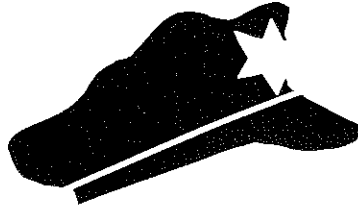


City of San Jose

OFFICIAL COPY

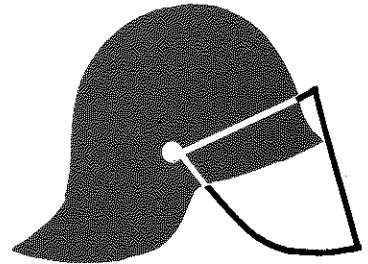
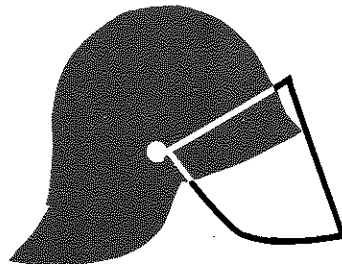
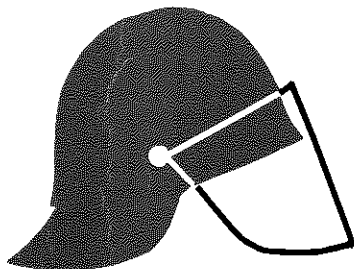


POLICE

ANNUAL REPORT

RETIREMENT • 1974

FIRE





CITY CLERK
Personnel

RETIREMENT BOARD
POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

CITY OF SAN JOSE, CALIFORNIA

277-4000

EXT. 5137

FEB 28 1975

Board Members:

J.A. COLLA

B.L. COLLINS

J.G. HAYES

R.E. JONES

D.D. SILVA

D.E. Ewing

R.B. Naylor

F.P. Nicoletti

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

Dear Mayor and Council Members:

The Board of Administration of the Police and Fire Department Retirement Plan is pleased to present its Annual Report for the calendar year 1974. Significant changes, worthy of note were:

1. Expansion of the investment policy to set forth specific objectives for each class of investments. In addition, performance goals were established so that evaluations can be made of the way in which the investment counsel performs.
2. The earnings achieved in the short-term market during the year. The Board held funds in the short-term rather than investing in long-term. Short-term earnings attained 11.26% (APR) in September and over the year totaled \$382,000 as compared to \$98,000 in 1973.
3. An actuarial review was undertaken for the four year period ending June 30, 1974. No results of this study have been received, but it is significant that a review has been undertaken in this time of financial uncertainty in order that neither the City nor the employees be burdened with a large additional sum if a change is required to maintain the financial soundness of the fund.
4. The consolidation of the staff support for both retirement systems in 1974. The appointment of the Retirement and Benefits Administrator resulted in effective coordination of investment plans and awareness of the need for critical evaluation thereof. Centralization has resulted in quicker response to the needs of the Board.

Membership has nearly doubled since 1966 while investments have grown more than fourfold. The growth from \$8 millions in 1966 to \$35 millions in December 1974 augurs well for the financial security of all involved. The Board believes that the professional services rendered by the investment counsel and the actuary have, together with the judgment of the Board, produced a sound financial fund capable of continued growth.

Sincerely,

Dorothy D. Silva
Dorothy D. Silva
Chairwoman

1974 ANNUAL REPORT

1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

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(Submitted in compliance with Municipal Code, Section 2903.110)

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.

As of December 31, 1974, the members of the Board were as follows:

- | | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| JOSEPH A. COLLA | - He is a member of the City Council and is one of its official representatives on the Board. He became a member of the Board on July 10, 1967. |
| DONALD E. EWING | - Police Lieutenant, elected in February 1974 as a representative of the Police Department to fill the term of Barton L. Collins, Retired; term to expire on November 30, 1976. |
| JANET GRAY HAYES | - 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 July 12, 1971. |
| RAYMOND E. JONES | - First elected as a representative of the employees of the Fire Department on October 11, 1962. His present term expires on November 30, 1978. |
| DOROTHY D. SILVA | - She is a member of the Civil Service Commission and serves on the Board at the pleasure of that body. She was appointed on April 6, 1970, and serves as the President of the Board. |

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

- | | |
|--------------------|-----------------------------------------------------|
| ACTUARY | - Representative of Mitchell & Kadoyama, Inc. |
| INVESTMENT COUNSEL | - Representative of Scudder, Stevens, & Clark, Inc. |
| AUDITOR | - City Auditor |

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 Chambers, Second Floor, City Hall, at 10:00 a.m. Members of the Retirement Plan may attend any of the meetings.

BOARD OF ADMINISTRATION
1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN
INVESTMENT POLICY STATEMENT

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

INVESTMENT GUIDELINES

General

The Board shall:

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

Fixed Income

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

- (1) Securities which are legal investment for Savings Banks in California or Massachusetts or New York.
- (2) Bonds which are direct obligations of, or secured by the full faith and credit of, the Dominion of Canada or any of its provinces, cities or municipal corporations.
- (3) Bonds guaranteed by any solvent corporation which are not in default either as to principal and interest provided:
 - (a) In the case of public utilities, net earnings available for fixed charges for the previous five fiscal years have averaged not less than two times average fixed charges after depreciation and taxes, and net earnings during either of the last two years have been not less than two times fixed charges.
 - (b) In the case of finance companies, net earnings in the last five fiscal years have averaged one and one-half times average fixed charges, and during either of the last two years net earnings have not been less than one and one-half times fixed charges.
- (4) Public Improvement Bonds of San Jose.

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

Short-Term Investments

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

Common Stocks

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

- (1) Stocks must be registered on a national exchange, although this is not required with banks and insurance companies which have a net worth of at least \$50 million.
- (2) A cash dividend has been paid on 8 out of the 10 years next preceding the date of purchase, and the earnings available for dividends for 10 years have been equal to the amount of dividends paid and the company has earned the dividend paid in each of the last 3 years.
- (3) Not more than 2% of the total fund at cost shall be invested in the common stock of any corporation.
- (4) Investment in any corporation shall not exceed 5% of the outstanding shares of the corporation.
- (5) The bonds of the corporation shall qualify for purchase in order to qualify the common stock of the corporation for purchase.
- (6) Not more than 5% of the total assets at cost may be invested in preferred stocks.
- (7) Each common and preferred stock purchase must be approved by independent investment counsel.
- (8) No such investment may be made except upon the affirmative vote of at least 3 members of the Retirement Board.

