

Retirement System Newsletter



Inside this issue:

Open Enrollment	2
SRBR or Supplemental Retiree Benefit Reserve	3
10 Tips for Fall Fitness	4
Retirement Choices	5
Retirements	6
In Memory of . . .	9
Helpful Hint #2	10
Board of Trustee Schedule	10
Board Elections	10

Your Defined Benefit Plan and the Economy

By Ron Kumar

Many people are concerned about how the downturn in the stock market is going to affect their current or future retirement benefit. The short answer is that with Defined Benefit Plans, such as the Federated City Employees' Retirement System and the Police and Fire Department Retirement Plan, the defined benefit is based on a formula that is not affected by market movements. Important factors in the formula are final average salary and years of service. That formula does not change based on how much money is invested in the retirement plan.

A longer answer is that the Trustees of the Boards of Administration for the two retirement plans have adopted a long-term asset allocation strategy to take advantage of different market conditions. The two plans balance out their allocation to stocks with investments in bonds and alternative investments. Even within those broad categories, the asset allocation is further diversified between different types of stocks and bond managers. A diversified asset allocation allows the funds to weather all types of market conditions.

The portfolios of the Retirement Plans are diversified among numerous asset classes which are benchmarked against various indices. Consequently, the Retirement Plans' exposure to the collapse of individual companies is not significant.

However, the Retirement Plans continue to be exposed to the general market risk. In a pension plan context,

this is the risk that the rate of return earned on the assets could be below the actuarially assumed rate of return, which is 8.0% for the Police & Fire Plan and 8.25% for the Federated Plan. While market risk could impact the financial condition of the Plans and the City's required contribution to the Plans, the Department of Retirement Services is working to reduce the Plans' exposure to general market risk by improving portfolio diversification by increasing the long-term allocation to Alternative Investments.

For the fiscal year ending June 30, 2008, the Federated Plan declined by only 3.1% of its total assets and the Police and Fire Plan declined by 5.1% while other public funds declined by an average of 4.4% and the S&P 500 declined approximately 13.1%.

In conclusion, while there is inherent market risk in the retirement plan's investment, this risk is modified through the diversification of assets among a broad spectrum of investments. This market risk, however, does not impact the calculation or payment of an employee's retirement benefit.



Open Enrollment Begins November 1, 2008

The month of November is Open Enrollment time for City of San José Retirees. You'll have an opportunity to...

- Change your medical, dental, and/or vision plans
- Re-enroll if you have dropped your medical, dental, and/or vision coverage
- Add qualified dependents to your medical, dental, and/or vision plans

For the year 2009 both retirement boards have designated the Kaiser Plan with \$10 co-pay as the lowest cost plan. This plan is offered to early retirees. Those retirees in Kaiser Senior Advantage Plan will not see any changes in their co-pays.

Members will see additional benefits related to wellness initiatives with Blue Shield and Kaiser Permanente plans, such as discounts for Weight Watchers and rewards for participation in health promotion programs.

This year EyeMed Vision Care has introduced a new vision plan designed to cover eyewear materials only.

Open Enrollment packets will be sent to all qualifying retirees the last week of October. If you do not receive a packet call the office at (408) 392-6700 or 1(800) 732-6477 to request that one be sent to you or go online at www.sjretirement.com to review and print the open enrollment materials. You may also print the materials from the website.

All Open Enrollment change requests must be submitted to Retirement Services by **November 30, 2008**. Submit your changes by completing the open enrollment form and mailing it or faxing it to Retirement Services. You may also enroll on-line by visiting our website www.sjretirement.com. Changes will become effective January 1, 2009.

Representatives from your health, dental, and vision plans will be available at the Retirement Services office on Wednesday, November 19, 2008 to answer retirees' plan-specific questions throughout the duration of the Health Fair. The Health Fair is scheduled from 10:00 am to 1:00 pm in our Conference Room located at 1737 North First Street, Suite 600, 6th Floor, San José, CA.

