

RESOLUTION NO.

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT, AND FISCAL MANAGEMENT BOARD

February 26, 1979

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

WHEREAS, Charter Section 387 requires, for purpose of interest credit to members' accounts, that the Board adopt an interest rate reasonably approximating 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 6.5%;

NOW, THEREFORE BE IT RESOLVED THAT:

Effective July 1, 1979, the rate of interest for purposes of crediting interest to members' accounts will be 6.25% (6¼%) interest compounded annually.

BOARD CHAIRMAN

APPROVED AS TO FORM:

Elizabeth Silver

CITY ATTORNEY, COUNSEL OF THE BOARD



CITY OF SACRAMENTO

RECEIVED
FEB 13 1979
BUSINESS SERVICES

DEPARTMENT OF FINANCE

915 I STREET
ROOM 112

SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 448-5736

JACK R. CRIST
DIRECTOR OF FINANCE

FRANK MUGARTEGUI
ASSISTANT DIRECTOR

February 8, 1979
FA:79076:JRC/bb

Administration, Investment and Fiscal
Management Board
801 Ninth Street, Room 110
Sacramento, California 95814

Members in Session:

SUBJECT: Board Action Required Adopting Interest Rate Credited to
Members' Accounts

SUMMARY

The attached draft resolution is presented for Board consideration. Adoption is recommended.

BACKGROUND

Charter Section 387 requires the Board adopt an interest rate for purposes of crediting interest to members' accounts. The Board has in the past taken action on this matter annually in February or March with the adopted rate to be effective the following July 1. The rate adopted must reasonably approximate the actual rate of return on investments.

FINANCIAL

Exhibits I through IV are all relevant information required to calculate an approximate actual rate of return on investments. Also, correspondence from the System's Actuary on this subject as well as last year's Board action are included. The rate currently in effect is 6%. Prior to July 1, 1978, the rate had been 5.5% (5½%).


For fiscal year 1976, 1977, and 1978, the three (3) year average approximate actual rate of return on investable assets was 6.5%.

RECOMMENDATION

That the attached resolution be approved by the Board adopting a 6.25% (6¼%) rate of interest credited to members' accounts effective July 1, 1979.

Respectfully submitted,


Jack R. Crist
Director of Finance


Thomas P. Friery
City Treasurer

Attachments

2/26/79-9