Supervision

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

Performance Goals

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

Common stocks will out perform the following three measures:

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

Fixed income investments will out perform the following two measures:

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

Investment Reports

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

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

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

CITY OF SAN JOSE
1961 POLICE AND FIRE RETIREMENT PLAN

FINANCIAL REPORT AS OF DECEMBER 31, 1974
(Subject to Final Audit)

RETIREMENT FUND

BALANCE SHEET

Assets:

| | | |
|-----------------------------|----------------|----------------------|
| Cash in bank | \$ 81,858 | |
| Investments (at cost) | 34,451,071 | |
| Contributions Receivable | 393,716 | |
| Accrued Interest Receivable | <u>463,677</u> | |
| Total Assets | | \$ <u>35,390,322</u> |

Reserves:

| | | |
|------------------------------------------|--|----------------------|
| Retirement Reserves (see schedule below) | | \$ <u>35,390,322</u> |
|------------------------------------------|--|----------------------|

ANALYSIS OF CHANGES IN RETIREMENT RESERVES

| | | | |
|-------------------------------|------------------|------------------|----------------------|
| Balance December 31, 1973 | | | \$ 30,696,029 |
| Add - Revenues: | | | |
| Employees' contributions: | | | |
| Old plan | \$ 1,502 | | |
| New plan | <u>793,189</u> | \$ 794,691 | |
| City contributions: | | | |
| Permanent pension increase | 31,695 | | |
| Old plan, current service | 4,004 | | |
| Old plan, prior service | 3,549 | | |
| New plan, current service | 2,073,972 | | |
| New plan, prior service | <u>1,387,849</u> | 3,501,069 | |
| Income on investments: | | | |
| Interest | 1,820,448 | | |
| Dividends | 148,697 | | |
| Loss on sales of securities | <u>(45,860)</u> | <u>1,923,285</u> | |
| Total Revenue | | | <u>6,219,045</u> |
| | | | 36,915,074 |
| Deduct - Expenditures: | | | |
| Pension and survivor benefits | 1,435,134 | | |
| Contributions refunded | 34,786 | | |
| Cost of living - City paid | 31,695 | | |
| Transfer to Federated | <u>23,137</u> | | <u>1,524,752</u> |
| Balance December 31, 1974 | | | \$ <u>35,390,322</u> |

CITY OF SAN JOSE
1961 POLICE AND FIRE RETIREMENT PLAN

FINANCIAL REPORT AS OF DECEMBER 31, 1974
(Subject to Final Audit)

COST OF LIVING FUND

BALANCE SHEET

Assets:

| | |
|--------------------------|---------------|
| Cash in bank | \$ 6,666 |
| Investments (at cost) | 676,160 |
| Contributions Receivable | 17,745 |
| Interest Receivable | <u>11,163</u> |

| | |
|--------------|------------------|
| Total Assets | <u>\$711,734</u> |
|--------------|------------------|

Reserves:

| | |
|------------------------------------------|------------------|
| Retirement Reserves (see schedule below) | <u>\$711,734</u> |
|------------------------------------------|------------------|

ANALYSIS OF CHANGES IN RETIREMENT RESERVES

| | | |
|--------------------------------|--------------|------------------|
| Balance December 31, 1973 | | \$551,174 |
| Add - Revenues: | | |
| Employees' contributions | 56,922 | |
| City contributions | 147,787 | |
| Income from investments | 45,434 | |
| Profit on sales of securities | <u>1,305</u> | <u>251,448</u> |
| | | 802,622 |
| Deduct - Expenditures: | | |
| Pensions and Survivor Benefits | 89,277 | |
| Contributions refunded | 1,311 | |
| Transfer to Federated | <u>300</u> | <u>90,888</u> |
| Balance December 31, 1974 | | <u>\$711,734</u> |

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

INVESTMENT REPORT

of

Scudder, Stevens, and Clark, Inc.

INVESTMENT COUNSEL

During the year, the cost basis of the Police and Fire Department Retirement Plan investment portfolio was increased by \$6,082,000. As of December 31, 1974 the Plan's investments on a cost basis amounted to \$35,279,000. The annual rate of income at year-end was increased by \$761,000 raising the total to \$2,426,000. This provided a rate of return in the total portfolio of 6.88%, an increase of 1% over last year's rate of return. This substantial increase was the result of close to a 9% return on the long-term bonds purchased, and an even higher return on the short-term certificates of deposit and federal agency discount notes acquired.

As for the common stocks in the Fund, the Retirement Board's concern over the oil problems, the impeachment proceedings, high interest rates, and inflation was such that the Retirement System was a net seller of equities during the year. As a result of these sales, plus the sizeable cash flow invested in bonds, the stock position of the Fund on a cost basis was reduced from 17% to 12%.

The continued growth in the overall rate of return of the Fund will mean that consideration will be given again to raising the assumed rate of return for actuarial purposes.

PORTFOLIO PERFORMANCE REPORT

A. By Investment Counsel

1970-1974

Bond Investments

| <u>Period Ending</u> | <u>Gross Purchases</u> | <u>Gross Sales</u> | <u>Annual Time - Weighted Rate of Return</u> |
|----------------------|------------------------|--------------------|----------------------------------------------|
| 12/31/74 | \$4,526,000 | \$ 290,000 | 8.93% |
| 12/31/73 | 2,103,000 | 996,000 | 8.04% |
| 12/29/72 | 3,284,000 | 1,419,000 | 7.22% |
| 12/31/71 | 3,650,000 | 864,000 | 7.04% |
| 12/31/70 | 3,866,000 | 290,000 | 8.07% |

Common Stock Investments (Including Convertibles)

| | | | |
|----------|------------|------------|-------|
| 12/31/74 | \$ 523,000 | \$ 867,000 | 5.40% |
| 12/31/73 | 2,540,616 | 471,000 | 3.37% |
| 12/29/72 | 2,104,720 | 371,617 | 2.20% |
| 12/31/71 | 918,869 | 214,636 | 3.26% |
| 12/31/70 | 560,430 | 74,251 | 3.44% |

