




OFFICIAL COPY

Report on
Board of Administration

Police & Fire Department Retirement Plan

July 1, 1979 to June 30, 1980
City of San Jose, California





CITY OF SAN JOSE

801 NORTH FIRST STREET
SAN JOSE, CALIFORNIA 95110

MAR 17 1981

BOARD OF ADMINISTRATION
POLICE AND FIRE DEPARTMENT
RETIREMENT PLAN

(408) 277-5137

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

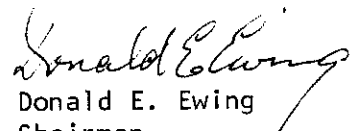
Dear Mayor and Council Members:

The Board of Administration of the Police and Fire Retirement Plan is pleased to present its annual report for the period July 1, 1979 to June 30, 1980. The Board wishes to point out significant changes impacting the Retirement Plan.

- (1) Significant numbers of experienced personnel, compared to former years, are withdrawing their contributions and leaving City service.
- (2) The investment performance figures furnished by A. G. Becker have prompted the Board to modify the investment guidelines and to begin a search for additional investment counsel. The fund has grown so that it is deemed prudent to bring in new equity advisors while retaining the excellent services of the bond counsellors. A continuing review of the investment guidelines is indicated to allow the new advisors more flexibility to maximize earnings.
- (3) The 1946 Act provided no survivor benefits, but you have accepted our recommendation to provide benefits to the survivors of the 9 Police and 9 Fire retirees remaining.
- (4) An actuarial report will be requested this next year in order that the rates needed to maintain the Fund in a continuing sound position can be adjusted, if required, without serious financial disruptions to the City or the members.

The Board has made every effort to seek professional counsel in the areas of investment counsel, actuary and auditor service, that we may continue to produce a sound financial fund capable of continued growth. The Board of Administration and its staff are available to provide additional information when requested.

Sincerely,


Donald E. Ewing
Chairman

Board of Administration

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

BOARD OF ADMINISTRATION

The Retirement Plan is administered by a five-member Board of Administration composed of two representatives from the City Council, a representative from the Civil Service Commission and two representatives who are City employees, one from the Police Department and one from the Fire Department, in accordance with Section 2.08.400 of the San Jose Municipal Code.

As of June 30, 1980, the members of the Board were as follows:

- JERRY ESTRUTH - He is a member of the City Council and is one of its official representatives on the Board. He became a member of the Board on January 16, 1979.
- DONALD 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, 1980.
- JOHN DIQUISTO - First elected as a representative of the employees of the Fire Department on September 5, 1978. His present term expires on November 30, 1982.
- THOMAS McENERY - Member of the City Council appointed to the Board January 16, 1979.
- FRANK P. NICOLETTI - He is a member of the Civil Service Commission and serves on the Board at the pleasure of that body. He was selected by the members of the Commission on February 6, 1975 to serve on the Board.

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

- ACTUARY - Lawrence Mitchell and Associates, Inc.
- INVESTMENT COUNSEL - Scudder, Stevens & Clark, Inc.
- AUDITOR - Price Waterhouse and Company.

The Board meets on the first Tuesday of each month and holds special meetings as the occasion demands. The meetings are currently held in the Council Chambers, Second Floor, City Hall, at 8:30 a.m. Members of the Retirement Plan may attend any of the meetings.

ANNUAL REPORT
1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

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

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

GENERAL ENVIRONMENT

It is the policy of the San Jose Police and Fire Department Retirement Plan (2904.2) to effect economy and efficiency in the public service by providing a means whereby employees who become super-annuated or otherwise incapacitated, without hardship or prejudice, may be replaced by more capable employees, and to that end provide a retirement system consisting of retirement allowances and death benefits.

Investments in such Retirement System are subject to the restrictions specified in the San Jose Retirement Code (2904.58). Further investment management guidelines are imposed by the Retirement Board.

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 Stock

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

SUMMARY OF THE PRINCIPAL PROVISIONS OF
THE POLICE AND FIRE DEPARTMENT RETIREMENT PLAN
San Jose, California

MEMBERSHIP Mandatory for all full-time employees.

MEMBER CONTRIBUTIONS All members contribute 8.25% of the base salary.

CITY'S CONTRIBUTIONS The City contributes 28.82% of base salary.

INTEREST Two percent annual interest is calculated each bi-weekly pay period and added to your contributions. This interest is derived from investments.

TERMINATION BENEFITS Upon termination, the member shall be paid all of his accumulated contributions and interest in full satisfaction of all rights and benefits under this retirement system. The City's contributions will not be refunded to the employee.

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

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

SERVICE RETIREMENT Retirement at age 55 with at least 20 years service.

SERVICE-CONNECTED DISABILITY Retirement resulting from the result of an injury or disease arising out of and in the course of such member's employment with the City. (No minimum period of service required.)

NON-SERVICE-CONNECTED DISABILITY Retirement resulting from other than a service-connected disability with at least 2 years service.

MANDATORY RETIREMENT Age 65.

EARLY SERVICE RETIREMENT Retirement at age 50 with at least 20 years service. Member's retirement allowance shall be reduced by that amount which the value of such allowance as deferred to age 55 will purchase at the actual age of retirement.

CALCULATIONS FOR RETIREMENT ALLOWANCE

- For
1. A Vested Retirement.
 2. A Service Retirement.
 3. A Service-Connected Disability with 20 years service.
 4. A Non-Service-Connected Disability with 20 years service.

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

CALCULATIONS FOR RETIREMENT ALLOWANCE (Continued)

- For: 4. Service-Connected Disability with less than 20 years service, any age. $50\% \times \text{final compensation} = \text{monthly retirement allowance}$.
5. Non-Service-Connected Disability from 2 through 19 years of service, any age. There is no non-service-connected disability retirement under 2 years service. 32% for first 2 years plus 1% for each year thereafter.

FINAL COMPENSATION The meaning of "Final Compensation" is: The average monthly compensation during the highest 12 consecutive months of service; (usually the last 12 months) limited to 108% of the 12 months immediately preceding the last 12 months of service.

SURVIVORSHIP ALLOWANCE

- Death after retirement - If you
1. had been retired for service, or
 2. had retired for service-connected disability.
- Death before retirement - If you
3. die at age 55 or older with 20 years service due to a non-service connected injury or illness, or
 4. you die at any age due to a service-connected injury or illness.
- The Spouse will receive $37\frac{1}{2}\% \times \text{final compensation}$.
- 1 Child will receive $25\% \times \text{final compensation}$.
- 2 Children will receive $50\% \times \text{final compensation}$.
- 3 or more Children will receive $75\% \times \text{final compensation}$.

SURVIVORSHIP ALLOWANCE

- Death after retirement - If you
1. had been retired for non-service connected disability.
- Death before retirement - If you
2. die before age 55 due to a non-service connected injury or illness with 2 or more years service.
- Your spouse will receive 24% of final compensation for 2 years of service and 0.75% for each year thereafter. (Maximum $37\frac{1}{2}\%$).
- 1 Child will receive $25\% \times \text{final compensation}$.
- 2 Children will receive $37\frac{1}{2}\% \times \text{final compensation}$.
- 3 or more children will receive $50\% \times \text{final compensation}$.

The maximum family benefit is 75% of your final compensation.
Dependent children are paid to age 18 or to age 22 if full-time student.

MANAGEMENT The System is under the management of a Board of Administration of 5 members consisting of 2 City Councilpersons, a Civil Service Commissioner, and 2 elected employees who are members of the retirement system.

The Board of Administration is a policy-making body and responsible for the proper operation of the System. The System operates as an independent trust, separate and distinct from the City and other entities. The administration of the System is under its guidance and direction and is subject to such rules, regulations and directives as it may adopt from time to time. Members serve without compensation. The City Attorney provides legal advice and counsel.

ADMINISTRATION A full-time Retirement and Benefits Administrator is employed. He heads the employee Services Division of the City Personnel Department and serves as Secretary and Executive Officer to the Board of Administration.

The City provides office space, administrative and clerical services of the Personnel Department and fiscal services of the Finance Department without any direct charge.

The Trust Department of Wells Fargo Bank is employed as custodian of fund assets and collector of investment income.

ACTUARIAL SOUNDNESS Plan and benefit provisions are periodically reviewed by an enrolled actuary to assure continuing soundness.

INVESTMENT AUTHORITY AND POLICY The investment authority is broad and flexible, allowing maximum utilization of the System's resources. Scudder, Stevens and Clark, a nationally known investment advisory service, is retained for full-time investment counsel.

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

1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

1. Contributing members in the Plan, 1,365 as of June 30, 1980.
2. Three members retired for service and thirty members retired because of disabilities during the period of June 30, 1979 through June 30, 1980.
3. There are 272 members and 47 survivors receiving benefits from the Plan as of June 30, 1980.
4. During the reporting period, 12 Fire members and 64 Police members left the membership of the Retirement Plan and had their contributions refunded.
5. The Retirement Fund balance as of June 30, 1980 was \$83,600,000 in the Regular Fund and \$4,600,000 in the Cost of Living Fund.
6. Payment of pensions or survivor's benefits increased from about \$289,000 per month to about \$299,500 per month during the reporting period.
7. The annual time-weighted return for the entire portfolio was 8.19% as of June 30, 1980.
8. Interest and dividends on investments for the period were \$6,049,000 and averaged about \$504,000 per month.

1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

The following persons were granted a monthly retirement allowance during the period of July 1, 1979 to June 30, 1980:

SERVICE RETIREMENTS

POLICE DEPARTMENT

Harold Lail

FIRE DEPARTMENT

Elwin Ragsdale
Loren Warning

SERVICE CONNECTED DISABILITY RETIREMENTS

POLICE DEPARTMENT

Elizabeth	Cunningham
Peter	DeLuca
George	Jaeger
William	Keeney
James	McGrew
Dorothy	Miller
Gene	Moss
Thomas	Nagengast
Greg	Pinck
David	Pollock
Charles	Roy
Roy	Sanfilippo
Grettaann	Shannon (retro 01-01-79)
Robert	Tenbrink
Gary	Thompson

FIRE DEPARTMENT

Salvador	Ciraulo
Edward	Cottle
Joseph	DeLise
Donald	Dorr
Harold	Evans
Eugene	Germano
Denny	Greer
John	Jurado
George	Lucchini
Joseph	Onzo
Robert	Pipkins
Wayne	Rist
Gordon	Wallace
George	Weins

Robert Warrick - (Non Service Disability to Service Connected)

NON-SERVICE CONNECTED DISABILITY RETIREMENT

POLICE DEPARTMENT

FIRE DEPARTMENT

None

DEATHS

Earnest Barozzi
October 4, 1979

Charles Murray
October 23, 1979

STATEMENT OF THE ACTUARY

This statement summarizes the actuarial method and assumptions used in the June 30, 1979 actuarial valuation of the Police and Fire Department Retirement Plan. The City and member contribution rates for the fiscal year 1979-1980 have been developed from this valuation.

