

CONTINUED
FROM 3/11/03
TO 3/18/03



55

OFFICE OF THE
CITY TREASURER

THOMAS P. FRIERY
TREASURER

City Council
City of Sacramento

Honorable Members in Session:

SUBJECT: INVESTMENT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2002: THE MONTHLY TRANSACTIONS FOR THE MONTH ENDING DECEMBER 31, 2002; A RESOLUTION REAFFIRMING THE CITY OF SACRAMENTO'S INVESTMENT POLICY; AND THE DELEGATION OF AUTHORITY TO THE CITY TREASURER

LOCATION/COUNCIL DISTRICT: Citywide

RECOMMENDATION: The City Treasurer recommends that the City Council:

1. Accept the Quarterly Investment Report for period ending December 31, 2002 and the Monthly Investment Transactions for the month ending December 31, 2002.
2. Approve the proposed amendments to the SHRA section of the City Investment Policy, which are described in Attachment N and shown in the City Investment Policy (Attachment P)
3. Adopt the attached Resolution, which reaffirms the City Investment Policy and delegates Authority to the City Treasurer for the next 12 months.
4. Accept the report of the City Treasurer regarding the Investment Characteristics of the City of Sacramento.

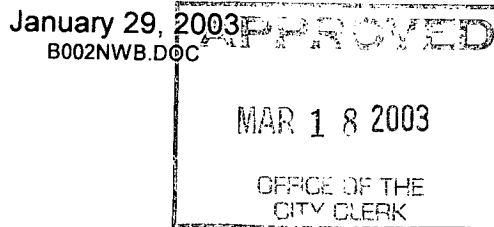
CONTACT PERSON: Thomas P. Friery, City Treasurer 264-5168

FOR COUNCIL MEETING OF: March 18, 2003

SUMMARY

Chapter 783, Statutes of 1995 requires the City Treasurer to render a quarterly investment report to the City Manager, the internal auditor and the City Council within 30 days following the end of each quarter. In addition, Chapter 749, Statutes of 1996 requires the City Treasurer to render a monthly investment transaction report and the City Council to delegate investment authority to the City Treasurer for a one-year period. This report fulfills the quarterly investment report and the monthly investment transaction report requirements for the month ended December 31, 2002. The Resolution fulfills the delegation of authority until such authority is revoked or until the end of the one-year period.

COMMITTEE/COMMISSION ACTION: None.



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BACKGROUND

Chapter 749, Statutes of 1996 and Chapter 783, Statutes of 1995 were enacted to help avoid a repeat of the December 1994 Orange County investment fiasco which resulted in investment losses exceeding \$1.7 billion for Orange County and other local government entities. The City's first Chapter 783 quarterly investment report in compliance with this legislation was heard by City Council on May 7, 1996. The City's first Chapter 749 monthly transaction report was presented to City Council on March 18, 1997. This report is submitted to City Council which combines both reporting requirements.

CHAPTER 783

Chapter 783 has two main requirements. The first is that the City Council annually consider the City Treasurer's investment policies and any proposed changes or revisions. The City Council first approved the City Treasurer's investment policies in 1978. City Council has approved minor technical modifications in the past; however, for the most part the investment policy remains substantially unchanged. The City Treasurer has included the current City's Investment Policy in this report for your approval (Attachment O).

This report addresses the second main requirement which focuses on prompt and full reporting of all securities held by the City Treasurer and under management of any outside party. Chapter 783 specifies that the quarterly investment report shall:

"...include the type of investment, issuer, date of maturity par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation."

"...State compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance."

"...include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available."

INVESTMENTS HELD

City Investment Pool A is a short-term investment vehicle for the cash balances of all operating funds of the City of Sacramento. Investments purchased for this pool are invested according to the investment guidelines of government code (Sections 53601 & 53635) and may be expanded to include investments deemed prudent by the City Treasurer. Attachment A is a detailed list of the investments held as of December 31, 2002.

The Ann Land/Bertha Henschel Public Trust Mutual Fund was set up to collectively manage the investment of proceeds from two separate donations to the City of Sacramento. In 1914 William Land donated \$271,720 to the City for the poor, indigent, and needy citizens in Sacramento in memory of his mother. In 1953 a similar gift of \$278,000 was given by Bertha Henschel and several others. The original bequests are to remain in perpetuity but all income derived from these funds is to be paid to benefit the indigent and needy citizens of Sacramento. The Ann Land-Bertha Henschel Memorial Funds Commission was created and exists pursuant to the provisions of the Sacramento City Code.

The Commission consists of eight members appointed by the Mayor and Council. The Commission is responsible for the disbursement of the income from the funds, while the City Treasurer has the authority and responsibility for the investment of the funds. Attachment B is a detailed list of the investments held as of December 31, 2002.

The Ethel MacLeod Hart Fund for Senior Citizens (the Fund) is a bequest to the City of Sacramento to be used for constructing and maintaining a facility available to senior citizens for their use, enjoyment and comfort. The Ethel MacLeod Hart Advisory Committee (the Committee) was appointed by the Mayor to provide advice to City staff and the City Council on the appropriate use of the Fund consistent with the terms of the bequest and intent of the donor. The Committee is composed of seven members including individual senior citizens and representatives from senior citizen advocacy and advisory organizations. The Committee advises the City Council on the appropriate use of the Funds; City Council authorized the City Treasurer to prudently invest the monies. Attachment C is a detailed list of the investments held as of December 31, 2002.

Funds with a Third Party Trustee consists of proceeds from debt financing and monies for the City's deferred compensation program. Debt financing is generally for specific purposes and has various restrictions imposed by bond covenants. To protect the interests of the concerned parties, the proceeds are held by a third party trustee in various distinct accounts. Bank of New York and U.S. Bank are the trustees currently used by the City of Sacramento. Attachment D is a detailed list of the investments held as of December 31, 2002.

The City has a **Deferred Compensation program** established under the guidelines of the Internal Revenue Code Section 457. Currently the funds are held in a Trust exclusively for the benefit of the contributing employees. The program is administered and the investments managed under the guidance of the International City Management Association Retirement Corporation (ICMA-RC). As of December 31, 2002, City assets held in a trust for the exclusive use of City employees by ICMA-RC total \$165,773,509.60

The Sacramento City Employees' Retirement System (SCERS) is a closed-end fund for employees who worked for the City of Sacramento prior to 1977. As set by City Charter, a five-member Administration, Investment and Fiscal Management Board (Board) oversees the investments of SCERS. Monthly and quarterly investment reports are presented to this Board by the City Treasurer. These reports are available in the Office of the City Treasurer for review.

Securities Lending is a program wherein investments that we currently own are lent to other parties. This enables us to earn additional income for City Pool A and SCERS. This program is managed by the Bank of New York, which also performs the custody services for the City of Sacramento. Attachment E is a summary of the collateral held as of December 31, 2002.

Non-City Funds are either trust funds or non-City entities whose accounting records are maintained by the City. These funds have their operating cash invested in the City's Pool A. Therefore, their investments outstanding as of December 31, 2002 would be their pro-rata share of the investments as shown in Attachment A. These funds and the amount that they have invested in Pool A as of December 31, 2002 are listed in Attachment F.

SHRA Funds are federal, local operating or bond proceeds managed by the City Treasurer at the request of SHRA. These funds, and the security lending activity associated with these funds, as well as SHRA Funds held with a third party trustee, are reported to City Council for informational purposes only (Attachment G & H, respectively). SHRA will report separately to the appropriate SHRA oversight entity pursuant to Chapter 783, Statutes of 1995. By reporting these funds in this report, the City Treasurer does not warrant or represent compliance with the investment policy adopted by SHRA or that sufficient monies are available to meet SHRA's cash flow needs for the next six months.

COMPLIANCE WITH INVESTMENT POLICY

The City investments held are in compliance with the City Treasurer's previously reviewed and the current Investment Policy (Attachment O) except for the following:

No exceptions

ABILITY TO MEET EXPENDITURES REQUIREMENT

Based on the City Council's adopted City budget, past revenue and expenditure trends and economic forecasts, the City Treasurer projects that the City has sufficient monies on hand, anticipated revenues, and/or investments maturing to meet the City's expenditure requirements through March 31, 2003.

CHAPTER 749

Chapter 749 has two main points. The first point states that the City Council is authorized to annually delegate authority to the City Treasurer to invest or reinvest City funds and to sell or exchange securities purchased for a period of one year. After the delegation, the City Treasurer shall assume full responsibility for the transactions until delegation of authority is revoked or the one-year period expires. The attached Resolution delegates this authority.

The second point requires the City Treasurer to submit a monthly report of the transactions to the City Council. The transactions for the month ended December 31, 2002 is attached as follows:

Attachment I:	Summary of Transactions
Attachment J:	City Investment Pool A
Attachment K:	The Ann Land / Bertha Henschel Public Trust Mutual Fund
Attachment L:	The Ethel MacLeod Hart Fund for Senior Citizens
Attachment M:	Sacramento Housing and Redevelopment Agency

TEMPORARY INVESTMENT POLICY

On January 31, 2003, the City Treasurer implemented a temporary administrative action requiring that the City's Investment Policy be compliant with Government Code Section 53601. This temporary strategy is consistent with the strategy required by the City Treasurer in 1995 following the Orange County investment fiasco until a more detailed report could be made to the Sacramento City Council. This temporary administrative action will remain in effect pending a follow up report to Council, within 60 days, comparing the City's Investment Policy to Government Code Section 53601 as well as other local government's investment policies.

CHARACTERISTICS OF THE CITY'S INVESTMENT POLICY

The characteristics of the City's Investment Policy are presented in Attachment P. These characteristics are unique to the City of Sacramento and will be explained in more detail in a report to Council within the next 60 days.

FINANCIAL CONSIDERATIONS None.

POLICY CONSIDERATIONS

The City Council has previously reviewed and approved the City's Investment Policy. The last revision was June 4, 2001. This report and Resolution amends the City Investment Policy relative to SHRA. The proposed amendment is primarily a clean-up and is described in detail in Attachment N.

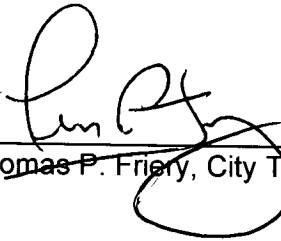
ENVIRONMENTAL REVIEW

Ongoing administrative and maintenance activities which are not for purposes of a public works construction project do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

ESBD CONSIDERATIONS

Not Applicable.

Respectfully submitted,



Thomas P. Friery, City Treasurer

Recommendation Approved:

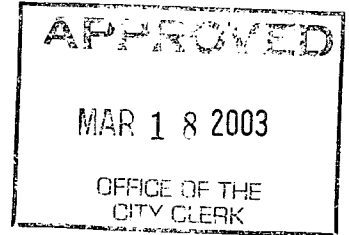


Robert P. Thomas, City Manager

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RESOLUTION NO. 2003-128

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION REAFFIRMING THE CITY OF SACRAMENTO'S INVESTMENT POLICY AND THE DELEGATION OF AUTHORITY TO THE CITY TREASURER

WHEREAS, Chapter 749, Statutes of 1996 authorizes the legislative body of a local government to delegate its investment authority to the Treasurer of the local agency for a one-year period, and

WHEREAS, the City Council has reviewed and approved the City of Sacramento's Investment Policy,

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO that the City Council delegates authority to the City Treasurer to invest or reinvest City funds and to sell or exchange securities purchased for the period of one year. The City Treasurer shall assume full responsibility for the transactions until delegation of authority is revoked or the one-year period expires.

Mayor

ATTEST:

City Clerk

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

City of Sacramento
Asset Listing
CITY GENERAL POOL
POOL A
As of December 31, 2002

Cusip	Security Symbol	Security Name / Issuer	Mature Date	Quantity	Total Cost	Market Value	Yield	Dur	Price Source*
CASH AND EQUIVALENTS									
	cashbofa	B Of A Cash			1,664,304.90	1,664,304.90	0.00	0.00	n
	fidfund	Fidelity Fund For Pool A			77,033.68	77,033.68	1.39	0.00	n
	intreceiv	Interest Receivable			204,649.24	204,649.24	0.00	0.00	n
laifa	LAIFA	Local Agency Investment Fund,			40,000,000.00	40,000,000.00	2.20	0.00	n
SWEEP	sweep	Overnight Sweep			4,120,533.34	4,120,533.34	1.00	0.00	n
					<u>46,066,521.16</u>	<u>46,066,521.16</u>	2.00	0.00	
COMMERCIAL PAPER									
0027A1N62	0027A1n62	Abbey Nat'l	01-06-03	4,900,000	4,898,162.50	4,900,000.00	1.35	0.02	I
0027A1N70	0027a1n70	Abbey Nat'l NA LL	01-07-03	5,000,000	4,996,305.55	5,000,000.00	1.33	0.02	I
9497F1N71	9497f1n71	Wells Fargo Co	01-07-03	3,600,000	3,597,354.00	3,600,000.00	1.26	0.02	I
36157HNM5	36157hnm5	General Capital Corp	01-21-03	5,600,000	5,593,280.00	5,600,000.00	1.35	0.06	I
9497F1NM8	9497f1nm8	Wells Fargo Co	01-21-03	8,500,000	8,490,104.59	8,500,000.00	1.27	0.06	I
36157HPJ0	36157hpj0	General Electric Financial Ass	02-18-03	5,000,000	4,988,750.00	5,000,000.00	1.35	0.13	I
36959JPT4	36959jpt4	General Electric Capital Corp	02-27-03	7,000,000	6,981,500.54	7,000,000.00	1.34	0.16	I
0263M7ZF4	0263m7zf4	American General Finance Corp	03-25-03	2,650,000	2,640,631.51	2,650,000.00	1.43	0.24	I
					<u>42,186,088.69</u>	<u>42,250,000.00</u>	1.33	0.08	
CORPORATE BONDS									
345397RT2	345397rt2	Ford Motor Credit Co	01-14-03	6,000,000	6,047,850.00	6,002,279.66	6.00	0.04	I
37042WZM6	37042wzm6	General Motors Accept Corp	02-28-03	5,000,000	5,063,700.00	5,034,504.70	7.43	0.16	I
59018YML2	59018yml2	Merrill Lynch & Co	04-02-03	5,000,000	5,000,000.00	5,017,550.00	3.02	0.25	I
37042RR95	37042rr95	General Motors Accept Corp - M	05-05-03	2,000,000	2,118,780.00	2,030,525.82	7.51	0.34	I
617446AQ2	617446aq2	Morgan Stanley Group	10-01-03	4,000,000	4,031,880.00	4,144,759.52	5.91	0.73	I
47804A9E8	47804a9e8	John Hancock Cap Corp - MTN	10-14-03	5,000,000	5,000,000.00	5,112,750.00	5.31	0.77	I
786514BD0	786514bd0	Safeway Inc	11-05-03	10,000,000	9,999,000.00	10,076,469.42	3.60	0.83	I
06606NAH7	06606nah7	Bank of America - NC	03-01-04	3,000,000	2,904,090.00	3,134,285.89	5.50	1.12	I
59018SF41	59018sf41	Merrill Lynch & Co Inc	04-20-04	4,000,000	4,014,720.00	4,207,783.81	5.87	1.25	I
459745EV3	459745ev3	International Lease Fin Corp	08-01-04	8,000,000	8,080,480.00	8,224,295.66	4.99	1.49	I
05916LAK1	05916lak1	Baltimore Gas & Electric - NC	11-15-04	5,000,000	4,933,700.00	5,359,784.70	6.33	1.75	I
EC5023964	ec5023964	General Electric Capital Corp	01-28-05	5,000,000	4,988,550.00	5,222,289.27	4.07	1.96	I
45974VYT9	45974vyt9	American International Group	03-21-05	5,000,000	5,000,000.00	5,206,849.67	5.32	2.07	I
45974VYU6	45974vyu6	AIG (Intl Lease Finance Corp)	06-01-05	5,000,000	5,142,350.00	5,163,604.73	4.96	2.24	I
36962GZM9	36962gzm9	General Electric Cap Corp	10-03-05	25,000,000	24,853,000.00	25,245,822.90	2.96	2.57	I
665772BK4	665772bk4	No. States Power - NC	12-01-05	5,000,000	4,817,533.16	5,248,969.27	5.83	2.65	I
U00916AA1	u00916aa1	AIG Sunamerica Glob	02-01-06	5,000,000	4,997,350.00	5,423,300.00	5.39	2.78	I
EC3414967	ec3414967	Ford Motor Credit Co	02-01-06	2,000,000	1,996,500.00	2,003,503.72	6.86	2.67	I
24422ENL9	24422enl9	John Deere Capital Corp	07-16-06	3,000,000	2,992,320.00	3,267,305.60	5.45	3.13	I
	Accrued Inte					<u>1,596,554.72</u>			
					<u>111,981,803.16</u>	<u>116,723,189.08</u>	4.77	1.66	
GOVT AGENCY DISCOUNT PAPER									
313396AJ2	313396aj2	Freddie Mac	01-09-03	35,000,000	34,924,050.00	34,992,998.49	1.24	0.02	I
313588AQ8	313588aq8	Fannie Mae	01-15-03	31,000,000	30,945,543.32	30,945,542.30	0.00	0.04	I

ATTACHMENT A

City of Sacramento
Asset Listing
CITY GENERAL POOL
POOL A
As of December 31, 2002