The following timeline shows the presentation times for each of the providers:

Retiree Schedule of Providers Nov. 19, 2008 1737 North First Street Suite #600	
Time	Provider
10:30 AM	Blue Shield of California
11:00 AM	Delta Dental (PPO/PMI)
11:30 AM	Kaiser Permanente of California
12:00 PM	Marc Derendinger (Vision, LTC, Allstate)
12:30 PM	PacificCare/AARP Medicare Com- plete (Secure Horizons)



Reminder When You Move

It is important to notify us in writing of your new address, phone number and email address. Drop us a signed note:

Retirement Services

1737 North First Street Suite 580

San Jose, CA 95112

SRBR or Supplemental Retiree Benefit Reserve

Retiree Joe Smith has been retired for only a few months. He is sitting quietly at home opening his mail in mid November. He picks up the next piece of mail and notices it looks like his pension benefit advice notice. However, he says to himself, “this can’t be! It is too early to receive my benefit check!” He opens it up and notices that it is for the wrong amount. He thinks “what is going on over there?” He notices the notation SRBR. “What the heck is that!?”

Well Joe, SRBR comes from the Supplemental Retiree Benefit Reserve. This program allows for eligible beneficiaries of either retirement systems to participate in the distribution of excess of investment earnings. All retired

members and survivors as of June 30, 2008 receive a distribution. This is a reason someone might want to consider retiring on June 30 instead of July 1. A point system determines the amount of each distribution.

Eligible beneficiaries will receive their distribution of the SRBR benefit approximately a week before the end of November.

Joe places the advice notice down on the table and thinks to himself “this additional benefit came at a good time of year!” Moreover, he further reflects that he is glad that the boards of trustees have been doing a good job of managing the plans assets.

10 Tips for Fall Fitness

Barbara Russi Sarnataro WebMD Feature

Fall, is a great time to start a [fitness program](#) because "you're going to create good habits for the holiday season and the upcoming winter months," says Justin Price.

Here are 10 ways to start making the most of the season. And who knows? This year, you might be in great shape before that New Year's Eve party rolls around.

1. Take advantage of the weather. Fall can be a treat for the senses: the crisp air, apple picking, pumpkin carving, a gorgeous canopy of fall foliage, and the crunch of leaves underfoot. These months are a great time to exercise outdoors and enjoy cooler temperatures.

"Walking, hiking and cycling are all awesome in the fall," says Todd Durkin, MS, fitness coach and owner of Fitness Quest 10 in San Diego, Calif.

Discover park trails and take in some new scenery, whether you're walking, biking, or in-line skating, he suggests.

2. Think outside the box. Always wanted to learn to tap dance? Attempt to box? Master the jump rope? Ask any schoolchild: Fall is a great time to learn something new.

Many classes at gyms and elsewhere get started in the fall, so look around and see if something intrigues you.

3. Be an active TV watcher. Many people get geared up for fall premieres of their favorite television shows, says Freytag. "If you're going to sit down and watch hours of TV, get moving," she suggests. "Make a date with exercise and TV."

While you watch, you can walk or run in place, do standing lunges, do tricep dips off the couch, or lift weights. During commercials, do push-ups or sit-ups. In a one-hour show, you probably have close to 20 minutes worth of commercial interruption.

4. Integrate exercise into your life. You already know the obvious suggestions: park farther away from your destination; take stairs instead of elevators; take a walk during your lunch break. Here are a few that are less obvious:

- If you're spending the afternoon taking kids to soccer practice, instead of reading a book or visiting with another parent, "why not walk around the outside of the field while they practice?", suggests Price. "Or (if you feel comfortable) warm up and cool down with the kids."
- Or try "walking meetings," like those Price and his colleagues at Biomechanics often hold. "We go for a walk, we brainstorm, and we figure out who's going to take what responsibilities," says Price. "Things get achieved much more quickly," he says, and everyone feels better for doing it.
- You can even get moving while you get motivated -- for fitness or other life goals. "Get some inspirational music or find a motivational talk and download it to your iPod," suggests Durkin. Walk while you listen for 30 minutes.

5. Rejuvenate yourself. Fall is the time to rejuvenate body, mind and spirit, says Durkin. Get a [massage](#) after your run. Learn to meditate. Take an art class. Treat yourself not just with exercise but other activities that promote wellness, he says, so you can feel good physically, mentally, emotionally, and spiritually.