The actuarial method used for both basic and cost-of-living benefits is the entry-age-normal cost method. The purpose of this method is to stabilize contribution rates.

The actuarial assumptions for the June 30, 1979 valuation were developed from a study of the Plan's actual experience with respect to turnover, disability and retirement for the period July 1, 1974 to June 30, 1979 and from an appraisal of future conditions. The principal changes were: (1) to increase the interest assumed to be earned by the fund from 7% to 7.25% and (2) to change the assumed future pay increases from 5% annually for general pay increases (7% initially) plus an allowance of 0.8% to 5% for merit increases to 6% annually plus additional increases of 4% per year through age 29, 2% age 30 through age 39 and 1% ages 40 through 49.

City and members' contribution rates were calculated in conformance with the City Charter. Because of the steep increases in the rates developed by the previous valuation and this valuation, the new rates are being phased in over two years beginning with October 1, 1980. In our opinion, the new City and members' contribution rates establish a sound financial basis for funding this plan.

LAWRENCE MITCHELL
& ASSOCIATES, INC.
CONSULTING
ACTUARIES

12160 Victory Boulevard • North Hollywood, California 91606



121 PARK CENTER PLAZA
SAN JOSE, CALIFORNIA 95113
408-275-9671

October 24, 1980

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

In our opinion, the accompanying combining balance sheet and the related combining statements of changes in reserve balances and of changes in cash present fairly the financial position of the City of San Jose Police and Fire Department's Retirement System at June 30, 1980, and the changes in its reserve balances and cash for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including at June 30, 1980 confirmation of investments owned by correspondence with the custodian.

Price Waterhouse & Co.

CITY OF SAN JOSE
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM
COMBINING BALANCE SHEET, JUNE 30, 1980
(In thousands of dollars).

	Combined Retirement <u>System</u>	Retirement <u>Fund</u>	Cost of Living <u>Fund</u>
A S S E T S			
Cash	\$ 24	\$ 24	
Receivable from the City of San Jose:			
Employee contributions	62	49	\$ 13
City contributions	181	136	45
Accrued interest	1,288	1,214	74
Investments (Note 2)	<u>37,218</u>	<u>82,651</u>	<u>4,567</u>
	<u>\$88,773</u>	<u>\$84,074</u>	<u>\$4,699</u>
LIABILITIES AND RESERVES			
Liabilities:			
Payable to terminated employees	\$ 23	\$ 21	\$ 2
Payable to brokers	440	449	
Bank overdraft	20		20
Total	<u>492</u>	<u>470</u>	<u>22</u>
Reserves (Note 3):			
Employee contributions	14,051	12,799	1,252
City contributions and general	<u>74,230</u>	<u>70,805</u>	<u>3,425</u>
Total	<u>88,281</u>	<u>83,604</u>	<u>4,677</u>
	<u>\$88,773</u>	<u>\$84,074</u>	<u>\$4,699</u>

See accompanying notes to combining financial statements

CITY OF SAN JOSE
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM
COMBINING STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 1980
(in thousands of dollars)

	<u>Combined Retirement System</u>	
	<u>Employee Contributions</u>	<u>City Contributions and General</u>
Balances at June 30, 1979	<u>\$12,169</u>	<u>\$62,833</u>
Employee contributions:		
Cash received	2,500	
Receivable at June 30, 1980	62	
Receivable at June 30, 1979	<u>(42)</u>	
	<u>2,520</u>	
City contributions:		
Cash received, net of refunds		7,738
Receivable at June 30, 1980		181
Receivable at June 30, 1979		<u>(130)</u>
		<u>7,789</u>
Interest income:		
Cash received		5,358
Receivable at June 30, 1980		1,288
Receivable at June 30, 1979		<u>(968)</u>
Interest allocations	259	<u>(259)</u>
Amortization of premiums and accretion of discounts on investments in debt securities		<u>30</u>
	<u>259</u>	<u>5,449</u>
Refund of contributions:		
Returned to terminated employees in cash	(390)	
Payable at June 30, 1980	(23)	
Payable at June 30, 1979	<u>15</u>	
	<u>(398)</u>	
Dividend income received		<u>696</u>
Gains on sales of investments		<u>530</u>
Losses on sales of investments		<u>(247)</u>
Retirement benefits paid		<u>(3,276)</u>
Transfers upon retirement of employees	<u>(499)</u>	<u>499</u>
Professional fees		<u>(42)</u>
Balances at June 30, 1980	<u>\$14,051</u>	<u>\$74,230</u>

See accompanying notes to combining financial statements

<u>Retirement Fund</u>	
<u>Employee Contributions</u>	<u>City Contributions and General</u>

<u>\$11,360</u>	<u>\$61,119</u>
2,018	
49	
<u>(36)</u>	
<u>2,031</u>	

5,992
136
<u>(110)</u>
<u>6,018</u>

	5,069
	1,214
	(942)
239	<u>(239)</u>

	<u>28</u>
<u>239</u>	<u>5,130</u>

(355)
(21)
<u>14</u>
<u>(362)</u>

	<u>693</u>
	<u>530</u>
	<u>(243)</u>
	<u>(2,869)</u>
<u>(469)</u>	<u>469</u>
	<u>(42)</u>

<u>\$12,799</u>	<u>\$70,805</u>
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<u>Cost of Living Fund</u>	
<u>Employee Contributions</u>	<u>City Contributions and General</u>

<u>\$ 809</u>	<u>\$1,714</u>
---------------	----------------

482
13
<u>(6)</u>
<u>489</u>

1,746
45
<u>(21)</u>
<u>1,770</u>

	289
	74
	(26)
20	<u>(20)</u>

	<u>2</u>
<u>20</u>	<u>319</u>

(35)
(2)
<u>1</u>
<u>(36)</u>

	<u>3</u>
	<u>(4)</u>
	<u>(407)</u>
<u>(30)</u>	<u>30</u>

<u>\$1,252</u>	<u>\$3,425</u>
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CITY OF SAN JOSE
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM
COMBINING STATEMENT OF CHANGES IN CASH
FOR THE YEAR ENDED JUNE 30, 1980
(In thousands of dollars)

	Combined Retirement System	Retirement Fund	Cost of Living Fund
Receipts:			
Employee contributions	\$ 2,500	\$ 2,018	\$ 482
City contributions, net of refunds	7,738	5,992	1,746
Interest income	5,358	5,069	289
Dividend income	696	693	3
Sales and maturing of investments:			
Time deposits	40,880	36,389	4,491
Banker's acceptances and commercial paper	19,279	18,608	671
U.S. Treasury securities	23,780	17,426	6,354
U.S. Government-sponsored agencies securities	34,096	32,094	2,002
Corporate bonds	65	65	
Equity securities	2,741	2,738	3
Total	<u>137,133</u>	<u>121,092</u>	<u>16,041</u>
Disbursements:			
Refunds to terminated employees	\$ 390	\$ 355	\$ 35
Retirement benefits paid	3,276	2,869	407
Investment purchases:			
Time deposits	41,784	36,512	5,272
Banker's acceptances and commercial paper	19,279	18,608	671
U.S. Treasury securities	16,697	14,153	2,544
U.S. Government-sponsored securities	44,193	37,688	6,505
Corporate bonds	6,353	5,866	487
Equity securities	5,149	5,046	103
Professional fees	42	42	
Total	<u>137,163</u>	<u>121,139</u>	<u>16,024</u>
Excess (deficiency) of receipts over disbursements	(30)	(47)	17
Cash at June 30, 1979	<u>34</u>	<u>71</u>	<u>(37)</u>
Cash (overdraft) at June 30, 1980	<u>\$ 4</u>	<u>\$ 24</u>	<u>\$ (20)</u>

See accompanying notes to combining financial statements

CITY OF SAN JOSE
POLICE AND FIRE DEPARTMENT RETIREMENT SYSTEM
NOTES TO COMBINING FINANCIAL STATEMENTS

Note 1 - The Retirement System, Basis of Financial Statement Presentation and Significant Accounting Policies:

The Retirement System:

The City of San Jose Police and Fire Department Retirement System (the "Retirement System") was established to provide retirement benefits for employees of the Police and Fire Departments of the City of San Jose (the "City") pursuant to various retirement plans adopted by the City. The Retirement System is administered by the Retirement and Benefits Administrator under the direction of the Board of Administration.

All sworn officers of the City's Police and Fire Departments are required to be members of the Retirement System. There are approximately 1,375 participants in the Retirement System at June 30, 1980.

The Retirement System is funded on a current basis by employee payroll deductions and by City contributions. Prior service costs (which relate to employee services performed prior to the date of an actuarial valuation) (Note 3) are financed entirely by City contributions. Current service costs are shared by the City and member employees in the ratio of \$8 from the City for each \$3 from the employees. Contribution rates (expressed as a percentage of salaries) are set by the Board of Administration and adjusted periodically (not less than once each five years) based on studies by consulting actuaries (Note 3).

Employees who terminate prior or subsequent to vesting who elect to forfeit future benefits are entitled to a refund of their contributions together with interest earned thereon, calculated at the rate of 2% as specified in The Municipal Code; such employees are not entitled to any funds contributed by the City. Funds contributed by the City and forfeited as a result of early withdrawal from the Retirement System serve to reduce future City contributions.

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

Retirement benefits are payable upon disability, death, or normal retirement of the employee. Employees may vest after 10 years of service. The benefit amount is based upon a formula utilizing the employee's highest annualized rate of pay while employed, adjusted for changes in the cost of living subsequent to retirement up to a maximum of 3% per year (cumulative changes in excess of 3% per year are offset against years in which the change is less than 3%), as evidenced by changes in the Consumer Price Index, All Urban Wage Earners and Clerical Workers, published by the United States Department of Labor's Bureau of Labor Statistics.

Basis of Financial Statement Presentation:

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

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

The Retirement System is charged with expenses of actuarial evaluations, reports and studies, investment counseling fees, and costs of independent auditors. Other administrative expenses of the Retirement System are paid by the General Fund of the City and are not included in the accompanying financial statements.