Cusip	Security Symbol	Security Name / Issuer	Mature Date	Quantity	Total Cost	Market Value	Yield	Dur	Price Source*
313588BU8	313588BU8	Fannie Mae	02-12-03	5,500,000	5,486,910.00	5,486,910.00	1.26	0.12	I
313384CJ6	313384cj6	Federal Home Loan Bank	02-26-03	15,000,000	14,955,566.67	14,955,555.00	1.24	0.16	I
313588CR4	313588cr4	Fannie Mae	03-05-03	4,400,000	4,386,696.75	4,390,759.71	1.27	0.18	I
313396CS0	313396cs0	Freddie Mac	03-06-03	15,000,000	14,951,562.50	14,951,562.00	1.25	0.18	I
313588CY9	313588cy9	Fannie Mae	03-12-03	10,000,000	9,967,897.22	9,977,000.43	1.27	0.20	I
76116EBD1	76116ebd1	Refco Strip	10-15-03	23,000	18,125.44	22,764.71	0.00	0.78	I
76116EBF6	76116ebf6	Refco Strip	10-15-04	87,000	64,214.29	84,390.86	0.00	1.73	I
76116EBH2	76116ebh2	Refco Strip	10-15-05	87,000	60,049.65	82,219.34	0.00	2.64	I
76116EBK5	76116ebk5	Refco Strip	10-15-06	90,000	58,252.60	81,791.10	0.00	3.44	I
					115,818,868.44	115,971,493.94	0.91	0.10	
FEDERAL HOME LOAN MORTGAGE COMPANY - FHLMC									
3133M55A4	3133m55a4	Federal Home Loan Bank	08-13-03	5,000,000	4,929,950.00	5,143,750.00	5.79	0.60	I
3134A4RA4	3134a4ra4	FEDERAL HOME LN MTG CORP	09-15-05	110,000,000	111,294,450.00	112,096,875.00	2.82	2.57	I
312925S35	312925s35	Freddie Mac MTN	02-28-06	10,000,000	9,975,000.00	10,108,300.00	3.46	2.94	I
3128X0CB3	3128x0cb3	Freddie Mac MTN	04-21-06	15,000,000	14,880,468.75	15,165,868.38	3.12	3.11	I
3129252S8	3129252s8	FEDERAL HOME LN MTG CORP MTN	09-12-07	15,000,000	15,315,000.00	15,609,239.95	3.84	4.23	I
3129255T3	3129255t3	FEDERAL HOME LN MTG CORP MTN	10-03-07	31,995,000	32,079,986.72	32,550,142.75	3.93	4.27	I
Accrued Inte						1,979,685.83			
					188,474,855.47	192,653,861.92	3.23	3.01	
FEDERAL HOME LOAN BANK - FHLB									
3133MBHK6	3133mbhk6	Federal Home Loan Bank - NC	05-15-03	5,000,000	5,069,000.00	5,114,062.50	7.09	0.37	I
3133M53C2	3133m53c2	Federal Home Loan Bank	08-06-03	2,235,000	2,234,038.95	2,297,859.37	5.84	0.58	I
3133M5FW5	3133m5fw5	Federal Home Loan Bank - NC	08-25-03	3,000,000	2,949,570.00	3,086,250.00	5.56	0.64	I
3133M5JW1	3133m5jw1	Federal Home Loan Bank - NC	09-02-03	5,000,000	4,821,850.00	5,142,187.50	5.42	0.65	I
3133M6X45	3133m6x45	Federal Home Loan Bank - 1XC	12-22-03	2,500,000	2,492,325.00	2,598,437.50	5.21	0.96	I
3133MSJ50	3133msj50	FEDERAL HOME LN BKS	01-23-06	14,800,000	14,800,000.00	14,846,250.00	2.89	2.90	I
3133MSJF8	3133msjf8	FEDERAL HOME LN BKS	01-24-06	11,500,000	11,498,203.13	11,507,187.50	3.00	0.07	I
3133MCVS1	3133mcvs1	Federal Home Loan Bank	01-24-06	5,000,000	5,000,000.00	5,012,500.00	5.79	0.07	I
Accrued Inte						527,638.85			
					48,864,987.08	50,132,373.22	4.33	1.11	
FEDERAL NATIONAL MORTGAGE ASC. - FNMA									
31359MEM1	31359mem1	Fannie Mae	02-13-04	5,000,000	5,205,468.75	5,209,375.00	4.92	1.08	I
31359MNG4	31359mng4	Fannie Mae	06-15-04	5,000,000	5,096,875.00	5,107,812.50	2.94	1.43	I
3136F2VM7	3136f2vm7	Fannie Mae	12-06-04	5,000,000	5,010,937.50	5,025,000.00	2.44	1.88	I
Accrued Inte						111,979.17			
					15,313,281.25	15,454,166.67	3.45	1.45	
U.S. GOVERNMENT BONDS									
9128274U3	9128274u3	U.S. Treasury Note	11-15-03	2,000,000	1,976,875.00	2,051,875.00	4.14	0.86	I
9128277H9	9128277h9	U.S. Treasury Bond	12-31-03	15,000,000	15,014,400.00	15,300,000.00	3.19	0.99	I
9128277F3	9128277f3	U. S. Treasury Note Bond	11-15-06	45,000,000	46,747,265.63	46,828,125.00	3.36	3.60	I

ATTACHMENT A

City of Sacramento
Asset Listing
CITY GENERAL POOL
POOL A
As of December 31, 2002

<u>Cusip</u>	<u>Security Symbol</u>	<u>Security Name / Issuer</u>	<u>Mature Date</u>	<u>Quantity</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Yield</u>	<u>Dur</u>	<u>Price Source*</u>
Accrued Inte						216,871.55			
					63,738,540.63	64,396,871.55	3.35	2.89	
MUTUAL FUNDS									
320228109	ff	Franklin Fund		40,000	40,000.00	40,000.00	20.00	0.00	I
MONEY MARKET FUND									
ML3352522	ML-Rfix	M Lynch City of Sac Pool A			72,057,575.68	72,057,575.68	1.81	0.00	n
ML3349482	ML-PoolA	M Lynch-PoolA 2002 Rev Bonds			22,000,000.00	22,000,000.00	1.81	0.00	n
589978105	mlpxx	Merrill Lynch Premier Inst'l F			4,500,000.00	4,500,000.00	1.81	0.00	n
					98,557,575.68	98,557,575.68	1.81	0.00	
OTHER ASSETS (INCOME)									
S86292540	s86292540	SBA Ln Group #2616883002 BIR	02-15-07	50,733	50,732.81	50,732.81	9.37	2.94	I
Accrued Inte						0.00			
					50,732.81	50,732.81	9.37	2.94	
TOTAL PORTFOLIO					731,093,254.37	742,296,786.02	2.82	1.41	

City of Sacramento
Asset Listing
Public Trust Mutual Fund
Ann Land/Bertha Henschel
As of December 31, 2002

Cusip	Security Symbol	Security Name / Issuer	Mature Date	Quantity	Total Cost	Market Value	Yield	Dur	Price Source*
CASH AND EQUIVALENTS									
	nattsy	Nations Treasury Fund			95,394.16	95,394.16	0.92	0.00	n
COMMON STOCK									
002824100	abt	Abbott Laboratories Com		1,000.000	38,828.12	40,000.00	2.35	0.00	I
00846U101	a	Agilent Technologies		538.000	29,971.23	9,662.48	0.00	0.00	I
031162100	amgn	Amgen Inc		750.000	49,320.00	36,255.00	0.00	0.00	I
039483102	adm	Archer Daniels Midland Com		3,000.000	40,597.00	37,200.00	1.94	0.00	I
055622104	bp	BP Amoco PLC - Spons ADR		400.000	21,825.00	16,260.00	3.47	0.00	I
084670207	brk/b	Berkshire Hathaway Inc-CL B		20.000	45,401.20	48,460.00	0.00	0.00	I
110122108	bmy	Bristol Myers Squibb Com		400.000	22,752.23	9,260.00	4.84	0.00	I
134429109	cpb	Campbell Soup Co Com		800.000	23,700.00	18,776.00	2.68	0.00	I
14149Y108	cah	Cardinal Health Inc		500.000	29,505.00	29,595.00	0.17	0.00	I
149123101	cat	Caterpillar Inc Del Com		700.000	32,311.27	32,004.00	3.06	0.00	I
171779101	cien	Ciena Corporation		250.000	30,140.63	1,285.00	0.19	0.00	I
172474108	cin	Cinergy Corp Com		350.000	10,516.19	11,802.00	5.34	0.00	I
17275R102	csco	Cisco Sys Inc Com		1,000.000	31,903.54	13,100.00	0.00	0.00	I
194162103	cl	Colgate Palmolive Co Com		250.000	15,140.62	13,107.50	1.37	0.00	I
200336105	cdsoq	Comdisco		1,500.000	27,893.75	69.00	0.00	0.00	I
205887102	cag	Conagra Inc Com		1,000.000	22,287.50	25,010.00	3.96	0.00	I
210371100	ceg	Constellation Energy Group		225.000	5,850.00	6,259.50	3.45	0.00	I
221009103	corv	Corvis Corp		300.000	18,150.00	213.00	1.41	0.00	I
263534109	dd	Du Pont E I De Nemours Com		600.000	39,671.58	25,440.00	3.30	0.00	I
277461109	ek	Eastman Kodak Co Com		800.000	29,848.00	28,032.00	5.14	0.00	I
294821400	ericv	Ericsson Tel (adr)		600.000	39,065.91	4,044.00	0.51	0.00	I
368710406	dna	Genentech Inc.		400.000	28,900.00	13,264.00	0.00	0.00	I
369550108	gd	General Dynamics Corp		250.000	20,367.50	19,842.50	1.51	0.00	I
369604103	ge	General Electrics Co		1,000.000	22,497.21	24,350.00	3.12	0.00	I
370442105	gm	General Motors Corp		800.000	29,952.00	29,488.00	5.43	0.00	I
37733W105	gsk	Glaxosmithkline		1,024.000	57,431.25	38,359.04	3.10	0.00	I
382550101	gt	Goodyear Tire & Rubber		1,200.000	30,060.00	8,172.00	7.05	0.00	I
412822108	hdi	Harley Davidson Inc		750.000	41,056.50	34,650.00	0.30	0.00	I
419870100	he	Hawaiian Elec Inds		225.000	7,661.25	9,895.50	5.64	0.00	I
438516106	hon	Honeywell		1,000.000	24,410.00	24,000.00	3.12	0.00	I
450911102	itt	ITT Industries Inc		500.000	32,110.00	30,345.00	0.00	0.00	I
458140100	intc	Intel Corp		3,000.000	94,166.84	46,710.00	0.51	0.00	I
459200101	ibm	International Bus Mach		600.000	58,188.70	46,500.00	0.77	0.00	I
459902102	igt	International Game Technology		300.000	20,328.00	22,776.00	0.00	0.00	I
460146103	ip	Intl Paper Co		750.000	30,964.77	26,227.50	2.86	0.00	I
46625H100	jpm	J P MORGAN CHASE & CO COM		1,000.000	24,160.00	24,000.00	5.67	0.00	I
478160104	jnj	Johnson & Johnson		600.000	32,100.00	32,226.00	1.53	0.00	I
48203R104	jnpr	Juniper Networks Inc		200.000	42,843.75	1,360.00	0.00	0.00	I
500255104	kss	Kohls Corp		500.000	28,980.00	27,975.00	0.00	0.00	I
539830109	lmt	Lockheed Martin Corp		500.000	30,140.00	28,875.00	0.76	0.00	I
589331107	mrk	Merck & Co Inc		750.000	43,890.00	42,457.50	2.54	0.00	I

ATTACHMENT B

City of Sacramento
Asset Listing
Public Trust Mutual Fund
Ann Land/Bertha Henschel
As of December 31, 2002

Cuslp	Security Symbol	Security Name / Issuer	Mature Date	Quantity	Total Cost	Market Value	Yield	Dur	Price Source*
594918104	msft	Microsoft Corp		950.000	62,057.14	49,115.00	0.00	0.00	I
604059105	mmm	Minnesota Mng & Mfg		600.000	43,485.22	73,980.00	2.01	0.00	I
641201104	ntap	Network Appliance Inc		200.000	24,993.75	2,000.00	0.00	0.00	I
712713106	psft	Peoplesoft Inc		1,100.000	39,050.00	20,130.00	0.00	0.00	I
717081103	pfe	Pfizer Inc		1,025.000	36,553.57	31,334.25	1.96	0.00	I
71713U102	pha	Pharmacia Corp		1,000.000	44,590.00	41,800.00	1.29	0.00	I
755111507	rtm	Raytheon Company		1,000.000	29,300.00	30,750.00	2.60	0.00	I
78387G103	sbc	Sbc Communications Inc		1,000.000	27,560.00	27,110.00	3.98	0.00	I
826170102	sebl	Siebel		700.000	78,168.75	5,180.00	0.00	0.00	I
844741108	luv	Southwest Airlines		600.000	12,600.00	8,340.00	0.13	0.00	I
855244109	sbux	Starbucks Corp		2,000.000	44,860.00	40,760.00	0.00	0.00	I
871829107	sy	Sysco Corp		1,000.000	29,240.00	29,790.00	1.21	0.00	I
872540109	tjx	TJX Companies Inc		600.000	11,820.00	11,712.00	0.00	0.00	I
87612E106	tgt	Target Corp		1,000.000	29,410.00	30,000.00	0.80	0.00	I
872375100	te	Teco Energy Inc		250.000	5,406.25	3,867.50	9.18	0.00	I
913017109	utx	United Technologies		500.000	32,426.50	30,970.00	1.58	0.00	I
941053100	wcn	Waste Connections Inc		1,000.000	37,940.00	38,610.00	0.00	0.00	I
969455104	wcgrq	Williams Communication Grp		575.000	1,225.74	5.75	0.00	0.00	I
974280109	win	Winn Dixie Stores Inc		1,300.000	23,848.50	19,864.00	1.31	0.00	I
					1,919,421.96	1,432,626.02	1.75	0.00	
CORPORATE BONDS									
09700WBQ5	09700wbq5	Boeing Capital Corp MTN	07-15-05	50,000	50,000.00	53,242.35	5.97	2.31	I
590188ES3	590188es3	Merrill Lynch & Co Inc	04-27-08	100,000	100,067.00	114,357.09	6.12	4.46	I
345402U33	345402u33	Ford Motor Credit - MTN	01-23-12	25,000	25,000.00	24,829.25	7.35	6.40	I
126117AE0	126117ae0	Cna Financial Corp	11-15-23	60,000	58,920.60	50,268.95	8.65	9.65	I
744567EH7	744567eh7	Public Svc Electric & Gas Co	09-01-24	50,000	49,330.00	51,606.09	6.78	11.00	I
					283,317.60	294,303.73	6.75	6.27	
U.S. GOVERNMENT BONDS									
912827Z62	912827z62	U.S. Treasury Note	10-15-06	125,000	126,070.32	143,593.75	5.66	3.37	I
PREFERRED STOCK									
64124W999	ntiipfd	Neurobiological Tech Inc S-A P		10,000	5,000.00	57,010.00	0.00	0.00	I
FIXED ALTERNATIVE EQUITIES									
293561106	enmq	Enron Corp		250.000	18,812.50	15.75	0.00	0.00	I
718154107	mo	Philip Morris Cos Inc		750.000	38,595.00	30,397.50	6.32	0.00	I
816851109	sre	Sempra Energy		650.000	14,218.75	15,372.50	4.23	0.00	I
82567D104	shu	Shurgard Storage Centers		1,500.000	40,425.00	47,010.00	6.76	0.00	I
868733106	surw	Surewest Communications		1,000.000	30,785.47	37,200.00	2.69	0.00	I
92857T107	vod	Vodafone Group		500.000	24,818.75	9,060.00	1.19	0.00	I
					167,655.47	139,055.75	4.93	0.00	
TOTAL PORTFOLIO					2,596,859.51	2,161,983.41	2.81	1.08	

ATTACHMENT B

City of Sacramento
Asset Listing
Mutual Endowment Fund
Ethel Hart
As of December 31, 2002

Cusip	Security Symbol	Security Name / Issuer	Mature Date	Quantity	Total Cost	Market Value	Yield	Dur	Price Source*
CASH AND EQUIVALENTS									
	nattsy	Nations Treasury Fund			1,420.39	1,420.39	0.92	0.00	n
	PoolA	Pool A - Cash			1,109.83	1,109.83	4.72	0.00	n
					2,530.22	2,530.22	2.59	0.00	
COMMON STOCK									
002824100	abt	Abbott Laboratories Com		900.000	34,909.87	36,000.00	2.35	0.00	I
025816109	axp	American Express Co Com		400.000	15,750.00	14,140.00	0.91	0.00	I
031162100	amgn	Amgen Inc		500.000	24,477.41	24,170.00	0.00	0.00	I
034553107	adrx	Andrx Group		350.000	9,858.84	5,134.50	0.00	0.00	I
039483102	adm	Archer Daniels Midland Com		2,000.000	24,688.00	24,800.00	1.94	0.00	I
055921100	bmc	BMC Software		650.000	12,179.37	11,121.50	0.00	0.00	I
05858H104	bldp	Ballard Power Systems Inc		400.000	17,776.00	4,428.00	0.00	0.00	I
084670207	brk/b	Berkshire Hathaway Inc-CL B		10.000	22,700.60	24,230.00	0.00	0.00	I
090578105	btgc	Bio Technology General Corp Co		650.000	9,262.50	2,080.65	0.00	0.00	I
110122108	bmy	Bristol Myers Squibb Com		175.000	8,858.96	4,051.25	4.84	0.00	I
14149Y108	cah	Cardinal Health Inc		500.000	29,830.00	29,595.00	0.17	0.00	I
17275R102	cscs	Cisco Sys Inc Com		1,200.000	26,724.21	15,720.00	0.00	0.00	I
194162103	cl	Colgate Palmolive Co Com		300.000	16,941.00	15,729.00	1.37	0.00	I
200336105	cdsq	Comdisco		500.000	13,987.50	23.00	0.00	0.00	I
205887102	cag	Conagra Inc Com		750.000	19,222.50	18,757.50	3.96	0.00	I
24522P103	dilm	Del Monte Foods		379.000	3,264.06	2,918.30	0.00	0.00	I
263534109	dd	Du Pont E I De Nemours Com		250.000	16,390.72	10,600.00	3.30	0.00	I
270321102	eink	Earth Link Inc		350.000	10,808.83	1,907.50	0.00	0.00	I
268648102	emc	Emc Corp/Mass		950.000	14,495.59	5,833.00	0.00	0.00	I
35952H106	fccl	Fuelcell Energy Inc		600.000	15,665.00	3,931.20	0.00	0.00	I
368710406	dna	Genentech Inc.		500.000	29,840.00	16,580.00	0.00	0.00	I
369550108	gd	General Dynamics Corp		200.000	16,124.00	15,874.00	1.51	0.00	I
37733W105	gsk	Glaxosmithkline		512.000	29,193.75	19,179.52	3.10	0.00	I
438516106	hon	Honeywell		300.000	16,050.00	7,200.00	3.12	0.00	I
458140100	intc	Intel Corp		2,000.000	52,219.26	31,140.00	0.51	0.00	I
459200101	ibm	International Bus Mach		500.000	54,074.75	38,750.00	0.77	0.00	I
459902102	igt	International Game Technology		300.000	20,334.00	22,776.00	0.00	0.00	I
460146103	ip	Intl Paper Co		350.000	13,920.76	12,239.50	2.86	0.00	I
478160104	jnj	Johnson & Johnson		500.000	27,030.00	26,855.00	1.53	0.00	I
48203R104	jnpr	Juniper Networks Inc		200.000	42,343.75	1,360.00	0.00	0.00	I
500255104	kss	Kohls Corp		500.000	29,450.00	27,975.00	0.00	0.00	I
502424104	lll	L3 Communications Hldgs		500.000	23,843.00	22,455.00	0.00	0.00	I
502161102	lsi	LSI Logic Corp		500.000	17,156.25	2,885.00	0.00	0.00	I
539830109	lmt	Lockheed Martin Corp		300.000	18,090.00	17,325.00	0.76	0.00	I
580031201	mcdata	Mcdata Corp-A		3.000	61.84	21.30	0.14	0.00	I
584699102	medi	Medimmune Inc.		200.000	11,750.00	5,434.00	0.00	0.00	I
594918104	msft	Microsoft Corp		1,000.000	68,188.51	51,700.00	0.00	0.00	I
604059105	mmm	Minnesota Mng & Mfg		225.000	15,342.01	27,742.50	2.01	0.00	I
641201104	ntap	Network Appliance Inc		500.000	31,919.50	5,000.00	0.00	0.00	I