6. Remember the 30-day rule. "It takes about four weeks for the body to adapt to lifestyle changes," says Price. That's why people who give up on their fitness programs tend to do so within the first 30 days.

So, when the alarm goes off in the morning and it's darker and colder, don't roll over and hit the snooze button.

"Try to stick with a program for a month," Price says. "After a month, behavior patterns will have adapted and it will be much easier to stick with it after that."

7. Strive for the 3 Cs. Freytag calls commitment, convenience, and consistency "the three Cs", and says having all

Continued on Page 11

Retirement Choices

Retirement Happens! You can be in control based on your CHOICES. The type of retirement anyone has will depend in large part on the CHOICES they have made in the past and the commitment they had to those CHOICES going forward.

Retirement Services for the past several years has offered a series of classes regarding retirement called CHOICES. The class delves into many topics related to retirement over a 7 week period in the evenings where retirees and their spouses/domestic partner meet to learn about issues related to retirement. The class is focused on people who are looking at retiring within the next one to five years. Retirement Services offers other mid-day brown bag classes to help employees in the early and mid career.

The class is structured to give participants the opportunity to look at where they are in their process of retirement. The first class takes time for participants to reflect on what they believe their ideal retirement will be

like. There is a session that participants spend time looking at the importance of health. They examine how health relates to the quality of their retirement years. The class takes time to scrutinize ones financial health and to study elements of estate planning. The final week of the class looks at Retirement Plan benefits and options as well as health, dental and other self paid voluntary benefits including long term care.

The next classes will begin January 21, 2009 for Employees in the Federated System and will meet for seven successive Wednesday evenings. Employees in the Police and Fire Plan will start January 22 and will meet for seven successive Thursday evenings. If you are interested in signing up for the class email retire.classes@sanjoseca.gov with your request to register.



Brown Bag Schedule of Classes

Date	Active/Retiree	Topic	Location
November 4, 2008 @ 11:30 AM	Active	Understanding Mortgages and How to Qualify	City Hall Wing 119
November 11, 2008 @ 11 AM	Retiree	Executor, Beneficiary & Other Important Estate Planning Decisions	1737 N. First Street Suite 600
December 2, 2008 @ 11:30 AM	Active	Tax Planning for 2008 and Beyond	City Hall Wing 119
December 9, 2008 @ 11 AM	Retiree	Estate Planning: Understanding the Basics	1737 N. First Street Suite 600
January 13, 2009 @ 11:30 AM	Active	Tax Planning for 2008 and Beyond	City Hall Wing 119
January 20, 2009 @ 5:30 PM	Active Federated	CHOICES Begins	1737 N. First Street Suite 600
January 21, 2009 @ 5:30 PM	Active Police/Fire	CHOICES Begins	1737 N. First Street Suite 600
January 21, 2009 @ 5:30 PM	Retiree	Tax Planning for 2008 and Beyond	1737 N. First Street Suite 600

Please fax your registration to 392-6732 or email it to retire.classes@sanjoseca.gov.

Attendees are selected on a first come, first serve basis.

Retirements June, July, August, September			
Name	Position	Department	Years
Charles C. Carter	Fire Engineer	Fire Department	40.15
James H. Carter	Deputy Chief	Fire Department	35.73
Greg Hemingway	Fire Captain	Fire Department	35.55
John S. Diquisto	Fire Captain	Fire Department	34.39
David E. Moore	Fire Captain	Fire Department	33.42
David A. Bacigalupi	Police Sergeant	Police Department	32.61
Larry J. Samarron	Firefighter	Fire Department	32.27
Ronald A. Landeros	Fire Engineer	Fire Department	32.21
Samuel G. Garcia	Fire Engineer	Fire Department	32.04
Raul J. Castro	Firefighter	Fire Department	30.94
Gary W. Moe	Fire Captain	Fire Department	30.94
Deborah A. Bettendorf	Sr. Engineer Technician	Public Works Department	30.74
Gloria J. Somontes	Senior Office Specialist	Planning, Building and Code Enforcement	30.21
Barron K. Anderson	Wastewater Plant Operator	Environmental Services Department	30.15
Guadalupe Olivas	Senior Maintenance Worker	Transportation Department	30.03
Linda Mendez-Ortiz	Senior Librarian	Library	30.00
Thomas D. Murphy	Police Sergeant	Police Department	29.73
Margaret Rollis	Division Manager	Planning, Building and Code Enforcement	29.71
Rodney A. Gomes	Police Sergeant	Police Department	29.69
Leon Kimura	Sr. Development Officer	Housing Department	29.56
William C. Murray	Firefighter	Fire Department	29.14
Joe R. Reyes	Police Sergeant	Police Department	29.14
Kenneth R. Hernandez	Firefighter	Fire Department	29.11
Gaetano Bernardo	Lieutenant	Police Department	29.06
Rudolph R. Arroyo	Fire Engineer	Fire Department	29.04
Patrick H. Carder	Fire Engineer	Fire Department	28.30
Barry Franchi	Fire Captain	Fire Department	27.97
William Boderio	Fire Engineer	Fire Department	27.91
Dario C. Estrabao	Police Officer	Police Department	27.67
Dave Newman	Police Sergeant	Police Department	27.45