In March 1980, the Financial Accounting Standards Board promulgated Standard No. 35 entitled Accounting and Reporting by Defined Benefit Pension Plans. Adoption of such Standard by the Retirement System is not required until fiscal 1982 and the Retirement System has not elected early adoption. Requirements of the new Standard include that investments be carried at fair market value and that a new format for financial statement presentation be followed.

Significant Accounting Policies:

Investments - Investments in debt securities are stated at original cost, as adjusted for amortization of premiums or accretion of discounts (differences between purchase cost and maturity value) on purchased debt securities on a straight-line basis over the remaining life of the issue. In the event of a permanent impairment of value of the debt securities, a provision would be made to reduce cost to market. Investments in equity securities are recorded at the lower of aggregate cost or market. Gains or losses on each investment are recognized only upon sale. Generally, government obligations and corporate bonds are held until maturity.

Prior Service Costs - Prior service costs are being amortized over the estimated future service lives of the participants.

Allocation of Investment Earnings - Earnings on investments of the Retirement System are initially credited to the City contributions and general reserve. A monthly allocation is made therefrom to the employee contributions reserve based on the balance in that account and an annual rate of earnings of 2%, as specified by the Municipal Code.

Note 2 - Investments:

The following table summarizes the investments held at June 30, 1980:

	At Adjusted Cost		
	Combined	Retirement	Cost of
	Retirement System	Fund	Living Fund
	(In thousands of dollars)		
Deposits with Treasurer of the State of Cali- fornia	\$ 8,994	\$ 7,519	\$1,475
Time deposits	<u>495</u>	<u>442</u>	<u>46</u>
	<u>9,489</u>	<u>7,968</u>	<u>1,521</u>
Debt securities:			
U.S. Treasury	10,776	10,372	404
U.S. Government- sponsored agency	10,360	9,265	1,095
International agencies	758	758	
Canadian Government (denominated in U.S. dollars)	1,086	1,086	
Corporate bonds	37,663	36,288	1,375
Accumulated amortiza- tion and accretion of premium and discount	<u>67</u>	<u>62</u>	<u>5</u>
	<u>60,710</u>	<u>57,831</u>	<u>2,879</u>
Equity securities	<u>17,019</u>	<u>16,852</u>	<u>167</u>
	<u>\$87,218</u>	<u>\$82,651</u>	<u>\$4,567</u>

The aggregate market value at June 30, 1980 of debt and equity securities was approximately \$52,523,000 and \$17,186,000, respectively.

Investments in debt securities having an aggregate principal (maturity value) of approximately \$61,856,000 are included in the above table at an adjusted cost of \$60,710,000. This \$1,146,000 difference represents unaccreted discounts, net of unamortized premiums, at June 30, 1980.

Note 3 - Actuarial Data:

An actuarial valuation was performed by consulting actuaries, Lawrence Mitchell & Associates, Inc. as of June 30, 1979, utilizing actuarial assumptions different from those used in the previous valuation. The estimated present value of all future benefits was calculated at approximately \$291,000,000. The actuary did not compute the present value of the vested benefits (benefits to which participants are entitled, regardless of future service with the City). The more significant assumptions underlying the actuarial computations utilized in the current and prior valuation are as follows:

	Valuation Date	
	<u>June 30, 1979</u>	<u>July 1, 1977</u>
Assumed rate of return on investments	7.25%	7%
Mortality basis	1971 group annuity Mortality Scale with a five year set back for females	1971 group annuity Mortality Scale
Employee turnover	Based on experienced rates	Based on experienced rates
Salary increases	10% per year through age 29, 8% from 30 through 39, 7% from 40 through 49 and 6% per year thereafter	7% per year for 1978, decreasing .5% each year until 1982 and 5% per year thereafter
Retirement age	50% at age 50 increasing to 100% by age 65	Various rates assumed from ages 50 to 60

The July 1, 1979 actuarial valuation resulted in combined contribution rates, expressed as a percentage of salary, higher than those used in prior years. The consulting actuary has recommended that the increase in rates be implemented in two steps as summarized below:

<u>Rates in effect for fiscal 1980</u>	<u>Combined</u>	<u>Regular</u>	<u>Cost of Living</u>
Employee contribution	8.25%	6.57%	1.68%
City contribution	28.82%	22.35%	6.47%

Recommended rates

Step 1:

Employee contribution	9.08%	5.68%	3.40%
City contribution	31.61%	22.50%	9.11%

Step 2:

Employee contribution	11.07%	6.91%	4.15%
City contribution	36.21%	25.10%	11.11%

The Police and Fire Department Retirement Board has approved the Step 1 rates to be effective October 12, 1980.

City contributions in 1980 resulting from application of the above rates were reduced by approximately \$950,000 for City contributions of prior periods forfeited as a result of early withdrawal from the System.

POLICE & FIRE DEPARTMENT

June 30, 1980

Maturity Value	Security	Maturing	Total Cost	Market Value
<u>CASH & SHORT TERM BONDS</u>				
7,519,000	Investment Fd-State Treas		7,519,000	7,519,000
400	Cash In Savings Account		400	400
500,000	United States Treas	7.375 02/15/81	499,609	497,500
2,000,000	United States Treas	6.875 03/31/81	2,008,125	1,980,000
200,000	Govt Natl Mtg Assn	5.250 04/01/81	203,500	193,000
500,000	J.C. Penney Finl Debs	9.450 10/15/81	500,000	495,000
150,000	Export Import Bk Wash	5.100 02/20/82	150,000	140,250
500,000	Pacific Gas & Elec 1st	9.850 06/01/82	500,000	502,500
1,000,000	U.S. Treasury NTS	8.000 02/15/83	1,030,875	970,000
40,000	Prov of Ontario USP	4.000 05/01/83	39,224	35,150
1,000,000	U.S. Treasury NTS	7.250 08/15/84	1,006,875	940,000
50,000	Quebec Hydro-El S-X USP	5.000 07/15/84	50,000	42,313
1,000,000	U.S. Treasury NTS	7.250 08/15/84	999,460	930,000
1,000,000	Ford Motor CO	14.750 04/01/85	1,000,000	1,085,000
45,000	Milwaukee Gas Light Co	5.625 05/15/85	46,068	35,100
			<u>15,553,136</u>	<u>15,365,213</u>

MEDIUM TERM BONDS

100,000	Minneapolis Honeywell	6.000 04/15/86	100,500	82,000
1,500,000	U.S. Treasury NTS	7.875 05/15/86	1,500,586	1,387,500
100,000	Consumers Power 1st	4.000 08/01/86	95,909	69,500
1,300,000	U.S. Treasury NTS	8.000 08/15/86	1,327,188	1,202,500
200,000	CIT Finl Deb	6.375 10/01/86	199,000	159,000
75,000	Natl Biscuit Sub Deb	4.750 04/01/87	78,938	57,750
99,000	Columbus & So Ohio Elec	4.125 01/01/88	94,298	63,855
100,000	Pennsylvania Electric	4.000 03/01/88	93,500	36,500
150,000	Pacific Tel & Tel Co	4.375 08/15/88	140,526	99,000
100,000	Wells Fargo Bk Cap NTS	4.500 09/15/89	100,000	66,000
250,000	Intl Bk Recon & Dev SF	4.500 02/01/90	251,125	158,750
			<u>3,981,568</u>	<u>3,382,355</u>

LONG TERM BONDS

200,000	Beneficial Finance	5.000 11/01/90	200,000	127,000
100,000	Wisconsin Elec Pw Reg	5.000 11/15/90	106,000	62,000
150,000	So Cal Edison 1st	5.250 05/15/91	143,625	100,500
200,000	Intl Bk Recon & Dev SF	5.375 04/01/92	159,208	130,000
500,000	GMAC Deb	7.125 09/01/92	448,125	382,500
150,000	Southwestern Bell Tel	4.750 10/01/92	131,438	93,750
40,000	Cleve Elec Illum 1st	3.875 03/01/93	40,776	21,200
100,000	Container Corp AM	6.825 03/15/93	100,000	74,500
125,000	Beneficial Finance	4.750 05/15/93	125,000	71,875

Maturity Value	Security		Maturing	Total Cost	Market Value
300,000	Allied Chemical Deb	6.600	08/01/93	300,000	232,500
200,000	Household Finance Reg	4.875	09/15/93	199,000	119,000
100,000	Union Electric 1st	4.500	11/01/93	100,750	54,500
200,000	Anaconda Co Deb SF	6.625	11/15/93	199,000	150,000
1,000,000	United States Treas	9.000	02/15/94	999,630	920,000
200,000	Weyerhaeuser Co SF Deb	7.650	07/15/94	200,000	164,000
350,000	Intl Bk Recon & Dev SF	6.375	10/01/94	347,375	239,750
500,000	Ford Motor Credit Debs	9.500	01/15/95	496,250	420,000
200,000	Intl Paper S/F Deb	8.850	03/15/95	200,000	177,000
200,000	Alum Co of Amer SF Deb	9.000	05/15/95	198,000	174,000
50,000	Illinois Bell Telephone	3.250	07/15/95	50,499	24,000
500,000	Household Finance Deb	7.500	08/01/95	500,000	380,000
75,000	Southwest Bell Tel De	4.625	08/01/95	75,980	43,500
400,000	Alum Co of Amer Deb	7.450	11/15/96	400,000	310,000
170,000	Con Edison 1st	5.900	12/15/96	170,000	105,400
100,000	Pacific G & E 1st LL	4.625	06/01/97	99,875	54,000
300,000	Goodyear Tire & Rub SF	7.350	09/15/97	300,000	195,375
100,000	New York Tel Co Ref	4.625	10/01/97	101,750	55,000
75,000	South Bell/So Cent Bell	5.000	12/01/97	76,925	43,875
250,000	Std Oil Ind SF Deb	6.000	01/15/98	247,500	170,000
200,000	Intl Harvester SF Deb	6.250	03/01/98	200,000	117,000
350,000	EXXON Deb	6.500	07/15/98	350,000	250,250
200,000	Duke Power 1st & Ref Mtg	7.000	02/01/99	198,500	139,000
200,000	Beth Steel SF Deb	6.875	03/01/99	198,750	142,000
125,000	Amer Tel & Tel Debs	4.375	05/01/99	125,125	66,250
300,000	Dow Chem Deb	7.750	07/15/99	300,000	234,000
1,000,000	Gen Mtrs Acc Corp Deb	8.750	02/01/00	995,000	835,000
50,000	Mt States Tel & Tel Deb	5.000	04/01/00	51,140	28,000
200,000	Pacific Tel & Tel Reg	4.625	05/01/00	201,250	99,000
500,000	Monsanto Co SF Deb	8.500	06/15/00	497,500	407,500
500,000	ARMCO Steel Corp Deb	9.200	07/15/00	500,000	415,000
500,000	Ford Motor Cred SF Deb	9.700	07/15/00	498,750	417,500
500,000	Inland Steel 1st Ser Q	9.500	09/01/00	497,500	430,000
500,000	Amer Cyanamid Co SF Deb	7.375	04/15/01	495,000	372,500
100,000	Bell Tel Penna Deb	4.750	05/01/01	106,500	54,500
1,000,000	Ford Motor Cred SF Deb	9.125	06/01/01	997,500	790,000
500,000	Texaco S F Deb	7.750	06/01/01	500,000	387,500
1,000,000	Gen Motors Acc Corp	8.750	06/15/01	945,800	830,000
500,000	Mobil Oil Co Deb	7.375	10/01/01	500,000	377,500
300,000	Firestone Tire SF Deb	7.300	10/15/01	300,000	177,000
500,000	Shell Oil Deb	7.250	02/15/02	500,000	377,500
500,000	Sun Inc Deb	7.125	05/01/02	495,000	367,500
500,000	Procter & Gamble SF Deb	7.000	05/15/02	495,000	367,500
306,113	GNMA Pass/Thru P2733	6.500	06/15/03	266,318	233,411
500,000	Consumers Pwr 1st Mtg	8.625	08/01/03	506,745	367,500
1,000,000	Illinois Bell Tel Deb	8.000	12/10/04	992,500	780,000
500,000	DOW Chemical SF Deb	8.500	02/01/05	500,000	400,000
1,000,000	Prov of Ontario Deb	8.875	03/01/05	996,875	855,000
500,000	Bethlehem Steel SF Deb	8.450	03/01/05	500,000	377,500
2,000,000	So Cal Edison 1st & Ref	15.125	04/01/05	1,984,000	2,310,000
1,000,000	U S Treas Bds	8.250	05/15/05	999,688	835,000
100,000	N Y Telephone Ref	4.875	01/01/06	100,000	52,000
1,250,000	Sears Roebuck SF Deb	8.000	04/01/06	1,224,553	956,250

