

SAN JOSE Retired Employees Association

A non-profit association devoted to the welfare of all retired City of San Jose Employees and dedicated to the protection and integrity of the Retirement System

Volume 15, Issue 3

March 2011



From Your President

Looking Ahead/Moving Forward

Edited by Bob Leininger, SJREA President

LOOKING AHEAD/MOVING FORWARD

Picking up from last month's column, we have entered Chapter 2 of the moving target, i.e., the City's general fund deficit and how to close it. The estimated gap for FY 2011-2012 may have come down a bit from \$109 to about \$105 million, but an event of more significance has happened from the union side of the equation. As many of you know from the newspapers, the San Jose Fire Fighters, Local #230, has come forward with a far reaching package of concessions. They have agreed to a 10% reduction in total compensation, with most of that in wages and a smaller amount in health benefits. This 10% would be for next year and for FY 2012-2013! They have also proposed major pension changes for **new hires** (i.e., the two-tier system). If approved by the SJCC, new fire fighters would go back to a maximum pension benefit of 75% of the average of the highest 36 months (now 90% of highest year). Jeff Welch is the new president of Local #230, and took the leadership in crafting this proposal.

The Police Union and all the Federated groups are still in the process of submitting proposals, so we need a few more weeks to see what those look like and then for the City to re-crunch the numbers and come up with a revised budget deficit estimate. The number of retirement applications may also affect the revised number, with Federated retirements at 121 for the first 3 months of this year, compared to 72 for same period last year.

All of this leads to the bigger question concerning actives and existing retirees: If all of these concessions do not eliminate the deficit, how does the City reach a balanced budget? More layoffs or concessions? New revenues? Changes to pensions for existing workers? Changes in pension benefits to existing retirees? There has been talk around City Hall about reducing the COLA for retirees, but there is clear legal precedent and formal legal opinions that current retirees (and most likely current workers) have legally protected, vested, contractual rights to these benefits and any such moves will be aggressively resisted by this Board of Directors. Much too early to jump to any conclusions. We will be on top of matters on a daily basis and will take action as matters unfold. If you are interested in keeping up to date on labor negotiations, the City maintains excellent data on its website. Go to www.sanjoseca.gov and click the City Labor Relations Information section on the home page. Status reports and details on union proposals are posted as they are submitted.

In addition to the concessions noted above, the Fire Fighters also have agreed to a 5-year phase-in for full funding of the Annual Required Contribution for their retiree health benefits (the other unions agreed to these increased employee payroll contributions last year). Local #230 has also agreed to discuss ways to reduce their sick leave payouts and to work on changes to the SRBR methodology so that payments are directed to those most in

Inside:	President's Message	Page 1	Retirements	Page 3-4	For Your Health	Page 6
	Speaker of the Month	Page 2	Condolances	Page 4	Clipboard	Page 7
	Board of Directors	Page 3	The Mystery Retiree	Page 5		

FROM YOUR PRESIDENT CONT.

need. The Police and Fire Retirees Association is also working on their SRBR provisions. This Board has a subcommittee looking at the distribution formulas in the Federated SRBR plan, and the goal is to bring recommendations to the City Council for both SRBR programs before the end of this fiscal year. If you have any thoughts or ideas on addressing the desire of the City Council to see changes in the methodology, give me a call or send an email and we can talk more about it.

That's it for now. Thanks to Board Member Maurice Stevenson for doing the recap of this month's presentation by the Retirement Services Department concerning the Federated Investment Portfolio.

Hope to see you on April 7th for a very interesting presentation (with actual food preparation and sampling) from a raw foods nutritionist. We need all the energy we can get for the next 3 months of budget negotiations!

Speaker of the Month Federated Pension Fund Investments

The membership was treated to a presentation from Ryan Jusko and Heidi Poon, two investment officers from Retirement Services. The talk was quite interactive with many questions from the audience.

Ryan and Heidi went through the new asset allocation model, which will have 20% in bonds (down from 36%), stocks at about 49% (down from 53%) and alternative investments, such as commodities, private equity and real assets at 31% (up from about 11%).