Retirements June, July, August, September			
Name	Position	Department	Years
Terrence E. Meehan	Senior Analyst	Environmental Services Department	27.39
Morette Anderson	Staff Tech	Human Resources	27.30
Kenneth Jacksteit	Police Sergeant	Police Department	27.24
William E. Lara	Police Sergeant	Police Department	27.21
Elaine Bolender	Principal Office Specialist	Environmental Services Department	26.89
Dennis J. Lopez	Police Officer	Police Department	26.47
Stephanie Connor	Sr. Account Clerk	Police Department	26.15
Ronald A. Ezell	Police Officer	Police Department	25.86
Luis F. Espineira	Lieutenant	Police Department	25.50
Mike E. Smith	Police Sergeant	Police Department	25.41
Francisco A. Estrada	Police Officer	Police Department	25.39
Michael Evans	Police Sergeant	Police Department	25.35
Gordon R. Snyder	Fire Engineer	Fire Department	25.15
Ernest P. Brown	Police Officer	Police Department	25.08
Thomas W. Sandoval	Police Sergeant	Police Department	25.07
Peggy Vallecilla	Police Sergeant	Police Department	25.03
Norman K. Sato	Chief Deputy City Attorney	City Attorney's Office	24.07
Anita Rabe-Uyeno	Administrative Officer	Department of Transportation	23.92
Margaret Licon	Maintenance Worker II	Parks, Recreation and Neighborhood Services	23.47
Donald R. Coulter	Sr. Construction Inspector	Public Works Department	23.27
David A. Peyton	Recreation Superintendent	Parks, Recreation and Neighborhood Services	23.13
Kevin S. Briggs	Senior Engineer	Public Works Department	22.77
Don A. Klein	Electrical Superintendent	Airport Department	20.70
Stephen H. Cassidy	Police Officer	Police Department	20.35
Judith A. Lacy	Secretary	General Services Department	20.26
Allen L. Dye	Police Officer	Police Department	20.19
Steven C. Dixon	Sergeant	Police Department	20.19
Calvin Iwanaga	Electrician	Department of Transportation	18.87
Anita Bachtell-Hootman	Public Safety Dispatcher	Police Department	17.97
Rosemary Carlyon	Supervisor Facilities	Convention, Arts and Entertainment Department	17.85
Timothy G. Callahan	Network Technician	Information Technology	17.58
Judy M. Fuller	Administrative Assistant	City Council Offices	17.56

