECEMBER 31, 1967

# POLICE AND FIRE RETIREMENT PLAN

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## POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

### RETIREMENT BOARD

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

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

As of December 31, 1967, the members were as follows:

- JOSEPH A. COLLA - He is a member of the City Council and is one of its official representatives of the Board. He became a member of the Board on July 10, 1967.
- BARTON L. COLLINS - First elected as a representative of the employees of the Police Department on September 26, 1946, Chief Collins serves as the President of the Board. His present term expires October 10, 1968.
- ROBERT I. JACKSON - He is a member of the Civil Service Commission and serves on the Board at the pleasure of that Body. He was first appointed on December 4, 1967.
- RAYMOND E. JONES - First elected as a representative of the employees of the Fire Department on October 11, 1962, Captain Jones serves as a member of the Board. His present term expires on September 30, 1970.
- VIRGINIA C. SHAFFER - She is a member of the City Council and is one of its official representatives on the Board. She became a member of the Board on May 28, 1962.

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

POLICE AND FIRE RETIREMENT PLAN

HIGHLIGHTS OF THE PERIOD 1-1-67 to 12-31-67

1. Clyde L. Fischer, representative from the City Council, retired on June 30, 1967.
2. Joseph A. Colla became the new Council representative on July 10, 1967.
3. William F. Weston, representative from the Civil Service Commission, retired on December 1, 1967.
4. Robert I. Jackson became the new representative from the Civil Service Commission on December 4, 1967.
5. An actuarial survey was undertaken April 1, 1967, and the actuarial recommendations were presented to the Board of Administration in July, 1967.
6. City membership in the Plan increased from 760 as of December 31, 1966, to 827 as of December 31, 1967, an increase of 67 members.
7. One member retired for service and three members retired because of disability during 1967.
8. There are 66 members and 7 survivors receiving benefits from the Plan as of December 31, 1967.
9. During the reporting period 11 members left the membership of the Retirement Plan and had their contributions refunded.
10. The fund balance as of December 31, 1967, was \$10,386,711, an increase of \$1,736,216 during 1967.
11. Payment of pensions or survivors benefits were about \$19,415 per month during the reporting period.
12. Interest on investments for the year was \$416,190 and averaged about \$34,680 per month for the year of 1967.
13. A bank account separate from the City's General Fund was established for the Police and Fire Retirement Plan.
14. The Board authorized short term investing in treasury bills so that additional interest may be earned pending the completion of each long term bond purchase transaction.
15. A revised annual change notice was sent out on December 22, 1967, in order to keep each member's file current.
16. Yield on investments averaged 5.71% for the year which raised the annual return for the entire portfolio to 4.66% as of December 31, 1967.

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

\* Financial Report  
as of December 31, 1967

ASSETS:

Cash in Bank	\$	2,433	
Interest Receivable		108,733	
Investments		<u>10,275,545</u>	
Total Assets			<u>\$10,386,711</u>

LIABILITIES: FUND BALANCE

\$10,386,711

STATEMENT OF CHANGES IN FUND BALANCE, 12-31-66 to 12-31-67:

Fund Balance, 12/31/66			8,650,495
Add Revenues:			
Employees' Contributions:			
Old Plan	\$	3,817	
New Plan		317,680	
City's Contributions:			
Old Plan, Current Service		10,181	
Old Plan, Prior Service		5,022	
New Plan, Current Service		846,843	
New Plan, Prior Service		391,299	
Income on Investments		399,174	
Gain on Sale of Securities		-	
Accrued Interest Income		<u>17,016</u>	
Total Added Revenue			1,991,032
Subtract:			
Pensions and Survivor Benefits Paid		232,986	
Contribution Refunds		21,830	
Loss on Sale of Securities		-	
Transfer Contributions to Federated		<u>-</u>	
Total Deductions			<u>(254,816)</u>
Fund Balance, 12-31-67			<u>\$10,386,711</u>

\* All entries are tentative and subject to final audit

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Summary of Revenue & Expenses  
1-1-67 to 12-31-67

REVENUE:

Employee Contributions	\$ 321,497	
City's Contributions	1,253,345	
Investment Income	<u>416,190</u>	
Total Revenue		<u>\$1,991,032</u>

EXPENSES:

Benefits Paid	\$ 232,986	
Contribution Refund	<u>21,830</u>	
Total Expenses		(254,816)
		<u>\$1,736,216</u>

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN  
INVESTMENT HISTORY

SEPTEMBER, 1957 to DECEMBER 31, 1967  
CUMULATIVE PERFORMANCE

<u>Period Ending</u>	<u>Investments at Cost</u>	<u>Income</u>	<u>Rate of Return</u>	<u>Cumulative Gain or Loss on Sales</u>
12-31-67	\$ 10,186,000	\$ 474,800	4.66%	\$ 14,442
12-31-66	8,345,000	369,800	4.43	14,442
12-31-65	7,051,000	301,700	4.28	14,880
6-30-64	5,518,000	227,900	4.14	18,232
6-30-63	4,628,000	190,900	4.14	16,857
6-30-62	3,815,000	161,300	4.23	2,416
6-30-61	3,178,000	135,500	4.27	2,388
6-30-60	2,568,000	105,900	4.11	(5,682)
6-30-59	2,103,000	77,800	3.69	(8,152)
6-30-58	1,772,000	63,700	3.58	(5,034)
Sept-57	1,473,000	49,200	3.34	-

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ANNUAL STATISTICS

<u>Ending</u>	<u>Investments Net Increase at Cost</u>	<u>Income Net Increase</u>
12-31-67	\$ 1,840,000	\$ 105,000
12-31-66	1,294,000	68,100
12-31-65	1,537,000	73,800
6-30-64	889,000	37,000
6-30-63	798,000	29,600
6-30-62	637,000	25,800
6-30-61	603,000	29,600
6-30-60	462,000	33,300
6-30-59	334,000	15,900
6-30-58	304,000	19,400

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GROSS PURCHASE HISTORY  
SEPTEMBER, 1957 to DECEMBER 31, 1967

<u>Period Ending</u>	<u>Investments at Cost</u>	<u>Income</u>	<u>Rate of Return</u>
12-31-67	\$ 1,840,000	\$ 105,000	5.71%
12-31-66	1,385,000	72,000	5.20
12-31-65	2,313,000	105,400	4.56
6-30-64	967,000	40,000	4.14
6-30-63	1,353,000	55,600	4.11
6-30-62	680,000	27,400	4.03
6-30-61	873,000	40,100	4.59
6-30-60	805,000	40,500	5.03
6-30-59	475,000	19,000	4.07
6-30-58	583,000	24,000	4.20



POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

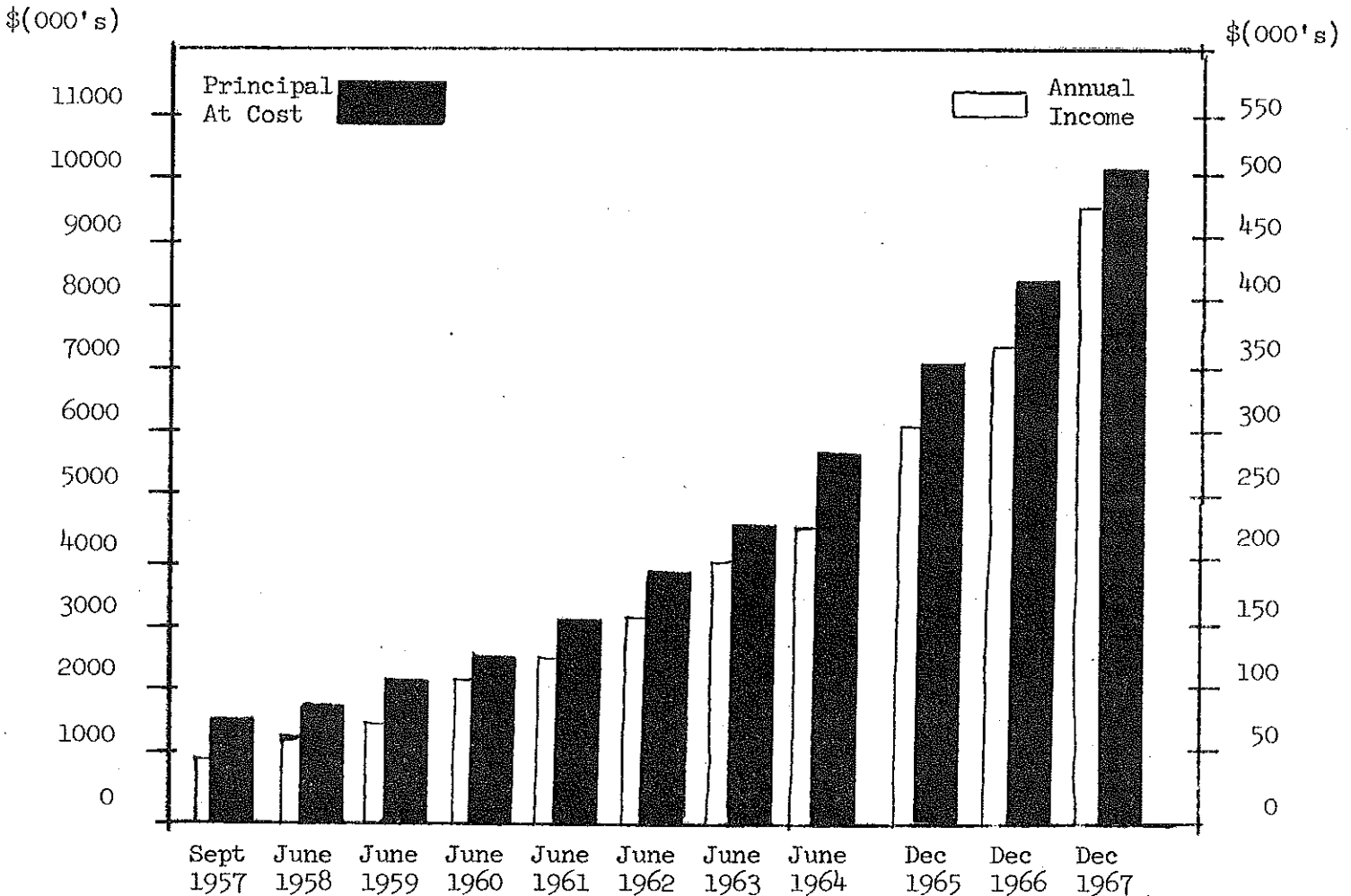
INVESTMENT COUNSEL REPORT

DECEMBER 31, 1966 to DECEMBER 31, 1967

During the year, a net total of \$1,840,000 was added to the Police and Fire Department Retirement Plan investment portfolio to bring the Plan's investments on a cost basis to a new total of \$10,186,000. The annual rate of income from investments was increased \$105,000 during the period, raising the total income to a \$474,800 rate at year-end. The 1967 contributions were invested to provide an average annual return of 5.71% and served to raise the annual return, based on cost, of the entire portfolio to 4.66% as of December 31, 1967.

During the first half of 1967, economic activity showed little increase, and yields, as measured by high quality utility bonds, declined from the January 1 level of approximately 5.70% to the 5.10% level. However, economic growth resumed in the second half of the year, and at the same time, the Government's demands for credit increased. Moreover, the uncertainty caused by the sterling crisis and large U. S. gold losses resulted in steadily increasing yields throughout the last six months of the year. The year-end yields of approximately 6.60% were among the highest since the Civil War days. This yield level presents a unique opportunity for the Retirement Plan in that it provides a return on new funds of approximately two percentage points higher than could be obtained four or five years ago.

INVESTMENTS AND INCOME  
1957 - 1967



POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Pension and Survivor Benefits Paid