Total Investments

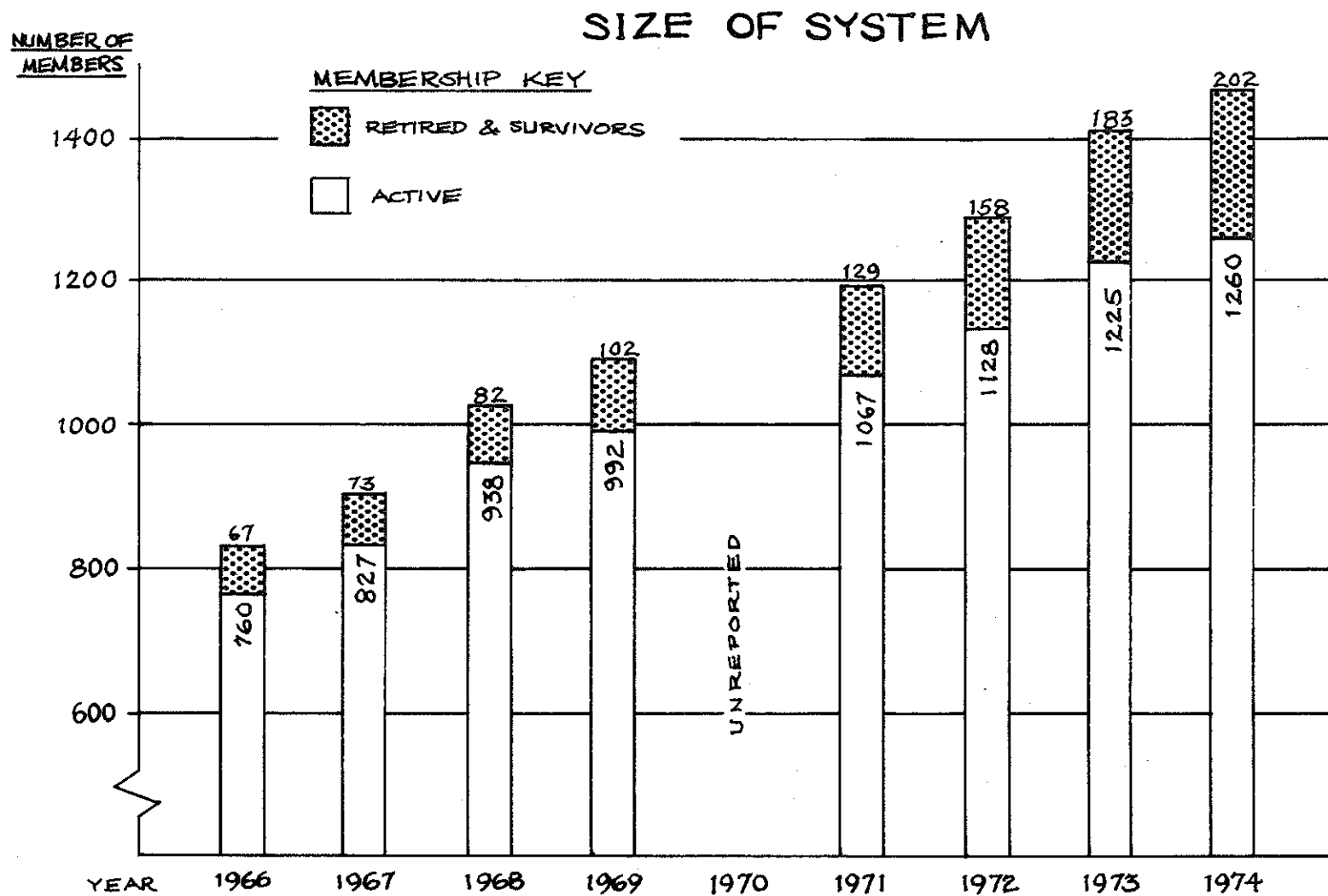
| <u>Period Ending</u> | <u>Investments at Cost</u> | <u>Year End Annual Rate of Income</u> | <u>Rate of Return</u> |
|----------------------|----------------------------|---------------------------------------|-----------------------|
| 12/31/74 | \$35,279,000 | \$ 2,426,000 | 6.88% |
| 12/31/73 | 28,907,000 | 1,692,000 | 5.85% |
| 12/29/72 | 25,965,000 | 1,491,000 | 5.74% |
| 12/31/71 | 22,051,000 | 1,272,000 | 5.77% |
| 12/31/70 | 18,484,000 | 1,044,000 | 5.65% |

The Cost-of-Living Fund, which amounts to approximately \$675,000 is invested in high coupon bonds and convertibles providing an estimated annual income of \$55,000 for a current time weighted rate of 8.15%.

B. By City Staff

| <u>Calendar Year</u> | <u>Regular</u> | | | <u>Cost of Living</u> | | |
|----------------------|--------------------------------|-------------------------------------|---------------------------------|-----------------------|---------------------|---------------------------------|
| | <u>Investments at Cost (1)</u> | <u>Interest & Dividends (2)</u> | <u>Dollar Weighted Rate (3)</u> | <u>Investment (1)</u> | <u>Interest (2)</u> | <u>Dollar Weighted Rate (3)</u> |
| 1974 | \$34,604,000 | \$1,923,285 | 5.56% | \$ 675,000 | \$46,739 | 6.92% |
| 1973 | 28,523,000 | 1,326,580 | 4.65% | 384,000 | 36,655 | 9.55% |
| 1972 | 25,630,000 | 1,369,819 | 5.34% | 335,000 | 22,031 | 6.58% |

- (1) Appraisal of Security Holdings, quarterly; Scudder, Stevens and Clark, Inc. as of December 31.
- (2) Annual Financial Reports; Director of Finance, City of San Jose. (Less Cash in Bank and Interest Receivable, but includes Gain/Loss from sale of Securities).
- (3) Based upon cost (Annual income divided by total investments at cost).

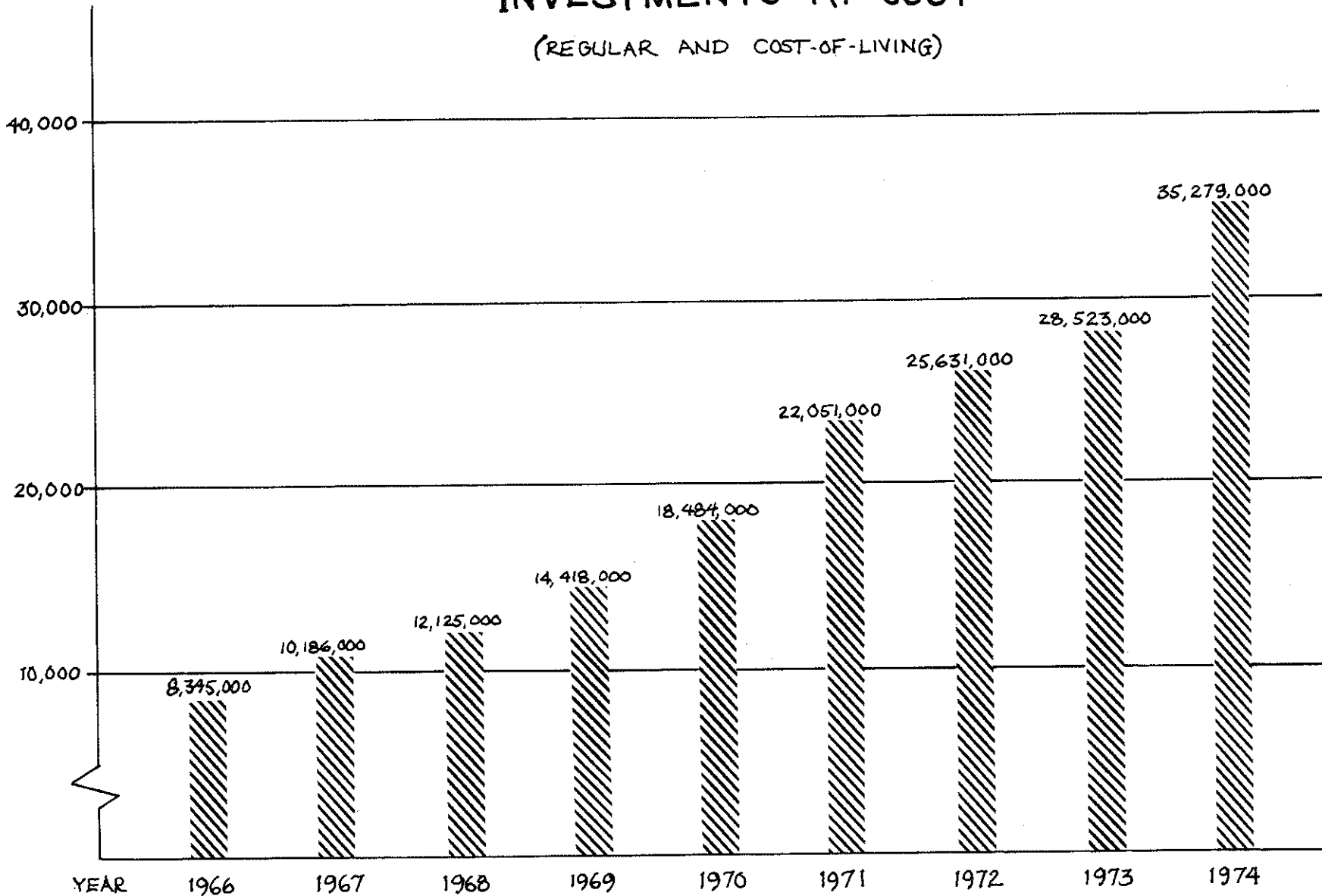


| | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 |
|-----------|------|------|------|------|------|------|------|------|------|
| ACTIVE | 760 | 827 | 938 | 992 | | 1067 | 1128 | 1225 | 1260 |
| RETIRED | 63 | 66 | 75 | 82 | | 110 | 138 | 161 | 175 |
| SURVIVORS | 4 | 7 | 1 | 10 | | 19 | 20 | 22 | 27 |