ATTACHMENT C

City of Sacramento
Asset Listing
Mutual Endowment Fund
Ethel Hart
As of December 31, 2002

Cusip	Security Symbol	Security Name / Issuer	Mature Date	Quantity	Total Cost	Market Value	Yield	Dur	Price Source*
712713106	psft	Peoplesoft Inc		600.000	12,793.75	10,980.00	0.00	0.00	I
717081103	pfe	Pfizer Inc		700.000	25,870.54	21,399.00	1.96	0.00	I
755111507	rtm	Raytheon Company		500.000	14,750.00	15,375.00	2.60	0.00	I
786514208	swy	Safeway Inc		500.000	21,041.25	11,680.00	0.00	0.00	I
826170102	sebl	Siebel		600.000	41,057.25	4,440.00	0.00	0.00	I
832696405	sjm	Smucker J M Co Com New		4.000	104.77	159.24	2.01	0.00	I
844741108	luv	Southwest Airlines		1,500.000	26,361.00	20,850.00	0.13	0.00	I
852061506	pcs	Sprint Corp		250.000	4,492.18	1,095.00	0.00	0.00	I
855244109	sbux	Starbucks Corp		1,000.000	22,354.00	20,380.00	0.00	0.00	I
871829107	syy	Sysco Corp		2,000.000	58,847.00	59,580.00	1.21	0.00	I
872540109	tjx	TJX Companies Inc		700.000	13,818.00	13,664.00	0.00	0.00	I
87612E106	tgt	Target Corp		1,000.000	28,740.00	30,000.00	0.80	0.00	I
913017109	utx	United Technologies		500.000	30,500.00	30,970.00	1.58	0.00	I
925524100	via	Viacom Inc CL A		750.000	31,740.50	30,607.50	0.00	0.00	I
941053100	wcn	Waste Connections Inc		750.000	28,742.50	28,957.50	0.00	0.00	I
969455104	wcgrq	Williams Communication Grp		411.000	1,175.33	4.11	0.00	0.00	I
984332106	yhoo	Yahoo Inc.		200.000	16,425.00	3,270.00	0.00	0.00	I
					1,243,535.42	911,073.57	0.91	0.00	
CORPORATE BONDS									
09700WBQ5	09700wbq5	Boeing Capital Corp MTN	07-15-05	50,000	50,000.00	53,242.35	5.97	2.31	I
345402U33	345402u33	Ford Motor Credit - MTN	01-23-12	10,000	10,000.00	9,931.70	7.35	6.40	I
					60,000.00	63,174.05	6.19	2.95	
U.S. GOVERNMENT BONDS									
912827X80	912827x80	U.S. Treasury Note	05-15-06	25,000	25,092.45	28,765.62	5.98	3.04	I
FIXED ALTERNATIVE EQUITIES									
013104104	abs	Albertsons Inc Com		450.000	15,070.50	10,017.00	3.41	0.00	I
171232101	cb	Chubb Corporation		225.000	15,437.25	11,745.00	2.68	0.00	I
293561106	enmq	Enron Corp		300.000	22,518.75	18.90	0.00	0.00	I
30231G102	xom	Exxon Mobil Corporation		250.000	9,334.61	8,735.00	2.63	0.00	I
423074103	hnz	Heinz H J Co		850.000	30,222.44	27,939.50	4.93	0.00	I
452308109	itw	Illinois Tool Wks		500.000	31,280.00	32,430.00	1.42	0.00	I
460690100	ipg	Interpublic Group Cos Inc		1,500.000	19,530.00	21,120.00	2.70	0.00	I
742718109	pg	Procter & Gamble Co		200.000	13,275.23	17,188.00	1.91	0.00	I
806605101	sgp	Schering Plough Corp		1,000.000	19,420.00	22,200.00	3.06	0.00	I
857477103	stt	State Street Corp		600.000	28,656.00	23,400.00	1.33	0.00	I
868733106	surw	Surewest Communications		500.000	20,620.95	18,600.00	2.69	0.00	I
92857T107	vod	Vodafone Group		325.000	16,696.87	5,889.00	1.19	0.00	I
					242,062.60	199,282.40	2.60	0.00	
TOTAL PORTFOLIO					1,573,220.68	1,204,825.86	1.59	0.23	

CITY FUNDS WITH THIRD PARTY TRUSTEE
SB564 ASSET LISTING
AS OF December, 2002

Bond Issue	Account Number	Type	Security Name	Issuer	Maturity Date	Quantity	Book Value	Market Value	Price Source
N. Natomas #4, B	411580	Government Bonds	Federal Natl Mtg Assn	Fannie Mae	03/15/04	857,000	857,000	891,280	Bank of New York
		Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt.	Wells Fargo	n/a	20,384	20,384	20,384	Bank of New York
		<i>Avg. Weighted Yield: 4.66% Avg. Weighted Days to Maturity: 430</i>							
Sub-Total						<u>877,400</u>	<u>877,400</u>	<u>911,680</u>	
01 CFD Westlake	411589 411592	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt.	Wells Fargo	n/a	21	21	21	Bank of New York
		Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt.	Wells Fargo	n/a	1,191,855	1,191,855	1,191,855	Bank of New York
		Sub-Total						<u>1,191,876</u>	<u>1,191,876</u>
01 CFD Granite Park	94428261	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	54,700	54,700	54,700	US Bank
		Government Bonds	US Treasury Note	United States Treasury	05/15/04	675,000	688,289	711,072	US Bank
		<i>Avg. Weighted Yield: 4.24% Avg. Weighted Days to Maturity: 464</i>							
Sub-Total						<u>729,700</u>	<u>742,989</u>	<u>765,772</u>	
01 CIRB	411583	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt.	Wells Fargo	n/a	103	103	103	Bank of New York
		Sub-Total						<u>103</u>	<u>103</u>
02 COPs iacto Reg Arts	408993	Cash & Short-Term	Wells Fargo TRSRY Plus M MKT	Wells Fargo	n/a	2,300	2,300	2,300	Bank of New York
		Government Bonds	US Treasury Note 5.50%	United States Treasury	01/31/03	379,000	385,425	380,303	Bank of New York
		Government Bonds	US Treasury Note 3.875%	United States Treasury	07/31/03	358,000	365,440	363,482	Bank of New York
		Government Bonds	US Treasury Note 3.0%	United States Treasury	01/31/04	360,000	365,681	366,750	Bank of New York
	<i>Avg. Weighted Yield: 1.70% Avg. Weighted Days to Maturity: 209</i>								
	408996	Cash & Short-Term	Wells Fargo TRSRY Plus M MKT	Wells Fargo	n/a	148	148	148	Bank of New York
		Govt. Agency	Federal Home Ln Mtg Corp	Government Agency	09/15/05	1,064,000	1,062,213	1,084,283	Bank of New York
	<i>Avg. Weighted Yield: 2.93% Avg. Weighted Days to Maturity: 989</i>								
408997	Cash & Short-Term	Wells Fargo TRSRY Plus M MKT	Wells Fargo	n/a	101,876	101,876	101,876	Bank of New York	
408999	Cash & Short-Term	Wells Fargo TRSRY Plus M MKT	Wells Fargo	n/a	10,949,150	10,949,150	10,949,150	Bank of New York	
Sub-Total:						<u>13,214,475</u>	<u>13,232,234</u>	<u>13,248,292</u>	
AND TOTAL:						<u>61,668,630</u>	<u>57,231,917</u>	<u>62,195,923</u>	

ATTACHMENT D

CITY FUNDS WITH THIRD PARTY TRUSTEE
SB564 ASSET LISTING
AS OF December, 2002

Bond Issue	Account Number	Type	Security Name	Issuer	Maturity Date	Quantity	Book Value	Market Value	Price Source
99 CFD N. Natomas #2	95460770	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	0	0	0	US Bank
	95460771	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	469,299	469,299	469,299	US Bank
	95460780	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	26	26	26	US Bank
	95460785	Local Obligations	Sacramento Comm. Fac. District	City of Sacramento	09/01/23	not valued	not valued	not valued	US Bank
	95460787	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	271,980	271,980	271,980	US Bank
	Sub-Total:					741,305	741,305	741,305	
99 CFD N. Natomas #4	317047	Cash & Short-Term	Wells Fargo TRSRY Plus M MKT	Wells Fargo	n/a	91	91	91	Bank of New York
		Government Bonds	US Treasury Note 6.50%	United States Treasury	02/15/10	1,620,000	1,619,494	1,936,406	Bank of New York
			<i>Avg. Weighted Yield: 6.50%</i>	<i>Avg. Weighted Days to Maturity: 2,603</i>					
	317050	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	27	27	27	Bank of New York
	Sub-Total:					1,620,118	1,619,612	1,936,524	
99 REV Sheraton Grand	317151	Cash & Short-Term	Bank of New York Cash Reserve	BoNY	n/a	0	0	0	Bank of New York
		Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	0	0	0	Bank of New York
	317152	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	0	0	0	Bank of New York
	317153	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	0	0	0	Bank of New York
	317154	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	0	0	0	Bank of New York
	317155	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	134,531	134,531	134,531	Bank of New York
	317156	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	572,380	572,380	572,380	Bank of New York
	317157	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	809,059	809,059	809,059	Bank of New York
	317158	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	141,343	141,343	141,343	Bank of New York
	317159	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	2,696,618	2,696,618	2,696,618	Bank of New York
		Cash & Short-Term	Cash	n/a	n/a	218,328	218,328	218,328	Bank of New York
	317162	Other	Funding Agreement	Westdeutsche	01/01/30	7,563,179	7,563,179	7,563,179	Bank of New York
		Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	135	135	135	Bank of New York
	317163	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	0	0	0	Bank of New York
	317164	Other	Funding Agreement	Westdeutsche	01/01/30	1,624,021	1,624,021	1,624,021	Bank of New York
		Cash & Short-Term	Cash	n/a	n/a	0	0	0	Bank of New York
		Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	1,600,041	1,600,041	1,600,041	Bank of New York
	317165	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	0	0	0	Bank of New York
	317166	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	150,195	150,195	150,195	Bank of New York
	Sub-Total					15,509,831	15,509,831	15,509,831	
99 CFD J. Natomas 99-04	411571	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	4	4	4	Bank of New York
	411574	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	6,476	6,476	6,476	Bank of New York
		Government Bonds	US Treasury Note 6.0881	United States Treasury	08/15/29	211,000	212,055	247,727	Bank of New York
			<i>Avg. Weighted Yield: 5.93%</i>	<i>Avg. Weighted Days to Maturity: 9,436</i>					
	Sub-Total					217,480	218,535	254,208	
90 CIRB	411460	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	28	28	28	Bank of New York
	411461	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt,	Wells Fargo	n/a	29	29	29	Bank of New York
	Sub-Total					56	56	56	
91 CED	411577	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt.	Wells Fargo	n/a	16	16	16	Bank of New York

ATTACHMENT D

**CITY FUNDS WITH THIRD PARTY TRUSTEE
SB564 ASSET LISTING
AS OF December, 2002**

Bond Issue	Account Number	Type	Security Name	Issuer	Maturity Date	Quantity	Book Value	Market Value	Price Source
Sub-Total:						<u>15,770,412</u>	<u>15,770,412</u>	<u>15,770,412</u>	
95 REV Gas Tax	94804590	Other	AMBAC Insurance Policy	AMBAC	n/a	not valued	not valued	not valued	US Bank
	94804593	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	51,181	51,181	51,181	US Bank
		Government Bonds	US Treasury Note	United States Treasury	05/15/05	1,415,000	1,459,219	1,570,650	US Bank
<i>Avg. Weighted Yield: 5.90% Avg. Weighted Days to Maturity: 837</i>									
Sub-Total:						<u>1,466,181</u>	<u>1,510,400</u>	<u>1,621,831</u>	
95 CFD Del Paso Rd	94805330	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	158	158	158	US Bank
	94805335	Letter of Credit	Letter of Credit (\$250,000)	Bank of America	11/30/01	not valued	not valued	not valued	Bank of America
	94805336	Local Obligation	Sacramento Comm. Fac. District	City of Sacramento	09/01/14	not valued	not valued	not valued	US Bank
	94805338	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	21	21	21	US Bank
	94805339	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	6	6	6	US Bank
94805345	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	59,527	59,527	59,527	US Bank	
Sub-Total:						<u>59,712</u>	<u>59,712</u>	<u>59,712</u>	
97 REV Arco Arena	95436720	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	107,831	107,831	107,831	US Bank
	95436722	Other	MBIA Surety Bond	MBIA	n/a	not valued	not valued	not valued	US Bank
Sub-Total:						<u>107,831</u>	<u>107,831</u>	<u>107,831</u>	
97 CFD N.Natomas	95441540	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	2,214	2,214	2,214	US Bank
	95441541	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	2,127,088	2,127,088	2,127,088	US Bank
Sub-Total:						<u>2,129,303</u>	<u>2,129,303</u>	<u>2,129,303</u>	

CITY FUNDS WITH THIRD PARTY TRUSTEE
SB564 ASSET LISTING
AS OF December, 2002

Bond Issue	Account Number	Type	Security Name	Issuer	Maturity Date	Quantity	Book Value	Market Value	Price Source
37 COP	94800910	Cash & Short-Term	Cash	n/a	n/a	156,389	156,389	156,389	US Bank
		Government Bonds	US Treasury Strip 0.00%	United States Treasury	05/15/03	1,282,000	315,154	1,274,975	US Bank
		Government Bonds	US Treasury Strip 0.00%	United States Treasury	11/15/03	121,000	28,548	119,506	US Bank
		Government Bonds	US Treasury Strip 0.00%	United States Treasury	05/15/04	1,321,000	297,780	1,290,141	US Bank
		Government Bonds	US Treasury Strip 0.00%	United States Treasury	11/15/04	84,000	18,297	81,003	US Bank
		Government Bonds	US Treasury Strip 0.00%	United States Treasury	05/15/05	518,000	106,957	492,033	US Bank
		Government Bonds	US Treasury Strip 0.00%	United States Treasury	05/15/05	865,000	178,605	828,506	US Bank
		Government Bonds	US Treasury Strip 0.00%	United States Treasury	11/15/05	43,000	8,630	40,796	US Bank
		Government Bonds	US Treasury Strip 0.00%	United States Treasury	05/15/06	317,000	59,767	289,973	US Bank
		Government Bonds	US Treasury Strip 0.00%	United States Treasury	05/15/06	1,101,000	207,583	1,019,119	US Bank
		<i>Avg. Weighted Yield: 8.35%</i>		<i>Avg. Weighted Days to Maturity: 580</i>					
Sub-Total:						<u>5,808,389</u>	<u>1,377,709</u>	<u>5,592,439</u>	
39 COP	94801431	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	<u>949,069</u>	<u>949,069</u>	<u>949,069</u>	US Bank
31 Cop	411447	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt	Wells Fargo	n/a	666	666	666	Bank of New York
	411450	Cash&Short-Term	Cash	n/a	n/a	97	97	97	Bank of New York
	411453	Cash&Short-Term	Wells Fargo Trsry Plus M Mrkt	Wells Fargo	n/a	0	0	0	Bank of New York
Sub-Total:						<u>763</u>	<u>763</u>	<u>763</u>	
31 COP Public Facilities	94802140	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	0	0	0	US Bank
	94802141	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	0	0	0	US Bank
	94802142	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	0	0	0	US Bank
	94802144	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	60,717	60,717	60,717	US Bank
	94802145	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	1,823	1,823	1,823	US Bank
	94802146	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	1	1	1	US Bank
Sub-Total:						<u>62,541</u>	<u>62,541</u>	<u>62,541</u>	
31 REV	94802590	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	45	45	45	US Bank
	94802598	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	6	6	6	US Bank
	94802601	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	36	36	36	US Bank
		Government Bonds	US Treasury Note 5.625%	United States Treasury	02/15/06	1,212,000	1,130,151	1,342,290	US Bank
		<i>Avg. Weighted Yield: 5.62%</i>		<i>Avg. Weighted Days to Maturity: 1,142</i>					
Sub-Total:						<u>1,212,086</u>	<u>1,130,237</u>	<u>1,342,376</u>	
33 REV	411468	Cash & Short-Term	Wells Fargo TRSRY Plus M MKT	Wells Fargo	n/a	15	15	15	Bank of New York
		Investment Agrmnt.	Agreement with AIG	AIG	11/01/20	9,359,554	9,359,554	9,359,554	Bank of New York
			<i>Avg. Weighted Yield: 6.18%</i>		<i>Avg. Weighted Days to Maturity: 6,515</i>				
	411469	Cash & Short-Term	Wells Fargo TRSRY Plus M MKT	Well Fargo	n/a	0	0	0	Bank of New York
		Investment Agrmnt.	Agreement with AIG	AIG	11/01/20	6,403,410	6,403,410	6,403,410	Bank of New York
			<i>Avg. Weighted Yield: 6.18%</i>		<i>Avg. Weighted Days to Maturity: 6,515</i>				
	411471	Cash & Short-Term	Wells Fargo TRSRY Plus M MKT	Well Fargo	n/a	6,611	6,611	6,611	Bank of New York
	411474	Cash & Short-Term	Wells Fargo TRSRY Plus M MKT	Well Fargo	n/a	4,348	4,348	4,348	Bank of New York
	411477	Cash & Short-Term	Wells Fargo TRSRY Plus M MKT	Well Fargo	n/a	113	113	113	Bank of New York
	411480	Cash & Short-Term	Wells Fargo TRSRY Plus M MKT	Well Fargo	n/a	79	79	79	Bank of New York
94804190	Cash & Short-Term	Cash	n/a	n/a	(3,718)	(3,718)	(3,718)	US Bank	

ATTACHMENT D

The Bank of New York
Global Security System
CASH MANAGEMENT - NEW YORK
CA Trader's Position Report (Lotus123 Download)

