

RESOLUTION NO. 83-004

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

March 21, 1983

BE IT RESOLVED BY THE ADMINISTRATION, INVESTMENT, AND FISCAL MANAGEMENT BOARD OF THE SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM:

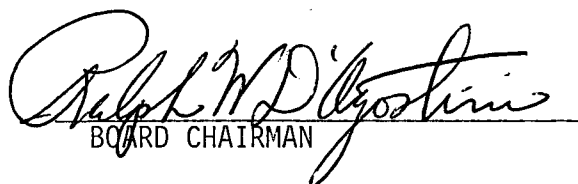
WHEREAS, Charter Section 387 requires, for purposes of interest credit to members' accounts, that the Board adopt an interest rate reasonably related to the actual rate of return on invested assets;

WHEREAS, The Board has previously adopted a three year moving average rate, less 20 basis points, policy; and

WHEREAS, The three year moving average actual rate of return approximates 8.79%;

NOW THEREFORE, BE IT RESOLVED THAT:

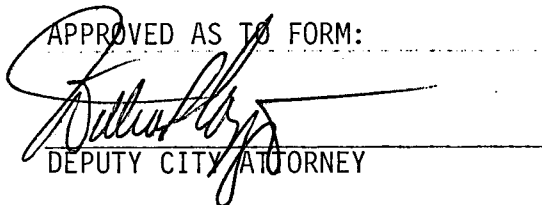
Effective July 1, 1983, the rate of interest for purposes of crediting interest to members' account will be 8.50% (8½%) interest compounded annually.


BOARD CHAIRMAN

ATTEST:


SECRETARY TO THE BOARD

APPROVED AS TO FORM:


DEPUTY CITY ATTORNEY

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

ANALYSIS OF NET INVESTMENT INCOME

Investments and Cash	Fifty-two Weeks Ended July 2, 1982			Year Ended June 30, 1981			Year Ended June 30, 1980		
	Investment- Amortized Cost	Investment- Market	Investment Revenues	Investment- Amortized Cost	Investment- Market	Investment Revenues	Investment Amortized Cost	Investment- Market	Investment Revenues
Bonds	\$ 69,046,679	\$ 44,209,495	\$ 6,360,131	\$ 68,770,585	\$45,901,542	\$5,543,532	\$ 63,790,397	\$52,422,243	\$4,761,275
Mortgage-backed certificates	16,409,668	11,700,326	1,658,882	16,604,625	12,028,491	1,499,268	14,769,440	12,878,080	1,353,385
Equity securities	32,412,220	27,806,726	1,203,688	29,414,033	31,452,527	786,322	21,372,137	22,375,174	835,710
Mortgage loans	4,161,601	3,877,426	440,999	1,415,080	1,094,008	112,343	1,541,305	1,353,255	127,908
Improvement bonds						3	138	138	45
Hard assets	847,625	736,250							
Sub-total	122,877,793	88,330,223	9,663,700	116,204,323	90,476,568	7,941,468	101,473,417	89,028,890	7,078,323
Cash	19,398,095	19,398,095	1,791,342	7,445,080	7,445,080	787,767	6,090,368	6,090,368	730,496
	<u>\$142,275,888</u>	<u>\$107,728,318</u>	<u>\$11,455,042</u>	<u>\$123,649,403</u>	<u>\$97,921,648</u>	<u>\$8,729,235</u>	<u>\$107,563,785</u>	<u>\$95,119,258</u>	<u>\$7,808,819</u>
Additional investment revenues (expenses):									
Gain (loss) on disposition of assets			1,479,782			1,643,575			(932,926)
Administrative expense			(77,757)			(74,588)			(59,232)
Net investment income			<u>\$12,857,067</u>			<u>\$10,298,222</u>			<u>\$6,816,661</u>
*Net rate of return (3-year average 8.79%)			10.161%			9.321%			6.894%

$$*\text{Net rate of return} = \frac{I}{\frac{A+B}{2} - \frac{I}{2}}$$

I = Net Investment income
A = Beginning investable assets
B = Ending investable assets

EXHIBIT "A"