January 1, 1967 - December 31, 1967

<u>NAME</u>	<u>DATE RETIRED</u>	<u>TOTAL PAID DURING PERIOD</u>	<u>AMOUNT OF MONTHLY PENSION</u>
Emerson, R. M.	12-10-58	\$ 811.44	67.62
Terry, E. E.	9-1-43	1,151.04	95.92
Dennis, H. C.	4-1-39	1,170.00	97.50
Mauldin, W. P.	9-26-44	1,174.68	97.89
Fuller, P.	1-8-46	1,212.72	101.06
Foley, R. J.	5-13-42	1,231.68	102.64
*Hill, I. C.	*Survivor since 6-12-63	2,220.40	104.29
Volonte, L. J.	5-2-49	1,390.32	115.86
Siebuhr, L.	10-1-46	1,403.28	116.94
Murphy, P. F.	4-18-50	1,692.48	141.04
Kunze, B. E.	11-25-55	1,775.16	147.93
*Russo, J.	*Survivor since 2-9-67	1,707.40	159.89
Morton, J. H.	1-14-52	1,950.72	162.56
Matranga, J.	2-1-53	2,047.80	170.65
Brown, W. C.	4-1-47	2,075.04	172.92
**Humburg, W.	3-12-53	1,115.76	173.19
Basile, F.	1-14-52	2,242.20	186.85
Adams, H.	7-14-53	2,372.28	197.69
Schwandt, H. J.	1-1-57	2,484.84	207.07
*Wakeman, L. C.	*Survivor since 9-7-67	780.29	207.15
Higgins, T. J.	8-1-53	2,507.40	208.95
Jones, I. A.	8-21-57	2,597.04	216.42
Morss, K. G.	9-20-57	2,607.72	217.31
Guptill, L. E.	7-1-54	2,612.04	217.67
Anderson, E. D.	8-1-55	2,718.48	226.54
Powers, J. J.	8-22-55	2,719.32	226.61
Anderson, H. H.	11-1-55	2,731.80	227.65
Salisbury, D. E.	2-1-59	2,763.84	230.32
*Ogden, A. L.	*Survivor since 12-15-63	2,797.92	233.16
Malpass, W. A.	10-7-56	2,818.20	234.85
Maclean, W. A.	11-27-57	3,010.32	250.86
Spadafore, C.	3-1-60	3,012.72	251.06
Emery, W.	5-26-60	3,036.12	253.01
Powers, E. W.	6-1-59	3,332.16	277.68
Garcia, S.	2-27-62	3,336.24	278.02
Holden, R. S.	4-26-62	3,365.40	280.45
Emery, L. W.	8-20-64	3,395.28	282.94
Miller, E. C.	11-1-59	3,418.68	284.89

<u>NAME</u>	<u>DATE RETIRED</u>	<u>TOTAL PAID DURING PERIOD</u>	<u>AMOUNT OF MONTHLY PENSION</u>
Jennings, R. R.	9-5-60	\$ 3,517.68	\$ 293.14
Bosque, C.	5-3-66	3,617.04	301.42
Murray, C. A.	3-12-62	3,837.24	319.77
Edes, H. A.	7-1-62	3,906.00	325.50
Gray, R. T.	4-1-65	3,921.36	326.78
Conyers, Sr., F. E.	10-26-62	3,957.72	329.81
Acquistapace, M. J.	2-1-66	4,002.12	333.51
Alveras, A.	2-1-66	4,002.12	333.51
Murtha, V. D.	4-1-65	4,014.36	334.53
Quain, R. C.	4-1-63	4,037.28	336.44
Haas, C. G.	6-7-66	4,054.68	337.89
Hoffman, V. D.	12-6-65	4,092.96	341.08
Flesner, F. J.	7-28-63	4,109.76	342.48
Gadsby, W. R.	9-1-63	4,124.64	343.72
Atwell, H. F.	12-19-66	4,143.72	345.31
Guerin, P. C.	2-15-66	4,212.60	351.05
Fusco, G. W.	6-10-67	2,358.87	352.07
Batti, G. J.	5-11-64	4,227.36	352.28
Blackwood, T. C.	11-1-64	4,331.64	360.97
Browder, S. D.	4-1-65	4,378.32	364.86
Creamer, W. M.	4-15-67	3,143.68	368.40
Rebhan, B. E.	8-15-65	4,449.96	370.83
Davis, H.	9-1-65	4,455.84	371.32
*Sawyer, B. E.	*Survivor since 12-12-60	4,493.76	374.48
Anderson, W. E.	11-14-67	590.63	377.00
Kirby, H.	7-1-62	4,582.08	381.84
Pinkston, J. A.	4-16-66	4,620.60	385.05
Mattern, J. A.	7-16-66	4,685.16	391.56
Kidder, D. R.	9-1-66	4,782.24	398.52
Campbell, L. A.	2-1-63	5,010.96	417.58
Cecil, D. M.	7-7-66	5,098.20	424.85
*Bruegmann, M. A.	*Survivor since 10-13-63	5,152.86	429.40
Pracna, E. S.	4-13-63	5,175.24	431.27
Parker, H. C.	5-1-64	5,281.08	440.09
*Shepherd, D. M.	*Survivor since 12-25-66	2,727.45	449.58
		<u>\$227,887.40</u>	<u>\$19,962.94</u>