DOLLARS

(000 OMITTED)

INVESTMENTS AT COST (REGULAR AND COST-OF-LIVING)



1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

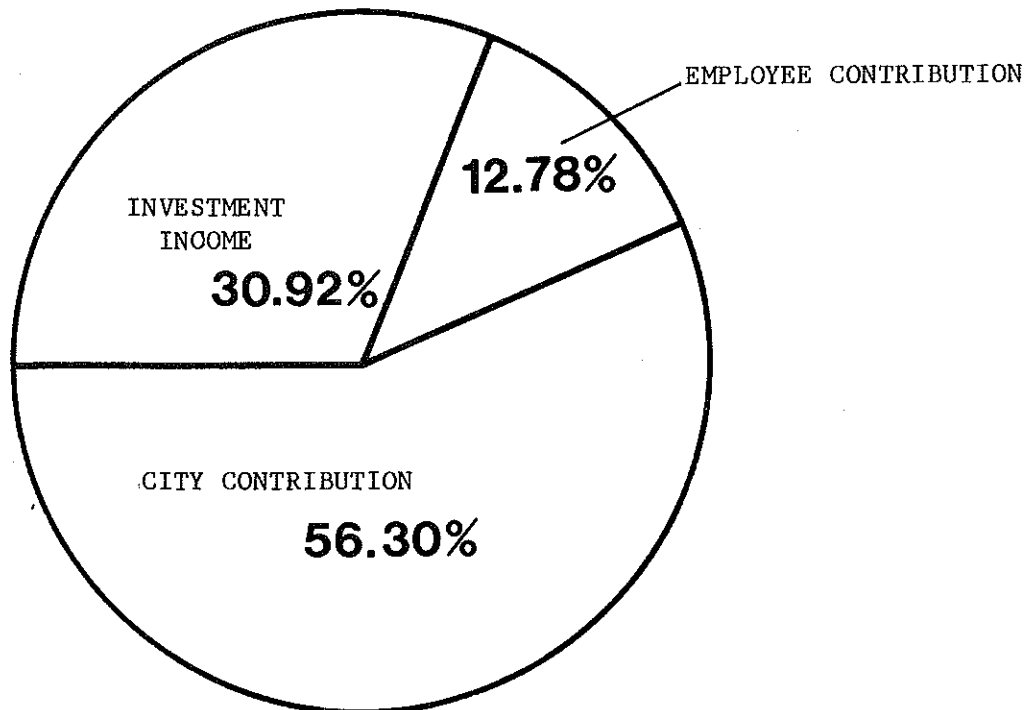
Contributions and Revenues

1. Each member of the Retirement Plan contributes 4.05% of his salary for retirement benefits and an additional .29% for cost of living benefits, for a total employee contribution equalling 4.34% of payroll.
2. The City contributes to the Retirement Plan the following percentage of payroll:

| | |
|--------------------------|--------------|
| Current service | 10.80% |
| Prior service | <u>7.09%</u> |
| Retirement benefit total | 17.89% |
| Cost of Living | <u>.77%</u> |
| Total City contribution | 18.66% |

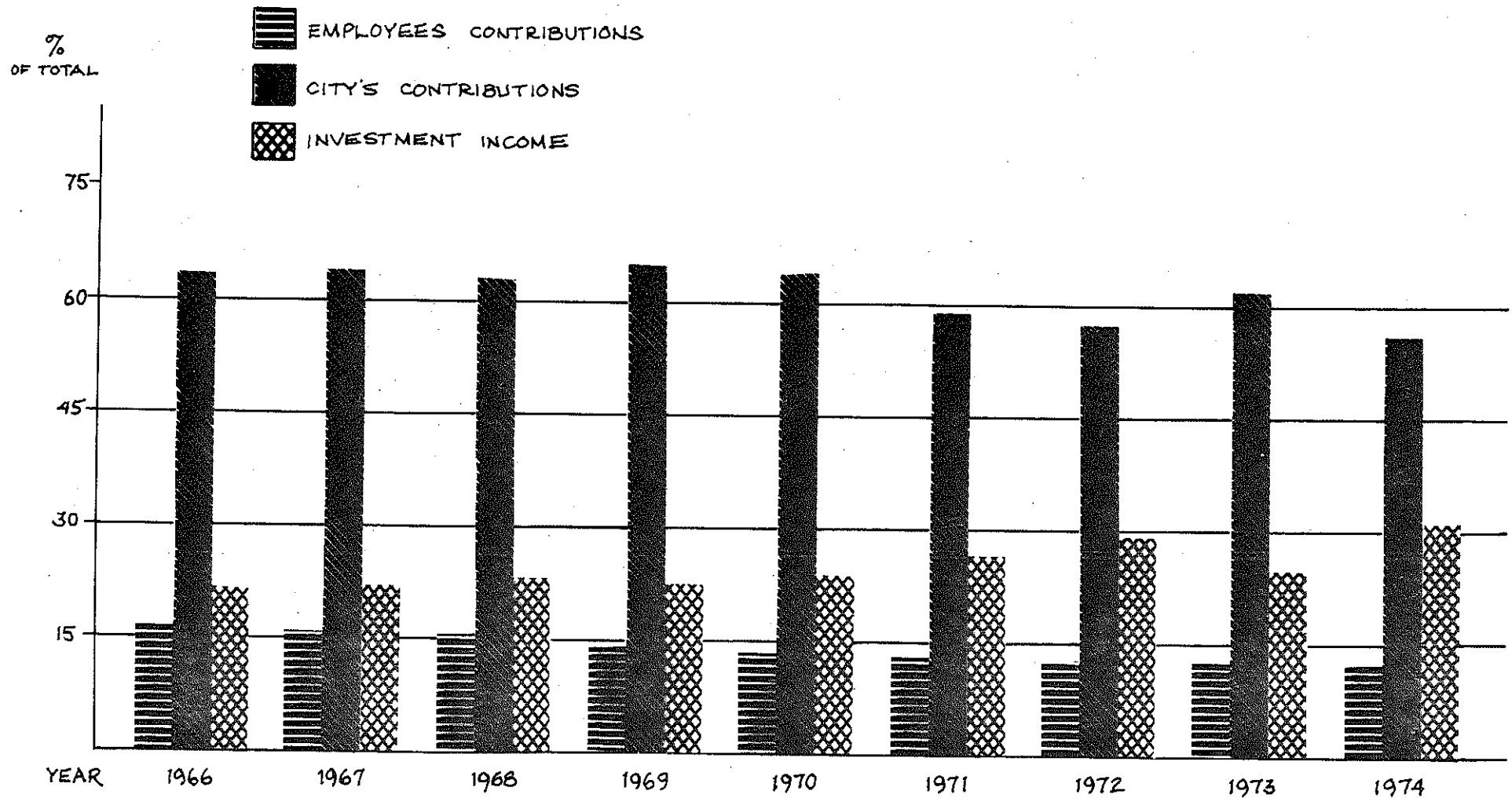
3. The following sources contributed their share of the revenues received by the Retirement Fund in 1974.

| | | | |
|-----------------------|---------------|---|------------------|
| Employee contribution | 12.78% | = | \$ 794,691 |
| City contribution | 56.30% | = | 3,501,069 |
| Investment income | <u>30.92%</u> | = | <u>1,923,285</u> |
| Total revenues | 100.00% | | \$6,219,045 |



RELATIONSHIP OF CONTRIBUTIONS

Analysis of the part played by investment income shows that overall this element of total revenue has increased nearly 50% since 1966 while the City's contribution has declined 10% and the employees contributions have declined 21%.



