



CITY OF SACRAMENTO

34

DEPARTMENT OF FINANCE
DIVISION OF ACCOUNTING

915 I STREET
ROOM 114

SACRAMENTO, CA 95814
TELEPHONE (916) 449-5769

CITY MANAGER'S OFFICE
RECEIVED

JUL 29 1981

July 29, 1981

PHIL E. EZELL
ACCOUNTING OFFICER

City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: City of Sacramento Employees' Retirement System Report on
Examination of Financial Statements

SUMMARY

In accordance with Article IX, Section 117, of the City Charter, attached is the City of Sacramento Employees' Retirement System Annual Report for the fiscal year ending June 30, 1980.

This annual report includes the independent audit of the City's Retirement System funds made by Price Waterhouse & Co.

If there are any questions regarding this report, they will be promptly answered by my office.

Respectfully submitted,

Jack R. Crist
Director of Finance

For Council Information:

Walter J. Slipe, City Manager

FILED

By the City Clerk
Office of the City Clerk

referred to
Bud/Fin Comm.

AUG 4 1981

August 4, 1981
All Districts

**SACRAMENTO
CITY EMPLOYEES'
RETIREMENT
SYSTEM**

Annual Financial Report

1979-80

**ANNUAL FINANCIAL REPORT
OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
FOR THE
FISCAL YEAR ENDED JUNE 30, 1980**



**ISSUED BY THE
DEPARTMENT OF FINANCE**

**JACK R. CRIST
DIRECTOR OF FINANCE**

**Printed by the
City of Sacramento
Central Services**



EMPLOYEES RETIREMENT
SYSTEM
INTRODUCTORY

Annual Financial Report

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

ANNUAL FINANCIAL REPORT

JUNE 30, 1980

	<u>Page</u>
<u>Introductory Section</u>	
Title Page	i
Table of Contents	ii
Transmittal Letter	iv
Policy Statement	ix
<u>Financial Section</u>	
Auditor's Report	1
Statement of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Statement of Changes in Unfunded Obligation and Actuarial Obligation	4
Notes to Financial Statements	5
<u>Supplemental Information</u>	
Historical Schedule of Funding Ratio	8
Five Year Schedule of Contribution Income	9
Analysis of Net Investment Income	10
Schedule of Changes in Investment Position	11
Schedule of Acquisition of Bonds	12
Schedule of Disposal of Bonds	13
Schedule of Acquisition and Disposal of Mortgage-Backed Certificates	16
Schedule of Acquisition and Disposal of Stocks	17
Schedule of Mortgage Loan Collections	19
Schedule of Disposal of Street Improvement Bonds	19
<u>Investments</u>	
Bonds and Notes	20
Mortgage-Backed Certificates	27
Stocks	28
Real Estate Mortgage Loans	32
Street Improvement Bonds	32
<u>Statistical Section</u>	
Members Retired During Year 1979-80	33
Members Retired for Service During Year 1979-80	35
Members Retired for Industrial Disability During Year 1979-80	36

Table of Contents continued

<u>Statistical Section continued</u>	<u>Page</u>
Members Retired for Ordinary Disability During Year 1979-80	37
Death of Active Members During Year 1979-80	38
Death of Retired Members During Year 1979-80	39
Beneficiaries Beginning to Receive Contribution Allowances During Year 1979-80	40
Beneficiaries Removed During Year 1979-80	41
<u>Actuarial Valuation</u>	42



CITY OF SACRAMENTO

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

201 NINTH STREET, ROOM 110
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 449-6606

DUNBAR W. HEINS
RETIREMENT SYSTEM MANAGER
SECRETARY TO THE BOARD

January 30, 1981

TO: MEMBERS OF SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM and
MEMBERS OF THE SACRAMENTO CITY COUNCIL

Transmitted herewith is the annual report of the Administration, Investment and Fiscal Management Board for the Sacramento City Employees' Retirement System (SCERS). This report addresses Board membership, policy matters, fund valuation, and the actuarial report for the fiscal year ended June 30, 1980.

BOARD MEMBERSHIP

The Board is comprised of the City Manager, City Director of Finance, City Treasurer (or their designates) and two members that are residents of the City of Sacramento appointed for specific terms by the Sacramento City Council. Board membership experienced changes during the fiscal year:

- In February, City Board Member John Harrington resigned. Mr. Harrington accepted the position of the Northern California Political Coordinator for the Service Employees International Union (SEIU).
- In May, City Council appointed Yvonne Mulder to fill the vacancy of Mr. Harrington. Miss Mulder is an Account Executive with Dean Witter Reynolds.

POLICY MATTERS

During the year a number of policy matters were discussed and acted upon by the Board:

- The Board reviewed and maintained its policy of in-house management of the fixed income portion of the portfolio and outside counseling for the equity portion of the portfolio.
- The Board adopted a policy to limit Board meeting discussions of social and/or public policy matters to only securities owned by the SCERS or securities under consideration for purchase. It is the intent of the Board to generally limit security buy/sell/hold investment discussions to purely financial considerations.
- The Board adopted a policy to limit the term for contractual arrangements for actuarial services for both an individual actuary and firm to a period not to exceed six (6) years. No individual actuary or firm shall serve consecutive six (6) year periods. The Board retains the right to terminate actuarial service contracts prior to each full six (6) year term as specified conditions of the contract.

PORTFOLIO RETURN

- Effective July 1, 1980, the interest rate credit to members' contributions was increased on the Board's recommendation from 6.25% to 6.50%. This rate was determined by a formula which is related to the average investment return of the portfolio over the three preceding years less 1/5% and rounded downward to the nearest 1/4%.