Maturity Value	Security		Maturing	Total Cost	Market Value
200,000	Southwest Bell Tel Deb	5.375	06/01/06	200,000	113,000
791,291	GNMA Pass/Thru #14197	8.000	12/15/06	811,073	664,684
667,133	GNMA Pass/Thru #12752	8.000	12/15/06	683,811	560,392
693,955	GNMA Pass/Thru #15117	8.000	12/15/06	689,835	582,922
756,803	GNMA Pass/Thru #14264	8.000	01/15/07	775,723	635,714
203,708	GNMA Pass/Thru #16970M	7.500	05/15/07	196,865	163,985
200,000	New York Tel Ref Mtg	7.500	03/01/09	197,500	145,000
989,650	GNMA Pass/Thru #31275	9.000	03/15/09	916,509	878,314
992,855	GNMA Pass/Thru #31190	9.000	05/15/09	919,477	881,159
1,865,956	GNMA Pass/Thru #33644	9.500	07/15/09	1,798,315	1,695,687
995,150	GNMA Pass/Thru #33123	9.500	08/15/09	970,893	904,343
996,260	GNMA Pass/Thru #32867	9.500	10/15/09	882,313	905,351
1,000,000	Florida PWR & Lt 1st	15.250	03/01/10	1,000,000	1,175,000
500,000	Pacific Tel & Tel Debs	9.500	06/15/11	500,000	410,000
500,000	New York Telephone	8.300	08/15/12	505,800	390,000
500,000	So Cent Bell Tel	8.250	08/01/13	497,700	390,000
1,000,000	Pacific Tel & Tel Deb	9.625	11/01/14	1,000,000	840,000
2,000,000	New York Tel Deb	8.250	10/15/15	1,828,403	1,560,000
2,000,000	South Bell T&T Deb	8.125	05/01/17	1,790,730	1,540,000
1,000,000	New Jersey Bell Deb	8.750	06/01/18	963,750	815,000
1,000,000	Southern Bell T&T	8.625	09/01/18	959,380	805,000
1,000,000	So Western Bell Tel	9.625	03/15/19	882,500	895,000
1,000,000	Mt States Tl&Tel	11.250	11/01/1	1,000,000	975,000
				44,706,275	37,869,438

CONVERTS - BONDS & PREFERRED

350,000	U S Steel Corp	5.750	07/01/01	342,875	194,250
				342,875	194,250

STOCK EQUIVALENT CONVERTIBLES

400,000	Chase Manhattan Corp	6.500	07/01/96	404,000	336,000
300,000	Dart Ind Sub Deb	4.250	07/15/97	300,000	202,500
				704,000	538,500

COMMON STOCKS

Shares

10,000	Chesebrough-Ponds			346,943	277,500
8,000	Gillette			330,561	196,000
8,000	American Home Products			242,302	228,000
5,000	Baxter Travenol Labs			214,225	222,500
7,000	Eli Lilly			374,302	343,000
5,000	Merck			340,953	353,750
10,000	Archer-Daniels-Midland			365,000	335,000
7,000	Coca-Cola			297,424	231,000
18,000	Ralston Purina			291,680	202,500
12,000	R J Reynolds Industries			390,130	466,500
3,000	Procter & Gamble			259,014	221,250
6,000	Federated Dept Stores			289,880	174,000
6,000	Safeway Stores			254,623	198,000
5,000	CBS Inc			278,030	235,625
2,500	Eastman Kodak			251,655	140,000

Maturity Value	Security	Maturing	Total Cost	Market Value
10,000	Household Finance		244,598	180,000
10,000	Continental Corp		286,125	267,500
5,000	Raytheon		338,300	371,250
5,000	United Technologies Corp		198,650	209,375
7,000	TRW		275,183	271,250
14,000	Intl Business Machines		927,611	822,500
4,000	Minnesota Mining & Mfg		256,100	212,500
7,000	Xerox		541,863	376,250
3,000	General Electric		180,776	154,500
6,000	Hewlett-Packard		247,643	374,250
3,000	Texas Instruments		263,700	276,000
8,000	Combustion Engineering		396,245	482,000
7,000	Hughes Tool Co		371,921	439,250
8,000	Allied Chemical		373,718	383,000
10,500	Big Three Industries Inc		417,825	504,000
10,000	Union Carbide		584,305	436,250
10,000	Crown Zellerbach		387,375	462,500
10,000	International Paper		595,683	365,000
15,000	Kaiser Aluminum & Chem		297,500	300,000
8,000	Atlantic Richfield		457,440	748,000
7,000	Getty Oil		437,655	551,250
6,000	Kerr McGee		897,252	898,500
10,000	Mobil Corp		539,113	712,500
10,000	Stand Oil of California		440,142	765,000
10,000	Stand Oil of Indiana		498,105	572,500
10,000	Union Oil of California		343,125	525,000
5,000	American Tel & Tel		319,450	262,500
10,000	Allegheny Power System		213,000	167,500
12,000	Gulf States Utilities		178,960	145,500
3,000	Houston Inds Inc		156,333	85,875
10,000	Tampa Electric		196,750	177,500
14,000	Panhandle Eastern Pipe Ln		288,943	467,250
6,500	Tenneco		216,705	255,938
10,000	Union Pacific Corp		405,420	427,500
			17,300,206	17,474,313

COST OF LIVING FUND

CASH & SHORT TERM BONDS

1,475,000	Investment FD State Treas			1,475,000	1,475,000
45,500	Cash in Savings account			45,500	45,500
100,000	United States Treas NT	7.125	11/15/80	99,469	99,500
100,000	United States Treas NTS	6.875	03/31/81	100,406	99,000
50,000	J C Penney Finl Debs	9.450	10/15/81	50,000	49,500
100,000	United States Treas NTS	8.000	02/15/83	104,063	97,000
100,000	Ford Motor Co	14.750	04/01/85	100,000	108,500
				1,974,438	1,974,000

MEDIUM TERM BONDS

100,000	United States Treas NTS	7.875	05/15/86	100,000	92,500
100,000	United States Treas NTS	7.625	11/15/87	99,469	89,500
				199,469	182,000

Maturity Value	Security		Maturing	Total Cost	Market Value
<u>LONG TERM BONDS</u>					
100,000	United States Treas Bds	9.000	02/15/94	99,963	92,000
25,000	Alum Co of Amer Deb	7.450	11/15/96	25,000	19,375
25,000	Goodyear Tire & Rub SF	7.350	09/15/97	25,000	16,281
50,000	Monsanto Co SF Deb	8.500	06/15/00	49,750	40,750
50,000	Ford Motor Cred SF Deb	9.700	07/15/00	49,700	41,750
25,000	Amer Cyanamid Co SF Deb	7.375	04/15/01	24,750	18,625
25,000	Texaco S F Deb	7.750	06/01/01	25,000	19,375
50,000	Gen Motors Acc Corp	8.750	06/15/01	47,290	41,500
25,000	Mobil Oil Co Deb	7.375	10/01/01	25,000	18,875
25,000	Firestone Tire SF Deb	7.300	10/15/01	25,000	14,750
25,000	Shell Oil Deb	7.250	02/15/02	25,000	18,875
50,000	Sun Inc Deb	7.125	05/01/02	49,500	36,750
50,000	Pacific Gas & Elec 1st	8.000	06/01/03	39,940	37,750
25,000	Consumers Pwr 1st Mtg	8.625	08/01/03	25,337	18,375
100,000	So Cal Edison 1st & Ref	15.125	04/01/05	99,200	115,500
50,000	Sears Roebuck SF Deb	8.000	04/01/06	50,224	38,250
193,849	GNMA Pass/Thru #30303	9.000	03/15/09	179,523	172,041
248,312	GNMA Pass/Thru #33496	9.500	08/15/09	242,259	225,653
247,240	GNMA Pass/Thru #30469	9.500	08/15/09	238,277	224,679
249,040	GNMA Pass/Thru #36497	9.500	10/15/09	219,155	226,315
100,000	Florida PWR & Lt 1st	15.250	03/01/10	100,000	117,500
25,000	Pacific Tel & Tel Debs	9.500	06/15/11	25,000	20,500
25,000	New York Tel 1 Ref Ser	8.300	08/15/12	25,290	19,500
50,000	Pacific Tel & Tel	9.625	11/01/14	50,000	42,000
100,000	So Central Bell Tel deb	8.250	11/01/15	95,666	77,500
50,000	Southern Bell T&T DEB	8.125	05/01/17	44,099	38,500
50,000	Southern Bell T&T	8.625	09/01/18	47,969	40,250
100,000	So Western Bell Tel	9.625	03/15/19	88,250	89,500
100,000	Mt States T&T DB	11.250	11/01/19	100,000	97,500
				2,141,142	1,980,219