1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

Contributions Refunded

January 1, 1974 - December 31, 1974

| | <u>RETIREMENT FUND</u> <u>CONTRIBUTIONS</u> | <u>COST OF LIVING</u> <u>CONTRIBUTIONS</u> | TOTAL REFUND |
|----------------------|------------------------------------------------|-----------------------------------------------|-------------------------|
| <u>POLICE:</u> | | | |
| Moore, Joanne | \$ 4,727.09 | \$ 120.54 | \$ 4,847.63 |
| Gonzales, Eugene J. | 182.98 | 13.09 | 196.07 |
| Johnson, Eric W. | 182.98 | 13.09 | 196.07 |
| Cortez, Richard R. | 182.98 | 13.09 | 196.07 |
| Dini, Paul G. | 91.30 | 6.54 | 97.84 |
| Esparza, Richard T. | 223.82 | 16.01 | 239.83 |
| Frank, Merle Lee | 223.82 | 16.01 | 239.83 |
| Gutierrez, John M. | 228.74 | 16.36 | 245.10 |
| Lopez, Hilario W. | 223.82 | 16.01 | 239.83 |
| Schrader, Wilbert D. | 5,103.74 | 167.26 | 5,271.00 |
| Barron, Richard D. | 172.77 | 12.37 | 185.14 |
| Frank, Robert D. | 77.04 | 5.53 | 82.57 |
| Jones, James H. | 172.77 | 12.37 | 185.14 |
| Nickson, Roosevelt | 172.77 | 12.37 | 185.14 |
| Poncia, Larry | 213.60 | 15.29 | 228.89 |
| Banner, Kenneth D. | 3,198.33 | 77.31 | 3,275.64 |
| Shoup, Charles E. | 966.60 | 69.25 | 1,035.85 |
| Hinkle, John H. | 2,446.36 | 149.23 | 2,595.59 |
| Santiago, Ramon | 1,078.21 | 77.20 | 1,155.41 |
| Zanoni, Michael M. | 3,221.27 | 193.56 | 3,414.83 |
| Pegram, Lawrence R. | 2,541.45 | 143.51 | 2,684.96 |
| Hargis, Roger L. | 394.28 | 28.23 | 422.51 |
| | <u>\$ 26,026.72</u> | <u>\$ 1,194.22</u> | <u>\$ 27,220.94</u> |
| <u>FIRE:</u> | | | |
| Frediani, Donald | \$ 334.37 | \$ 23.97 | \$ 358.34 |
| Wohnoutka, Daniel F. | 3,724.52 | 167.05 | 3,891.57 |
| Carter, Roy | 579.81 | 41.57 | 621.38 |
| Gage, Regnier | 5,299.32 | 141.58 | 5,440.90 |
| | <u>\$ 9,938.12</u> | <u>\$ 374.17</u> | <u>\$ 10,312.19</u> |
| TOTAL | <u>\$ 35,964.74</u> | <u>\$ 1,568.39</u> | <u>\$ 37,533.13</u> |

1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

PENSION AND SURVIVOR BENEFITS PAID JANUARY 1, 1974 to DECEMBER 31, 1974

| <u>NAME</u> | <u>DATE RETIRED</u> | <u>AMOUNT OF MONTHLY PENSION</u> | <u>TOTAL PAID DURING PERIOD</u> |
|------------------------|---------------------|--------------------------------------|-------------------------------------|
| Edward Silva | 10-01-73 | 870.38 | \$10,444.56 |
| * Dorothy Thaysen | * | 410.90 | 4,894.89 |
| Andrew F. Crawford | 4-05-68 | 447.90 | 5,335.65 |
| James A. Choyce | 3-01-74 | 603.25 | 6,032.50 |
| * Dolores M. Pierce | * | 558.70 | 6,655.59 |
| David T. Evans | 8-01-73 | 955.34 | 11,464.08 |
| William H. Anderson | 8-01-72 | 874.90 | 10,450.41 |
| Estiel L. Garringer | 3-01-74 | 965.43 | 9,654.30 |
| Francis Tanner | 5-04-71 | 579.91 | 6,908.25 |
| Joseph J. Fries | 2-15-72 | 733.60 | 8,739.09 |
| Earl E. Houlihan | 11-11-71 | 541.81 | 6,454.38 |
| William E. Anderson | 11-14-67 | 437.05 | 5,206.41 |
| Herbert R. Bartolini | 4-01-68 | 425.17 | 5,064.90 |
| * Georgia L. Cecil | * | 395.57 | 4,712.28 |
| Roland S. Holden | 4-26-62 | 371.92 | 4,430.55 |
| John W. McCargar | 6-06-72 | 317.34 | 3,780.36 |
| Dale D. Davis | 9-01-70 | 502.77 | 5,989.32 |
| * Beverly J. Fernandez | * | 687.15 | 8,185.77 |
| Jimmie C. Coburn | 6-15-74 | 619.86 | 4,049.75 |
| Glenn J. Brewer | 2-10-69 | 446.49 | 5,318.88 |
| Ronald LeBeau | 10-01-70 | 1,944.34 | 23,162.19 |
| James E. Manthey | 12-01-71 | 688.13 | 8,197.44 |
| Corneal S. Tollenaar | 4-01-72 | 686.54 | 8,178.48 |
| Gary L. Flair | 10-12-71 | 537.19 | 6,399.33 |
| Robert B. Warrick | 10-05-71 | 863.91 | 10,291.44 |
| John A. Mattern | 7-16-66 | 486.60 | 5,796.69 |
| Gordon E. Turnage | 3-08-68 | 423.81 | 5,048.70 |
| * Marjorie D. Shannon | * | 670.98 | 7,993.14 |
| Coy M. Harris | 9-12-73 | 810.23 | 9,722.76 |
| Robert E. Silfvast | 2-01-74 | 703.59 | 7,739.49 |
| Edward B. Ricketts | 9-01-71 | 618.61 | 7,369.26 |
| Jesse E. Miller | 12-01-72 | 910.81 | 10,850.13 |
| Donald L. Torguson | 1-02-74 | 558.96 | 6,689.49 |
| William P. Poelle | 9-11-68 | 482.75 | 5,750.82 |
| Clifford C. Ostermeier | 5-20-69 | 433.06 | 5,158.89 |
| James D. Larsen | 1-15-73 | 623.33 | 7,425.48 |
| B Gordon J. Bruce | 7-01-73 | 601.41 | 7,217.04 |
| George Gilbert | 3-15-73 | 753.05 | 8,970.81 |
| Jack H. Stanley | 1-14-68 | 420.65 | 5,011.05 |
| Anthony S. Satariano | 11-14-73 | 807.78 | 9,693.36 |
| Stanley M. Hardman | 4-01-72 | 996.83 | 11,874.87 |
| Lawrence B. Campbell | 2-01-63 | 545.08 | 6,493.32 |
| * Jean D. Ayer | * | 560.96 | 6,682.50 |
| * Lupe Vasquez | * | 1,128.75 | 7,901.25 |
| Julius L. Cordoni | 12-01-73 | 664.20 | 7,970.40 |