INVESTMENT PERFORMANCE

For the year ended June 30, 1980, the investment income earned by the City Employees' Retirement System totalled \$6.9 million, equivalent to a return of 6.89% on average amortized cost of quarterly invested assets. Included in the above income earnings are bookkeeping losses of \$932,000., which were recognized as a result of investment management actions, particularly bond portfolio trading activities, which were implemented to improve the investment income of the Retirement System over the long term.

Of notable interest, as it pertains to these investment management techniques, was a bond portfolio trade that was effected in February 1980. In total, 69 separate bond issues owned by the Retirement System were sold and a bookkeeping loss of approximately \$1.1 million was recorded on the sale. The bonds totalled approximately \$7.8 million par value, were A+ in investment quality, possessed an average coupon of 4.55%, contained an average life of 5 years, 9 months and produced \$354,000. in annual income. The proceeds of this bond sale were used to purchase 3 separate bond issues which have a par value of \$7.9 million, are AAA investment quality, possess an average coupon of 9.31%, contain an average life of 24 years, 6 months and produce \$735,000. in annual income.

The effect of this trade was to increase investment income \$380,000. annually. At this increased rate of investment income, the bookkeeping loss will actually be recovered in 2 years, 8 months, which is 3 years and 1 month prior to the date that the bonds originally owned would have matured.

Therefore, while this single bond management trading technique resulted in recording a \$1.1 million bookkeeping loss for this fiscal year, this entire loss will be recovered in 2 years, 8 months. In addition to recovering the bookkeeping loss, \$1.3 million in investment income will additionally be earned by the Retirement System over the next 5 years, 9 months that would not have been earned had the bond management trading technique not been implemented. Further, if the general interest rate levels in 5 years, 9 months on AAA bonds are less than 11-1/8%, additional benefits will inure to the Retirement System because, had the trade not been executed, the original bonds owned would have matured on their normal maturity schedule and would only be permitted to earn the then going rate of interest.

Finally, as mentioned elsewhere in this report, fiscal year 1980 marked the first time that the bond investments of the Retirement System were measured for performance purposes by our outside performance measurement consultant. This action permitted not only the ability to review bond performance, but resulted in performance measurement of all Retirement System investment assets. The following table depicts the performance of our Retirement System assets to a universe of public funds and retirement system funds on both an income stream and total return basis.

INVESTMENT PERFORMANCE AND COMPARISON RESULTS OF SCERS INVESTMENTS
ON AN INCOME STREAM AND TOTAL RETURN BASIS TO OTHER PUBLIC FUNDS
AND RETIREMENT SYSTEM FUNDS FOR THE
FISCAL YEAR ENDED JUNE 30, 1980

	(A) INCOME STREAM		(B) TOTAL RETURN	
	SCERS 1980 Results	Ranking*	SCERS 1980 Results	Ranking*
- Common Stock Investments	5.0%	42 percentile	14.2%	70 percentile
- Common Stock Investments Including Cash Reserves	N/A	N/A	15.0%	65 percentile
- Common Stock Investments Including Cash Reserves And Covered Call Option Program	N/A	N/A	16.1%	58 percentile
- Bond Investments	10.7%	13 percentile	2.8%	33 percentile
<u>Overall Results</u>	<u>9.4%</u>	<u>40 percentile</u>	<u>6.3%</u>	<u>67 percentile</u>

*Ranking - Comparison of SCERS investment performance to other investment funds in the universe. A ranking of 50 percentile is average while a ranking of less than 50 percentile is performance better than the average fund.

(A) Income Stream translates the income received from stocks and bonds into the cash rate of return achieved from these instruments. The ranking shows that the SCERS 9.4 percent overall cash income ranked in the 40th percentile, slightly better than the average performance of the other investment funds in the universe.

(b) Total return requires the addition of unrealized gains or deduction of unrealized losses from the cash income received and translates this theoretical amount into the rate of return achieved from stock and bond investments. This ranking shows that the 6.3 percent overall rate of return ranked in the 67th percentile, slightly less than the average performance of the other investment funds in the universe.

The overall performance of the SCERS assets on a cash return basis is slightly better than the performance that was achieved by the average public and retirement system funds in the U.S. for the fiscal year ended June 30, 1980, whereas on a total return basis, the investment performance achieved by SCERS was slightly less. In considering investment performance measurement, however, a measurement period of one year is not sufficient to draw conclusions on investment impact. Further, although total return measurement is material in overall analyses of investment results, nonetheless a critical measure is that of income received, which considers the dollars being receipted today to pay for liabilities of the fund.

ECONOMIC CONDITIONS

The fiscal year ended June 30, 1980 was unprecedented in history as it pertains to the roller coaster effect created in all securities markets. Double digit inflation showed no sign of abatement, credit tightening measures, including credit controls on individuals, were imposed by the Federal Reserve and short-term investment rates approached 20 percent levels. Energy problems continued to surface, domestic auto sales plummeted and the housing industry was hurt because of the difficulty in qualifying buyers at 14 percent interest rates.

The backdrop of this phenomenon was investor preoccupation of when and what shape of recession would be experienced domestically. Some factions of the market considered the potential for the "double dip" scenario, as a result of the administration potentially softening its war on inflation because of the impending Presidential election. Other scenarios considered the "L shape", "U shape" or "V shape", all of which would impact individuals and investment markets differently.