As of: 12/31/02

DS ID	Loan Number	ISIN	Amount Invested	Accreted Book Value	Issuer	Native Currency	Native Coupon Rate	Purch Yield	Acctng MK Yield	Days Invsdc	Days to Reprice/ Maturity	Investment Date	Reprice/ Maturity Date
Selling Party: BNY BANK OF NEW YORK													
Portfolio : CS CITY OF SACRAMENTO													
BTTLBD POSITIONS													
30546		MF0175206	3,750,000	3,754,542	PROV CASR	USD	1.37960	1.63910	1.37382	54	1 R	11/07/02	01/01/03
43480		MF0171516	3,003,404	3,003,517	MY LIFE PD	USD	1.38110	16.51633	1.36064	0	1 R	12/31/02	01/01/03
43518	177893006	RP0169641	7,762,317	7,762,586	GOLD	USD	1.23000	17.42678	1.24870	0	1 R	12/31/02	01/01/03
43445		13606TUY1	4,997,824	4,999,591	CIBC YAN	USD	1.36500	1.90075	1.46256	285	1 R	01/21/02	01/01/03
44295		634906CWH9	1,998,372	1,998,456	NAT CLEV	USD	1.38500	1.51349	1.51260	0	1 R	12/31/02	01/01/03
44992		RP0177727	6,486,000	6,486,225	SALI	USD	1.25000	1.25000	1.25000	0	2 M	12/31/02	01/02/03
44536		RP0177717	210,000	210,006	DEUT GSI	USD	1.15000	3.15000	1.15000	0	2 M	12/31/02	01/02/03
448207		25153WAB7	4,000,000	4,003,284	DEUTSCHE	USD	1.47000	2.01001	1.44000	383	2 R	12/13/01	01/02/03
448295		FRY121301	4,000,000	4,006,756	K2 USA	USD	1.52000	2.06008	1.49000	383	2 R	02/15/02	01/02/03
462749		89233PNQ5	500,000	500,973	TOY MTR	USD	1.49000	1.98000	1.46000	319	2 R	02/15/02	01/02/03
466425		59018YLK7	5,000,000	5,006,694	MBRR	USD	1.61000	2.18000	1.58000	305	2 R	03/01/02	01/02/03
473255		22541PCM6	4,000,000	4,001,648	CR SUI FB US	USD	1.66000	2.07000	1.63000	285	2 R	03/21/02	01/02/03
473381		369622FN0	5,000,000	5,001,936	GECC	USD	1.56000	2.08000	1.53000	285	2 R	03/21/02	01/02/03
482447		08658CHQ7	3,500,000	3,508,965	BETA	USD	1.46000	2.01000	1.43000	244	2 R	05/01/02	01/02/03
543749		06423EPK5	5,750,000	5,751,193	BK ONE NA	USD	1.50000	1.52000	1.47000	4	2 R	12/27/02	01/02/03
431155		49106BMR3-1	1,999,844	2,002,267	KEY	USD	1.40000	3.64842	1.50415	483	3 R	09/04/01	01/03/03
531979		03061NPF6	2,000,000	2,002,455	AMCAR 02-EM3	USD	1.64000	2.09001	1.70000	63	6 R	10/29/02	01/06/03
397123		94974BAM2	1,499,498	1,500,946	W FARGO	USD	1.50375	4.53286	1.58006	602	10 R	05/08/01	01/10/03
531551		44180LAJ2	2,000,000	2,001,377	MGNT 02-3 A	USD	1.55000	1.96001	1.55000	64	15 R	10/28/02	01/15/03
535589		55264TBK6	2,000,000	2,003,463	MBNAS 02-A12	USD	1.45000	1.69875	1.45000	42	15 R	11/19/03	01/15/03
388861		046004AAS	2,980,091	2,982,001	AFS AMNT	USD	1.54500	5.17334	1.53769	636	17 R	04/04/01	01/17/03
450369		69371RVL7	2,997,625	2,998,808	PAC FIN	USD	1.49875	2.09373	1.57828	375	21 R	12/21/01	01/21/03
472669		95753HRV5	3,997,255	3,999,161	MBSTDEUT YAN	USD	1.34000	1.91272	1.43049	286	21 R	03/20/02	01/21/03
472729		61745BRK1	3,000,000	3,001,733	MS DEAN	USD	1.60000	2.08000	1.60000	285	21 R	03/21/02	01/21/03
530605		61761UNQ3	4,976,620	4,994,218	MORIARTY	USD	0.00000	1.81850	1.81850	69	24 M	10/23/02	01/24/03
460167		46623EAD3	5,000,000	5,014,042	JP MORGAN	USD	1.77375	1.99500	1.77375	329	36 R	02/05/02	02/05/03
491513		20034DGS2-1	4,997,510	5,003,864	COMERICA	USD	1.48563	1.99811	1.52579	208	62 R	06/06/02	03/03/03
481009		14912LT50	3,999,597	4,004,365	CAT	USD	1.58125	2.06931	1.58935	250	64 R	04/25/02	03/05/03
519743		459200AY7	2,500,000	2,502,360	IBM	USD	1.54500	1.90500	1.54500	112	69 R	09/10/02	03/10/03
540131		02666QRU9	4,500,000	4,504,513	HONDA	USD	1.57000	1.57000	1.57000	22	69 R	12/09/02	03/10/03
469549		44181XLD93	4,000,000	4,006,209	KFC	USD	2.66125	3.17000	2.66125	295	70 R	03/11/02	03/13/03
539713		78442FAV1	2,000,000	2,002,267	SLM	USD	1.57000	1.57000	1.57000	25	76 R	12/06/02	03/17/03
524541		40428HAB2	3,000,000	3,001,033	HSBC USA INC	USD	1.55000	1.94626	1.55000	96	83 R	09/26/02	03/24/03

* Does not include positions matched to loans.

The Bank of New York
Global Security System
CASH MANAGEMENT - NEW YORK
OM Trader's Position Report (Lotus123 Download)

As of: 12/31/02

IS ID	Loan Number	ISIN	Amount Invested	Accreted Book Value	Issuer	Native Currency	Native Coupon Rate	Purch Yield	Acctng MM Yield	Days Invstd	Days to Reprice/Maturity	Investment Date	Reprice/Maturity Date
Totals: CS			109,643,644	109,758,881					Portfolio MM Yield : 1.56661 *	Wgt Avg M/R: 22.1 *			
									Total Liquidity : 21,216,878				
									Liquidity Ratio : 19.3 *	Wgt Avg Mat: 476.7 *			

PROFIT/LOSS CS TOTALS: 0.00
 Total P/L: 0.00 Daily P/L: 0.00 Realized To Date: 0.00 Remaining: 0.00

Portfolio : SV SACERS - CITY OF SACRAMENTO

BTTLD POSITIONS	ISIN	Amount Invested	Accreted Book Value	Issuer	Native Currency	Native Coupon Rate	Purch Yield	Acctng MM Yield	Days Invstd	Days to Reprice/Maturity	Investment Date	Reprice/Maturity Date
64532	025580004	1,768,113	1,770,017	GOLD	USD	1.23000	10.15407	1.25000	39	1 R	11/22/02	01/01/03
94489	52517PSX8	2,000,000	2,001,140	LEHMAN HLDC	USD	1.70000	2.11750	1.76250	194	1 R	06/20/02	01/01/03
45928	RP0177750	5,947,134	5,947,343	MIZUHO SECS	USD	1.27000	1.27000	1.27000	0	2 M	12/31/02	01/02/03
81637	59018YGR6	1,500,000	1,501,135	WERR	USD	1.70000	5.86000	1.67000	658	2 R	03/13/01	01/02/03
195371	96121FDE3	999,928	1,002,671	WESTPAC	USD	1.42500	4.72015	1.40926	613	2 R	04/27/01	01/02/03
165269	634902GU8	1,998,747	2,001,706	NAT CLEV	USD	1.43000	1.93109	1.45022	308	2 R	02/26/02	01/02/03
171171	25810BDG8	2,000,000	2,001,335	DORADA	USD	1.50000	1.97000	1.47000	291	2 R	03/15/02	01/02/03
173357	369622FMO	2,000,000	2,000,774	GBCC	USD	1.56000	2.08000	1.53000	285	2 R	03/21/02	01/02/03
193241	91159RGO-1	1,999,131	2,000,536	US BANCORP	USD	1.56000	2.07006	1.54977	293	2 R	01/13/02	01/02/03
326099	13606TUP0	1,999,808	2,000,894	CIBC VAN	USD	1.39250	1.92018	1.37019	91	2 R	10/01/02	01/02/03
185233	33900QBA1-2	1,500,000	1,502,028	FBP	USD	1.62000	2.80000	1.67875	242	3 R	05/03/02	01/03/03
176583	14912LU25	2,248,672	2,259,147	CAT	USD	1.53000	2.23050	1.95006	270	6 R	04/05/02	01/06/03
397293	94974BAM2	1,499,498	1,500,946	W FARGO	USD	1.53000	1.96001	1.53000	250	15 R	05/08/01	01/10/03
481209	02582JWB9	2,000,000	2,001,360	AMXCA 02-2 A	USD	1.54000	1.95341	1.54000	68	15 R	10/24/02	01/15/03
530799	38405QAA1	1,000,000	1,000,684	BCARD 2 A	USD	1.54000	2.08000	1.60000	287	21 R	03/19/02	01/21/03
472155	61745BRX1	2,000,000	2,001,155	MS DEAN	USD	1.60000	5.10011	1.53696	649	22 R	03/22/01	01/22/03
385077	20034PAX0	1,499,893	1,500,469	COMERICA	USD	1.50875	2.71054	2.12772	435	22 R	10/22/01	01/22/03
435815	06050MBP1-2	1,499,409	1,505,701	BANK OF AMER	USD	2.10750	2.19900	1.97750	70	22 R	10/22/02	01/22/03
530327	172967BQ3	1,500,000	1,505,850	CITIGROUP	USD	1.97750	2.19104	2.15368	162	22 R	07/22/02	01/22/03
530349	91841QAL8-1	1,997,989	2,006,476	VW C C	USD	2.10750	2.06000	2.04000	160	24 R	07/24/02	01/24/03
505159	06422NGH3-2	2,000,000	2,007,820	BANK ONE	USD	2.04000	1.90500	1.54500	112	69 R	09/10/02	03/10/03
519691	459200AY7	2,000,000	2,001,888	IBM	USD	1.54500	1.90500	2.66125	295	70 R	03/11/02	03/11/03
469523	44181KL93	1,000,000	1,001,552	HFC	USD	2.66125	2.24125	1.73125	295	70 R	03/11/02	03/11/03
469523	02666QXC4	2,000,000	2,002,019	WONDA	USD	1.73125	3.08313	1.70000	463	83 R	09/24/01	03/24/03
428915	44181KJ54-1	1,500,000	1,500,566	HFC	USD	1.70000						

* Does not include positions matched to loans.

The Bank of New York
 Global Security System
 CASH MANAGEMENT - NEW YORK
 CM Trader's Position Report (Lotus123 Download)

As of: 12/31/02

ID	Loan Number	ISIN	Amount Invested	Accreted Book Value	Issuer	Native Currency	Native Coupon Rate	Purch Yield	Acctg MM Yield	Days Investd	Days To Reprice/Maturity	Investment Date	Reprice/Maturity Date
cf. Totals: SV			45,690,214	45,755,206									
										Portfolio MM Yield :	1.65046 *	Wgt Avg M/R:	21.5 *
										Total Liquidity :	7,717,361		
										Liquidity Ratio :	16.9 %	Wgt Avg Mat:	589.5 *
OEIT/LOSS SV TOTALS:													
tal P/L:			0.00	Daily P/L:	0.00	Realized To Date:	0.00	Remaining:	0.00				
P. Totals : BNY			164,864,290	165,046,691									
Overall Liquidity :			28,934,239										

TD CM=POSITION TO LOTUS123 DOWNLOAD REPORT

* Does not include positions matched to loans.

CITY OF SACRAMENTO
LISTING OF NON-CITY FUNDS
AS OF DECEMBER 31, 2002

MOUNTAIN VALLEY LIBRARY	\$ 719,114
LIBRARY JOINT POWERS AUTHORITY	5,042,060
CAPITOL AREA DEVELOPMENT AUTHORITY	4,957,975
CONVENTION BUREAU	495,132
ANN LAND/BERTHA HENSCHER TRUST	22,292
ETHEL MACLEOD HART TRUST	740,638
GEORGE CLARK SCHOLARSHIP	-
SHRA	20,776,038
SCERS TRUST*	<u>(5,445,878)</u>
	<u>\$ 27,307,370</u>

*Discrepancy between income distributed vs. payroll

City of Sacramento
Asset Listing
Pool D
SHRA Local Money
As of December 31, 2002

Cusip	Security Symbol	Security Name / Issuer	Mature Date	Quantity	Total Cost	Market Value	Yield	Dur	Price Source*
CASH AND EQUIVALENTS									
	intreceiv	Interest Receivable			204,649.24	204,649.24	0.00	0.00	n
laifd	LAIFD	Local Agency Investment Fund,			40,000,000.00	40,000,000.00	2.20	0.00	n
	nattsy	Nations Treasury Fund			306,696.11	306,696.11	0.92	0.00	n
					<u>40,511,345.35</u>	<u>40,511,345.35</u>	2.18	0.00	
GOVT AGENCY DISCOUNT PAPER									
313384AC3	313384ac3	Federal Home Ln Bank	01-03-03	3,000,000	2,999,186.67	3,000,000.00	1.22	0.01	I
313396AG8	313396ag8	Freddie Mac	01-07-03	3,800,000	3,797,207.00	3,799,239.84	1.26	0.02	I
313588AK1	313588ak1	Fannie Mae	01-10-03	5,500,000	5,496,831.38	5,498,350.07	1.22	0.03	I
313384AN9	313384AN9	Federal Home Ln Bank	01-13-03	6,025,000	6,021,264.50	6,022,590.40	1.24	0.04	I
313396AW3	313396aw3	Freddie Mac	01-21-03	4,000,000	3,996,048.89	3,997,600.10	1.27	0.06	I
313396AY	313396ay9	Fedl Home Ln Mtg Corp Disc Nt	01-23-03	10,000,000	9,977,633.33	9,977,630.00	0.00	0.06	I
313588BK0	313588bk0	Fannie Mae	02-03-03	4,000,000	3,993,508.89	3,995,599.98	1.27	0.09	I
313588BS3	313588bs3	Fannie Mae	02-10-03	4,000,000	3,992,521.11	3,994,799.80	1.27	0.11	I
313588CA1	313588ca1	Fannie Mae	02-18-03	4,150,000	4,141,069.43	4,143,359.85	1.27	0.13	I
					<u>44,415,271.20</u>	<u>44,429,170.03</u>	0.97	0.06	
MORTGAGE BACKED SECURITIES									
36220GQP0	36220gqp0	GNMA POOL #277762	10-15-19	41,752.5940	41,361.14	46,098.62	7.70	2.08	I
TOTAL PORTFOLIO					84,967,977.69	84,986,614.00	1.55	0.03	

City of Sacramento
Asset Listing
Pool D Sub
World Com Loss
SHRA Local Money
As of December 31, 2002

<u>Cusip</u>	<u>Security Symbol</u>	<u>Security Name / Issuer</u>	<u>Mature Date</u>	<u>Quantity</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Yield</u>	<u>Dur</u>	<u>Price Source*</u>
CORPORATE BONDS									
98155KAB8	98155kab8	Worldcom SNR.NT - NC	04-01-07	2,000,000	2,014,940.00	470,000.00	0.00	3.59	I
TOTAL PORTFOLIO					2,014,940.00	470,000.00	0.00	3.59	

City of Sacramento
Asset Listing
Pool J
As of December 31, 2002

<u>Cusip</u>	<u>Security Symbol</u>	<u>Security Name / Issuer</u>	<u>Mature Date</u>	<u>Quantity</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Yield</u>	<u>Dur</u>	<u>Price Source*</u>
CASH AND EQUIVALENTS									
	intreceiv	Interest Receivable			659,666.82	659,666.82	0.00	0.00	n
	nattsy	Nations Treasury Fund			1,191.13	1,191.13	0.92	0.00	n
	PoolA	Pool A - Cash			<u>20,776,037.75</u>	<u>20,776,037.75</u>	<u>4.72</u>	<u>0.00</u>	n
					21,436,895.70	21,436,895.70	4.58	0.00	
TOTAL PORTFOLIO					21,436,895.70	21,436,895.70	4.58	0.00	

City of Sacramento
Asset Listing
Pool K
SHRA 1998 Bonds
As of December 31, 2002

<u>Cusip</u>	<u>Security Symbol</u>	<u>Security Name / Issuer</u>	<u>Mature Date</u>	<u>Quantity</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Yield</u>	<u>Dur</u>	<u>Price Source*</u>
CASH AND EQUIVALENTS									
	nattsy	Nations Treasury Fund			1,443.22	1,443.22	0.92	0.00	n
GOVT AGENCY DISCOUNT PAPER									
313396AB9	313396ab9	Freddie Mac	01-02-03	4,210,000	4,192,463.01	4,192,461.14	1.64	0.01	I
TOTAL PORTFOLIO					4,193,906.23	4,193,904.36	1.64	0.01	

City of Sacramento
Asset Listing
Pool L
SHRA 2002 Revenue Bonds
As of December 31, 2002

<u>Cusip</u>	<u>Security Symbol</u>	<u>Security Name / Issuer</u>	<u>Mature Date</u>	<u>Quantity</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Yield</u>	<u>Dur</u>	<u>Price Source*</u>
MONEY MARKET FUND									
ML3349485	ML-PoolL	M Lynch-PoolL 2002 Rev Bonds			55,494,100.71	55,494,100.71	1.81	0.00	n
TOTAL PORTFOLIO					55,494,100.71	55,494,100.71	1.81	0.00	