Many other pension systems allocate more to stocks and then adopt various "hedging" strategies to offset the increased risk. The consultant's work indicated that the costs of hedging equity exposure are prohibitive and the allocation to alternatives has been shown to greatly reduce volatility and risk. Specialized fund managers are being hired to oversee these investment vehicles.

The purpose of these alternative asset classes is not to seek out oversized returns, but to reduce the overall risk and at the same time to provide an opportunity for some enhanced returns.

The reduced allocation to bonds should of itself reduce the impact of the long awaited increase in interest rates, but the system's investment program also includes various fixed income risk management techniques, such as focusing on senior secured loans, floating rate paper, Treasury

inflation indexed securities, etc.

Even as returns have posted above average numbers recently – market return in FY 2010 was 14.6% - the unfunded liability as of 6/30/10 was \$781M. Some investments are being shifted from equities – stocks – to alternative investments like commodities, hedge funds, real estate, etc. to increase fund diversification and "smooth" returns in order to diminish volatility like the Federated portfolio experienced in the stock market plunge in the fall of 2008. The City, acknowledging its commitment to the existing pension obligations, is increasing its yearly contributions in order to reach full funding (when the pension fund assets cover liabilities), especially since double digit returns are unlikely to occur every year (current projections are for an average yearly return of 7.75%). A member of the audience noted that the City Council has been very consistent on pursuing this full funding goal and has made many program sacrifices in order to maintain these increased contributions.

The return for the fund investments for the first 3 months of FY 2010-11 was 11.3%. The Federated Pension Fund is projected to reach full or 100% funded status by 2029. The impact of the recent increase in retirements and decreasing City workforce is computed by actuaries over a long time frame, typically 30 years (today's presenters focused on investments so they did not have much to say about actuarial projections). It was noted that the investment portfolio has recovered quite nicely. Starting from a high point around October 2007 at around \$1,929 billion, the portfolio fell to about \$1.29 billion by February 2009. Since then, the market value has improved and the approximate value through January 31, 2011 is around \$1,866 billion. Almost back to the high water number in 2007. Still a long way to go, but kudos for a job well done over the past 2 years.

WEST VALLEY SENIOR WALK Friday, April 15, 2011

FREE Registration, Breakfast, Prizes, and more!
Registration and Breakfast begin at 8:30 a.m.
Walk and Resource Fair from 9:00 a.m. – 10:30 a.m.

Westfield Valley Fair
2855 Stevens Creek Blvd.

Use entrance on Stevens Creek between the
banks and Parking Structure A

For more information call (408)535-4901
or email district1@sanjoseca.gov

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 Phone: (408) 794-1000 or toll free (800) 732-6477
 Email: retirement.dept@sanjoseca.gov

RETIREMENTS

Luis C. Arevalo, Senior Construction Inspector, Public Works Department, 3/19/2011

Joseph C. Au, Sound & Light Technician, General Services Department, 3/19/2011

Frehiwot F. Ayele, Accountant I, Police Department, 3/19/2011

Claire L. Boswell, Environmental Inspector, Environmental Services Department, 3/19/2011

Brad Brown, Planner II, Planning, Building & Code Enforcement Department, 4/30/2011

Thomas Brown, Jr., Maintenance Worker I, Department of Transportation, 3/5/2011

William R. Buffington, Plant Mechanical Supervisor, Environmental Services Department, 4/16/2011

Robert B. Burchfiel, Senior Deputy Attorney, City Attorney's office, 3/19/2011

Bruce W. Chin, Associate Civil Engineer, Airport Department, 3/19/2011

Deriek G. Clemmons, Supervising Building Inspector, Public Works Department, 3/19/2011

Jerry S. Cui, Air Conditioning Mechanic, Environmental Services Department, 3/19/2011

Linda M. Depner, Crime & Intelligence Analyst, Police Department, 3/19/2011

German D. Fabella, Engineer II, Public Works Department, 3/19/2011

Daniel J. Finn, Diesel Operator Mechanic, Environmental Services Department, 3/19/2011

Carol J. Garcia, Senior Supervisor, Administration, Library Department, 3/19/2011

Robert E. Garcia, Engineer Technician II, Public Works Department, 3/19/2011

Marcy Gentry, Principal Office Specialist, Planning, Building & Code Enforcement Department, 3/31/2011

Jones Y. George, Senior Accountant, Housing Department, 3/19/2011

Linda Marie Guzman, Office Specialist II, Police Department, 5/10/2011

Carolyn E. Hamilton, Senior Planner, Planning, Building & Code Enforcement Department, 3/30/2011

Sandra M. Harder, Librarian, Library Department, 3/19/2011

Mike C. Iida, Building Inspector, Planning, Building & Code Enforcement Department, 3/19/2011

Tommy J. Irving, Air Conditioning Mechanic, Airport Department, 3/19/2011

Continued On Next Page...