In January 1980, interest rates of all fixed income and short-term investments approached the highest levels recorded in U. S. economic history. Further the stock market reflected the fiscal crisis facing Chrysler Corporation and the economy in general by seeking lows compared to all historical averages. These phenomena resulted in severe deterioration in the values of fixed income and common stock investments owned by the Retirement System, as well as all other institutional investors.

However, by about March and through June 1980, an unprecedented market rally occurred. This rally was greater than the lows of January and resulted in substantial recovery from the unprecedented lows reached in January. This reaction caused economists to chronicle that the recession would be "V shaped" and cause minimal dislocation to the economy and investment markets. However, as of this writing, the securities markets have again deteriorated with the prime rate reaching 21½% and AAA Corporate Telephone Bonds reaching 14½%, both record levels in U. S. history. Further, the possibility of the "double dip" recession scenario is a reality, which would augur for a severe and prolonged second dip in the economy and securities markets from January 1980. Further, the domestic auto and housing industries are severely impacted and the possibility of high domestic unemployment and continued double digit inflation is truly a reality.

Although the U.S. securities markets are presently unsettled, the Board believes that the current levels of investment return available in the securities market are favorable and will be remembered as a period when attractive investment opportunities were provided. To this end, the Board is maintaining its proven long-term investment policy of acquiring investments of corporations with sound financial characteristics.

ACTUARIAL REPORT

The actuarial report for the system as of June 30, 1980 is presented elsewhere in the report. While the system yet remains in the throes of overcoming its funding difficulties, progress is being made to a point where the City's contribution as a percentage of payroll is slightly less than previously anticipated, as indicated on page eight. Sections I through IV of the report provide a comprehensive review of the system's financial health and is worthy of thoughtful reading.

CURRENT

For the fiscal year beginning July 1, 1980 initial study or re-examination of the following subjects occupies the Board's attention: actuarial services contract arrangements with Towers, Perrin, Forster & Crosby Actuarial Firm, actuarial assumptions, asset diversification, interest rate credits, full options management program, and investment policies. Specifics of all phases of portfolio monitoring continue as a matter of regular routine.

CONCLUSION

The continued rapport and input from members and retirees of the Sacramento City Employees' Retirement System and the City Council is greatly appreciated. Your continued interest greatly assists in accomplishing our goals.

Regular monthly meetings of the Board take place on the third working Monday of each month at 1:00 p.m. Your ideas, presence, and comments on any ideas or areas of concern would be appreciated.

Respectfully submitted,
for the Board


Frederic A. Kahn
Chairman

MEMBERS OF THE ADMINISTRATION, INVESTMENT
AND FISCAL MANAGEMENT BOARD
AND
DESIGNATED ALTERNATES

F. A. Kahn, Chairman
Thomas Friery, Vice Chairman (Donald Sperling, designated alternate)
Jack Crist (Frank Mugartegui, designated alternate)
Walter Slipe (William Edgar, designated alternate)
Yvonne Mulder - citizen representative

POLICY STATEMENT

It is hereby resolved by the Administration, Investment and Fiscal Management Board that it is the policy of the Board to include the following schedules as addendum to the Annual Financial Report of the Sacramento City Employees' Retirement System:

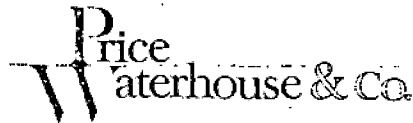
- 1) A letter of transmittal to the City Council from the Chairman of the Board
- 2) A certified public accountant's report
- 3) A statement of the Fund's financial position
- 4) A summary schedule of changes in investment position during the year by security
- 5) A detail listing of investments (by security) as of the end of the fiscal year
- 6) A statement from the actuary showing the estimated position of the Fund based on latest actuarial projections
- 7) The policy statement of the Board. The Board shall notify recognized employee organizations and the City Council of any changes in the policy statement that are to be made.

Adopted May 1978



EMPLOYEES RETIREMENT
SYSTEM
FINANCIAL SECTION

Annual Financial Report



455 CAPITOL MALL
SACRAMENTO, CALIFORNIA 95814
916-441-2370

May 1, 1981

To the Participants and the
Administration, Investment and
Fiscal Management Board of the
Sacramento City Employees'
Retirement System Plans

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits and of changes in unfunded obligation and actuarial obligation present fairly the net assets available for benefits of the Sacramento City Employees' Retirement System at June 30, 1980, and the changes in net assets available for benefits and the changes in unfunded obligation and actuarial obligation for the year then ended, in conformity with generally accepted accounting principles consistently applied. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of the Sacramento City Employees' Retirement System for the year ended June 30, 1979 were examined by other auditors whose report dated December 6, 1979 expressed an unqualified opinion on those statements.

Price Waterhouse & Co.

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	June 30	
	1980	1979
ASSETS		
Investments at amortized cost	\$101,473,417	\$91,774,831
Cash and short-term investments	6,090,368	5,222,984
Contributions receivable:		
Members	138,234	124,689
City of Sacramento	-	312,694
Interest receivable	<u>1,689,317</u>	<u>1,171,335</u>
	<u>109,391,336</u>	<u>98,606,533</u>
LIABILITIES		
Benefits payable	579,313	536,475
Accounts payable	48,244	579,380
Deferred revenue	<u>117,956</u>	<u>309,313</u>
	<u>745,513</u>	<u>1,425,168</u>
Net assets available for benefits	<u><u>\$108,645,823</u></u>	<u><u>\$97,181,365</u></u>

See notes to financial statements.