SHRA FUNDS WITH THIRD PARTY TRUSTEE
SB564 ASSET LISTING
AS OF December, 2002

Bond Issue	Account Number	Type	Security Name	Issuer	Maturity Date	Quantity	Book Value	Market Value	Price Source
1989 TAB									
Alkall Flat Taxable	411492	Cash & Short-Term	Wells Fargo Trsry M Mkt	Wells Fargo	n/a	0	0	0	0 Bnk of NY
	411498	Cash & Short-Term	Wells Fargo Trsry M Mkt	Wells Fargo	n/a	0	0	0	0 Bnk of NY
			<i>Avg. Weighted Yield: .81%</i>	<i>Avg. Weighted Days to Maturity: 1</i>					
	411507	Cash & Short-Term	Wells Fargo Trsry M Mkt	Wells Fargo	n/a	0	0	0	0 Bnk of NY
	411513	Cash & Short-Term	Wells Fargo Trsry M Mkt	Wells Fargo	n/a	0	0	0	0 Bnk of NY
Alkall Flat Tax-exempt	411495	Cash & Short-Term	Wells Fargo Trsry M Mkt	Wells Fargo	n/a	0	0	0	0 Bnk of NY
	411501	Cash & Short-Term	Wells Fargo Trsry M Mkt	Wells Fargo	n/a	0	0	0	0 Bnk of NY
			<i>Avg. Weighted Yield: .81%</i>	<i>Avg. Weighted Days to Maturity: 1</i>					
	411504	Cash & Short-Term	Wells Fargo Trsry M Mkt	Well Fargo	n/a	0	0	0	0 Bnk of NY
	411510	Cash & Short-Term	Wells Fargo Trsry M Mkt	Wells Fargo	n/a	0	0	0	0 Bnk of NY
	Sub-Total:					0	0	0	
1993 TAB									
	94803690	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	87	87	87	US Bank
	94803691	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	0	0	0	US Bank
	94803692	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	2	2	2	US Bank
	94803693	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	304	304	304	US Bank
	94803697	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	6	6	6	US Bank
	Sub-Total:					399	399	399	
1998 TAB									
	95450520	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	50	50	50	US Bank
	95450521	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	0	0	0	US Bank
	95450530	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	113	113	113	US Bank
	95450531	Cash & Short-Term	Cash	n/a	n/a	0	0	0	US Bank
	95450535	Cash & Short-Term	Cash	n/a	n/a	0	0	0	US Bank
	95450540	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	144	144	144	US Bank
	95450543	Cash & Short-Term	First American Treas. Money Mrkt.	First American Mutual Fund	n/a	1,750	1,750	1,750	US Bank
	95456570	Cash & Short-Term	Cash	n/a	n/a	0	0	0	US Bank
	Sub-Total:					2,057	2,057	2,057	

SHRA FUNDS WITH THIRD PARTY TRUSTEE
SB564 ASSET LISTING
AS OF December, 2002

Bond Issue	Account Number	Type	Security Name	Issuer	Maturity Date	Quantity	Book Value	Market Value	Price Source
1999 CIRB	94412380	Cash & Short-Term	Cash	n/a	n/a	0	0	0	US Bank
Del Paso	94412381	Cash & Short-Term	Cash	na	n/a	0	0	0	US Bank
Sub-Total						0	0	0	
1999 CIRB	94412370	Cash & Short-Term	Cash	n/a	n/a	951	951	951	US Bank
		Government Bonds	US Treasury Strip	United States Treasury	10/15/03	77,000	60,802	76,212	US Bank
		Government Bonds	US Treasury Strip	United States Treasury	10/15/04	513,000	379,457	497,615	US Bank
		Government Bonds	US Treasury Strip	United States Treasury	10/15/05	513,000	354,911	484,811	US Bank
		Government Bonds	US Treasury Strip	United States Treasury	10/15/06	410,000	286,034	372,604	US Bank
<i>Avg. Weighted Yield: 6.16% Avg. Weighted Days to Maturity: 937</i>									
	94412371	Cash & Short-Term	Cash	n/a	n/a	1	1	1	US Bank
		Government Bonds	US Treasury SER (ZERO)	United States Treasury	11/01/02	94,043	94,043	94,043	US Bank
		Government Bonds	US Treasury SER	United States Treasury	11/01/04	538,520	538,520	538,520	US Bank
		Government Bonds	US Treasury SER	United States Treasury	11/01/05	874,289	874,289	874,289	US Bank
		Government Bonds	US Treasury SER	United States Treasury	11/01/06	355,524	355,524	355,524	US Bank
<i>Avg. Weighted Yield: 5.85% Avg. Weighted Days to Maturity: 954</i>									
Sub-Total						<u>3,375,377</u>	<u>2,923,580</u>	<u>3,293,619</u>	
1999 CIRB	317043	Cash & Short-Term	Wells Fargo Trsry Plus M Mrkt.	Well Fargo	n/a	<u>89</u>	<u>89</u>	<u>89</u>	Bnk of NY
Interest									
GRAND TOTAL:						<u>3,377,922</u>	<u>2,926,125</u>	<u>3,296,164</u>	

**CITY OF SACRAMENTO
SUMMARY OF TRANSACTIONS
Dec-02**

	<u>Pool A</u>	<u>Public Trust</u>	<u>Ethel Hart</u>	<u>Totals</u>
Purchases	\$ 167,790,419	337,581	264,260	\$ 168,392,260
Sells	-	256,038	22,325	278,363
Maturities	169,778,413	-	-	169,778,413
Calls	9,920,500	-	-	9,920,500
Contributions	77,043,667	-	3,269	77,046,936
Withdrawals	<u>61,151,417</u>	<u>3,278</u>	<u>3,269</u>	<u>61,157,964</u>
TOTAL	<u>\$ 485,684,416</u>	<u>\$ 596,897</u>	<u>\$ 293,123</u>	<u>\$ 486,574,436</u>

	<u>Pool D</u>	<u>Pool J</u>	<u>Pool K</u>	<u>Pool L</u>	
Purchases	\$ 58,983,569	-	-	-	\$ 58,983,569
Sells	1,999,802	-	-	-	1,999,802
Maturities	49,523,473	-	-	-	49,523,473
Calls	-	-	-	-	-
Contributions	17,986,374	-	-	-	17,986,374
Withdrawals	<u>10,750,000</u>	<u>1,617,509</u>	<u>-</u>	<u>79,626</u>	<u>12,447,135</u>
TOTAL	<u>\$ 139,243,218</u>	<u>1,617,509</u>	<u>\$ -</u>	<u>\$ 79,626</u>	<u>\$ 140,940,353</u>

GRAND TOTAL **\$ 627,514,789**

City of Sacramento
TRANSACTION SUMMARY
CITY GENERAL POOL
POOL A
From 12-01-02 To 12-31-02

Trade Date	Security	Quantity	Total Cost
Purchases			
12/2/2002	UBS AG 1.320% Due 12-03-02	5,500,000	\$ 5,499,800
12/2/2002	UBS AG 1.300% Due 12-10-02	6,600,000	6,598,093
12/2/2002	Federal Home Loan Bank 1.240% Due 02-26-03	15,000,000	14,955,567
12/3/2002	General Electric Co 1.250% Due 12-05-02	2,000,000	1,999,861
12/3/2002	UBS AG 1.250% Due 12-04-02	2,500,000	2,499,913
12/3/2002	UBS AG 1.250% Due 12-04-02	3,300,000	3,299,885
12/3/2002	Freddie Mac 1.250% Due 03-06-03	15,000,000	14,951,562
12/4/2002	UBS AG 1.210% Due 12-05-02	5,000,000	4,999,832
12/4/2002	United Parcel 1.110% Due 12-09-02	1,900,000	1,899,707
12/5/2002	General Electric Capital Corp 1.280% Due 12-11-02	5,000,000	4,998,933
12/5/2002	UBS AG 1.250% Due 12-06-02	2,000,000	1,999,931
12/6/2002	Fannie Mae 1.260% Due 02-12-03	5,500,000	5,486,910
12/9/2002	Fannie Mae 1.270% Due 03-05-03	3,100,000	3,090,595
12/10/2002	Fannie Mae 1.270% Due 03-05-03	1,300,000	1,296,102
12/11/2002	General Electric Capital Corp 1.150% Due 12-16-02	8,000,000	7,998,722
12/11/2002	Fannie Mae 1.270% Due 03-12-03	10,000,000	9,967,897
12/16/2002	Abbey Nat'l NA LL 1.250% Due 12-23-02	3,000,000	2,999,271
12/16/2002	Abbey Nat'l NA LL 1.250% Due 12-20-02	4,300,000	4,299,403
12/16/2002	Philip Morris Co 1.300% Due 12-17-02	2,000,000	1,999,928
12/16/2002	Philip Morris Co 1.290% Due 12-19-02	1,000,000	999,892
12/17/2002	Wells Fargo Co 1.260% Due 01-07-03	3,600,000	3,597,354
12/18/2002	Abbey Nat'l NA LL 1.330% Due 01-07-03	5,000,000	4,996,306
12/18/2002	General Electric Capital Corp 1.340% Due 02-27-03	7,000,000	6,981,501
12/19/2002	Wells Fargo Co 1.270% Due 01-21-03	8,500,000	8,490,105

City of Sacramento
TRANSACTION SUMMARY
CITY GENERAL POOL
POOL A
From 12-01-02 To 12-31-02

<u>Trade Date</u>	<u>Security</u>	<u>Quantity</u>	<u>Total Cost</u>
12/19/2002	Fannie Mae 5.125% Due 02-13-04	5,000,000	5,205,469
12/19/2002	Fannie Mae 100.000% Due 06-15-04	5,000,000	5,096,875
12/19/2002	Fannie Mae 100.000% Due 12-06-04	5,000,000	5,010,937
12/20/2002	General Capital Corp 1.350% Due 01-21-03	5,600,000	5,593,280
12/20/2002	General Electric Financial Assurance 1.350% Due 02-18-03	5,000,000	4,988,750
12/23/2002	Sallie Mae 1.200% Due 12-26-02	950,000	949,905
12/24/2002	American General Finance Corp 1.240% Due 12-26-02	3,500,000	3,499,759
12/26/2002	American General Finance Corp 1.430% Due 03-25-03	2,650,000	2,640,632
12/27/2002	Abbey Nat'l 1.350% Due 01-06-03	4,900,000	4,898,162
12/27/2002	Abbey Nat'l 1.260% Due 12-30-02	4,000,000	3,999,580
TOTAL PURCHASES		167,700,000	\$ 167,790,419
Calls			
12/16/2002	Freddie Mac - C 6.900% Due 06-16-05	5,000,000	4,920,500
12/27/2002	Federal Home Loan Bank 6.500% Due 12-27-05	5,000,000	5,000,000
TOTAL CALLS		10,000,000	\$ 9,920,500
Maturities			
12/2/2002	AIG Inc 1.270% Due 12-02-02	15,000,000	\$ 14,989,417
12/2/2002	UBS FINANCE BE 1.360% Due 12-02-02	7,000,000	6,998,678
12/2/2002	UBS AMERICAS INC 1.360% Due 12-02-02	10,000,000	9,998,111
12/3/2002	UBS AG 1.320% Due 12-03-02	15,500,000	15,497,233
12/4/2002	UBS AG 1.250% Due 12-04-02	2,500,000	2,499,913
12/4/2002	UBS AG 1.250% Due 12-04-02	3,300,000	3,299,885
12/5/2002	General Electric Co 1.250% Due 12-05-02	2,000,000	1,999,861
12/5/2002	UBS AG 1.210% Due 12-05-02	5,000,000	4,999,832
12/6/2002	UBS AG 1.250% Due 12-06-02	2,000,000	1,999,931
12/9/2002	GE Peacock Funding	2,500,000	2,498,808

City of Sacramento
TRANSACTION SUMMARY
CITY GENERAL POOL
POOL A
From 12-01-02 To 12-31-02

<u>Trade Date</u>	<u>Security</u>	<u>Quantity</u>	<u>Total Cost</u>
12/9/2002	1.320% Due 12-09-02 United Parcel	1,900,000	1,899,707
12/10/2002	1.110% Due 12-09-02 UBS AG	6,600,000	6,598,093
12/11/2002	1.300% Due 12-10-02 Abbey Nat'l	20,000,000	19,976,200
12/11/2002	1.260% Due 12-11-02 General Electric Capital Corp	5,000,000	4,998,933
12/12/2002	1.280% Due 12-11-02 Barclays US FDG	20,000,000	19,975,306
12/16/2002	1.270% Due 12-12-02 General Electric Capital Corp	8,000,000	7,998,722
12/17/2002	1.150% Due 12-16-02 Philip Morris Co	2,000,000	1,999,928
12/18/2002	1.300% Due 12-17-02 John Hancock	4,000,000	4,024,040
12/18/2002	6.260% Due 12-18-02 Federal Home Loan Bank	7,000,000	6,993,647
12/19/2002	1.210% Due 12-18-02 Philip Morris Co	1,000,000	999,892
12/20/2002	1.290% Due 12-19-02 Abbey Nat'l NA LL	4,300,000	4,299,403
12/20/2002	1.250% Due 12-20-02 FEDERAL NATL MTG ASSN DISC N'	3,800,000	3,795,879
12/23/2002	0.000% Due 12-20-02 Abbey Nat'l NA LL	3,000,000	2,999,271
12/24/2002	1.250% Due 12-23-02 Fannie Mae	10,000,000	9,988,478
12/26/2002	1.220% Due 12-24-02 American General Finance Corp	3,500,000	3,499,759
12/26/2002	1.240% Due 12-26-02 Sallie Mae	950,000	949,905
12/30/2002	1.200% Due 12-26-02 Abbey Nat'l	4,000,000	3,999,580
	1.260% Due 12-30-02		
TOTAL MATURITIES		169,850,000	\$ 169,778,413

Contributions

12/2/2002	B Of A Cash	\$	3,228,817
12/2/2002	B Of A Cash		6,494
12/2/2002	Fidelity Fund For Pool A		622,150
12/2/2002	Fidelity Fund For Pool A		341
12/2/2002	Fidelity Fund For Pool A		4
12/3/2002	B Of A Cash		3,615,395
12/3/2002	Fidelity Fund For Pool A		271
12/3/2002	Fidelity Fund For Pool A		57
12/3/2002	Fidelity Fund For Pool A		13,409
12/4/2002	B Of A Cash		2,959,186
12/5/2002	B Of A Cash		1,552,695
12/5/2002	Fidelity Fund For Pool A		133

City of Sacramento
TRANSACTION SUMMARY
CITY GENERAL POOL
POOL A
From 12-01-02 To 12-31-02

<u>Trade Date</u>	<u>Security</u>	<u>Quantity</u>	<u>Total Cost</u>
12/6/2002	B Of A Cash		349,976
12/6/2002	B Of A Cash		3,608,630
12/9/2002	B Of A Cash		1,127,273
12/9/2002	Fidelity Fund For Pool A		144
12/10/2002	B Of A Cash		3,068,330
12/10/2002	Fidelity Fund For Pool A		600
12/10/2002	Fidelity Fund For Pool A		174
12/11/2002	B Of A Cash		8,344
12/12/2002	B Of A Cash		840,201
12/12/2002	Fidelity Fund For Pool A		552
12/12/2002	Fidelity Fund For Pool A		19
12/13/2002	B Of A Cash		301,215
12/13/2002	B Of A Cash		1,688,055
12/13/2002	Fidelity Fund For Pool A		430
12/16/2002	B Of A Cash		1,204,571
12/16/2002	Fidelity Fund For Pool A		188,117
12/16/2002	Fidelity Fund For Pool A		574
12/16/2002	Fidelity Fund For Pool A		20
12/17/2002	B Of A Cash		1,170,134
12/18/2002	B Of A Cash		9,939,263
12/18/2002	B Of A Cash		23,227,602
12/18/2002	Fidelity Fund For Pool A		122
12/19/2002	B Of A Cash		2,246,315
12/20/2002	B Of A Cash		385,323
12/20/2002	Fidelity Fund For Pool A		225,000
12/20/2002	Fidelity Fund For Pool A		111
12/23/2002	B Of A Cash		1,624,449
12/23/2002	Fidelity Fund For Pool A		2,829
12/23/2002	Fidelity Fund For Pool A		152
12/23/2002	Fidelity Fund For Pool A		190
12/24/2002	B Of A Cash		674,721
12/26/2002	B Of A Cash		10,832
12/26/2002	Fidelity Fund For Pool A		18,750
12/27/2002	B Of A Cash		6,934,013
12/30/2002	B Of A Cash		2,981,197
12/30/2002	Fidelity Fund For Pool A		196
12/31/2002	B Of A Cash		3,215,784
12/31/2002	Fidelity Fund For Pool A		81
12/31/2002	Fidelity Fund For Pool A		424
TOTAL CONTRIBUTIONS			\$ 77,043,667

Withdrawals

12/2/2002	B Of A Cash		\$ 2,035,558
12/3/2002	B Of A Cash		2,572,777
12/4/2002	B Of A Cash		610,941
12/4/2002	Fidelity Fund For Pool A		6,494
12/5/2002	B Of A Cash		859,926
12/5/2002	Fidelity Fund For Pool A		590,391
12/6/2002	B Of A Cash		2,014,918

**City of Sacramento
TRANSACTION SUMMARY
CITY GENERAL POOL
POOL A
From 12-01-02 To 12-31-02**

<u>Trade Date</u>	<u>Security</u>	<u>Quantity</u>	<u>Total Cost</u>
12/9/2002	B Of A Cash		349,976
12/9/2002	B Of A Cash		2,114,119
12/10/2002	B Of A Cash		7,955,761
12/11/2002	B Of A Cash		2,925,651
12/12/2002	B Of A Cash		1,524,280
12/13/2002	B Of A Cash		2,019,347
12/16/2002	B Of A Cash		5,567,955
12/17/2002	B Of A Cash		530,112
12/18/2002	B Of A Cash		315,232
12/18/2002	Fidelity Fund For Pool A		52,792
12/19/2002	B Of A Cash		9,939,263
12/19/2002	B Of A Cash		87,865
12/20/2002	B Of A Cash		190,858
12/23/2002	B Of A Cash		778,915
12/24/2002	B Of A Cash		7,694,948
12/26/2002	B Of A Cash		4,765,023
12/26/2002	Fidelity Fund For Pool A		144,939
12/26/2002	Fidelity Fund For Pool A		684
12/27/2002	B Of A Cash		1,798,077
12/30/2002	B Of A Cash		783,270
12/31/2002	B Of A Cash		1,947,018
12/31/2002	Fidelity Fund For Pool A		974,327
TOTAL WITHDRAWALS			\$ 61,151,417
TOTAL TRANSACTIONS		347,550,000	\$ 485,684,416
<u>POOL A SUMMARIZED</u>			
Purchases and Contributions			\$ 244,834,086
Calls, Maturities, and Withdrawals			<u>240,850,330</u>
TOTAL TRANSACTIONS			\$ 485,684,416

City of Sacramento
TRANSACTION SUMMARY
Public Trust Mutual Fund
Ann Land/Bertha Henschel
From 12-01-02 To 12-31-02