CONVERTS-BONDS & PREFERRED

25,000	Fed Nat Mtg Asn	4.375	10/01/96	16,750	21,000
				16,750	21,000

STOCK EQUIVALENT CONVERTIBLES

25,000	McDonnell Douglas	4.750	07/01/91	23,188	25,250
15,000	Pfizer Inc OV S/D	4.000	02/15/97	15,000	13,500
25,000	DART Ind Sub Deb	4.250	07/15/97	25,000	16,875
				63,188	55,625

COMMON STOCKS

200	American Home Products			6,606	5,700
200	Baxter Travenol Labs			8,549	8,900
300	Archer-Daniels-Midland			10,950	10,050
100	Eastman Kodak			11,336	5,600
100	Raytheon			6,790	7,425
400	Intl Business Machines			24,423	23,500

Maturity Value	Security	Maturing	Total Cost	Market Value
200	Hugnes Tool Co		10,562	12,550
200	Allied Chemical		9,210	9,575
100	Union Carbide		6,986	4,363
100	International Paper		6,660	3,650
500	Kaiser Aluminum & Chem		9,858	10,000
200	Kerr McGee		14,954	14,975
400	Standard Oil of Indiana		19,924	22,900
500	Union Pacific Corp		<u>20,271</u>	<u>21,375</u>
			167,077	160,563

Retirement Fund

Cash & Short Term Bonds	15,553,136	15,365,213
Medium Term Bonds	3,981,568	3,382,355
Long Term Bonds	44,706,275	37,869,438
Converts-Bonds & Preferreds	342,875	194,250
Stock Equivalent Convert	704,000	538,500
Common Stocks	<u>17,300,206</u>	<u>17,474,313</u>
Total	82,588,060	74,824,069
Net Amortization of premiums and discounts	<u>62,740</u>	
Total	\$82,650,800	

Cost of Living Fund

Cash and Short Term Bonds	1,974,438	1,974,000
Medium Term Bonds	199,469	182,000
Long Term Bonds	2,141,142	1,980,219
Converts-Bonds & Preferred	16,750	21,000
Stock Equivalent Convertibles	63,188	55,625
Common Stocks	<u>167,077</u>	<u>160,563</u>
Total	4,562,064	4,373,407
Net Amortization of Premiums and discounts	<u>5,486</u>	
Total	\$4,567,550	

PLAN REVENUES

The Plan's Retirement Fund has three principal sources of income. One is the payments made by the employer (City Government). Another is the payments made by City employee members of the Plan. The third is the interest earnings from the monies invested in bonds and other securities.

The pattern of revenues for the last decade is shown in the following table:

Fiscal Year Ending In June	Employer	Employee	Interest	Total
1980	\$ 7,764,000	\$2,500,000	\$ 6,049,000	\$16,313,000
1979	6,872,000	2,079,000	4,843,000	13,794,000
1978	6,337,000	1,871,000	3,806,000	12,014,000
1977	6,047,000	1,738,000	3,199,000	10,984,000
1976	4,751,00	1,246,000	2,621,000	8,618,000
1975	3,781,000	889,000	2,277,000	6,947,000
1974	3,577,000	798,000	1,769,000	6,144,000
1973	2,992,000	704,000	1,431,000	5,127,000
1972	2,732,000	645,000	1,268,000	4,645,000
1971	2,704,000	617,000	983,000	4,304,000
10 Year Total	\$47,557,000	\$13,087,000	\$28,246,000	\$88,890,000

SIZE OF SYSTEM

	1970	1971	1972	1973	1974	6/76	6/77	6/78	6/79	6/80
Active		1067	1128	1225	1260	1360	1351	1407	1385	1375*
Retired		110	138	161	175	208	218	234	245	272
Survivors		19	20	22	27	31	37	38	49	47
TOTAL		1196	1286	1408	1462	1599	1606	1679	1679	1694

*Includes everyone on leave and ten (10) inactive members who left their funds on deposit (vested).

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

CONTRIBUTIONS AND REVENUES

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

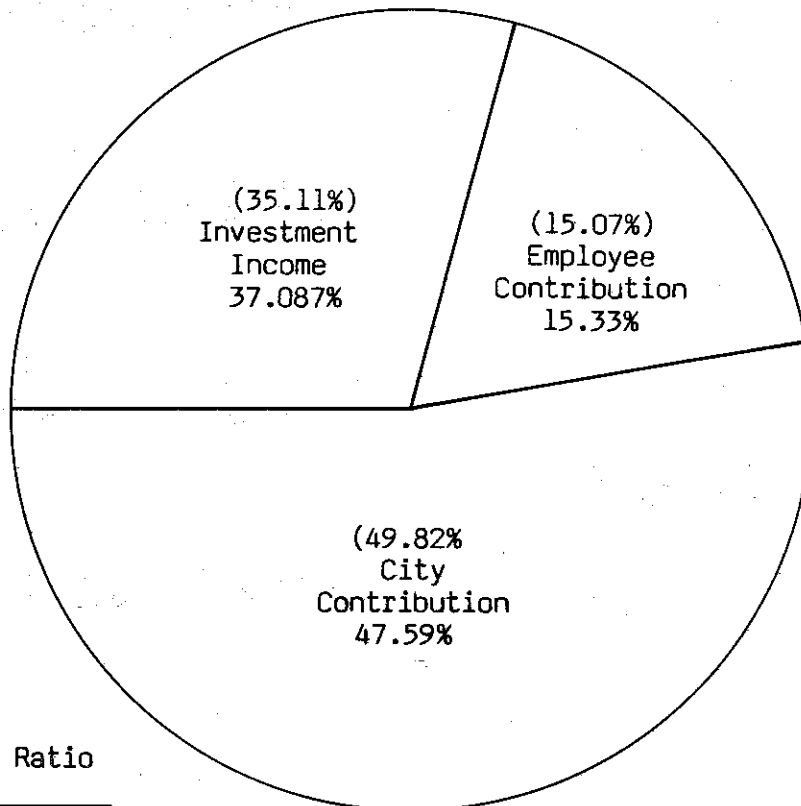
	Effective 10/1/78	Effective 9/2/79
Current Service	6.35%	6.57%
Cost of Living	1.07%	1.68%
TOTAL	7.42%	8.25%

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

	Effective 10/1/78	Effective 9/2/79
Current Service	16.95%	17.06%
Prior Service	5.25%	5.29%
Cost of Living	3.85%	6.47%
TOTAL	26.05%	28.82%

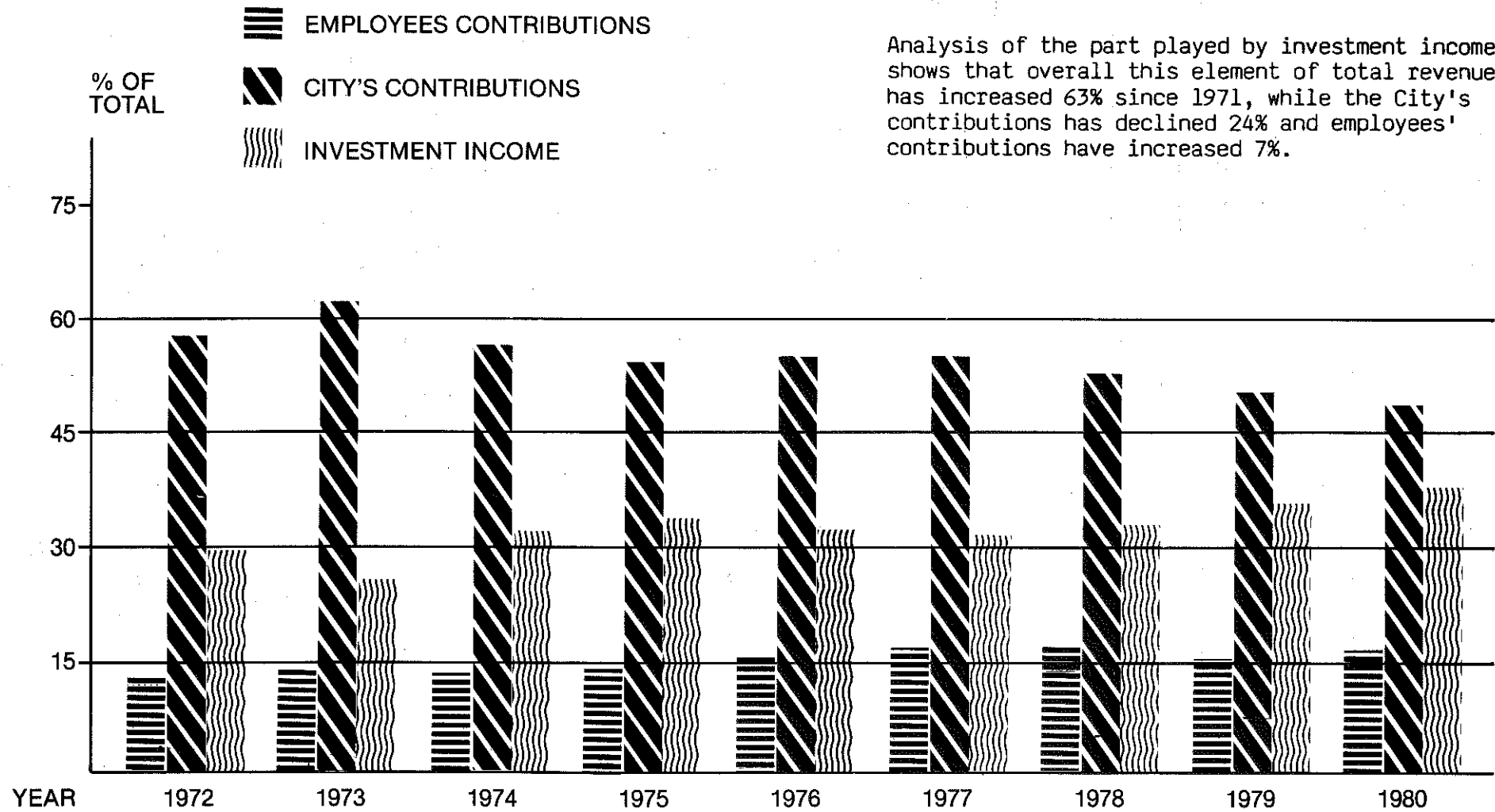
The following sources contributed their share of the revenues received by the Retirement Fund in 1979-80:

Employee Contribution	15.33%	\$ 2,500,000
City Contribution	47.59%	7,764,000
Investment Income	37.08%	6,049,000
TOTAL REVENUES	100.00%	\$16,313,000



(1979) Ratio
1980

RELATIONSHIP OF CONTRIBUTIONS



POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

INVESTMENT REPORT
of
SCUDDER, STEVENS & CLARK, INCORPORATED
INVESTMENT COUNSEL
June 30, 1980

During the past fiscal year, the investments of your portfolio at cost have increased to \$86,702,000 from \$73,803,000 while the year-end annual rate of income has increased by \$1,614,000 to \$7,104,000. The overall rate of return on your fund increased significantly to 8.19% from 7.44%.