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	<u>Year ended June 30</u>	
	<u>1980</u>	<u>1979 *</u>
Increase to net assets:		
Contributions:		
Members	\$ 3,632,766	\$ 3,259,653
City of Sacramento:		
Normal	5,197,098	1,442,926
Amortization of unfunded obligation	3,117,000	1,175,748
Charter Section 173 and prior service plans	548,211	591,555
Dividends and interest	7,901,519	6,352,923
Options revenue	836,389	752,791
Miscellaneous	1,960	4,288
	<u>21,234,943</u>	<u>13,579,884</u>
Decrease to net assets:		
Payments to retired employees and beneficiaries	7,324,925	6,605,482
Withdrawals by terminated employees	524,312	665,887
Net loss on sale of investments	932,926	146,841
Options exercise cost	929,089	367,849
Administrative expense	59,233	51,952
	<u>9,770,485</u>	<u>7,838,011</u>
Net increase	11,464,458	5,741,873
Net assets available for benefits, beginning of year	<u>97,181,365</u>	<u>91,439,492</u>
Net assets available for benefits, end of year	<u>\$108,645,823</u>	<u>\$ 97,181,365</u>

* Reclassified for comparative purposes

See notes to financial statements.

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN UNFUNDED OBLIGATION AND ACTUARIAL OBLIGATION

	<u>Year ended June 30</u>	
	<u>1980</u>	<u>1979</u>
Unfunded obligation, beginning of year	\$ 123,093,000	\$ 102,447,802
Interest at 7% on unfunded obligation, beginning of year	8,616,510	7,171,346
City contribution for amortization of unfunded obligation	<u>(3,117,000)</u>	<u>(1,175,748)</u>
Expected unfunded obligation, end of year	128,592,510	108,443,400
Estimated effect of salaries not increased at rate assumed in salary scale	7,692,000	16,923,000
Estimated effect of terminations and other experience	<u>(43,560)</u>	<u>(2,273,400)</u>
Unfunded obligation, end of year	136,240,950	123,093,000
Funded obligation, net assets available for benefits	<u>108,645,823</u>	<u>97,181,365</u>
Actuarial obligation	<u>\$ 244,886,773</u>	<u>\$ 220,274,365</u>

See notes to financial statements.

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1980 AND 1979

Note A - Description of Retirement Plans

At June 30, 1980 and 1979, respectively, the Sacramento City Employees' Retirement System consisted of the following plans:

1. Charter Section 399 Plan - This defined benefit plan was established effective January 1, 1977 to provide retirement, disability and death benefits substantially identical to those of the Equal Share Plan. At June 30, 1980 and 1979, 2,097 and 2,191 active employees were participating in this plan, contributing at a rate established in 1969, based upon entry age and type of employment. The City is required to fund all costs in excess of employees' contributions.
2. Equal Shares Plan - This defined benefit plan was established July 1, 1970 to provide retirement, disability and death benefits to all City employees electing coverage at that date and to all employees who were hired from that date through January 1, 1977. At June 30, 1980 and 1979, eight and nine active employees were participating in this plan, contributing at a rate (based upon entry age and type of employment) which became effective April 23, 1977, based on an actuarial valuation as of June 30, 1976. The City is required to match employee contributions.
3. Charter Section 175 Plans - These defined benefit plans were established in 1953 and provide for retirement, disability and death benefits at a lower amount than the successor Equal Shares Plan. At June 30, 1980 and 1979, 144 and 160 active employees were participating in these plans. The City is contributing sufficient amounts to fund plan benefits and costs in excess of employee contributions. Members' normal rates of contribution may be changed by the Board on the basis of periodic actuarial valuations and investigations.

4. Charter Section 173 and Prior Service Plans - These non-contributory defined benefit plans include only retired City employees who were not covered under Section 175 and successor plans. The City is required to fund all benefits of these plans.
5. Cost-of-Living Adjustment - This adjustment, established in 1969, provides for annual retirement benefit increases of up to 3% of normal benefits based on a corresponding rise in the consumer price index. Benefits are payable to retirees and beneficiaries of all of the above plans after one year of retirement. Members contribute (by Charter) for this adjustment at a rate of 6.7% of their normal retirement contributions, and the City is required to fund all costs in excess of members' contributions.

At June 30, 1980 and 1979, 1,185 and 1,145 participants were receiving pension benefits under the various plans of the City Employees' Retirement System.

The fiscal management of the System is vested in a five member Board consisting of the City Manager, Director of Finance, City Treasurer and two public members (one having financial experience).

Participant contribution rates and the method of computing benefits are generally fixed at the amounts existing prior to the last electorate approved Charter change - November 2, 1976. The City assumes primary responsibility for the financing of all plan costs in excess of employee contributions. The manner in which the City costs are funded is determined by the five member board in accordance with actuarial advice and strict funding guidelines. The System's unfunded liabilities are (by Charter) being amortized over the period from 1976 to 2007 (See Note C).

City employees hired after January 1977 are required to join the Public Employees' Retirement System of the State of California (PERS). At June 30, 1980, 562 employees have joined the State's system.

At June 30, 1980 and 1979, active members' accumulated contributions including interest (for all plans) totaled \$36,826,167 and \$33,177,325, respectively. For the fiscal year ending June 30, 1980 and 1979, interest was credited to members' contributions at the rate of 6.25% and 6.00%. Members have an option to withdraw their accumulated contributions including interest upon their termination of employment with the City.

Note B - Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

All accounting and personnel records are maintained by the City of Sacramento for the Retirement System. Financial statements are prepared on the accrual basis of accounting. The accompanying financial statements present the accumulated assets which are available for the payment of benefits to participants of the various Retirement Plans of the Sacramento City Employees' Retirement System (See Notes A and C).

