

RESOLUTION NO. 84-008

Adopted by The Administration Investment  
& Fiscal Management Board on date of

December 17, 1984

A RESOLUTION CONSOLIDATING RESOLUTIONS  
82-004, 82-006, 83-005 AND 83-009,  
RELATING TO INVESTMENT OF SACRAMENTO  
CITY EMPLOYEES RETIREMENT SYSTEM FUNDS  
IN GOLD AND SILVER

WHEREAS, Resolutions 82-004, 82-006, 83-005 and 83-009 all contain Board policies regarding investments in gold and silver, and associated assets:

WHEREAS, due to the several amendments to the original policy, and due to the Board's desire to again amend its policy, it is necessary to consolidate the Board's policy into a single resolution while leaving intact the previous resolutions as background information.

NOW, THEREFORE, be it resolved by the Administration Investment & Fiscal Management Board as follows:

Sec. 1.

The following policy guidelines are hereby adopted for investment of Sacramento City Employees Retirement System funds in silver and gold, and related assets:

a. The City Treasurer is designated as the responsible investment manager for all investments of gold and silver, with full authority to make such investments within the limitations of this resolution.

b. The City Treasurer is authorized to invest up to one percent (1%) of Sacramento City Employees Retirement System assets in gold and silver. The ratio of gold to silver within that one percent shall be in the discretion of the City Treasurer, who shall have authority to invest the entire amount in either metal, or part in both metals.

c. The City Treasurer is authorized to make investments in gold and silver in the form of bullion or unallocated bullion certificates;

d. The City Treasurer is authorized to enter into gold and silver forward delivery or futures transactions, subject to the following limitations:

(1) Short sales in anticipation of future price declines shall not be permitted;

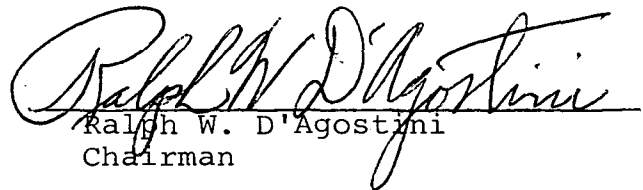
(2) Leverage purchases shall not be permitted unless authorized in advance by the Board;

(3) Hedging of gold and silver investments is permissible when in the opinion of the City Treasurer such technique is prudent and will benefit Sacramento City Employees' Retirement System. Provided, however, that no more than fifty percent (50%) of the total dollar amount of System assets which may be invested in hard assets may be utilized for such hedging technique.

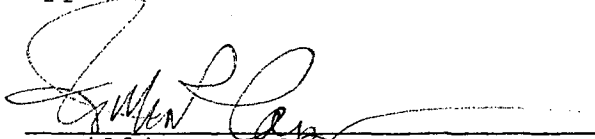
e. The City Treasurer is authorized to use funds allocated to the hard asset portfolio to purchase common stock of gold and silver producers when, in the City Treasurer's judgment, such investments are deemed more beneficial to the System and enhance investment flexibility.

Sec. 2.

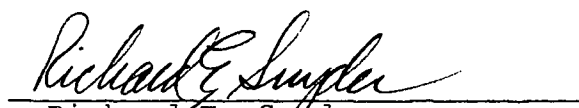
In the event of a conflict between this resolution and any of Resolutions 82-004, 82-006, 83-005 and 83-009, the provisions of this resolution shall prevail.

  
Ralph W. D'Agostini  
Chairman

Approved as to form:

  
William P. Cannizzo  
Deputy City Attorney

Attest:

  
Richard E. Snyder  
Secretary to the Board