ATTACHMENT K

<u>Trade Date</u>	<u>Security</u>	<u>Quantity</u>	<u>Total Cost</u>
Purchases			
12/12/2002	Eastman Kodak Co Com	800	\$ 29,848
12/12/2002	General Motors Corp	800	29,952
12/12/2002	Honeywell	1,000	24,410
12/12/2002	J P MORGAN CHASE & CO COM	1,000	24,160
12/17/2002	Sbc Communications Inc	1,000	27,560
12/19/2002	Cardinal Health Inc	500	29,505
12/19/2002	International Bus Mach	200	15,744
12/19/2002	Intel Corp	1,000	17,080
12/19/2002	Johnson & Johnson	600	32,100
12/19/2002	Microsoft Corp	200	10,632
12/19/2002	Sysco Corp	1,000	29,240
12/19/2002	Target Corp	1,000	29,410
12/23/2002	Waste Connections Inc	1,000	37,940
TOTAL PURCHASES		10,100	\$ 337,581
Sales			
12/3/2002	Lowes Companies Inc	800	\$ 35,304
12/5/2002	Neurobiological Technologies	1,000	5,060
12/17/2002	Procter & Gamble Co	250	22,695
12/19/2002	Avista Corp	1,500	29,934
12/19/2002	ChevronTexaco Corp	200	18,087
12/19/2002	Cable & Wireless Plc Sponsored Adr	400	21,404
12/19/2002	Heinz H J Co	800	31,900
12/19/2002	Kinder Morgan Energy Partners Ltd	1,100	22,169
12/19/2002	Pinnacle West Cap Corp	125	4,703
12/19/2002	Texas Utilities Co	150	6,242
12/19/2002	Xcel Energy Inc	1,300	35,594
12/19/2002	Exxon Mobil Corporation	600	22,946
TOTAL SALES		8,225	\$ 256,038
Withdrawals			
12/2/2002	Pool A - Cash		\$ 341
12/3/2002	Pool A - Cash		271
12/5/2002	Pool A - Cash		133
12/9/2002	Pool A - Cash		144
12/10/2002	Pool A - Cash		600
12/12/2002	Pool A - Cash		552
12/13/2002	Pool A - Cash		430
12/16/2002	Pool A - Cash		574
12/23/2002	Pool A - Cash		152
12/31/2002	Pool A - Cash		81
TOTAL WITHDRAWALS			\$ 3,278
TOTAL TRANSACTIONS		18,325	\$ 596,897
PTMF TRANSACTIONS			
	Purchases		\$ 337,581
	Sales and Withdrawals		259,316
TOTAL TRANSACTIONS			\$ 596,897

City of Sacramento
TRANSACTION SUMMARY
 Mutual Endowment Fund
 Ethel Hart
 From 12-01-02 To 12-31-02

<u>Trade Date</u>	<u>Security</u>	<u>Quantity</u>	<u>Total Cost</u>
Purchases			
12/26/2002	Archer Daniels Midland Com	2,000	\$ 24,688
12/26/2002	Conagra Inc Com	750	19,222
12/26/2002	Cardinal Health Inc	500	29,830
12/26/2002	International Bus Mach	100	7,915
12/26/2002	Intel Corp	1,200	20,256
12/26/2002	Johnson & Johnson	500	27,030
12/26/2002	Microsoft Corp	300	16,176
12/26/2002	Sysco Corp	1,000	29,920
12/26/2002	Target Corp	1,000	28,740
12/26/2002	Viacom Inc CL A	750	31,740
12/26/2002	Waste Connections Inc	750	28,742
TOTAL PURCHASES		8,850	\$ 264,260
Sales			
12/3/2002	Lowes Companies Inc	500	\$ 22,320
12/23/2002	Del Monte Foods	1	5
TOTAL SALES		501	\$ 22,325
Contributions			
12/23/2002	Del Monte Foods	380	\$ 3,269
TOTAL CONTRIBUTIONS		380	\$ 3,269
Withdrawals			
12/23/2002	Heinz H J Co	850	\$ 3,269
TOTAL WITHDRAWALS		850	\$ 3,269
TOTAL TRANSACTIONS		10,581	\$ 293,123
 MFEHE SUMMARIZED			
Purchases and Contributions			\$ 267,529
Sales and Withdrawals			25,594
TOTAL TRANSACTIONS			\$ 293,123

City of Sacramento
TRANSACTION SUMMARY
SHRA Local Money
From 12-01-02 To 12-31-02

Trade Date	Security	Quantity	Total Cost
POOL D			
Purchases			
12/2/2002	UBS AG 1.310% Due 12-03-02	2,500,000	\$ 2,499,909
12/2/2002	Federal Home Loan Bank 1.220% Due 12-13-02	5,000,000	4,998,136
12/17/2002	Federal Home Loan Bank 1.190% Due 12-19-02	2,000,000	1,999,868
12/17/2002	Federal Home Loan Bank 1.190% Due 12-20-02	2,000,000	1,999,802
12/17/2002	Freddie Mac 1.260% Due 01-07-03	3,800,000	3,797,207
12/19/2002	Fannie Mae 1.270% Due 02-03-03	4,000,000	3,993,509
12/19/2002	Fannie Mae 1.270% Due 02-10-03	4,000,000	3,992,521
12/19/2002	Fannie Mae 1.270% Due 02-18-03	4,150,000	4,141,069
12/20/2002	Federal Home Loan Bank 1.160% Due 12-23-02	4,025,000	4,024,611
12/20/2002	Federal Home Loan Bank 1.190% Due 12-26-02	5,000,000	4,999,008
12/23/2002	Sallie Mae 1.200% Due 12-26-02	4,025,000	4,024,597
12/24/2002	Freddie Mac 1.270% Due 01-21-03	4,000,000	3,996,049
12/24/2002	Fannie Mae 1.220% Due 01-10-03	5,500,000	5,496,831
12/26/2002	Federal Home Ln Bank 1.240% Due 01-13-03	6,025,000	6,021,264
12/26/2002	Federal Home Ln Bank 1.220% Due 01-03-03	3,000,000	2,999,187
TOTAL PURCHASES		59,025,000	\$ 58,983,569
Sales			
12/18/2002	Federal Home Loan Bank 1.190% Due 12-20-02	2,000,000	\$ 1,999,802
TOTAL SALES		2,000,000	\$ 1,999,802
Maturities			
12/2/2002	UBS FINANCE BE 1.360% Due 12-02-02	8,000,000	\$ 7,998,489
12/3/2002	UBS AG 1.310% Due 12-03-02	2,500,000	2,499,909
12/13/2002	Federal Home Loan Bank 1.220% Due 12-13-02	5,000,000	4,998,136
12/15/2002	GNMA POOL #277762 8.500% Due 10-15-19	138	137
12/19/2002	Federal Home Loan Bank 1.190% Due 12-19-02	2,000,000	1,999,868

City of Sacramento
TRANSACTION SUMMARY
SHRA Local Money
From 12-01-02 To 12-31-02

<u>Trade Date</u>	<u>Security</u>	<u>Quantity</u>	<u>Total Cost</u>
12/20/2002	FEDERAL NATL MTG ASSN DISC N 0.000% Due 12-20-02	9,000,000	8,990,240
12/23/2002	Federal Home Loan Bank 1.160% Due 12-23-02	4,025,000	4,024,611
12/24/2002	Fannie Mae 1.220% Due 12-24-02	10,000,000	9,988,478
12/26/2002	Federal Home Loan Bank 1.190% Due 12-26-02	5,000,000	4,999,008
12/26/2002	Sallie Mae 1.200% Due 12-26-02	4,025,000	4,024,597
TOTAL MATURITIES		49,550,138	\$ 49,523,473

Contributions

12/4/2002	Nations Treasury Fund	\$ 6,000,000
12/5/2002	Nations Treasury Fund	590,391
12/9/2002	Nations Treasury Fund	349,976
12/18/2002	Nations Treasury Fund	52,792
12/18/2002	Nations Treasury Fund	79,626
12/19/2002	Nations Treasury Fund	9,939,263
12/31/2002	Nations Treasury Fund	974,327

TOTAL CONTRIBUTIONS**\$ 17,986,374****Withdrawals**

12/2/2002	Nations Treasury Fund	\$ 500,000
12/3/2002	Nations Treasury Fund	500,000
12/5/2002	Nations Treasury Fund	500,000
12/6/2002	Nations Treasury Fund	1,650,000
12/9/2002	Nations Treasury Fund	2,400,000
12/12/2002	Nations Treasury Fund	500,000
12/13/2002	Nations Treasury Fund	500,000
12/17/2002	Nations Treasury Fund	1,000,000
12/18/2002	Nations Treasury Fund	2,000,000
12/24/2002	Nations Treasury Fund	500,000
12/31/2002	Nations Treasury Fund	700,000

TOTAL WITHDRAWALS**\$ 10,750,000****TOTAL POOL D****110,575,138 \$ 139,243,218****POOL J****Withdrawals**

12/5/2002	Pool A - Cash	\$ 590,391
12/18/2002	Pool A - Cash	52,792
12/31/2002	Pool A - Cash	974,327

TOTAL WITHDRAWALS**\$ 1,617,509****TOTAL POOL J****\$ 1,617,509**

**City of Sacramento
TRANSACTION SUMMARY
SHRA Local Money
From 12-01-02 To 12-31-02**

<u>Trade Date</u>	<u>Security</u>	<u>Quantity</u>	<u>Total Cost</u>
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POOL K

No transactions were found!

POOL L

Withdrawals

12/18/2002	M Lynch-PoolL 2002 Rev Bonds		\$	79,626
TOTAL WITHDRAWALS			\$	79,626
TOTAL POOL L			\$	79,626
TOTAL TRANSACTIONS		110,575,138	\$	140,940,353

SHRA SUMMARIZED

Purchases and Contributions	\$	76,969,943
Maturities, Sales, and Withdrawals		63,970,410
TOTAL TRANSACTIONS	\$	140,940,353

Proposed Amendments to the SHRA Section of the City Investment Policy

The following language is proposed to be added to SHRA Section IV, Item C, of the City's Investment Policy

C. SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA)

- Pool D Deleted: C
 - For investment of federal funds the primary objective is liquidity and safety. The funds, as identified by SHRA will be invested in U.S. Government securities and investments. It should be invested prudently in conformance with federal regulations and scheduled to mature to meet the estimated cash needs of SHRA. Deleted: T
Deleted: in excess of prudently
 - For non-federal funds, to be in conformance with State investment guidelines for local governmental entities, especially redevelopment agencies. To earn a rate of return from investment at least equal to the Local Agency Investment Fund of the State of California or other appropriate index through the prudent implementation of investment policy, guidelines and approved current investment strategy. Deleted: Pool D
- Other Pools
 - The primary objective is liquidity and safety. The funds will be invested consistent with State investment guidelines and bond covenants, and using prudent investment practices in accordance with SHRA's investment guidelines and approved current investment strategy. Deleted: with

The SHRA proposed amendments are not policy changes, but rather a clean up to reflect SHRA actions to combine Investment Pool C (federal funds) and Investment Pool D (non-federal funds) into one Investment Pool (Pool D). There still will be both Federal and State Investment Funds, but both will be identified within one investment pool. Additionally, there was an error in the original policy, which stated in part that investment would be made "in excess of prudently estimated needs".

It is recommended that the Sacramento City Council approve these amendments.

CITY OF SACRAMENTO
Investment Policy
(Revised ~~6/04/01~~03/18/03)

I. INTRODUCTION

The purpose of this document is to state the policies and procedures that enhance opportunities for a prudent and systematic investment process within the City of Sacramento Treasurer's office. The City Treasurer is responsible for investing and reporting upon the surplus funds in the City Treasury in accordance with the authority granted by City Charter Section 73, City Council ordinances and resolutions, the Administration, Investment and Fiscal Management Board of the Sacramento City Employees Retirement System (SCERS), the Ann Land/Bertha Henschel Memorial Fund Commission, the Ethel MacLeod Hart Fund Commission, Sacramento Housing and Redevelopment Agency Ordinances and resolutions, and other entities as approved by the City Council.

II. INVESTMENT POLICY

The Investment Policy of the City Treasurer is to maximize investment return consistent with prudent investment practices. This is to be accomplished through the establishment of:

- A. Investment program goals and objectives, on a portfolio-by-portfolio basis;
- B. Programs applying recognized portfolio management techniques;
- C. Delegation of investment authority limits for staff, and
- D. Investment Committee strategies approved by the City Treasurer.

III. INVESTMENT PROGRAM GOAL

The primary investment goal of the City Treasurer is to earn a maximum rate of return on investments that follow "Prudent Person" guidelines as outlined in California Civil Code Section 2261 or other investment management portfolio guidelines that are considered standards for the investment of public and trust funds.

IV. OBJECTIVE

- A. SCERS
 - To earn a rate of return from investments at least equal to the actuarial earnings assumption of the SCERS through the prudent implementation of investment policy, guidelines and approved current investment strategy.

B. CITY POOL A AND OTHER INVESTMENT FUNDS

- To earn a rate of return from investment at least equal to the Local Agency Investment Fund of the State of California or other appropriate index through the prudent implementation of investment policy, guidelines and approved current investment strategy.

C. SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA)

- Pool CD

- For investment of federal funds the primary objective is liquidity and safety. The funds, as identified by SHRA, will be invested in U.S. Government securities and investments. It should be invested prudently in conformance with federal regulations and scheduled to mature in excess of prudently to meet the estimated cash needs of SHRA.

- Pool D

- For non-federal funds, to be in conformance with State investment guidelines for local governmental entities, especially redevelopment agencies. To earn a rate of return from investment at least equal to the Local Agency Investment Fund of the State of California or other appropriate index through the prudent implementation of investment policy, guidelines and approved current investment strategy.

- Other Pools

- The primary objective is liquidity and safety. The funds will be invested consistent with State investment guidelines and bond covenants with and using prudent investment practices in accordance with SHRA's investment guidelines and approved current investment strategy.

D. TRUSTS

- To earn a rate of return from investments that maximizes interest income through the prudent implementation of investment policy, guidelines and approved current investment strategy.

V. ADDITIONAL CONSIDERATIONS

A. OTHER FACTORS TO CONSIDER

- Reasonable care shall be taken with respect to the preservation of principal of invested capital.
- The City's investment portfolios shall maximize earnings; yet remain sufficiently liquid to meet all operating requirements.

B. IMPLEMENTATION STRATEGIES AND GUIDELINES

The following strategies should be considered:

- Credit and financial analysis for selection of approved investments and/or issuers;
- Routine reviews of current U.S. economic policy;
- Analysis and interpretation of Federal Reserve policy;
- Interface with Wall Street economists;
- Maintenance and forecast of yield curve patterns;
- Awareness of market conditions and ability to execute orders;
- Routine reviews of investments and funds available to assure maximum return is achieved;
- Routine reports on investment activity consummated and investment results
- Development and maintenance of investment manuals for each investment portfolio managed, and
- Routine reviews of investment policy and strategies at Investment Committee meetings.

C. RECOGNIZED PORTFOLIO MANAGEMENT TECHNIQUES

- Rate anticipation swaps on the condition that no more than 10% of any investment portfolio may be in such condition at any given time.
- Arbitrage swaps, which take advantage of additional, yield by switching from the same or an equivalent security in order to take advantage of unusual price discrepancies. For the above to be considered as execution of recognized portfolio management techniques, the following requirements

regarding the maturity date of the instrument ultimately purchased are as follows:

For securities that mature within 3 years from date of initial action:

The maturity date of the investment ultimately purchased must be within 30 days prior to or after the maturity date of the security initially owned.

For securities that mature longer than 3 years from date of original action:

The maturity date of the investment ultimately purchased must be within 6 months prior to or after the maturity date of the investment security initially owned.

- Sector and/or time spread swaps, which take advantage of the potential for additional yield by restructuring the portfolio when normal relationships are out of line.
- Reverse Repurchase Agreements or Security Loans to enhance investment income of the portfolio.
- Interfund Purchase – Sales are only permitted to maximize the investment income of the affected managed funds, whenever the internal handling costs would be exorbitant or a temporary price distortion would occur in the market place as a result of the restricted marketability of the investment vehicle to be sold. Such transactions shall be made in compliance with the adopted Interfund Investment Transfer Procedures.

D. BOOKKEEPING GAINS (LOSSES)

- Net gain (loss) limits
- Bookkeeping losses for investment portfolio management techniques are permitted so long as the ultimate interest income earned from an alternative investment exceeds the bookkeeping loss. Bookkeeping gains (losses) not to exceed \$10,000 on a single sale are within the authority of the Chief Investment Officer. Any bookkeeping gains (losses) to be incurred in excess of \$10,000 in a single sale must first be approved by the Assistant City Treasurer, with a maximum limit on net-booked gains (losses) of \$100,000 per month without further approval of the City Treasurer. The intent of the

trading operation is to enhance investment income and maintain a net trading benefit position.

- Net trading benefit position is defined as the additional net investment income that will be earned as a result of the execution of portfolio management techniques. The criteria to measure such benefits will be to calculate the net investment income that would have been earned from an

authorized investment security had the portfolio management technique not been executed, and comparing this amount to the net investment income that will be earned as a result of execution of the portfolio management technique.

E. QUALIFICATION OF BROKER, DEALERS, AND FINANCIAL INSTITUTIONS:

- Authorized broker/dealers and financial institutions will be selected and evaluated pursuant to the City Treasurer’s Broker/Dealer Selection Policy. The procedure considers such issues as services provided, the credit characteristics and financial history of the firm, and the evaluation of the “Success/Opportunity Ratio” throughout the period in which the firm is transacting business with the City.

VI. DELEGATION OF INVESTMENT AUTHORITY

A. The City Treasurer delegates investment authority to the following:

- Chief Investment Officer
- Deputy City Treasurers
- Investment Officer(s) I/II

B. Investment transactions in excess of trading limits are to be directed and approved by the City Treasurer.

C. Trading limits are established for transactions not covered in Section VI-B, above.

Trading limits authorize investment transactions as follows:

- City Treasurer:
10% of the investment portfolio(s) at any time, with additional authority as justified by the occasion. A report will be made to the appropriate entity when more than 10% of the portfolio is traded at one time.

- Chief Investment Officer:

CITY OF SACRAMENTO

Investment Policy

Page 6

5% of the investment portfolio(s) at any time without additional approval of the City Treasurer.

- Deputy City Treasurer:
2-1/2% of the investment portfolio in the absence of the City Treasurer and the Chief Investment Officer.
- Senior Investment Officer:
2-1/2% of the investment portfolio(s) without prior approval of the City Treasurer. (Allows Repo transaction of up to \$10MM without prior approval of the Chief Investment Officer or the City Treasurer.)
- Investment Officer II:
1-1/2% of the investment portfolio(s) without prior approval of the City Treasurer. (Allows Repo transaction of up to \$10MM without prior approval of the Chief Investment Officer or the City Treasurer.)
- Investment Officer I:
May execute a transaction of up to \$5MM in Repo without prior approval of the Chief Investment Officer of the City Treasurer.
- Trading limit guidelines and definitions:
The transaction limits (except Repo) apply to one side of a trade. Example: a \$2MM security is sold, a \$2MM security may be purchased. This should not be construed to mean that the authority allows \$4MM in purchases.
- Trading limits permit investment staff limited discretion for investment selections that may not have been approved in advance by the City Treasurer or the appropriate regulatory body.
- Transactions falling into the trading limit category should be reported to the City Treasurer within 48 hours and at the next scheduled Investment Committee meeting.
- Trading limits do not authorize over-trading, churning or chaining investment activity.