Investments

Investments in securities are recorded at cost. Premiums and discounts on bonds and mortgage loans are amortized over the term of the applicable investment.

Investments at amortized cost and at current market value are summarized in Note G.

Bonds and cash of the System are invested and managed by the City Treasurer of the City of Sacramento. Corporate stocks and stock options are managed by outside counselors. All investment transactions are approved by the Administration, Investment and Fiscal Management Board.

Note C - Actuarial Assumptions and Valuation

On February 23, 1981, the Administration, Investment and Fiscal Management Board accepted an actuarial valuation as of June 30, 1980 prepared by independent actuaries. The actuaries estimated that the total actuarial obligation and the unfunded obligation had changed from approximately \$220,000,000 and \$123,000,000, at June 30, 1979, to approximately \$245,000,000 and \$136,000,000, at June 30, 1980. The actuarial obligation essentially represents vested benefits because benefits fully vest after five years of service, and admission to the plans was restricted in 1976 and closed in 1980. The latest valuation recommends that the City's contribution for the amortization of the unfunded obligation be 7.73% of total payroll for calendar year 1981, increasing uniformly to 11.13% of total payroll for the calendar year 1983, and thereafter to June 30, 2007.

The actuarial method utilized in this valuation was the entry-age normal-cost method. Significant assumptions utilized by the actuarial firm in the preparation of the report were as follows:

1. Interest on investments at 7% compounded annually.
2. Compensation increases of 5% per year.
3. Consumer price index increases of 3% per year.
4. Social security wage base increases of 4% per year.
5. Retirement, withdrawal and disability assumptions were based upon the System's experience. Mortality assumptions were based in part upon the experience of other public systems and the 1951 group annuity tables published by the Society of Actuaries.

The actuarial report in its entirety has been included in the Statistical section of this report.

Note D - Normal Cost Contribution

The normal contribution by the City for the fiscal year 1978-79 is unusually low because \$4,000,000 of that year's recommended contribution was funded in the preceding year.

Note E - Options Management Program

The System regularly engages in the selling of covered call options to purchase stock held in the System's investment portfolio. Option revenue reflects the amounts received from sales of options less the market value of outstanding options at year end. Options exercise cost represents costs incurred to cover obligations accruing from the exercise of options.

Note F - Litigation Contingencies

Various actions and proceedings are pending against the System in which disability claims have been asserted. Management, after consultation with legal counsel, is of the opinion that the ultimate liability is already adequately provided for in the financial statements.

Note G - Investments

Investments at June 30, 1980 and 1979 are summarized as follows:

	<u>Amortized Cost</u>		<u>Approximate Market</u>		<u>Percentage of Amortized Cost</u>	
	<u>1980</u>	<u>1979</u>	<u>1980</u>	<u>1979</u>	<u>1980</u>	<u>1979</u>
Government bonds and notes:						
United States Treasury notes	\$ 2,141,779	\$ 300,000	\$ 2,562,187	\$ 288,750	2.11%	.32%
United States Agencies	4,415,270	4,697,828	3,889,479	4,077,847	4.35	5.12
Canadian and Foreign	8,145,857	3,338,918	7,635,290	3,160,331	8.03	3.64
Total Government bonds and notes	<u>14,702,906</u>	<u>8,336,746</u>	<u>14,086,956</u>	<u>7,526,928</u>	<u>14.49</u>	<u>9.08</u>
Corporate bonds:						
Public Utilities - communications	5,160,095	6,320,296	3,595,472	5,004,391	5.09	6.89
Public Utilities - electric	20,004,672	16,977,315	15,486,230	13,434,528	19.71	18.50
Public Utilities - gas	1,327,424	1,321,098	1,075,324	1,170,377	1.31	1.44
Industrials	16,678,548	17,946,546	13,612,004	16,242,024	16.43	19.55
Bank and Finance	3,564,138	4,395,887	2,738,145	3,932,069	3.51	4.79
General Mortgage and Miscellaneous	1,587,181	1,645,934	1,196,205	1,578,196	1.56	1.79
Equipment trust certificates	299,464	299,425	256,857	268,305	.30	.33
Private placements	436,000	473,116	347,011	391,968	.43	.52
Miscellaneous	29,969	250,000	28,039	241,631	.03	.27
Total Corporate bonds	<u>49,087,491</u>	<u>49,629,617</u>	<u>38,335,287</u>	<u>42,263,489</u>	<u>48.37</u>	<u>54.08</u>
Convertible subordinated debentures	994,940	995,579	617,500	725,000	.98	1.08
Mortgage-backed certificates	14,769,440	11,483,805	12,878,080	11,178,660	14.56	12.51
Equity securities	20,377,197	19,670,757	21,757,674	18,725,391	20.08	21.43
Mortgage loans	1,541,305	1,656,663	1,541,305	1,656,663	1.52	1.81
Improvement bonds	138	1,664	138	1,664	-	.01
	<u>37,683,020</u>	<u>33,808,468</u>	<u>36,794,697</u>	<u>32,287,378</u>	<u>37.14</u>	<u>36.84</u>
 TOTAL INVESTMENTS	 <u>\$101,473,417</u>	 <u>\$ 91,774,831</u>	 <u>\$ 89,216,940</u>	 <u>\$ 82,077,795</u>	 <u>100.00%</u>	 <u>100.00%</u>

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

HISTORICAL SCHEDULE OF FUNDING RATIO

	YEARS ENDED JUNE 30,		
	1980	1979	1978
Net Assets Available for Benefits	\$108,645,823	\$ 97,181,365	\$ 91,439,492
Actuarial Obligation	244,886,773	220,274,365	189,917,255
Unfunded Obligation	136,240,950	123,093,000	98,477,763
Funding Ratio	0.44:1	0.44:1	0.48:1

