

RESOLUTION NO. 88-006
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

DATE: 04/25/88

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 rounded down to the next quarter percent policy; and

WHEREAS, The three-year moving average actual rate of return approximates 11.92%;

NOW, THEREFORE BE IT RESOLVED THAT:

Effective July 1, 1988, the rate of interest for purposes of crediting interest to members' accounts will be 11.50% interest compounded annually.




DAVID DeCAMILIA
Chairman
Administration, Investment and
Fiscal Management Board

ATTEST:


RICHARD SNYDER, Secretary to the Board

APPROVED AS TO FORM:


WILLIAM P. CARNAZZO, Deputy City Manager

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

ANALYSIS OF NET INVESTMENT INCOME

	Fiscal Year ended June 30, 1987			Fiscal Year ended June 30, 1986			Fiscal Year ended June 30, 1985		
	Investment- Amortized Cost	Investment- Market	Investment Revenues	Investment- Amortized Cost	Investment- Market	Investment Revenues	Investment- Amortized Cost	Investment- Market	Investment Revenues
Investments and Cash									
Bonds	\$ 96,249,643	\$ 92,931,920	\$ 11,447,125	\$ 115,798,471	\$ 116,542,226	\$ 8,527,294	\$ 86,240,655	\$ 76,865,649	\$ 6,999,059
Mortgage-backed certificates	38,978,816	38,327,968	1,062,761	13,333,269	14,167,546	1,660,166	19,612,569	18,374,520	1,655,937
Equity securities	109,539,270	130,839,966	3,781,589	91,274,488	102,109,356	2,314,495	80,625,148	90,015,762	1,976,664
Mortgage loans	3,998,996	4,395,857	628,604	5,059,557	5,560,588	650,440	5,691,504	5,874,213	767,727
Improvement bonds									
Silver	172,625	182,800		412,008	408,160		1,229,596	1,221,600	
Real estate	11,337,131	11,337,131	1,020,404	4,690,207	4,690,207	613,807	4,690,207	4,690,207	642,671
	260,276,481	278,015,642	17,940,483	230,568,000	243,478,083	13,766,202	198,089,679	197,041,951	12,042,058
Cash and short term investments	26,850,897	26,850,897	1,741,048	20,763,409	20,763,409	1,697,917	16,262,531	16,262,531	2,177,084
	\$ 287,127,378	\$ 304,866,539	19,681,531	\$ 251,331,409	\$ 264,241,492	15,464,119	\$ 214,352,210	\$ 213,304,482	14,219,142
Additional investment revenues (expenses):									
Net gain on disposition of assets			12,576,797			19,206,719			2,741,251
Loss due to market valuation of silver									(766,000)
Administrative expense			(1,119,065)			(903,646)			(868,451)
Net investment income			\$ 31,139,263			\$ 33,767,192			\$ 15,325,942
Net rate of return (3-year average 11.919 %)			12.276 %			15.636 %			7.844 %

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

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