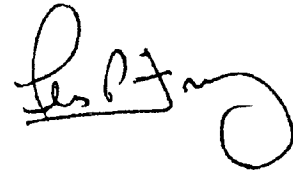
VII. INVESTMENT STRATEGIES

A. An Investment Committee is established and comprised of the following:

- City Treasurer
- Chief Investment Officer
- Investment Officer(s) I/II

The intent of the Investment Committee is to report and review all investment activity and investment strategies. The Investment Committee will meet periodically, as prudent and required.

Investment strategies, which have been approved by the City Treasurer, shall be in force and implemented through the direction of the Chief Investment Officer. Investment strategies will be reviewed at least quarterly.



Approved: _____
THOMAS P. FRIERY
City Treasurer

Date: 12/31/02 _____ |

City of Sacramento
Tax ID# 94-6000410

CITY OF SACRAMENTO
Investment Policy
(Revised 03/18/03)

I. INTRODUCTION

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B. CITY POOL A AND OTHER INVESTMENT FUNDS

- To earn a rate of return from investment at least equal to the Local Agency Investment Fund of the State of California or other appropriate index through the prudent implementation of investment policy, guidelines and approved current investment strategy.

C. SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA)

- Pool D

- For investment of federal funds the primary objective is liquidity and safety. The funds, as identified by SHRA, will be invested in U.S. Government securities and investments. It should be invested prudently in conformance with federal regulations and scheduled to mature to meet the estimated cash needs of SHRA.

- For non-federal funds, to be in conformance with State investment guidelines for local governmental entities, especially redevelopment agencies. To earn a rate of return from investment at least equal to the Local Agency Investment Fund of the State of California or other appropriate index through the prudent implementation of investment policy, guidelines and approved current investment strategy.

- Other Pools

- The primary objective is liquidity and safety. The funds will be invested consistent with State investment guidelines and bond covenants and using prudent investment practices in accordance with SHRA's investment guidelines and approved current investment strategy.

D. TRUSTS

- To earn a rate of return from investments that maximizes interest income through the prudent implementation of investment policy, guidelines and approved current investment strategy.

V. ADDITIONAL CONSIDERATIONS

A. OTHER FACTORS TO CONSIDER

- Reasonable care shall be taken with respect to the preservation of principal of invested capital.
- The City's investment portfolios shall maximize earnings; yet remain sufficiently liquid to meet all operating requirements.

B. IMPLEMENTATION STRATEGIES AND GUIDELINES

The following strategies should be considered:

- Credit and financial analysis for selection of approved investments and/or issuers;
- Routine reviews of current U.S. economic policy;
- Analysis and interpretation of Federal Reserve policy;
- Interface with Wall Street economists;
- Maintenance and forecast of yield curve patterns;
- Awareness of market conditions and ability to execute orders;
- Routine reviews of investments and funds available to assure maximum return is achieved;
- Routine reports on investment activity consummated and investment results
- Development and maintenance of investment manuals for each investment portfolio managed, and
- Routine reviews of investment policy and strategies at Investment Committee meetings.

C. RECOGNIZED PORTFOLIO MANAGEMENT TECHNIQUES

- Rate anticipation swaps on the condition that no more than 10% of any investment portfolio may be in such condition at any given time.
- Arbitrage swaps, which take advantage of additional, yield by switching from the same or an equivalent security in order to take advantage of unusual price discrepancies. For the above to be considered as execution of recognized portfolio management techniques, the following requirements regarding the maturity date of the instrument ultimately purchased are as follows:

For securities that mature within 3 years from date of initial action:

The maturity date of the investment ultimately purchased must be within 30 days prior to or after the maturity date of the security initially owned.

For securities that mature longer than 3 years from date of original action:

The maturity date of the investment ultimately purchased must be within 6 months prior to or after the maturity date of the investment security initially owned.

- Sector and/or time spread swaps, which take advantage of the potential for additional yield by restructuring the portfolio when normal relationships are out of line.
- Reverse Repurchase Agreements or Security Loans to enhance investment income of the portfolio.
- Interfund Purchase – Sales are only permitted to maximize the investment income of the affected managed funds, whenever the internal handling costs would be exorbitant or a temporary price distortion would occur in the market place as a result of the restricted marketability of the investment vehicle to be sold. Such transactions shall be made in compliance with the adopted Interfund Investment Transfer Procedures.

D. BOOKKEEPING GAINS (LOSSES)

- Net gain (loss) limits
- Bookkeeping losses for investment portfolio management techniques are permitted so long as the ultimate interest income earned from an alternative investment exceeds the bookkeeping loss. Bookkeeping gains (losses) not to exceed \$10,000 on a single sale are within the authority of the Chief Investment Officer. Any bookkeeping gains (losses) to be incurred in excess of \$10,000 in a single sale must first be approved by the Assistant City Treasurer, with a maximum limit on net-booked gains (losses) of \$100,000 per month without further approval of the City Treasurer. The intent of the trading operation is to enhance investment income and maintain a net trading benefit position.
- Net trading benefit position is defined as the additional net investment income that will be earned as a result of the execution of portfolio management techniques. The criteria to measure such benefits will be to calculate the net investment income that would have been earned from an

authorized investment security had the portfolio management technique not been executed, and comparing this amount to the net investment income that will be earned as a result of execution of the portfolio management technique.

E. **QUALIFICATION OF BROKER, DEALERS, AND FINANCIAL INSTITUTIONS:**

- Authorized broker/dealers and financial institutions will be selected and evaluated pursuant to the City Treasurer’s Broker/Dealer Selection Policy. The procedure considers such issues as services provided, the credit characteristics and financial history of the firm, and the evaluation of the “Success/Opportunity Ratio” throughout the period in which the firm is transacting business with the City.

VI. **DELEGATION OF INVESTMENT AUTHORITY**

A. The City Treasurer delegates investment authority to the following:

- Chief Investment Officer
- Deputy City Treasurers
- Investment Officer(s) I/II

B. Investment transactions in excess of trading limits are to be directed and approved by the City Treasurer.

C. Trading limits are established for transactions not covered in Section VI-B, above.

Trading limits authorize investment transactions as follows:

- **City Treasurer:**
10% of the investment portfolio(s) at any time, with additional authority as justified by the occasion. A report will be made to the appropriate entity when more than 10% of the portfolio is traded at one time.
- **Chief Investment Officer:**
5% of the investment portfolio(s) at any time without additional approval of the City Treasurer.
- **Deputy City Treasurer:**
2-1/2% of the investment portfolio in the absence of the City Treasurer and the Chief Investment Officer.

CITY OF SACRAMENTO

Investment Policy

Page 6

- Senior Investment Officer:
2-1/2% of the investment portfolio(s) without prior approval of the City Treasurer. (Allows Repo transaction of up to \$10MM without prior approval of the Chief Investment Officer or the City Treasurer.)
- Investment Officer II:
1-1/2% of the investment portfolio(s) without prior approval of the City Treasurer. (Allows Repo transaction of up to \$10MM without prior approval of the Chief Investment Officer or the City Treasurer.)
- Investment Officer I:
May execute a transaction of up to \$5MM in Repo without prior approval of the Chief Investment Officer of the City Treasurer.
- Trading limit guidelines and definitions:
The transaction limits (except Repo) apply to one side of a trade. Example: a \$2MM security is sold, a \$2MM security may be purchased. This should not be construed to mean that the authority allows \$4MM in purchases.
- Trading limits permit investment staff limited discretion for investment selections that may not have been approved in advance by the City Treasurer or the appropriate regulatory body.
- Transactions falling into the trading limit category should be reported to the City Treasurer within 48 hours and at the next scheduled Investment Committee meeting.
- Trading limits do not authorize over-trading, churning or chaining investment activity.

VII. INVESTMENT STRATEGIES

A. An Investment Committee is established and comprised of the following:

- City Treasurer
- Chief Investment Officer
- Investment Officer(s) I/II

The intent of the Investment Committee is to report and review all investment activity and investment strategies. The Investment Committee will meet periodically, as prudent and required.

CITY OF SACRAMENTO

Investment Policy

Page 7

Investment strategies, which have been approved by the City Treasurer, shall be in force and implemented through the direction of the Chief Investment Officer. Investment strategies will be reviewed at least quarterly.

Approved: _____
THOMAS P. FRIERY
City Treasurer

Date: _____

City of Sacramento
Tax ID# 94-6000410

**Office of the City
Treasurer**



**Reference Manual on
Characteristics of City of
Sacramento's
Investment Policy**

**Presented by
Thomas P. Friery City
Treasurer**

March 18, 2003

INVESTMENT CHARACTERISTICS OF THE CITY OF SACRAMENTO

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CHARACTERISTICS OF THE CITY OF SACRAMENTO INVESTMENT PROGRAMS

I OVERVIEW

In anticipation of review of the City of Sacramento Investment Programs and comparing the investment policy and practices of the City to other local governments, a discussion of the City's investment characteristics is necessary. Legal structures, Fiscal practices and local government Economic Engines result in great differences between local governments. These differences are such that comparison without consideration of these differences can result in apples to oranges comparisons.

Very briefly, some of the major differences result not only from Legal structure(s), but also in Fiscal practices and the type of Economy that supports the local government. Therefore, finding local governments comparable to the City of Sacramento may be difficult.

However, being aware and understanding the differences will make the investment review and comparison to other local governments more informative.

As an example, in California cities may be "Law Cities" or "Charter Cities". Not only is this a distinction, but also in either instance the Treasurer may be appointed or elected. The City of Sacramento is the only Charter City we could find where the City Treasurer is a Charter Officer and is appointed by and reports to the City Council. In virtually all Charter and Law cities where the Treasurer is not elected, the Finance Director of the City appoints the Treasurer. Also, the Treasurer's position may be a part-time or full time position.

Continuing on, not all cities by policy or practice implement the same budgeting practices or programs. Further, the sophistication of the Accounting System and the Fiscal policies varies greatly between cities. For example, some City Councils by Policy do not establish a Reserve for Economic Uncertainty, while other Councils may use 2% as a reserve, the majority of cities in California use less than 4% as this reserve. In the City of Sacramento we use a 6% reserve with a policy directive to ultimately move towards a 10% reserve level. Since this type of reserve is generally not expended unless unforeseen circumstances surface, the monies comprising this reserve can be invested for a longer time period than other city investment funds. In addition to the Reserve for Economic Uncertainty, the Sacramento City Council by policy authorized Self Insurance Programs for a portion of our Liability Insurance needs and Worker Compensation Insurance needs. These types of programs also result in cash to fund these reserves which are available for investment for longer time periods than cities that do not employ such programs. Finally, it is pointed out that some cities are "Rural" in make up. Others may be mature "Central Cities", "Start-Up Cities", "Growth Cities", industrialized cities or "entertainment based" cities. Some are combinations of all or some of those mentioned and they may be small, medium or large in population and area size. These differences also impact both the

amount and characteristics of time that investment money can be invested pending its ultimate disbursement. Further, it is pointed out that each of these differences may well result in different investment programs and policies, yet each will be deemed prudent so long as the investment program considers the differences. We plan a more detailed investment report to be prepared and presented to City Council in conjunction with the City Finance Department in response to the External Audit prepared this year and in response to Councils request for a report back. This more detailed report will be presented within the next 60 days.

The balance of this paper will serve as a reference manual on the Characteristics of the City of Sacramento Investment programs.

II STRUCTURAL MAKE UP OF THE CITY INVESTMENT PROGRAM

A. City Code

Sacramento City Charter-Section 373

- The City Charter defines (amongst other duties and responsibilities) the City Treasurer as the Investment Officer of the City.
- In 1965, the Sacramento City Council adopted Council Resolution #466 which directed the Treasurer to invest City Funds in a prudent fashion. At that time there was no formal investment policy adopted by the Sacramento City Council, nor was there an investment policy described or used by other local governments in California,
- The only investment policy that existed and approved by council was implemented by the AFIM Board of the Sacramento City Retirement System in 1976

B. Sacramento City Treasurer Duties

Sacramento City Treasurer Duties and Responsibilities Regarding Investments

- Sacramento is a Charter City and the City Treasurer is a Charter Officer.
- The Treasurer is also designated as the Investment Officer for various other city trust funds.
- City Treasurer is a full time position, appointed by and reporting directly to the City Council. In other cities, the Treasurer position is either elected, or appointed by the Finance Director.
- The Sacramento City Treasurer operates as an independent check and balance system when compared to other local Treasurer positions that are appointed by the Finance Director. In Sacramento, the Treasurer's office

does “centralized cashiering” and has responsibility for receipt and disbursement of monies. In other cities, Treasury departments perform the collection of revenues, however, in Sacramento this division operates under the Finance department. In a number of other cities the investment function may be part-time or performed by depositing funds in LAIF, whereas the investment function for the Sacramento Treasurer is more complex and requires full-time attention. The Sacramento City Treasurer reports independently to City Council on fiscal and investment matters. Moreover, in Sacramento the City Manager through his varied responsibilities and roles also performs an independent check and balance on the City Treasurer through his Finance group. The Sacramento City Council has greater insight to fiscal and investment matters than Councils for other local governments.

- These duties also include the investment authority and responsibility for common stocks, corporate bonds and virtually all investment markets for SCERS and other Trust funds including money market and Government investment securities for city monies. This broad Investment Authority does not exist for other local government treasurers in California. The few cities and counties in California that have separate retirement plans either retain external managers or hire specialized investment staff that report to the retirement board. The investment authority, knowledge and position requirements for the Sacramento City Treasurer and his investment staff are far greater than for other local governments.

C. Legal Considerations

- The investment policy writing process begins with knowing the legal parameters that might affect how a policy is written. Therefore, an investment policy must consider Federal laws, state statutes, local ordinances and it must also consider job duties and the types of monies being invested. In 1978, prior to developing the city’s investment policy, the Sacramento City Treasurer requested opinions (formal or informal) from the City Attorney’s Office relative to the Treasurer’s authority for City investment programs. The following were my interpretations of the responses:
 1. As a charter city, the City is free to adopt its own investment policies and procedures. This opinion was described as consistent with the “broad and plenary powers” as granted by the California Constitution for charter cities and...
 2. The standard of care for management of the investment program is negligence (reasonable care must be exercised in the performance of duties) and...
 3. The “Prudent Person” standard applies to managing the investment program. This standard requires that investments shall be made with

judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, and also for considering the probable safety of their capital as well as the probable income to be derived.

D. Conclusion

To develop a viable Investment Policy for the City of Sacramento, all of the above items needed to be researched, reviewed and considered. The other item that needed to be defined was the fiscal characteristics of the actual investment funds managed by the Treasurer for the City. The Fiscal Characteristics of the City's Investment Funds are covered in section IV of this report.

III CITY OF SACRAMENTO INVESTMENT POLICY- 1979

- In 1978 when the current City Treasurer joined the City he determined there was no investment policy for city funds. Further, during this period the Treasurer discussed investment policy requirements, and practices with the State Treasurer's Office as well as other local governments. At that time "investment policy" was not common to be adopted by local government investment funds or State funds that were managing money market type portfolios. Most local governments either invested in U. S. Government Securities as outlined in Government Code Section **53601**, or deposited their investment monies in the State Treasurer's Local Agency Investment Fund for investment. (LAIF)
- After determining the legal interpretation of the City's investment authority and reviewing the distinguishing characteristics of the investment monies in the City of Sacramento as mentioned earlier, the Sacramento City Treasurer developed an investment policy that was presented to and approved by the Sacramento City Council in 1979. This policy has been amended on 7 occasions and approved on 35 separate occasions by the Sacramento City Council since its original adoption by Council. The formality of investment policy being adopted by other local governments in California did not start until 1985, nearly 6 years after the City of Sacramento adopted its investment policy.
- Furthermore, following financial fiascos in the California local government investment markets in the 1980's (Montebello, San Jose, Camarillo) and in the 1990's (Orange County), and the creation of State Legislation in regards to city fund investments; the City Treasurer revisited the initial legal reviews to determine if the City's Investment Policy needed to be revised. There were no changes to the initial responses requesting revisions of the City's Investment Policy. However, the City Council did adopt council resolutions, which implemented additional prudent safeguards for the Treasurer to apply to the City's Investment program. These subsequent City Council Resolutions are **89-167** (1989) and **95-108** (1995).

IV FISCAL CHARACTERISTICS OF THE CITY OF SACRAMENTO INVESTMENT PROGRAM

- Prior to adopting the City’s investment policy in 1979 not only did the City’s legal opinion on investment authority and the Sacramento City Treasurer’s duties and responsibilities come into consideration in developing investment policy, but also the fiscal characteristics of the City of Sacramento were an important factor in the process. Further, not only were these considerations essential to create the policy but they still must be reviewed on a continual basis for any changes that may occur.
- The following are the “fiscal characteristics” of the types of monies managed by the City Treasurer that have been determined to exist in the City of Sacramento which may not only be different, but may be nonexistent in other local governments. These characteristics are necessary to consider developing a prudent investment policy for the City of Sacramento. These characteristics do not only create greater sums of money for investment, but the characteristics are such that the money is also available for investment for longer periods of time than the types of monies that are invested by other local governments.

Table 1

CITY OF SACRAMENTO INVESTMENT POOL A

Comparison of General Fund to Investment Pool

General Fund	City Investment - Pool A	Difference for investments
\$ 295 M	\$ 723 M	\$ 428 M

As a rule of thumb, most cities’ investment monies approximate or slightly exceed their General Fund budget. The primary reasons Local Governments investment monies may exceed their General Fund Budget are Capital Appropriations and Reserve Accounts. The above table reveals that in the City of Sacramento’s Investment Pool A the invested monies exceed the City’s general fund by \$428 M. This is significantly greater than other local governments’ monies and this difference has been consistent over the last 20 years. See page 67

At the City of Sacramento the investment monies exceed the general fund budget by a significant amount. The following table identifies both the amounts and the characteristics of these different types of monies. Furthermore, of equal interest as to why the City of Sacramento has such a large excess of investment funds, is where these monies come from and how they affect the investment strategy of the portfolio. The type of investment monies in the City Investment Pool A that not

all cities have as well as a hypothetical investment schedules for these monies is shown in Table 2. It is pointed out that these monies do not have to be invested to those time schedules but because of the characteristics of those monies they could. Furthermore, making such investment would not have a negative impact on the city's ability to meet its cash flow needs.