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
 FIVE YEAR SCHEDULE OF CONTRIBUTION INCOME

	Members	City of Sacramento			Total
		Normal	Amortization Unfunded Liability	Pay-as-you go	
79 - 80	\$ 3,632,766	\$ 5,197,098	\$ 3,117,000	\$ 548,211	\$12,495,075
78 - 79	3,259,653	1,442,926	1,175,748	591,555	6,469,882
77 - 78	3,446,460	7,920,296	2,204,581	637,343	14,208,680
76 - 77	3,267,214	3,919,039	372,519	663,273	8,222,045
75 - 76	3,086,145	3,481,531	N/A	687,395	7,255,071

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

ANALYSIS OF NET INVESTMENT INCOME

	Year Ended June 30, 1980			Year Ended June 30, 1979			Year Ended June 30, 1978		
	Investment- Amortized Cost	Investment- Market	Investment Revenues (Expenses)	Investment- Amortized Cost	Investment- Market	Investment Revenues (Expenses)	Investment- Amortized Cost	Investment- Market	Investment Revenues (Expenses)
Investments and Cash									
Bonds	\$63,790,397	\$52,422,243	\$ 4,761,275	\$58,961,942	\$50,515,417	\$ 4,121,180	\$57,843,341	\$49,944,079	\$ 3,971,167
Mortgage-backed certificate	14,769,440	12,878,080	1,353,385	11,483,805	11,178,660	701,223	3,073,417	2,998,708	45,587
Equity securities	21,372,137	22,375,174	835,710	19,670,757	18,725,391	1,083,159	15,682,475	14,093,380	556,548
Mortgage loans	1,541,305	1,541,305	127,908	1,656,663	1,656,663	100,989	1,806,358	1,806,358	108,639
Improvement bonds	138	138	45	1,664	1,664	19,712	6,344	6,344	155,402
Subtotal	101,473,417	89,216,940	7,078,323	91,774,831	82,077,795	6,026,263	78,411,935	68,848,869	4,837,343
Cash	6,090,368	6,090,368	730,496	5,222,984	5,222,984	711,602	11,952,030	11,952,030	374,482
	<u>\$107,563,785</u>	<u>\$95,307,308</u>	<u>7,808,819</u>	<u>\$96,997,815</u>	<u>\$87,300,779</u>	<u>6,737,865</u>	<u>\$90,363,965</u>	<u>\$80,800,899</u>	<u>5,211,825</u>
Additional investment revenues (expenses):									
Loss on disposition of assets			(932,926)			(146,841)			(23,660)
Administrative expense			(59,232)			(51,952)			(24,667)
Net investment income			<u>\$ 6,816,661</u>			<u>\$ 6,539,072</u>			<u>\$ 5,163,490</u>
*Net Rate of Return			6.894%			**7.233%			**6.510%

$$*\text{Net Rate of Return} = \frac{\frac{A+B}{2} + \frac{I}{2}}{\frac{A+B}{2}}$$

I = Net Investment Income
A = Beginning Investable Assets
B = Ending Investable Assets

**\$4 million June 30, 1978 City contribution excluded from ending investable assets for calculation of 77-78 rate but included in beginning investable assets for calculation of 78-79 rate.

*3 yr. Average
Net rate of return = 6.879%

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF CHANGES IN INVESTMENT POSITION

YEAR ENDED JUNE 30, 1980

Description	Balance	Additions	Disposals	Amortization	Balance	Market Value	
	June 30, 1979			of Premium or Discount	June 30, 1980	June 30, 1980	June 30, 1979
Bonds	\$58,961,942	\$27,609,861	\$(22,902,431)	\$121,025	\$63,790,397	\$52,422,243	\$50,515,417
Mortgage-backed certificate	11,483,805	3,984,596	(704,728)	5,767	14,769,440	12,878,080	11,178,660
Equity securities	19,670,757	9,891,065	(8,189,685)	-	21,372,137	22,375,174	18,725,391
Mortgage loans	1,656,663		(115,358)		1,541,305	1,541,305	1,656,663
Improvement bonds	1,664		(1,526)		138	138	1,664
Subtotal	91,774,831	41,485,522	(31,913,728)	126,792	101,473,417	89,216,940	82,077,795
Cash	5,222,984	867,384			6,090,368	6,090,368	5,222,984
	<u>\$96,997,815</u>	<u>\$42,352,906</u>	<u>\$(31,913,728)</u>	<u>\$126,792</u>	<u>\$107,563,785</u>	<u>\$95,307,308</u>	<u>\$87,300,779</u>