RETIREMENTS continued...

Keith K. Kanemoto, Associate Construction Inspector, Public Works Department, 4/30/2011

Sandra Connor Ketchum, Secretary, Planning, Building & Code Enforcement Department, 3/31/2011

Ruth A. Kohan, Librarian II, Library Department, 3/20/2011

Joseph A. McCarthy, Senior Construction Inspector, Public Works Department, 3/31/2011

Robin A. Merriam, Marketing Representative, Airport Department, 3/19/2011

Tom E. Miller, Library Clerk, Library Department, 3/19/2011

Joseph J. Paskert, Senior Maintenance Worker, Department of Transportation, 3/19/2011

Eric Rosenblum, Division Manager, Environmental Services Department, 3/31/2011

Eric C. Shih, Associate Engineer, Environmental Services Department, 3/19/2011

John E. Smith, Mechanic, General Services Department, 3/19/2011

Connie M. Szeto, Accounting Technician, Finance Department, 3/19/2011

Peter Tanuska, Survey Field Supervisor, Public Works Department, 3/31/2011

Joanne F. Terwilliger, Principal Permit Specialist, Planning, Building & Code Enforcement, 3/19/2011

Sang A. Tsan, Mechanic, General Services Department, 3/19/2011

Gloria R. Urban, Office Specialist II, Housing Department, 3/19/2011

Mike Velasquez, Senior Maintenance Worker, Parks, Recreation & Neighborhood Services, 3/19/2011

Vicky L. Way, Principal Office Specialist, Police Department, 3/19/2011

Linda Wisheart, Staff Specialist, Police Department, 3/5/2011

John C. Ybarra, Maintenance Worker II, Department of Transportation, 3/19/2011

James J. Yu, Assistant Mechanic, Environmental Services Department, 3/31/2011

DEFERRED VESTED

Alison B. Landers, Supervising Librarian, Library Department, 3/1/2011

Josephina M. Mojica, Senior Custodian, General Services Department, 2/3/2011

Judy Lynn Salvano, Landscape Architect, Public Works Department, 4/7/2011

CONDOLENCES

Robert R. Hodges, Electrician, retired 3/22/2008, died 1/29/2011

Rosalie Kendall, Secretary I, retired 1/3/1981, died 2/3/2011

Sidney M. Lewon, Plant Attendant, retired 4/1/1979, died 1/19/2011

Shamrock Shake

2 cups vanilla ice cream
1 ¼ cups low-fat milk
¼ tsp. mint extract
8 drops green food coloring

Combine all in blender and blend until smooth.

Happy St. Patrick's Day!



The Mystery Retiree, by Robert "Pi" Silverstein



Larry, our Mystery Retiree for January, was born a skinny kid, though along the way he was on Weight Watchers. After college, his Coast Guard Reserve years had him in some dangerous places, including Acapulco, San Diego, and Vancouver British Columbia. In Vancouver, he discovered "oysters on the half shell" which have been a part of his diet ever since.

Larry joined the City of San Jose family in 1967 after a short interview with John Hamilton in Architectural Engineering who hired him on the spot. His first assignment was as a Junior Civil Engineer in the Architecture Engineering Division of the Public Works Department. Several of his early projects involved design and construction of park restroom buildings and he became known as the "Head Chief" (Come on, laugh!!!). This worked out OK since he eventually became Division Chief.

A Monday morning call from a local savings and loan officer brought him to the site where one of his demolitions contractors had been working over the weekend. He was invited to the basement of the savings and loan building where a hole had been punched through the foundation wall. Fortunately, it was not the vault. Later in his career he joined the Department of Neighborhood Maintenance where he had the opportunity to "go down" in several sewer man holes.