* Survivor Benefits

+ Died During 1974

| <u>NAME</u> | <u>DATE RETIRED</u> | <u>AMOUNT OF MONTHLY PENSION</u> | <u>TOTAL PAID DURING PERIOD</u> |
|------------------------|---------------------|--------------------------------------|-------------------------------------|
| John A. Malvini | 10-01-73 | 5582.34 | 6,988.08 |
| * Marie F. Huerta | * | 522.99 | 6,230.19 |
| Curtis F. Bishop | 5-01-72 | 991.30 | 11,808.99 |
| Arthur R. Miller | 5-01-72 | 839.81 | 10,004.34 |
| E. D. McCay | 2-01-70 | 1,125.24 | 13,404.57 |
| Thomas J. Higgins Jr. | 3-01-72 | 1,103.55 | 13,146.18 |
| William P. Mauldin | 9-26-44 | 223.78 | 2,665.80 |
| James H. Hart | 12-03-69 | 431.54 | 5,140.77 |
| John F. Lennon | 4-01-73 | 608.42 | 7,247.88 |
| Harold F. Atwell | 12-19-66 | 429.12 | 5,111.94 |
| Patrick F. Murphy | 4-19-50 | 247.54 | 2,948.85 |
| Sam D. Coomer | 2-09-71 | 411.04 | 4,896.57 |
| Michael L. Gould | 1-02-74 | 649.49 | 7,772.93 |
| Thomas J. Higgins | 8-01-53 | 322.88 | 3,846.36 |
| Gerald J. Murphy | 10-28-69 | 916.42 | 10,916.97 |
| Joseph M. Nufer | 1-02-74 | 688.00 | 8,233.81 |
| * Barbara E. Sawyer | * | 305.01 | 4,028.34 |
| Leonard G. Marks Jr. | 10-01-73 | 1,062.50 | 12,750.00 |
| Frank Basile | 1-14-52 | 288.75 | 3,439.77 |
| William H. Mackenzie | 4-01-74 | 1,549.13 | 13,942.17 |
| William A. Malpass | 10-07-56 | 355.56 | 4,235.64 |
| Samuel D. Browder | 4-01-65 | 461.05 | 5,492.31 |
| Robert Heeren | 4-01-72 | 818.55 | 9,751.08 |
| Dante C. Provasi | 3-01-74 | 868.46 | 8,684.60 |
| Charles D. Bernardo | 8-01-72 | 776.14 | 9,245.85 |
| Ralph H. Bernardo | 7-10-74 | 873.24 | 4,985.92 |
| * Nadalie M. Bone | * | 399.24 | 4,755.99 |
| Gunner Petersen | 8-01-72 | 870.85 | 10,374.12 |
| John F. Knapp | 7-15-71 | 1,574.38 | 18,754.98 |
| Chad C. Rolston | 7-01-71 | 721.85 | 8,599.14 |
| Russel L. Batten | 3-01-71 | 1,205.39 | 14,359.35 |
| Willey R. Moody | 4-01-73 | 1,016.61 | 12,110.49 |
| John K. Erlandson | 7-01-70 | 649.37 | 7,735.71 |
| William M. Creamer | 4-15-67 | 427.07 | 5,087.52 |
| Charles J. Bosque | 5-03-66 | 374.57 | 4,462.11 |
| * Jessie B. Luchessi | * | 660.90 | 7,873.05 |
| Robert True | 1-11-71 | 1,251.89 | 14,913.30 |
| Sam J. Scarpace | 4-01-72 | 818.55 | 9,751.08 |
| Arnold W. Chew | 4-21-69 | 420.27 | 5,006.52 |
| Velma F. Cardona | 7-16-72 | 362.22 | 4,314.99 |
| Walter L. Martinelli | 2-01-74 | 843.22 | 9,275.42 |
| Artie Alvares | 2-01-66 | 414.46 | 4,937.31 |
| Vernon D. Hoffman | 12-06-65 | 430.99 | 5,134.23 |
| Herman E. Lorenz | 3-15-68 | 446.02 | 5,313.27 |
| Charles C. Cardona Sr | 2-01-74 | 1,095.88 | 12,054.68 |
| Melvin A. Hornbeck | 1-06-74 | 1,462.97 | 17,319.68 |
| Ralph C. Quain | 4-01-63 | 439.17 | 5,231.67 |
| * Lela C. Wakeman | * | 261.75 | 3,118.14 |
| James Crosby | 1-14-71 | 915.28 | 10,903.38 |
| * Antoinette North | * | 462.84 | 3,266.80 |
| Joseph M. Acquistapace | 2-01-66 | 414.46 | 4,937.31 |
| William J. Lamb | 9-15-72 | 656.43 | 7,819.80 |

* Survivor Benefits

+ Died During 1974

| <u>NAME</u> | <u>DATE RETIRED</u> | <u>AMOUNT OF MONTHLY PENSION</u> | <u>TOTAL PAID DURING PERIOD</u> |
|-----------------------|---------------------|--------------------------------------|-------------------------------------|
| Arthur A. MacLean | 11-27-57 | 364.12 | 4,337.61 |
| Carl L. Evans | 8-01-71 | 695.14 | 8,280.93 |
| James L. Crawford | 1-02-74 | 688.00 | 7,903.77 |
| * Joyce LaCour | * | 656.92 | 5,419.59 |
| John Matranga | 2-01-53 | 263.71 | 3,141.48 |
| Walter R. Gadsby | 9-01-63 | 448.68 | 5,344.95 |
| William L. Heaney | 1-09-74 | 821.86 | 9,650.23 |
| Frank J. Tuma | 4-01-73 | 799.40 | 9,522.96 |
| Ronald L. Willis | 1-15-74 | 478.61 | 5,527.17 |
| Robert E. Sims | 4-27-69 | 517.29 | 6,162.27 |
| James Westerhouse | 3-01-72 | 909.92 | 10,839.54 |
| Donald R. Kidder | 9-01-66 | 495.24 | 5,899.62 |
| Frederick J. Flesner | 7-28-63 | 447.04 | 5,325.42 |
| Carl A. Burgstrom | 11-01-70 | 614.06 | 7,315.05 |
| * Anna Ogden | * | 309.22 | 3,683.61 |
| Herman J. Schwandt | 1-01-57 | 300.53 | 3,580.11 |
| John A. O'Brien | 4-17-72 | 852.39 | 10,154.19 |
| Jack L. Barr | 7-14-69 | 443.51 | 5,283.36 |
| Louis W. Emery | 8-20-64 | 363.44 | 4,329.51 |
| * Doris D. Collins | * | 435.80 | 5,191.53 |
| Robert R. Place | 8-01-71 | 439.02 | 5,229.87 |
| * Hilvie A. Vitek | * | 326.70 | 3,891.84 |
| John B. Canuel | 1-05-71 | 835.85 | 9,957.15 |
| Bernice L. Sadler | 2-15-73 | 562.41 | 6,699.78 |
| Ernest J. Barozzi | 9-01-72 | 820.29 | 9,771.81 |
| Harold P. Toussaint | 8-01-72 | 1,043.85 | 12,435.00 |
| Harold C. Parker | 5-01-64 | 565.27 | 6,733.86 |
| Edwin Kennedy | 8-01-71 | 789.92 | 9,410.01 |
| William C. Lowe | 7-15-71 | 702.82 | 8,372.43 |
| Joseph X. Sanchez | 4-01-73 | 677.74 | 8,073.66 |
| * Mary A. Bruegmann | * | 560.51 | 6,677.13 |
| Simon Garcia | 2-27-62 | 368.71 | 4,392.30 |
| Emmett C. Miller | 11-01-59 | 395.65 | 4,713.24 |
| Edward W. Powers | 6-01-59 | 385.64 | 4,593.99 |
| Walter Humburg | 3-04-53 | 267.62 | 3,188.07 |
| Charles A. Murray | 3-12-62 | 424.07 | 5,051.79 |
| Ivor A. Jones | 8-21-57 | 314.10 | 3,741.75 |
| Ernest D. Anderson | 8-01-55 | 350.07 | 4,170.24 |
| Henri Kirby | 7-01-62 | 506.39 | 6,032.43 |
| * Shirley R. Petersen | * | 582.83 | 1,256.32 |
| * Phyllis M. Lunsford | * | 436.41 | 5,198.79 |
| Eugene F. Stenzel | 8-01-70 | 502.77 | 5,989.32 |
| Marvin W. Curtiss | 1-04-72 | 812.69 | 9,681.27 |
| David P. Miller | 7-02-72 | 972.58 | 11,585.97 |
| Bernice M. Baker | 6-01-74 | 392.86 | 2,750.02 |
| Fred Hoffman | 6-01-73 | 1,031.78 | 12,381.36 |
| George H. Cannell | 1-16-71 | 1,621.29 | 19,313.82 |
| Bernard Stout | 9-01-70 | 621.08 | 7,398.69 |
| * Josephine Russo | * | 212.04 | 2,525.98 |
| Mario P. Stefanini | 4-01-74 | 939.06 | 8,451.54 |
| * Irene C. Anderson | * | 165.96 | 1,977.03 |