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

YEAR ENDED JUNE 30, 1980

SCHEDULE OF ACQUISITION OF BONDS

	<u>Date Acquired</u>	<u>Amortized Cost</u>
Houston Light & Power Company, 8.375%	08-03-79	\$ 313,348
Public Service Electric and Gas, 8.375%	08-03-79	224,255
Public Service Electric and Gas, 8.125%	08-14-79	215,388
Southern California Edison, 8.125%	08-17-79	439,895
Commonwealth Edison Company, 8.000%	08-17-79	256,335
Commonwealth Edison Company, 8.000%	08-21-79	431,435
Gulf Oil Corporation, 5.350%	08-28-79	495,118
Southern Bell Telephone, 8.250%	01-04-80	779,600
Southwestern Bell Telephone, 8.500%	01-04-80	802,560
United Technologies, 9.375%	01-04-80	660,000
Shell Oil, 8.000%	01-04-80	579,375
Carolina Power and Light, 6.875%	01-23-80	252,427
Texas Instruments, Inc., 12.700%	02-25-80	150,000
Texas Instruments, Inc., 12.700%	02-29-80	96,000
Texas Instruments, Inc., 12.700%	03-04-80	239,375
U. S. Treasury Bonds, 11.750%	03-17-80	5,483,906
Southwestern Bell Telephone, 11.375%	03-19-80	660,000
Mountain States Tel. and Tel. Company, 11.250%	03-25-80	872,500
Ohio Bell Telephone, 12.625%	03-25-80	727,500
Texas Electric Service, Co., 13.850%	03-25-80	509,375
Southwestern Bell Telephone, 13.060%	03-25-80	870,000
Mountain States Tel. and Tel. Company, 11.250%	03-26-80	870,000
Southwestern Bell Telephone, 11,375%	03-26-80	875,000
Ohio Bell Telephone, 12.625%	03-26-80	480,000
Mountain States Tel. and Tel., 11.250%	03-28-80	552,500
U. S. Treasury Bonds, 11.750%	04-18-80	2,112,969
Province of Ontario, 9.125%	04-21-80	1,844,027
International Bank for Reconstruction and Development, 9.350%	05-14-80	2,697,000
Province of Ontario, 9.375%	05-14-80	2,718,198
Oklahoma Gas and Electric, 8.625%	05-14-80	401,775
		<u>\$27,609,861</u>
TOTAL ACQUISITIONS		

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

YEAR ENDED JUNE 30, 1980

SCHEDULE OF DISPOSAL OF BONDS

	Date of Disposal	Amortized Cost	Gain (Loss) on Disposal
Illinois Power Company, 2.875%	07-01-79	\$ 15,319	\$ (319)
Southern Bell Tel. and Tel., 3.000%	07-01-79	26,500	(1,500)
Pacific Power and Light, 3.375%	08-01-79	15,150	(150)
South Central Bell and Telephone, 10.000%	08-21-79	99,512	2,988
Houston Light and Power Co., 10.125%	08-21-79	199,000	5,000
Inter-American Development Bank, 5.200%	08-22-79	515,000	(56,439)
Mountain State Tel. and Tel., 9.750%	08-22-79	198,600	3,356
Montana Power, 9.600%	08-22-79	300,000	(10,500)
Texas Power and Light Co., 10.125%	08-22-79	100,000	2,996
Associated Telephone, Co., 2.875%	11-01-79	25,188	(188)
States Steamship Co., 5.100%	11-08-79	29,000	-
Federal National Mortgage Association 4.700%	12-01-79	175,000	-
Laclede Gas Company, 3.250%	12-01-79	51,000	(1,000)
C.I.T. Financial Corporation, 5.125%	01-15-80	34,461	539
White Motor Corporation, 7.250%	01-18-80	200,000	(74,500)
Rockwell-Standard Corporation, 5.750%	02-15-80	1,010	(4)
May Department Stores, Co., 3.250%	03-01-80	20,000	-
Consolidated Edison New York, 3.000%	03-14-80	50,997	(6,310)
Export-Import Bank of Washington, 5.100%	03-14-80	950,000	(161,352)
Southern California Gas, 3.500%	03-14-80	78,000	(16,801)
Kansas City Power, 3.250%	03-14-80	50,500	(12,510)
Consolidated Edison, 3.500%	03-14-80	40,900	(10,396)
Southern Counties Gas, Co., 4.000%	03-14-80	25,518	(6,761)
Mountain Fuel Supply Co., 4.000%	03-14-80	50,000	(11,736)
American Savings and Loan, 8.500%	03-14-80	199,540	(39,258)
General Motors Acceptance Corp., 9.000%	03-14-80	249,250	(41,600)
Ohio Edison, 3.250%	03-14-80	50,965	(17,375)
Pacific Gas and Electric, 3.375%	03-14-80	258,563	(59,363)
International Bank for Reconstruction, 8.850%	03-14-80	500,000	(101,700)
Potomac Electric, 2.750%	03-14-80	25,282	(10,982)
Pacific Gas and Electric, 9.500%	03-14-80	199,000	(37,918)
Magnovox, 4.750%	03-14-80	150,000	(59,705)
Pacific Gas and Electric, 3.375%	03-14-80	50,744	(22,549)
General Mills, Inc., 4.625%	03-14-80	100,000	(30,211)
American Tel. and Tel., 8.875%	03-14-80	145,875	(65,580)
Pacific Tel. and Tel., 4.625%	03-14-80	152,438	(80,707)
Consumers Power Company, 3.250%	03-14-80	51,163	(29,572)
Pacific Gas and Electric, 4.500%	03-14-80	102,375	(48,711)
Northern States Power, 5.000%	03-14-80	146,750	(42,890)
Subtotal		\$ 5,632,600	\$(1,043,708)

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

YEAR ENDED JUNE 30, 1980

SCHEDULE OF DISPOSAL OF BONDS (cont.)