DECEASED

YEAR DECEASED

Hertell, C. A.	1,110.15	10-24-67
Russo, A. J.	375.62	2-9-67
Santoro, L. S.	578.17	6-4-67
Wakeman, S. L.	3,032.17	9-7-67

\$ 5,096.11

\$232,983.51

\*\*Humburg pension subject to Industrial Accident payment from General Fund

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

THE FOLLOWING PERSONS APPLIED FOR AND RECEIVED ENTITLEMENT FOR A MONTHLY RETIREMENT BENEFIT DURING THE PERIOD JANUARY 1, 1967, to DECEMBER 31, 1967:

- WILLIAM E. ANDERSON - Employed 2-4-58 to 11-14-67 in the Police Department. Retired under provisions of Section 2903.209.
- WILLIAM M. CREAMER - Employed 2-5-44 to 4-15-67 in the Police Department. Retired under provisions of Section 2903.208.
- GEORGE W. FUSCO - Employed 4-14-45 to 6-10-67 in the Fire Department. Retired under provisions of Section 2903.208.
- GEORGE W. VITEK - Employed 11-8-24 to 2-3-67 in the Fire Department. Retired under provisions of Section 2903.175.

THE FOLLOWING PERSONS DIED WHILE STILL IN SERVICE DURING THE PERIOD JANUARY 1, 1967 to DECEMBER 31, 1967:

- DONALD R. PHIPPS - Employed 1-1-60 in the Fire Department. Died 10-5-67 while on military leave in Viet Nam.
- WILLIAM G. SHEPHERD - Employed 12-9-57 in the Fire Department. Died 12-25-66.

THE FOLLOWING PERSONS DIED AFTER RETIREMENT DURING THE PERIOD JANUARY 1, 1967 to DECEMBER 31, 1967:

- CHARLES HERTELL - Employed 3-15-09 to 9-27-43 in the Police Department. Died on 10-24-67.
- ANTHONY J. RUSSO - Employed 6-5-23 to 8-29-62 in the Police Department. Died on 2-9-67.
- GEORGE W. VITEK - Employed 11-8-24 to 2-3-67 in the Fire Department. Died on 2-11-67.
- SEYMOUR L. WAKEMAN - Employed 6-18-33 to 4-1-65 in the Police Department. Died on 9-7-67.

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Contributions Refunded  
January 1, 1967 - December 31, 1967

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CONTRIBUTIONS</u>	<u>INTEREST</u>	<u>TOTAL REFUND</u>
Cleveland, R. E.	Fire	162.96	.83	163.79
Sauer, J. M.	Fire	602.69	12.49	615.18
Cummings, J. K.	Police	1,217.78	78.22	1,296.00
Cady, D. D.	Police	166.50	.83	167.33
Piper, W. M.	Police	1,808.42	145.66	1,954.08
Jaeger, J. N.	Police	3,137.22	300.23	3,437.45
Hernandez, A. P.	Police	175.10	.73	175.83
Larson, M. W.	Police	1,806.08	92.35	1,898.43
McMillan, W. M.	Police	287.66	2.39	290.05
Estate of		1,783.69		
Phipps, D. L.	Fire		139.93	1,923.62
McCarthy, W. E.	Police	229.55	13.09	242.64
		<u>\$ 11,377.43</u>	<u>\$ 786.75</u>	<u>\$ 12,164.40</u>

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

PENDING BOARD RECOMMENDED CODE REVISIONS

1. On September 6, 1966, the Board recommended that all military leave credits should be paid for by the city.
2. On September 6, 1966, the Board recommended including classes which were omitted from the 1961 Plan.
3. On September 6, 1966, the Board recommended that the emergency personnel remaining in the 1946 Plan be given the option to join the 1961 Plan if all back contributions are made up.
4. On September 6, 1966, the Board recommended that an amendment be made to the San Jose Municipal Code for designation of a beneficiary for retirement and survivorship benefits.
5. On February 14, 1967, the Board recommended deleting abolished classes and adding new classes to the San Jose Municipal Code.