Table 2

Amount and Hypothetical Investment Schedule of Investment Monies in City Pool A

Allow for 1% variance

<u>Time Money Invested</u>		<u>0-1 years</u>	<u>1- 3 years</u>	<u>3-5 years</u>	<u>5+ years</u>
Reserve for Economic Uncertainty	\$ 19 M	\$6M	\$8M	\$5M	—
Fleet Management Fund	\$ 10 M	\$5M	\$5M	—	—
Risk Management Fund	\$ 9M	—	\$3M	\$3M	\$3M
Workers Compensation	\$ 35 M	—	\$15M	\$10M	\$10M
Construction Fund (Bond proceeds)	\$ 163 M	—	\$163M	—	—
Reserve Fund (bond Proceeds)	\$ 33 M	—	—	—	\$33M
SCERS –Cash Investments	\$ 112 M	\$90M	—	—	\$22M
Storm Drainage Fund	\$ 28 M	—	\$10M	\$10M	\$8M
Sewer Fund	\$ 9 M	\$5M	\$4M	—	—
Parking Fund	<u>\$ 13 M</u>	<u>\$10M</u>	<u>\$3M</u>	—	—
Total	<u>\$ 431 M</u>	<u>\$116M</u>	<u>\$211M</u>	<u>\$28M</u>	<u>\$76M</u>

Table 2 identifies the source of the funds that comprise the substantial difference of investment funds the City of Sacramento has in excess of the City's General Fund that other cities may not have. These are types of programs that Council has approved and

may not pertain to other cities. The table describes hypothetical projections of where the above monies could be invested without impacting the ability to operate the programs.

The following are a description of the characteristics of the City's excess funds:

1. Reserve for Economic Uncertainty
City of Sacramento has 6% contingency with a move towards 10%. Most cities have 2-4%.
2. Fleet Management Fund
City Policy directed authority to a fund that is replenished annually for expenditures for city vehicles. Not all cities have such a reserve.
3. Self-Insurance Program
City Council authorized a Self-Insurance Program for both, certain casualty liability needs as well as Workmen's Compensation insurance claims. These funds are invested pending settlement of any claims.
4. Bond Funds – Construction Proceeds
When the City borrows monies for Capital Project needs, the portion of Bond Funds relative to construction of the projects are invested by the Treasurer in City Investment Pool A. These monies are generally invested for a 1 – 3 year period and scheduled around progress payments on the project.
5. Bond Funds – Reserve Account Proceeds
When the City borrows money for capital projects, the Bond Reserve Accounts which are used as added security on the City of Sacramento Bond Issues, are invested in the City's Investment Pool A. By Bond Resolution, these monies may be invested as long as the Bonds are outstanding (i.e. 20 to 30 years).
6. SCERS Cash Investment
Presently \$112 million which represents SCERS Investment monies earmarked for long term investment are invested in City Investment Pool A. These monies are estimated to remain in Investment Pool A for at least 6 months.
7. Storm Drainage, Sewer and Parking Funds
These are Enterprise Funds that participate in City Investment Pool A.

V. CONCLUSION

As a result of the structures between cities, including their economic base, size and policy actions regarding programs and fiscal matters, not all cities are alike as it pertains to Investment Programs and Policies. The policy programs approved by the Sacramento City Council for operation of the City of Sacramento are sophisticated, complex and not the norm for all cities in the state of California. The type of programs that have been approved result in unique fiscal characteristics giving the City of Sacramento larger sums of money to invest in their Investment Pool than other local governments. Therefore, at a later date, simply comparing a program result or policy without knowledge of the City's unique characteristics could result in an apples to oranges comparison.

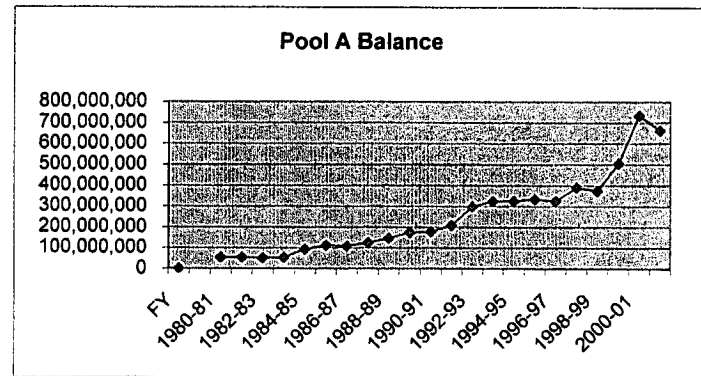
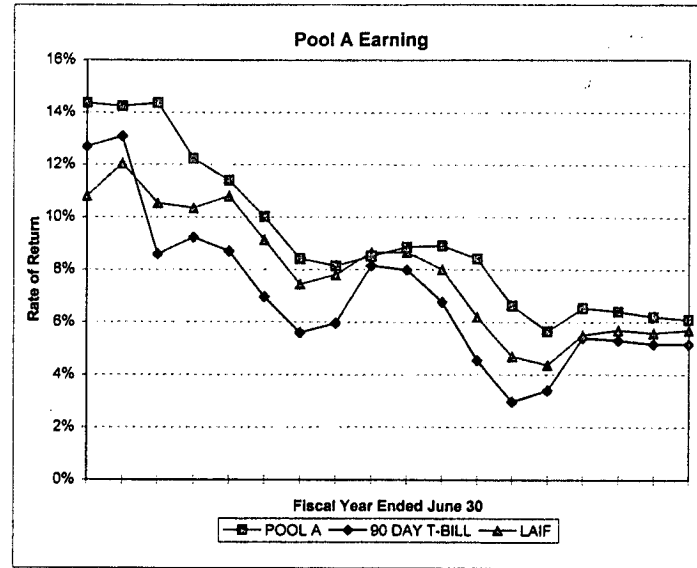
The Treasurer asks that the City Council:

1. Accept the Quarterly Investment Report, and

2. Approve the proposed amendments to the SHRA section of the City Investment Policy, and
3. Adopt the attached resolution, reaffirming the City's Investment Policy and delegating Authority to the City Treasurer for the next 12 months, and
4. Accept the report of the City Treasurer regarding the Investment Characteristics of the City of Sacramento.

CITY OF SACRAMENTO
 OFFICE OF THE CITY TREASURER
 POOL A EARNINGS HISTORY
 FOR THE FISCAL YEARS ENDED JUNE 30, 1980 - 2002

FY	POOL A		WTD AVG LIFE (YRS)	WTD AVG			FEDERAL FUNDS
	BALANCE	POOL A		LAIF	MLPFS	90 DAY T-BILL	
1980-81	53,474,000	14.36%	8.02	10.80%	13.18%	12.69%	15.00%
1981-82	54,732,000	14.24%	8.27	12.05%	14.51%	13.09%	14.99%
1982-83	51,088,000	14.37%	7.84	10.53%	9.50%	8.59%	9.46%
1983-84	53,344,000	12.24%	8.75	10.35%	9.09%	9.23%	9.70%
1984-85	93,319,000	11.40%	3.05	10.80%	9.41%	8.70%	9.26%
1985-86	111,662,000	10.01%	1.40	9.13%	7.22%	6.96%	7.69%
1986-87	108,454,000	8.41%	2.40	7.44%	5.68%	5.60%	6.42%
1987-88	124,944,000	8.14%	3.10	7.80%	6.43%	5.96%	6.87%
1988-89	146,094,000	8.51%	2.67	8.65%	8.29%	8.15%	8.83%
1989-90	173,952,000	8.86%	3.88	8.66%	7.99%	7.99%	8.46%
1990-91	178,026,000	8.91%	4.94	8.01%	7.24%	6.77%	6.76%
1991-92	208,707,000	8.41%	2.76	6.20%	4.63%	4.55%	4.60%
1992-93	298,083,000	6.63%	1.51	4.70%	2.99%	2.97%	3.04%
1993-94	324,853,000	5.65%	3.21	4.38%	2.90%	3.40%	3.33%
1994-95	325,091,000	6.54%	2.37	5.52%	5.01%	5.41%	5.35%
1995-96	333,628,000	6.41%	2.24	5.70%	5.14%	5.31%	5.52%
1996-97	325,091,000	6.21%	2.02	5.59%	4.89%	5.17%	5.36%
1997-98	389,397,000	6.11%	2.11	5.70%	5.11%	5.17%	5.54%
1998-99	373,534,000	6.13%	2.76	5.34%	4.69%	4.59%	4.98%
1999-00	504,155,765	5.95%	2.40	5.67%	5.19%	5.38%	5.58%
2000-01	734,344,524	6.33%	2.30	4.98%	4.02%	3.66%	3.75%
2001-02	661,911,318	4.39%	3.20	3.43%	1.57%	1.75%	1.75%
AVERAGE		8.55%		7.34%	6.58%	6.41%	6.92%
AVERAGE INCREASE YIELD				1.22%	1.98%	2.14%	1.63%





Office of the City Treasurer

- Report Investment Activity
- Amend Investment Policy Section SHRA (clean-up)
- Approve City Investment Policy
 - 53601 Compliant
- Accept Reference Manual on Characteristics of City of Sacramento's Investment Policy





Office of the City Treasurer

Distinctions among local governments:

- Legal Structure
- Fiscal Practices
- Type of Economy

Result: Difficult to make apple to apple comparison



Office of the City Treasurer

Structural Make-up of the City Investment Program

1. City Code
2. Treasurer Duties
3. Legal Requirements
4. Fiscal Characteristics



Office of the City Treasurer

I. City Code

- Section 73 of City Charter
 - Designates Treasurer as Investment Officer of City
 - City Treasurer's Investment Authority too Broad
- Resolution 466
 - Directs Treasurer to invest funds in Prudent Fashion
- AFIM Board
 - Investment policy 1976



Office of the City Treasurer

II. Treasurer's Duties

What are my Duties and Responsibilities regarding Investments?



Office of the City Treasurer

III. Legal Authority

- Prudent Person Policy
- Standard of Care (negligence)
 - Broad and Plenary



Office of the City Treasurer

Developing the City Investment Policy

Four Components:

- 1. Charter authority**
- 2. Treasurer's duties**
- 3. Legal requirements**
- 4. Fiscal Characteristic of Investment Monies**



Office of the City Treasurer

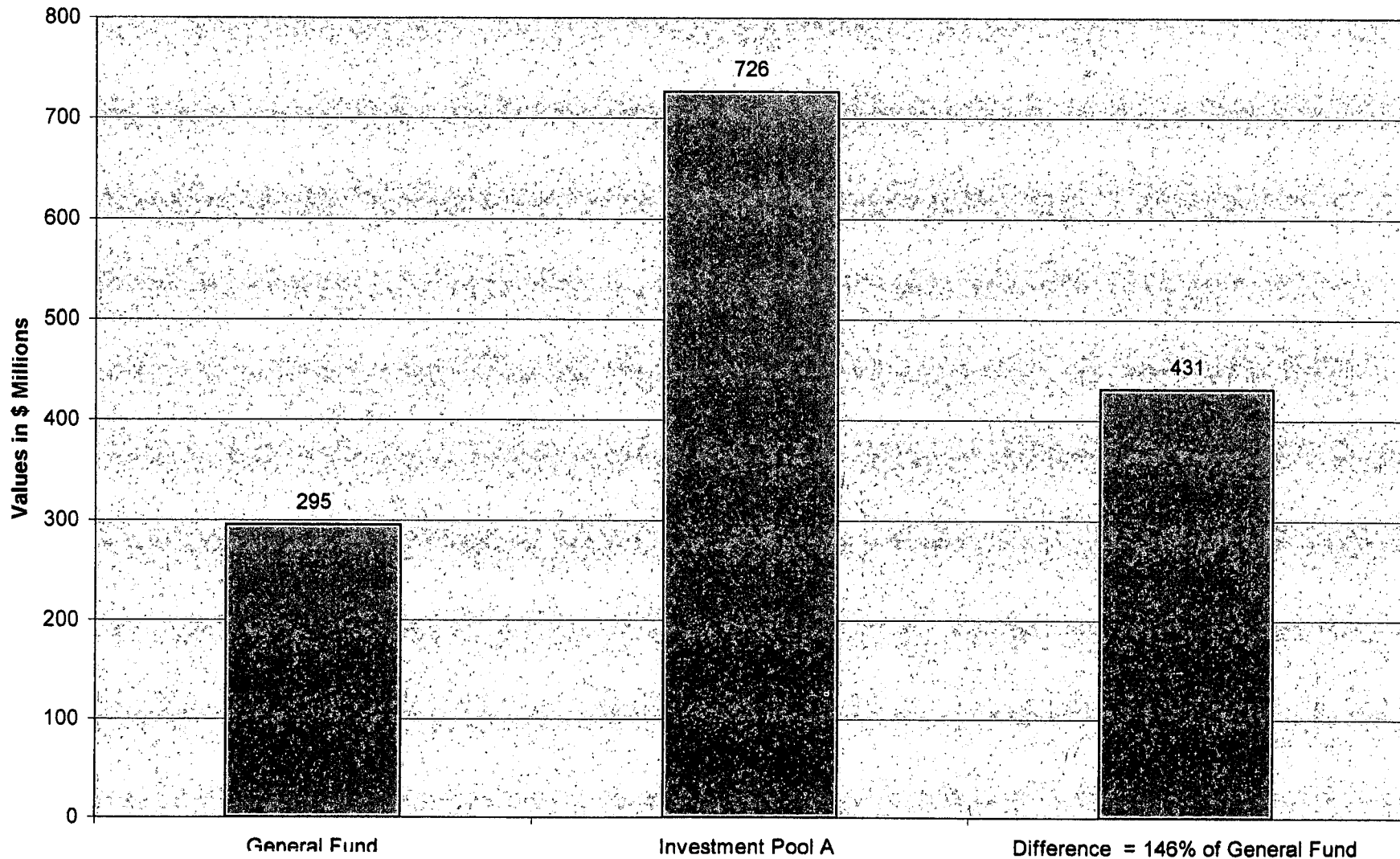
1979 Investment Policy Adopted by Sacramento City Council

- Initiated 1978
- Amended 7 times
- Approved 35 times by Council
- Resolution 89-167 (1989)
- Resolution 95-108 (1995)



Office of the City Treasurer

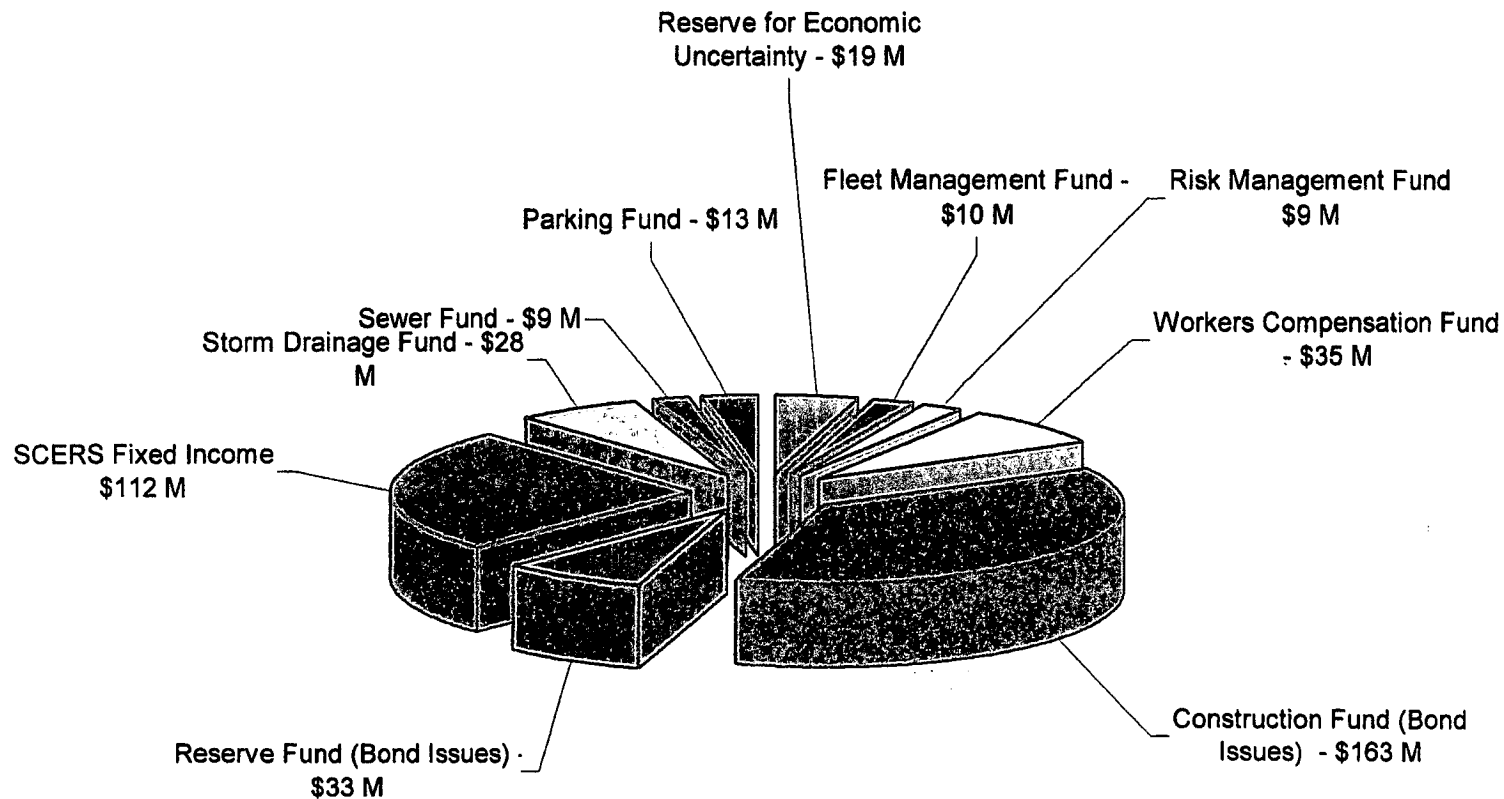
Comparison of City of Sacramento General fund to City Investment Pool





Office of the City Treasurer

City Pool A - Investment Portfolio





Office of the City Treasurer

Hypothetical Investment Schedule of Investment Monies in Pool A

		Time Money Invested			
		< 1 yr	1-3 yrs	3-5 yrs	5+ yrs
Total of excess	\$431M	<u>\$116M</u>	<u>\$211M</u>	<u>\$28M</u>	<u>\$76M</u>
% of excess		27%	49%	6.5%	17.6%
% of Total Portfolio		16%	29%	3.8%	10.4%
5% of General Fund		—	—	—	<u>\$15M</u>
Grand Total		<u>\$116M</u>	<u>\$211M</u>	<u>\$28M</u>	<u>\$91M</u>



Office of the City Treasurer

Conclusion

- Characteristics differences
- Difficult apple to apple comparison
- Approve Investment Policy (53601 Compliant)
 - Amendments (Clean-up)
- Accept reference manual
- More Detailed Report in 30-60 Days
 - Comparison
 - Investment Policy
 - Government Code Section 53601