After retiring from the City of San Jose, **Larry Benson** pursued and completed his dream of visiting all 50 of the United States. When traveling he prided himself on trying the local cuisine. A question he is often asked is "what is your favorite state?". The answer is "I was born, raised and retired in California." Maine was the most interesting place to visit. He once boasted of having lobster for the first seven meals in Maine. Lobster omelet for breakfast, lobster hash for lunch, and live Maine lobster for dinner.

He retired to be a part time coin dealer. Oh, the nickname mentioned in the last MR column? His real name is Laurence. Yep, I played with you on the nickname, as what else would someone with the name of Laurence have for a nickname. But, I did not lie, as it is true his relatives and best friends do call him Larry. So does everyone else.

Now on to the Mystery Retiree for March.

She was born out of California, the youngest of many children. Her husband's job led them to San Jose where many years later a friend suggested she take the test for typist clerk with the City. Her second job with the clerical pool led her to a reception area for an assignment. Upon arrival, she was informed that her services were not needed. As the City was obliged to pay her for two hours for showing up, she was brought to another office to fulfill her hours. She worked for many years, never leaving that office. Several instances stand out in her mind while on the job. On Halloween one year, a gorilla entered the office and practically jumped over the front counter, no easy task as it was a very high counter. The ape man turned out to be none other than Finance Accounting's Mark Burton, and he was known to have a bum knee. How could you top that? Well, how about a City Council meeting where Public Works Director Ralph Qualls arrived as Darth Vader. She said it was probably also Halloween, with appropriate music to accompany him. (Editor's note: I could see Ralph and Mark pulling those off as well as stunts by Homer Fletcher our former City Librarian. Good for them. Humor WAS alive in the City Family).

Another interesting situation is vivid in her mind. Early in her career she was sent to drop off something for her department head at the City Warehouse and was allowed to drive the department head's City vehicle to run this errand. The problem was, after she returned to the vehicle, she could not get the key to turn in the ignition lock. She was not sure she had a City driving permit at that point and didn't want to bring attention to herself and seek help. She remembers sitting there for 15-30 minutes stressing over what she had done wrong until luckily she found that by turning the steering wheel, the key worked. She said she never told the story to anyone as she was too embarrassed. Glad she saved it for the Mystery Retiree column.

In retirement out of the Bay Area, she and her husband volunteer for their local Neighborhood Watch organization and the local theater group working with backstage/production activities...she said acting is not her calling.



We are in need of a new treasurer. Our treasurer for the last 6 years, Dorothy McGinley, will be retiring at the end of 2011. The primary duty is preparing financial reports. If you would like to become active in the organization that protects your retirement benefits, this is a perfect opportunity. You may call Dorothy at (408) 267-0143 or contact her by mail at: SJREA, P.O. Box 26515, San Jose, CA 95159.

Dr. Das Says...Cancer:Who,Why,What & Where

(March is National Colorectal Cancer Awareness Month)



Who is at risk for colon cancer? Colon cancer most commonly affects men and women over the age of 50.

Why should I be concerned?

1. Colon cancer is the 2nd leading cause of cancer death after lung cancer.
2. Colon cancer is the 3rd most common non-skin cancer in men, following prostate and lung cancers.
3. Colon cancer is the 3rd most common cancer in women, following breast and lung cancers.

What can I do to avoid getting this disease? **GET TESTED!**

Fecal Occult Blood Test: This test looks for blood in the stool. Two different versions are used, one test tests for iron in the stool and the other tests for antibodies to human hemoglobin. If these routine tests are performed in individuals between the age of 50 and 80, deaths due to colon cancer can be reduced by 15 to 33 percent.

Sigmoidoscopy: An instrument examines the interior of the rectum and the lower colon (sigmoid) to detect polyps (potentially precancerous lesions) or cancerous growths. These growths can be biopsied or removed during the procedure. A laxative is typically given the night prior to the study to cleanse the colon. Reportedly a 59 to 80 percent reduction in colon cancer death can be achieved by using this test.