Retirements June, July, August, September			
Name	Position	Department	Years
Gordon B. Hilty	Sr. Public Safety Dispatcher	Police Department	17.29
Paula K. Korpi	Library Assistant	Library	16.55
Edmund J. Choy	Custodian	General Services Department	15.73
Thomas J. Webster	Deputy Director	Retirement Services Department	15.17
Richard Tetrault	Principle Engineering Technician	Public Works Department	15.14
Michael Flores	Sr. Planner	Planning, Building and Code Enforcement	15.06
Michael E. Smith	Deputy Chief	Fire Department	12.99
Jason Campbell	Police Officer	Police Department	12.91
Maryanne Schreier	Senior Office Specialist	Planning, Building and Code Enforcement	12.74
Donna Tonry	Police Officer	Police Department	11.42
Charles A. Roberson	Source Control Inspector II	Environmental Services	10.82
Pedro R. Franco	Grounds Worker	Parks, Recreation and Neighborhood Ser-	10.68
Nancy J. Musselman	Information systems Analyst	Information Technology	9.05
Robert A. Wahler	Plant Operator	Environmental Services	8.40
M. Michael Pribula	Analyst	Retirement Services	7.72
Thomas Stoflet	Environmental Program Manager	Airport	7.28
Donald DeWald	Associate Structure Land Designer	Public works Department	6.87
Yu Emily Shu	Accountant	Finance Department	6.87
Therese M. Haubenstein	Senior Typist Clerk	Finance Department	6.36
Scott Reiner	Associate Construction Inspector	Public Works	6.34
Frank Kirkbride	Assistant Director Airport	Airport Department	6.19
Cynthia L. Morrell	Senior Program Performance Auditor	Auditor's Office	6.08
Raymond L. McDonald	Senior Analyst	Office of Economic Development	6.01
Margaret Mathieson	Research Attorney	City Attorney's Office	5.25

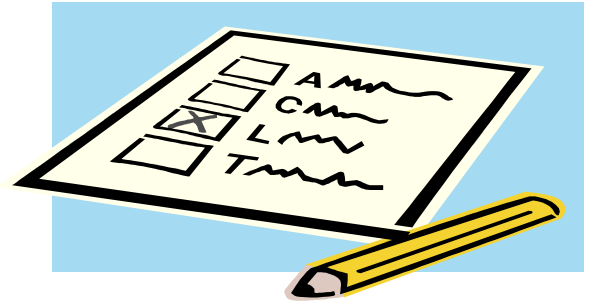
In Memory			
Name	Department	Retired	Passed Away
Freeman (Art) Gingerich	Fire Department	4/6/1988	6/14/2008
Terry Kepler	Police Department	Active	6/15/2008
Ernest P. Bustabade	Parks, Recreation and Neighborhood Services	6/9/1979	3/24/2008
Frederick Hein	Finance Department	1/11/1986	5/28/2008
Joseph C. Kirby	Public Works Department	10/4/1987	4/29/2008
Jewel J. Murphy	Neighborhood Preservation Department	6/14/1992	5/18/2008
Alice Picazo	Library	9/14/1989	5/10/2008
Guadalupe Pinedo	Airport	Active	4/10/2008
Donna L. Pope	Convention, Arts and Entertainment Department	1/22/2002	4/23/2008
Elizabeth Thatcher	Police Department	8/1/1981	4/23/2008
Claude W. Wiley	Department of Transportation	11/7/1992	1/27/2008
David E. Allard, Sr.	Convention, Arts and Entertainment Department	Active	6/18/2008
Donald Andrews	Public Works Department	9/7/1975	7/9/2008
Wallace H. Byron	Planning, Building and Code Enforcement	3/19/1978	6/21/2008
Stuart D. Damey	General Services Department	5/17/1998	6/18/2008
Jerold R. Davis	Airport	1/1/1992	7/12/2008
Peter Gamez	Environmental Services Department	2/6/1998	6/25/2008
Paul F. Hamilton	General Services Department	3/24/2007	5/29/2008
Danny C. McNatt	Police Department	3/22/2008	7/6/2008
Cynthia Macy	City Manager's Office	4/13/2007	4/10/2008
Thomas K. Moody	Department of Transportation	8/18/1984	5/16/2008
LaVonne F. (Bonnie)Morgenthaler	Finance Department	11/7/1992	5/31/2008
Jean T. Morss	Finance Department	8/2/1975	6/10/2008
Leo M. Raiche	Public Works Department	6/1/1975	6/22/2008
Dorothy Rogers	Convention, Arts and Entertainment Department	Active	2/25/2008
Barry Weaver	Department of Transportation	Active	5/12/2008
Tona Duncanson	City Council Offices	6/29/2008	8/4/2008
Albert Nodal	Department of Transportation	9/14/2003	8/14/2008
Leigh D. Welch	City Attorney's Office	2/29/1992	7/28/2008

Helpful Hint #2: Kaiser Member Turning 65 Outside Service Area

You're turning 65 next year. You are a member of Kaiser and you live outside the Kaiser service area such as Santa Cruz. Kaiser has agreed to cover you until you turn 65 and are eligible for Medicare. Because of Medicare rules you cannot live outside Kaiser's service area. You will need to find another provider such as Blue Shield, AARP MedicareComplete (Secure Horizons) or Pacific Care.