The past year has proven to be a difficult one for the financial markets. There is one overriding concern which has led to this uncertain environment - inflation. The rate of inflation has intermittently been a problem in the economic history of our country, but over the past few years it has increased sharply. This occurrence has resulted in increased volatility in the financial markets.

Within this environment we have maintained a larger short term reserve with regard to fixed income than in the past, and we have moved the stock position toward the maximum 25% at cost. This strategy was borne out over the past year as stock prices increased significantly and bond prices declined sharply. As measured by the Standard & Poors 500 index, stock prices rose from 102 to 114 while long term bond yields increased from 9.30% to 11.00%.

At the present time, 75% of your portfolio is invested in high yielding government and corporate bonds and short term reserves. Since interest rates rose so dramatically over the past year, we began to extend a portion of this reserve into medium and longer term obligations, thereby locking in attractive yields.

The remaining portion of your portfolio is invested in good quality common stocks that provide a hedge against continued inflation. Our stock purchases over the past year were concentrated in the chemical, petroleum and petroleum service areas which should continue to benefit from rising energy prices.

Police and Fire Department Retirement Plan
PORTFOLIO PERFORMANCE REPORT

A. By Investment Counsel

Bond Investments

Period Ending	Gross Purchases	Gross Sales	Rate of Return
6/30/80	\$33,029,000	\$1,012,000	12.89%
6/30/79	28,510,000	3,679,000	9.33
6/30/78	10,641,000	1,960,000	7.22
6/30/77	12,986,000	4,432,000	7.38

Common Stock Investments
(including Convertibles)

6/30/80	\$5,495,000	\$2,738,000	3.85%
6/30/79	2,522,000	186,000	3.12
6/30/78	1,726,000	855,000	4.23
6/30/77	4,316,000	3,203,000	5.20

Total Investments

Period Ending	Investments at Cost	Year-end Annual Rate of Income	Rate of Return
6/30/80	\$86,702,000	\$7,104,000	8.19%
6/30/79	73,803,000	5,490,000	7.44
6/30/78	62,587,000	4,298,000	6.87
6/30/77	53,688,000	3,690,000	6.87

The Cost-of-Living Fund, which is included in the above figures, amounts to approximately \$4,562,000 invested in high coupon bonds, convertibles and common stocks providing an estimated annual income of \$452,000 for a projected yield of 9.90%

B. By City Staff

Fiscal Year	Invest- ments	Regular Interest (2)	Actual Rate (3)	Invest- ments (1)	C.O.L. Interest (2)	Actual Rate (3)
1980	\$82,651,600	\$5,763,000	6.97%	\$4,567,000	\$291,000	6.37%
1979	71,298,000	4,714,000	6.61%	2,505,000	129,000	5.15%
1978	60,688,000	3,702,000	6.10%	1,432,000	104,000	7.26%
1977	52,476,000	3,122,933	5.95%	1,211,000	76,053	6.28%
1976	43,517,000	2,525,072	5.80%	959,000	96,117	6.68%

- (1) Appraisal of Security Holding, quarterly; Scudder, Stevens & Clark, as of June 30.
- (2) Annual Financial Reports, Director of Finance, City of San Jose. (Less C h in Bank and Interest Receivable, but includes Gain
- (3) Based upon cost (annual income divided by total investments at cost).

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN
Retirees and Beneficiaries as of June 30, 1980

	NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	C.O.L.	TOTAL
D	Mauldin, William	17	09/26/44	193.04	74.16	3,136.38
D	Volonte, Louis	29	05/02/49	172.17	66.14	2,797.26
D	Basile Frank	28	01/14/52	249.07	95.71	4,047.00
	Matranga, John	22	02/01/53	227.48	87.39	3,695.91
D	Humburg, Walter	30	03/04/53	230.86	88.70	3,750.93
	Adams, Harley	27	07/14/53	263.52	101.23	4,281.42
	Guptill, Lovell	24	07/01/54	290.15	111.49	4,714.38
	Anderson, Ernest	26	08/01/55	301.98	116.02	4,906.47
	Schwandt, Herman	34	01/01/57	259.25	99.61	4,212.27
	Jones, Ivor	34	08/21/57	270.96	104.10	4,402.44
	Morss, Kenneth	30	09/21/57	272.07	104.55	4,420.71
D	MacLean, Arthur	16	11/27/57	314.08	120.69	5,103.30
	Powers, Edward	39	06/01/59	332.66	127.81	5,404.95
	Miller, Emmett	30	11/01/59	341.30	131.13	5,545.32
	Emery, Walter	29	05/26/60	296.27	113.81	4,813.50
	Jennings, Ralph	32	09/05/60	343.27	131.91	5,577.60
	Garcia, Simon	30	02/27/62	318.05	122.20	5,167.62
S	Murray, Vera	32	**10/04/79	205.77	79.06	2,513.67
S	Holden, Gertrude	16	**08/18/75	180.47	69.33	2,932.08
S	Ogden, Anna	40	**12/15/63	266.74	102.49	3,349.40
	Kirby, Henri	29	07/01/62	436.82	167.84	7,097.43
	Edes, Hugh	36	07/01/62	372.37	143.08	6,050.31
	Conyers, Francis Sr	32	10/26/62	377.30	144.97	6,130.35
	Campbell, Lawrence	31	02/01/63	470.20	180.65	7,639.56
	Quain, Ralph	22	04/01/63	378.83	145.57	6,155.37
	Flesner, Frederick	25	07/28/63	385.63	148.15	6,265.41
	Gadsby, Walter	22	09/01/63	387.03	148.71	6,288.48
	Pracna, Edward	36	09/13/63	485.61	186.61	7,890.42
S	Bruegman, Mary	5	**11/14/63	161.17	55.44	1,299.66
S	Sawyer, Barbara	18	**01/01/64	263.11	101.09	4,274.91
	Parker, Harold	22	05/01/64	487.62	187.35	7,922.70
	Batti, George	34	05/11/64	390.33	149.96	6,341.82
D	Emery, Louis	15	08/20/64	313.50	120.46	5,093.76
	Browder, Samuel	22	04/01/65	397.70	152.81	6,461.85
S	Murtha, Mary	27	**04/07/78	205.11	78.80	3,332.49
	Gray, Raymond	37	04/01/65	356.19	136.87	5,787.48
S	Lunsford, Phyllis	37	**06/25/65	376.46	144.65	6,116.70
S	Rebhan, Ethel	21	**04/22/74	229.51	88.17	3,728.91
	Davis, Harvey	23	09/01/65	404.74	155.52	6,576.24
D	Hoffman, Vernon	20	12/06/65	371.78	142.85	6,040.65
	Alvares, Artie	23	02/01/66	357.52	137.36	5,808.87
	Acquistapace, Joseph	21	02/01/66	357.52	137.36	5,808.87
S	Guerin, Helen	22	**11/11/78	211.69	81.35	3,439.62
S	Pinkston, Lena	29	**09/07/74	232.17	97.52	3,869.88
	Bosque, Charles	20	05/03/66	323.12	124.14	5,249.85
D	Haas, Carl G	21	06/07/66	362.22	139.17	5,885.28
S	Cecil, Georgia	18	**01/16/72	341.57	130.77	5,544.24

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN
Retirees and Beneficiaries as of June 30, 1980

NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	C.O.L.	TOTAL
D Mattern, John	16	07/16/66	419.75	161.28	6,820.08
Kidder, Donald	29	09/01/66	427.21	164.12	6,940.98
D Atwell, Harold	20	12/19/66	370.17	142.22	6,014.40
S Pierce, Dolores	9	**06/29/67	160.65	61.72	3,041.84
S Russo, Josephine	39	**02/09/67	182.91	70.27	2,971.83
S Vitek, Hilvie	42	**02/11/67	281.81	108.29	4,578.96
D Creamer, William	23	04/15/67	368.40	141.54	5,985.63
D Fusco, George	22	06/10/67	352.07	135.27	5,720.37
S Wakeman, Lela	31	**09/08/67	225.79	86.75	3,668.58
D Anderson, William	9	11/14/67	377.00	144.86	6,125.52
S Stanley, Ruth	23	**06/19/79	204.11	78.42	3,316.29
Gomes, Anthony	22	01/15/68	426.86	164.01	6,935.55
D Turnage, Gordon	8	03/08/68	365.59	140.46	5,939.94
S Lorenz, Ruth	25	**05/23/79	216.42	83.16	3,516.39
D Urzi, Robert	21	03/18/68	366.08	140.65	5,947.92
D Bartolini, Herbert	8	04/01/68	366.77	140.92	5,959.17
S Hauser, Irene	6	**03/24/72	365.85	125.82	3,441.69
D Crawford, Andrew	10	04/05/68	386.35	148.47	6,277.62
S Poelle, Jean	17	**02/16/79	312.33	120.00	5,074.65
D Fisher, Raymond	22	01/01/69	382.48	146.95	6,214.38
D Brewer, Glenn	10	02/10/69	385.15	147.99	6,257.91
S Bone, Nadalie	36	**03/10/69	344.39	132.44	5,595.75
Chew, Arnold	1	04/21/69	373.41	128.43	5,890.50
S Sims, Ethel	23	**06/14/79	344.70	118.55	5,437.59
D Ostermeier, Clifford	5	05/20/69	384.77	132.32	6,069.54
D Barr, Jack	21	07/14/69	394.05	135.53	6,216.18
Murphy Gerald	42	10/28/69	814.23	280.02	12,844.17
D Hart, James	1	12/03/69	383.42	131.86	6,048.27
S Fernandez, Beverly	23	**03/12/73	610.52	209.97	9,630.78
McCay, E.	27	02/01/70	999.77	343.82	15,770.91
Erlandson, John	25	07/01/70	595.43	179.96	9,101.46
Ankenbauer, Frank	24	07/05/70	576.31	174.18	8,809.14
D Stenzel, Eugene	8	08/01/70	461.00	139.34	7,046.67
S Huerta, Marie	7	**08/06/70	239.77	72.47	5,787.05
D Davis, Dale	8	09/01/70	461.00	139.34	7,046.67
D Stout, Bernard	24	09/01/70	569.48	172.12	8,704.80
Wilson, Jack	34	09/01/70	955.53	288.79	14,605.68
S LeBeau, Ruth	31	**10/12/77	891.41	269.42	13,625.67
Connett, Theron	31	10/01/70	835.79	252.62	12,775.62
D Burgstrom, Carl	16	11/01/70	563.04	170.17	8,606.28
D Anderson, Clarence	23	12/21/70	545.36	164.83	8,336.07
Fisher, Vern	25	01/03/71	599.87	181.32	9,169.53
D Canuel, John	25	01/05/71	766.40	231.65	11,714.97
D True, Robert	31	01/11/71	1,147.89	346.93	17,545.98
D Crosby, James	29	01/14/71	839.24	253.64	12,828.09
D Cannell, George	33	01/16/71	1,486.60	449.31	22,723.41
S Gibson, Henrietta	25	**02/04/71	345.75	104.48	5,284.77