Colonoscopy: An instrument examines the rectum as well as the upper and lower colon to detect polyps and cancerous growths. These growths can also be biopsied or removed during the procedure. A laxative is typically given the night prior to the study to cleanse the colon.

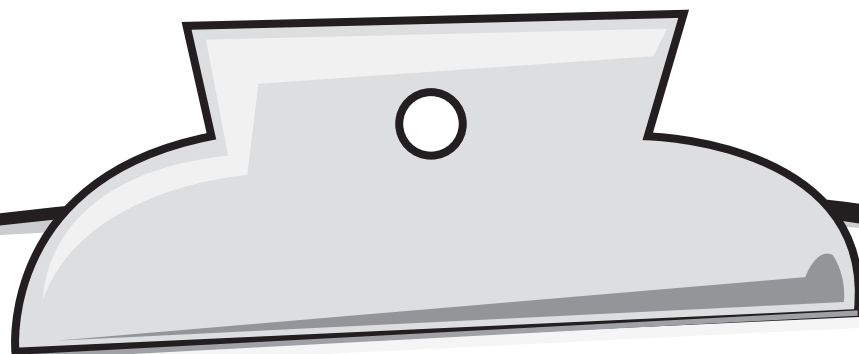
“A Day of Wellness; a Lifetime of Benefit”

The 3rd **Employee and Retiree Wellness Conference** will be held at City Hall on Thursday, March 24, 2011. This year's theme; “A Day of Wellness; a Lifetime of Benefit” was chosen because it reflects the City's Wellness Initiative's mission to Inspire, Support, and Achieve! The day will offer the following free wellness opportunities.

- A keynote presentation by Fred Luskin, PhD from Stanford University will be held in Council Chambers at 9:00 AM.
- 1-hour wellness education sessions will continue throughout the day at 10:45 AM, 1:15 PM, 2:30 PM, and 3:45 PM. Sessions will consist of wellness demonstrations, workshops and educational classes, including the popular Introduction to Foam Roller Exercises.
- 225 wellness screening appointments will be available from 11:00 AM until 2:00 PM on the 2nd floor of the Wing. The screenings are expected to take 20-25 minutes each.

Registration will be available for all the day's events, including the keynote and wellness screenings. Registration is encouraged as all sessions have a maximum seating capacity and drop-ins may not be admitted.

Visit www.sanjoseca.gov/wellness to view the entire schedule and register. Employees and Retirees without internet access may call Human Resources to register over the phone, (408) 535-1285. Email questions to WellnessIn-Box@sanjoseca.gov.



Visit our website...

www.sjrea.org

LET US HEAR FROM YOU...check out our website www.SJREA.org.
You can download the Newsletter, view upcoming events and links to useful sites.

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Sent a note to: newslettersjrea@gmail.com

Reminder when you move...
Notify us of your new address/phone number/email address
Send a note to
SJREA P.O. Box 26515
San Jose, CA 95159-6515

Calendar of Events

- | | |
|-------------------|---|
| March 24th | Wellness Conference/City Hall |
| March 25th | Greek Flag Raising/4-6 pm-City Hall/Greek refreshments served |
| April 7th | Membership Meeting: Patti Searle, "The Raw Chef" |
| April 15th | District I Senior Walk, 8-10:30 am –Valley Fair |
| May 5th | Membership Meeting: Financial Planner |
| June 2nd | Membership Meeting: Bag Lunch/Social |
| June | Picnic Lunch in Lincoln - date to be determined |
| July 7th | NO MEETING – Board Vacation |

Know a retiree that is not a member? Recruit a friend, and help protect the interests and benefits of all Federated Retirees.

Congratulations to Dorothy Welsh and Judy Jones our March Door Prize Winners!

Thanks to Lou Anna Klein for the delicious Burnt Almond Cake

SAN JOSÉ RETIRED EMPLOYEES ASSOCIATION
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NEXT MEETING:

April 7, 2011

TIME:

Board of Directors – 9 - 10:30 AM
Membership Meeting – 10:30 - 12:00 Noon

PLACE:

Leininger Center
1300 Senter Road

SPEAKER:

Patti Searle, Professional Chef
“Thrivin’ Edibles”

PROGRAM:

Raw Food Preparation