There can be a disadvantage if you wait until you are 65 and enroll in one of the other health plans. While the other health plans will accept you into their plan you may have difficulty finding a doctor who will take you on as a Medicare patient. Doctors are more willing to take you as a new patient if you are not a Medicare patient.

With open enrollment approaching it is wise to look at your options now especially if you will be turning 65 next year. This would include looking at what other doctors or medical centers are available to you. You may want to interview and research them by asking friends and neighbors about their medical services. Be ahead of the eight ball! Don't get caught in a position where you might have to settle for something less than you deserve.



Board of Trustee Elections

Both Boards of Trustees are having vacancies for the retiree member of the Board. The current terms of Ken Heridia (Police and Fire Board) and Bill Thomas (Federated Board) end with their next meeting in November. Both members have made substantial contributions to their respective Boards.

The election is run by the City Clerk and retirees should have already received their ballots. The ballots were due back to the City Clerk on November 4, 2008.

Ed Overton is the only retiree running for the Federated Board of Trustees. Brian Arvin and David Bacigalupi are running for the retiree position on the Police and Fire Board of Trustees.

Board Meetings At 1737 North First Street At 8:30 AM

Board	Date
Police and Fire	November 6, 2008
Federated	November 13, 2008
Police and Fire	December 4, 2008
Federated	December 11, 2008
*Police and Fire *	*January 15, 2008 * <i>Note this is the third Thursday</i>
Federated	January 8, 2008

Fall Fitness (Continued)

three will lead to a successful fitness program.

First, exercise takes *commitment*. When a client complains to Freytag about a lack of time, she responds: "Tell me something I haven't heard before. We're all busy; that's just part of our lives."

"You have to start planning exercise, just like you do everything else," like meetings, dinners, and getting kids to lessons and practice, she says. "Put in on the calendar, because later always turns into never."

Convenience means choosing a gym that's close by, or an activity you can do at home, or a time when you're not likely to be interrupted.

Finally, there's *consistency*. "I'd rather see a brand-new client work out for 10 minutes a day rather than one hour every month," Freytag says.

8. Deal with darkness. The best way to enjoy fall is to exercise outdoors. But it is getting darker earlier, and staying dark later in the morning, so be smart and safe.

"Just because it's 6 p.m. (or a.m.) and dark doesn't mean you can't work out," says Durkin. If walking or running outdoors, he says, "wear a reflective vest and carry a flashlight."

When cycling, affix a light to your helmet or bike.

If possible, use trails or a local school track to avoid vehicle traffic. Try to work out at the same time every day, so drivers get used to seeing you.

9. Dress in layers. When exercising outside, layer your clothing. Before your body warms up,

you may feel chilled, but once the blood gets pumping, you'll feel overdressed.

10. Find your motivation. "People are motivated by different things," says Durkin. It's important to first discover what your individual goals are, whether it's losing weight, strengthening and toning, or preparing for a race or event, says Durkin.

But goals aren't enough to get you there; you have to be motivated by the day-to-day workouts, he says. So choose something you'll enjoy doing and will be likely to keep up, whether it's walking or hiking with a friend, working with a trainer, or taking part in a "boot camp" class.

Creating a challenge for yourself will motivate you, as will encouragement and accountability, he adds. "You want to know when you're doing a good job, and when you're not," says Durkin.

Remember too, that anything worth having takes work.

"Tell me something you can do three times a week for 10 minutes and be great at? It doesn't exist," he says. "If it was easy to be great, everybody would be great."



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



THE
RETIREMENT SERVICES
DEPARTMENT
CITY OF SAN JOSE

www.sjretirement.com