* Survivor Benefits
+ Died During 1974

| <u>NAME</u> | <u>DATE RETIRED</u> | <u>AMOUNT OF MONTHLY PENSION</u> | <u>TOTAL PAID DURING PERIOD</u> |
|-----------------------|---------------------|--------------------------------------|-------------------------------------|
| Virgil A. Brenneman | 2-15-73 | 551.05 | 6,564.45 |
| * Irene Hauser | * | 636.17 | 7,578.45 |
| Carl G. Haas | 6-07-66 | 419.90 | 5,002.11 |
| * Henrietta Gibson | * | 377.07 | 4,491.90 |
| Frank J. Ankenbauer | 7-05-70 | 628.53 | 7,487.43 |
| Clarence W. Anderson | 12-21-70 | 594.77 | 7,085.28 |
| Kenneth G. Morss | 9-21-57 | 315.41 | 3,757.35 |
| * Ethel M. Rebhan | * | 266.06 | 2,199.43 |
| Arthur B. Jones | 4-01-72 | 994.60 | 11,848.29 |
| Anthony Gomes | 1-15-68 | 494.84 | 5,894.85 |
| Peter C. Guerin | 2-15-66 | 436.27 | 5,197.11 |
| George W. Fusco | 6-10-67 | 408.15 | 4,862.13 |
| John W. Jones | 4-01-73 | 2,229.73 | 26,561.94 |
| Roland S. Mason | 6-22-71 | 542.59 | 6,463.68 |
| James W. Donohue | 3-04-73 | 399.36 | 4,757.43 |
| Orrin J. Howard | 4-01-73 | 592.25 | 7,055.25 |
| John R. Blackmore | 5-17-71 | 2,072.48 | 24,688.68 |
| Barton L. Collins | 3-01-74 | 1,709.63 | 17,096.30 |
| Hugh A. Edes | 7-01-72 | 431.68 | 5,142.45 |
| Henry H. Anderson | 11-01-55 | 351.80 | 4,190.85 |
| Herbert W. Miller | 1-03-72 | 1,033.11 | 12,307.05 |
| Leon R. Green | 2-01-72 | 1,399.84 | 16,675.77 |
| Donald O. Demers | 8-01-72 | 1,650.39 | 19,660.47 |
| Ralph R. Jennings | 9-05-60 | 397.94 | 4,740.51 |
| George J. Batti | 5-11-64 | 452.49 | 5,390.34 |
| Edward S. Pracna | 9-13-63 | 562.96 | 6,706.32 |
| Raymond T. Gray | 4-01-65 | 412.93 | 4,919.07 |
| Francis E. Conyers Sr | 10-26-62 | 437.39 | 5,210.46 |
| Jack E. Wilson | 9-01-70 | 1,042.10 | 12,414.15 |
| Harvey Davis | 9-01-65 | 469.21 | 5,589.51 |
| James H. Morton | 1-14-52 | 251.21 | 2,992.56 |
| Vincent D. Murtha | 4-01-65 | 422.71 | 5,035.59 |
| Manuel G. Maral | 3-01-72 | 816.63 | 9,728.19 |
| Walter Emery | 5-26-60 | 343.44 | 4,091.28 |
| Richard A. Bibby | 12-01-71 | 537.51 | 6,250.68 |
| Lovell E. Guptill | 7-01-54 | 336.36 | 4,006.92 |
| J. C. Walton | 4-01-73 | 543.00 | 6,468.54 |
| Louis J. Volonte | 5-02-49 | 199.58 | 2,377.53 |
| Raymond H. Fisher | 1-01-69 | 443.39 | 5,281.95 |
| Lawrence R. Favorite | 6-12-74 | 1,074.00 | 7,124.20 |
| Vern Fisher | 1-03-71 | 654.23 | 7,793.58 |
| Albert W. Perry | 1-22-74 | 937.92 | 10,619.67 |
| Theoron F. Connett | 10-01-70 | 911.52 | 10,858.59 |
| Robert S. Urzi | 3-18-68 | 424.38 | 5,055.48 |
| Charles L. Schaefer | 2-14-73 | 931.97 | 11,102.22 |
| * Lena M. Pinkston | * | 448.55 | 1,689.57 |
| Dan R. Conrow | 1-05-74 | 974.21 | 11,564.82 |
| Loren B. Gray | 4-01-73 | 878.72 | 10,467.87 |
| Thomas H. Scribner | 9-01-74 | 1,424.90 | 5,699.60 |
| James B. Bias | 1-02-74 | 594.64 | 7,116.50 |
| Harley Adams | 7-14-53 | 305.49 | 3,639.18 |