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN
Retirees and Beneficiaries as of June 30, 1980

NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	C.O.L.	TOTAL
D Coomer, Sam	9	02/09/71	376.90	113.90	5,760.90
D Batten, Russel	28	03/01/71	1,105.24	334.05	16,894.20
D Tanner, Francis	20	05/01/71	546.62	145.83	8,127.87
Blackmore, John	42	05/17/71	1,953.51	521.14	29,047.08
D Mason, Roland	7	06/22/71	511.45	136.44	7,604.85
D Rolston, Chad	26	07/01/71	680.42	181.50	10,117.14
S Carotta, Shirley	29	**11/05/74	549.38	146.55	8,168.73
S Anderson, Irene	17	**06/12/63	156.44	41.72	2,325.99
D Knapp, John	30	07/15/71	1,484.00	395.89	22,065.93
D Lowe, William	22	07/15/71	662.48	176.72	9,850.44
D Evans, Carl	26	08/01/71	655.23	174.80	9,742.74
D Place, Robert	11	08/01/71	413.82	110.39	6,092.09
D Kennedy, Edwin	24	08/01/71	744.57	198.64	11,071.29
S Gilchrest, Dorothy	24	**05/16/73	387.31	103.33	5,759.07
D Ricketts, Edward	21	09/01/71	583.10	155.56	8,670.33
D Warrick, Robert	27	10/05/71	814.32	217.24	12,108.27
D Flair, Gary	9	10/12/71	506.35	135.09	7,529.16
D Houlihan, Earl	8	11/11/71	510.71	136.22	7,593.60
D Manthey, James	19	12/01/71	648.63	173.02	9,644.43
D Bibby, Richard	15	12/01/71	508.13	133.69	7,533.63
D Miller, Herbert	35	01/03/72	973.81	259.77	14,479.59
D Curtiss, Marvin	27	01/04/72	766.04	204.35	11,390.34
D Green, Leon	35	02/01/72	1,319.49	352.00	19,619.76
D Fries, Joseph	22	02/15/72	691.49	184.47	10,281.93
D Higgins, Thomas Jr.	24	03/01/72	1,040.20	277.50	15,466.98
D Westernhouse, James	27	03/01/72	857.69	228.81	12,753.15
Maral, Manuel	40	03/01/72	769.75	205.34	11,445.48
D Leslie, Sean	8	03/01/72	530.28	141.48	7,884.99
D Tollenaar, Corneal	20	04/01/72	647.13	172.64	9,622.32
D Scarpace, Sam	30	04/01/72	771.56	205.83	11,472.45
S Heeren, Mildred	31	**02/21/77	385.78	102.92	5,736.33
D Jones, Arthur	35	04/01/72	937.50	250.10	13,939.89
S Luchessi, Jessie	31	**04/22/72	641.65	147.51	9,263.01
D Miller, Arthur	24	05/01/72	815.35	187.43	11,770.47
S Bishop, Mildred	28	**06/25/79	504.63	116.00	7,193.74
D McCargar, John	2	06/06/72	308.10	59.79	1,423.34
D Miller, David	31	07/02/72	944.25	217.05	13,631.22
S- 2 Cardona, Velma	20	**07/08/75	899.61	187.17	12,756.51
D Anderson, William	26	08/01/72	849.82	195.26	12,262.29
S DeMers, Alice	35	**02/27/77	801.16	184.16	11,565.54
S Shannon, Marjorie	35	**01/26/73	651.44	149.76	9,404.34
D Bernardo, Charles	27	08/01/72	753.53	173.21	10,877.97
D Petersen, Gunner	26	08/01/72	845.49	194.36	12,205.59
D Toussaint, Harold	29	08/01/72	1,013.45	232.97	14,630.34
S Barozzi, Maryann	26	**11/11/79	299.67	172.23	4,710.71
S Haller, Jean	25	**09/06/72	544.62	125.19	7,862.13
D Lamb, William	19	09/15/72	637.31	146.49	9,200.13

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN
Retirees and Beneficiaries as of June 30, 1980

NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	C.O.L.	TOTAL
S Collins, Antoinette	27	**11/20/72	449.36	103.30	6,487.02
D Miller, Jesse	25	12/01/72	884.28	203.27	12,765.48
Klein, Elmer	30	01/03/73	1,643.50	377.80	23,725.77
D Larsen, James	13	01/15/73	605.17	139.12	8,736.36
D Schaefer, Charles	29	02/14/73	904.83	207.99	13,062.15
D Sadler, Bernice	24	02/15/73	546.03	125.52	7,882.56
D Brenneman, Virgil Jr	6	02/15/73	535.00	122.98	7,723.32
D Donohue, James	6	03/04/73	387.73	89.12	5,597.19
D Gilbert, George	27	03/15/73	731.12	168.07	10,554.57
D Lennon, John	20	04/01/73	590.70	135.77	8,527.20
D Moody, Willey	30	04/01/73	987.00	226.90	14,248.56
D Tuma, Frank	27	04/01/73	776.12	178.40	11,204.04
D Sanchez, Joseph	14	04/01/73	658.00	151.25	9,498.87
D Jones, John	34	04/01/73	2,164.79	497.73	31,251.09
D Howard, Orrin	20	04/01/73	575.00	132.19	8,300.88
D Walton, J	4	04/01/73	527.18	121.18	7,610.40
D Gray, Loren	30	04/01/73	853.13	196.11	12,315.84
D Hoffman, Fred	29	06/01/73	1,031.78	200.21	14,460.96
S LaCour, Joyce	13	**06/15/73	492.69	95.62	6,905.46
D Bruce, Gordon	5	07/01/73	601.42	116.71	7,974.28
D Evans, David	26	08/01/73	955.34	185.40	13,389.81
D Harris, Coy	27	09/12/73	810.23	157.24	11,356.02
S Vasquez, Lupez	24	**09/25/73	940.63	182.53	13,183.53
D Silva, Edward	25	10/01/73	870.38	168.89	12,198.81
D Marks, Leonard Jr	18	10/01/73	1,062.50	206.19	14,891.73
S Easley, Barbara	13	**07/15/76	291.17	56.51	4,080.99
D Satariano, Anthony	27	11/14/73	807.78	156.74	11,321.43
D Cordoni, Julius	11	12/01/73	664.20	128.89	9,309.18
D Torguson, Donald	11	01/02/74	558.96	108.46	7,834.08
D Gould, Michael	9	01/02/74	649.49	126.03	9,102.93
D Nufer, Joseph	14	01/02/74	688.00	133.51	9,642.75
D Crawford, James	14	01/02/74	688.00	133.51	7,649.75
D Bias, James	13	01/02/74	594.64	115.39	8,334.24
Conrow, Dan	28	01/05/74	974.21	189.05	13,654.20
Hornbeck, Melvin	36	01/06/74	1,462.97	283.90	20,504.52
S Heaney, Charlotte	27	**09/20/78	298.29	57.88	4,180.71
D Willis, Ronald	10	01/15/74	478.61	92.88	6,708.03
S Perry, Lucille	27	**08/25/75	518.46	100.61	7,266.57
D Silfvast, Robert	17	02/01/74	703.59	136.53	9,861.21
D Martinelli, Walter	28	02/01/74	843.22	163.64	11,818.35
D Choyce, James	14	03/01/74	603.25	117.07	8,455.02
D Garringer, Estiel	26	03/01/74	965.43	187.35	13,531.14
Provasi, Dante	27	03/01/74	868.46	168.52	12,171.96
D Collins, Barton	38	03/01/74	1,709.63	331.76	23,961.54
Mackenzie, William	29	04/01/74	1,549.13	300.61	21,711.96
D Stefanini, Mario	29	04/01/74	939.06	182.23	13,161.54
S Garcia, Jennie	27	**05/07/74	535.99	85.37	7,293.42

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN
Retirees and Beneficiaries as of June 30, 1980

	NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	C.O.L.	TOTAL
S	Buck, Lillian	24	**05/15/74	557.90	88.87	7,591.68
	Baker, Bernice	25	06/01/74	392.86	62.58	5,345.85
	Favorite, Lawrence	35	06/12/74	1,074.00	171.06	14,614.38
D	Coburn, Jimmie	18	06/15/74	619.86	98.73	8,434.71
D	Bernardo, Ralph	30	07/10/74	873.24	139.09	11,882.55
S	Scribner, Betty	28	**11/14/76	747.77	119.10	10,175.19
D	Nurisio, Louis	14	12/01/74	663.37	105.66	9,026.76
S	Cissell, Jane	15	**12/09/78	1,063.43	169.36	14,470.29
D	Lima, Sam	28	01/02/75	846.83	134.87	11,523.09
D	Devitt, Francis	28	02/01/75	1,051.73	167.51	14,311.29
D	Sapena, Tony	29	03/01/75	1,509.82	240.46	20,544.54
D	Kincaid, Richard	32	03/27/75	984.49	156.79	13,396.20
D	Kinney, Thomas	29	04/01/75	1,161.73	185.03	15,808.05
D	Angelo, Anthony	24	04/01/75	801.11	127.59	10,900.95
S	2 Donald, Peggy	24	**05/15/75	1,545.80	212.09	20,633.88
D	Fonseca, Charles	30	04/01/75	1,140.75	181.70	15,522.72
D	Sawyer, Howard	13	04/01/75	657.32	104.69	8,944.41
	Silva, Raymond	23	04/01/75	774.72	123.40	10,542.00
	Rasmussen, Pauline	23	04/01/75	376.47	59.95	5,122.65
D	Sinnott, Glenn	28	04/01/75	869.53	138.49	11,832.00
D	Richards, John K	14	05/01/75	796.34	99.96	10,520.61
D	Azzarello, Joseph	33	05/01/75	1,600.25	200.85	21,141.06
D	Ramboer, Leo M.	28	06/01/75	883.98	110.95	11,678.34
D	Jacobson, George A	15	06/01/75	771.48	96.82	10,191.99
D	Cuffaro, Marco	26	06/10/75	1,040.01	130.53	13,739.67
D	Robertson, Harry	6	09/06/75	708.69	88.95	8,588.20
D	Keith, Gary	13	10/18/75	700.91	87.98	9,259.86
D	Hall, Stanley	15	11/01/75	828.99	104.05	10,951.86
D	Donald Howard	28	01/01/76	1,740.78	218.48	22,997.49
	Keiser, Betty	20	01/02/76	390.67	49.03	5,161.11
D	Kosik, Victor	28	01/03/76	1,039.81	130.50	13,736.91
	Hilscher, Arthur	29	01/03/76	1,433.45	179.90	18,937.29
D	Fernandez, Gabriel	29	01/06/76	948.11	119.00	12,525.60
D	Bloomfield, Harold	24	01/25/76	800.38	100.45	10,573.80
	Haller, Lewis	34	02/07/76	1,706.66	214.21	22,546.89
	Kuehnis, Floyd E	34	02/07/76	1,475.52	185.19	19,493.19
D	Sullivan, Maris	24	03/20/76	1,026.50	128.84	13,561.23
S	Conversa, Jessie	30	**08/29/76	637.37	79.99	8,420.31
D	Nelson, Robert	30	03/21/76	993.62	124.70	13,126.71
D	Seibert, Sam	29	03/28/76	1,216.75	152.72	16,074.63
D	Murtha, William	9	04/01/76	663.30	83.25	8,762.94
D	Ricceri, Frank	28	04/01/76	940.03	117.99	12,418.86
D	Cole, Vernon	24	06/13/76	1,033.41	95.82	13,254.75
D	Mogilefsky, Arthur	9	07/04/76	755.16	70.01	9,685.77
	Maddox, William	28	08/14/76	1,239.51	114.94	15,898.35
D	Keyser, Orville	28	09/19/76	1,222.16	113.32	15,675.66
D	Stegemiller, James	22	10/18/76	1,242.97	115.26	15,942.72

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN
Retirees and Beneficiaries as of June 30, 1980

NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	C.O.L.	TOTAL
D Sekany, Gregory	6	01/03/77	765.70	71.00	9,821.07
D Elorreaga, Paul	14	01/12/77	792.82	73.51	9,211.89
D Lee, Raymond	29	03/14/77	1,376.86	127.68	17,660.10
D Klein, Theodore	31	03/19/77	1,881.55	174.47	24,133.32
D Dwyer, George	27	03/20/77	1,264.22	117.23	16,215.24
D Cleary, Robert	28	03/20/77	1,676.11	155.42	21,498.21
D Campbell, William	25	03/20/77	1,182.62	109.66	15,168.60
D Kasich, Robert	9	04/11/77	790.82	48.16	9,847.80
D Devens, Lee	28	04/17/77	1,671.95	101.82	20,820.30
Hickey, Janet	31	04/23/77	1,213.72	73.91	15,114.06
D Brune, Ralph	29	06/01/77	1,390.32	84.67	17,313.24
D Adams, Virginia	22	06/14/77	825.44	50.27	10,278.93
DeCamp, Howard	24	07/06/77	1,114.57	67.88	13,879.44
D Jones, Robert	10	07/12/77	733.07	44.64	9,128.67
D Bolton, Hilbert	30	07/12/77	1,369.66	83.41	17,055.96
D Nelson, Murray	31	09/02/77	1,185.95	72.23	14,768.31
D Capurso, Frank	14	09/06/77	788.89	48.05	9,823.86
D Shannon, Clarence	22	09/11/77	979.86	59.68	12,201.96
S Bell, Cheryl	2	**09/11/77	767.45	46.73	9,556.77
D Zenahlik, Thomas	9	12/14/77	841.81	51.26	10,482.75
D Roorda, James	7	12/18/77	818.44	49.84	10,191.75
D Wheatley, Merlin	30	01/05/78	1,698.59	103.45	21,152.07
D Vittoe, Joseph	29	01/07/78	1,230.11	74.91	15,318.15
D Bennett, William	8	01/10/78	844.85	51.46	10,520.73
D Papa, Rick	3	01/11/78	731.55	44.56	9,109.83
S McCuiston, Evelyn	18	**01/20/78	688.33	41.92	8,571.57
Gerhard, John	30	03/04/78	2,832.64	172.51	35,274.03
D Warning, Donald	23	03/14/78	946.48	57.64	11,786.19
D Windisch, Stephen	30	03/31/78	1,987.32	121.03	24,747.51
D Tambellini, Lawrence	27	04/01/78	1,532.87	93.36	19,088.43
D Allen, Robert	21	04/01/78	1,631.93	99.39	20,321.97
D Ozga, Jan	10	05/09/78	831.98	24.96	10,058.64
D Welch, Bradford	5	05/13/78	859.09	25.77	10,386.39
D Holmes, Danny	11	05/14/78	832.53	24.98	10,065.30
D Robertson, Robert	29	06/13/78	1,243.36	37.30	15,032.22
D Neibaur, Richard	22	07/08/78	1,060.24	31.81	12,818.31
D Jones, Raymond	32	10/01/78	1,911.04	57.33	23,104.47
D Sargent, Gregory	30	10/14/78	1,738.26	52.15	21,015.57
D Escobar, Joseph	21	10/14/78	1,063.35	31.90	12,855.90
D Edwards, Donald	23	10/15/78	1,339.74	40.19	16,197.45
S Siebenthall, Robyn	8	**10/28/78	632.93	18.99	11,414.83
S Miller, Laura	14	**11/03/78	865.65	25.97	10,661.18
D Williams, Ronald	14	11/14/78	1,001.37	30.04	11,895.56
D Van Dyck, Jon	16	11/14/78	1,001.37	30.04	12,106.56
D Shannon, Grettaann	14	01/01/79	720.88	21.63	13,040.73
D Ralston, Lloyd	30	01/06/79	1,502.06	45.06	18,159.90

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN
Retirees and Beneficiaries as of June 30, 1980

NAME	YEARS OF SERVICE	DATE RETIRED/DEATH	MONTHLY BASE	C.O.L.	TOTAL
D Funk, Harold	24	01/14/79	1,185.54	35.57	14,333.19
D Noseworthy Alec	31	02/15/79	1,257.92	37.74	15,208.26
Ballard, Buck	25	02/17/79	1,238.06	37.14	14,968.14
D McKay, Edward	33	03/17/79	2,329.43	69.88	28,162.80
D Van Etten, David	32	03/18/79	1,905.82	57.17	23,041.35
D Mitchell, James	24	03/18/79	1,520.33	45.61	18,380.79
D Marsh, Leonard	16	03/18/79	971.60	29.15	11,746.65
Wien, William A	28	03/30/79	1,397.10	41.91	16,890.93
D Urbani, Edward	31	03/31/79	1,457.39	43.72	17,619.84
D King, James	28	04/01/79	1,156.51	34.70	13,982.22
D Jost, Franklin	21	04/29/79	1,014.36		12,172.32
D Moss, Gene D	20	07/14/79	1,002.33		11,607.03
Warning, Loren R	23	08/01/79	725.24		7,977.64
D Pipkins, Robert W	20	08/04/79	990.59		10,800.50
D Evans Harold I	28	08/14/79	1,397.28		14,784.06
D McGrew, James	9	09/09/79	865.65		8,425.77
D Tenbrink, Robert	9	09/11/79	844.90		8,167.30
D Thompson, Gary R	17	09/11/79	1,002.51		9,690.99
D DeLuca, Peter P	31	09/15/79	1,301.18		12,404.54
D Pinck, Gregory J	9	10/09/79	843.90		7,377.32
D Greer, Denny R	28	10/14/79	1,391.65		11,941.22
Ragsdale, Elwin G	28	11/11/79	1,022.91		7,842.31
D Roy, Charles D	24	01/12/80	1,430.19		8,073.75
D Germano, Eugene J	32	01/12/80	1,675.15		9,456.55
D Jurado, John J	19	02/19/80	1,024.49		4,486.56
D Nagengast, Thomas	25	03/11/80	1,315.26		4,836.75
D Pollock, David A	20	03/15/80	1,206.88		4,282.48
D Keeney, William H	24	03/15/80	1,101.14		3,907.27
D Cunningham, Elizabeth	23	03/15/80	979.74		3,476.50
D Miller, Dorothy H	30	03/16/80	842.39		2,961.95
D Rist, Wayne H	26	03/29/80	1,335.07		4,134.41
D De Lise, Joseph	24	03/30/80	1,082.04		3,315.93
D San Filippo, Roy	25	03/30/80	1,332.57		4,086.55
D Ciraulo, Salvador J	33	03/30/80	1,556.84		4,770.96
D Cottle, Edward M	27	03/30/80	1,396.64		4,280.02
D Lucchesi, George	29	03/30/80	1,504.12		4,609.40
D Onzo, Joseph	24	04/13/80	1,107.69		2,879.99
D Wiens, George M	25	04/13/80	1,277.75		3,322.15
D Jaeger, George	11	04/20/80	911.80		2,157.93
D Dorr, Donald R	21	05/13/80	943.28		1,521.41
Lail, Harold A	25	05/25/80	987.47		1,210.45
D Wallace, Gordon M	25	06/08/80	1,319.76		1,011.82

S Survivor
S 2 Own Retirement & Survivor
D Disability