* Survivor Benefits

+ Died During 1974

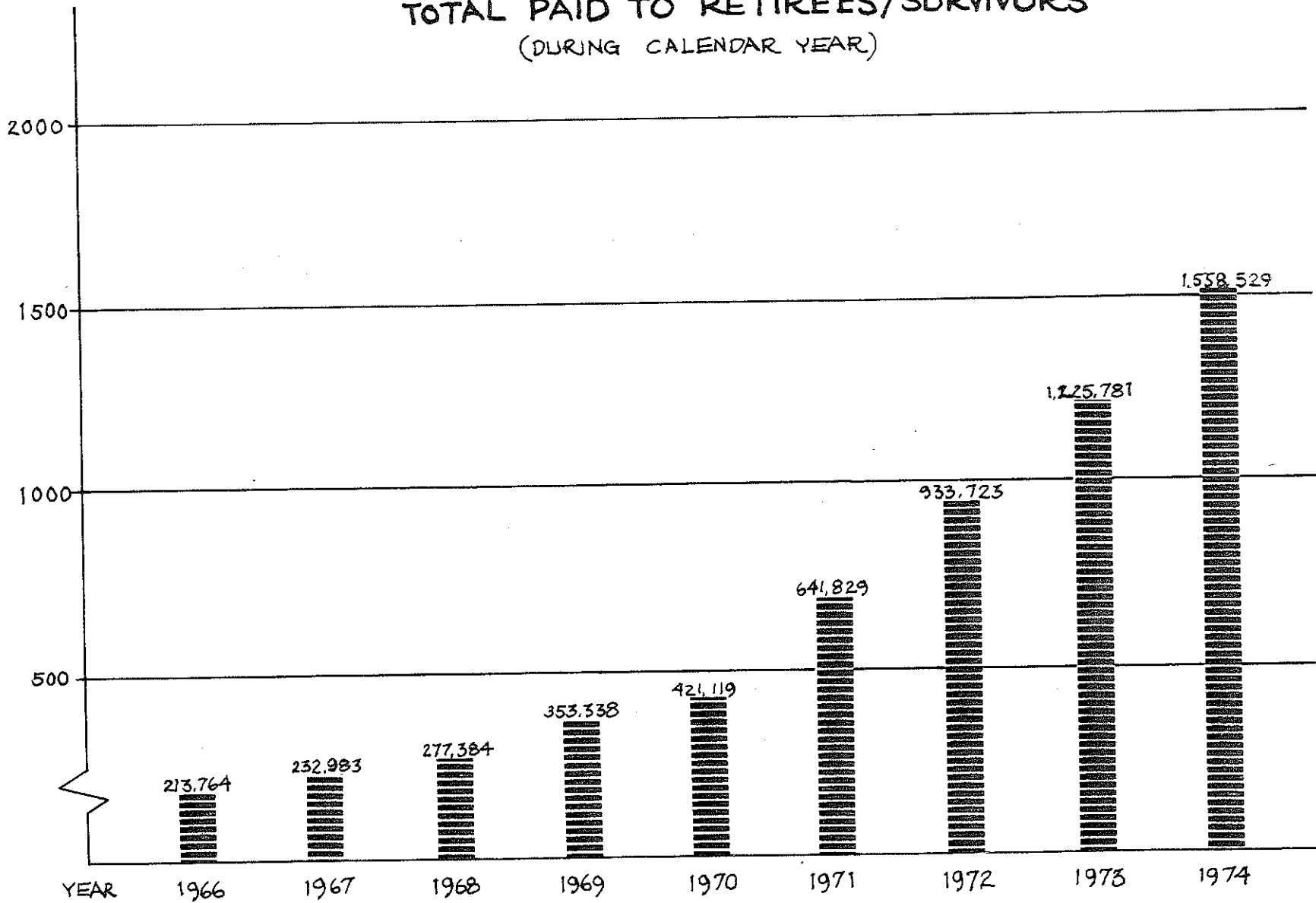
| <u>NAME</u> | <u>DATE RETIRED</u> | <u>AMOUNT OF MONTHLY PENSION</u> | <u>TOTAL PAID DURING PERIOD</u> |
|-------------------|---------------------|--------------------------------------|------------------------------------------------------------------------------|
| Sean R. Leslie | 3-01-72 | 562.58 | 6,701.79 |
| Elmer L. Klein | 1-03-73 | 1,692.81 | 20,165.79 |
| * Ruth M. Davis | * | 184.49 | 2,213.88 |
| * Lillian Buck | * | | 8,985.99 Lump sum |
| * Jeannie Garcia | * | | 9,906.31 Lump sum |
| + Bela Rebhan | 8-15-65 | 468.57 | 1,708.37 |
| + Joseph Pinkston | 4-16-66 | 478.51 | 3,897.91 |
| + Fred Petersen | 7-01-71 | 1,126.81 | 11,169.64 |
| Robert Matson | 8-01-70 | 502.77 | 9.00 |
| | | | <hr/> 1,559,492.00 |
| | | | Less charge to fund 001-09610 as an industrial award to Mr. Humburg - 962.52 |
| | | | <hr/> 1,558,529.48 |

* Survivor Benefits
+ Died During 1974

DOLLARS

(000 OMITTED)

TOTAL PAID TO RETIREES/SURVIVORS (DURING CALENDAR YEAR)



1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

The following persons were granted a monthly retirement allowance during the period of January 1, 1974 to December 31, 1974:

SERVICE RETIREMENTS

FIRE DEPARTMENT

Lawrence R. Favorite

POLICE DEPARTMENT

Dante Provasi
William Mac Kenzie
Bernice M. Baker

SERVICE CONNECTED DISABILITY

FIRE DEPARTMENT

William L. Heaney
Walter L. Martinelli
James A. Choyce
Jimmie C. Coburn
Ralph H. Bernardo
Sam Lima

POLICE DEPARTMENT

Barton L. Collins
Estiel L. Garringer
Robert E. Silfvast
Thomas H. Scribner

NON-SERVICE CONNECTED DISABILITY RETIREMENTS

FIRE DEPARTMENT

Albert W. Perry
Ronald R. Willis
David D. Cissell

POLICE DEPARTMENT

Mario P. Stefanini

DEATHS

FIRE DEPARTMENT

Bela E. Rebhan--April 22, 1974
Severo G. Garcia--May 6, 1974
John J. Powers--May 27, 1973

POLICE DEPARTMENT

John L. Buck--May 14, 1974
Joseph A. Pinkston--Sept. 7, 1974
Fred G. Petersen--Nov. 5, 1974

1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

HIGHLIGHTS OF THE PERIOD JANUARY 1, 1974 TO DECEMBER 31, 1974

1. Membership in the Plan was 1,260 as of December 31, 1974.
2. Seven members retired for service and seventeen members retired because of disabilities during 1974.
3. There are 175 members and 27 survivors receiving benefits from the Plan as of December 31, 1974.
4. During the reporting period 4 Fire members and 18 Police members left the membership of the Retirement Plan and had their contributions refunded.
5. The Retirement Fund balance as of December 31, 1974 was \$35,390,322.
6. Payment of pensions or survivors benefits increased from about \$108,000 per month to about \$133,000 per month during the reporting period.
7. Interest on investments for the year was \$1,969,145 and averaged about \$164,000 per month for the year of 1974.
8. Short-Term investments earned \$382,000 during 1974, with the high point of 11.26% (APR) being attained in September 1974. As much as \$3,500,000 was in short-term during 1974.
9. The annual time-weighted return for the entire portfolio was 6.88% as of December 31, 1974.

RATE OF RETURN

Definitions

Time-weighted rate of return - the rate of investment growth earned on a unit of assets held continuously for the entire time period.

Dollar-weighted rate of return - the rate of investment growth which takes into account the impact of cash flows on fund assets.

The City of San Jose uses the "dollar-weighted" rate of return in calculations while the investment counsel uses the "time-weighted" rate in publications and presentations.