	Date of Disposal	Amortized Cost	Gain (Loss) on Disposal
Northern Illinois Gas, 4.625%	03-14-80	\$ 100,369	\$ (48,968)
Columbia Gas, 4.875%	03-14-80	50,000	(23,894)
General Foods, 8.875%	03-14-80	14,925	(2,475)
Montgomery Wards, 4.875%	03-14-80	199,280	(97,636)
Sun Oil, 4.625%	03-14-80	49,500	(21,366)
Owens Illinois Glass, 3.750%	03-14-80	25,125	(5,375)
U.S. Treasury Notes, 8.000%	03-14-80	300,000	(65,625)
Whirlpool Corporation, 5.750%	03-14-80	110,550	(38,964)
Bax Colony, 8.500%	03-14-80	250,000	(90,860)
American Tel. and Tel., 2.750%	03-14-80	49,500	(1,995)
Niagara Power, 2.875%	03-14-80	102,750	(9,640)
Borden, 2.875%	03-14-80	50,000	(5,375)
Southern California Edison, 3.625%	03-14-80	49,553	(4,303)
Boston Edison, 3.125%	03-14-80	25,121	(5,746)
Commercial Investment Trust, 4.500%	03-14-80	49,665	(14,788)
Illinois Bell Telephone, 3.125%	03-14-80	25,381	(6,772)
Pacific Power and Light, 3.750%	03-14-80	51,458	(17,177)
Southwestern Bell, 2.750%	03-14-80	45,500	(13,050)
American Tel. and Tel., 2.625%	03-14-80	24,000	(8,088)
General Motors Acceptance, 4.875%	03-14-80	99,000	(39,586)
American Tel. and Tel., 2.875%	03-14-80	71,250	(24,743)
General Telephone Co., 5.000%	03-14-80	25,000	(10,478)
Wisconsin Electric, 4.125%	03-14-80	61,189	(27,345)
Southern California Edison, 4.375%	03-14-80	100,683	(46,423)
Niagara Mohawk, 3.875%	03-14-80	73,938	(36,719)
Consolidated Edison, 4.000%	03-14-80	24,469	13,414
Bell Telephone, 3.750%	03-14-80	74,828	(37,020)
Pacific Telephone, 3.125%	03-14-80	49,938	(28,817)
Baltimore Gas and Electric, 4.625%	03-14-80	100,369	(50,779)
Federal National Mortgage Association, 5.300%	03-14-80	500,000	(4,688)
Illinois Power, 2.750%	03-14-80	50,305	(790)
Southern California Gas, 2.875%	03-14-80	82,560	(5,132)
American Tel. and Tel., 2.750%	03-14-80	99,313	(16,062)
Detroit Edison, 2.750%	03-14-80	22,750	(3,625)
Alcoa, 3.875%	03-14-80	29,880	(5,055)
Standard Oil of California, 4.375%	03-14-80	99,625	(23,125)
Sears Roebuck, 4.750%	03-14-80	95,400	(24,720)
Continental Oil, 3.000%	03-14-80	25,313	(8,062)
Pacific Gas and Electric, 3.125%	03-14-80	50,545	(18,233)
Subtotal		\$ 3,309,032	\$ (880,095)

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

YEAR ENDED JUNE 30, 1980

SCHEDULE OF DISPOSAL OF BONDS (cont.)

	Date of Disposal	Amortized Cost	Gain (Loss) on Disposal
Pacific Gas Transmission, 8.000%	03-14-80	\$ 161,805	\$ (56,721)
Union Electric, 2.875%	03-14-80	51,271	(5,709)
Burroughs, 4.375%	03-14-80	20,000	(5,800)
U.S. Steel, 4.000%	03-14-80	50,250	(11,938)
General Motors Acceptance, 8.875%	03-14-80	198,900	(39,580)
Florida Power and Light, 4.625%	03-14-80	51,023	(22,961)
Illinois Bell Telephone, 4.250%	03-14-80	50,692	(23,255)
Ohio Edison, 4.250%	03-14-80	102,875	(52,625)
U.S. Treasury Bonds, 11.750%	03-18-80	5,483,906	100,781
Aluminum Company of Canada, 4.500%	04-01-80	24,480	(480)
Federal Home Loan Mortgage, 8.050%	04-11-80	39,302	198
Texas Electric Service, 14.125%	04-21-80	509,375	6,875
Ohio Bell Telephone, 12.625%	04-25-80	1,207,500	98,750
Southwestern Bell Telephone, 11.375%	05-14-80	2,405,000	386,250
Mountain States Telephone, 11.250%	05-14-80	2,295,000	361,625
Chevron Stations, 5.100%	06-05-80	12,000	-
Citicorp Convertible	06-30-80	502,815	-
U.S. Steel Convertible	06-30-80	492,125	-
Federal Home Loan Mortgage, 8.050%	06-30-80	302,480	-
TOTAL DISPOSALS		<u>\$22,902,431</u>	<u>\$ (1,188,393)</u>

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
 SCHEDULE OF ACQUISITION AND DISPOSAL OF MORTGAGE-BACKED CERTIFICATES
 YEAR ENDED JUNE 30, 1980

	<u>Original Cost</u>
Acquisitions:	
Bank of American, 9.500%	\$ 470,395
Home Savings, 10.000%	2,008,713
Government National Mortgage Association, 9.500%	1,203,008
Federal Home Loan Mortgage, 8.050%	<u>302,480</u>
TOTAL ACQUISITIONS	<u>\$ 3,984,596</u>
Disposals:	
Bank of America, 8.375%	\$ 12,653
Bank of America, 9.000%	162,388
Bank of America, 9.500%	162,829
Government National Mortgage Association, 8.000%	152,655
Government National Mortgage Association, 9.000%	24,355
Government National Mortgage Association, 9.500%	8,909
Home Savings and Loan, 9.250%	143,449
Home Savings and Loan, 10.000%	<u>37,490</u>
TOTAL DISPOSALS	<u>\$ 704,728</u>

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF ACQUISITION AND DISPOSAL OF STOCKS

YEAR ENDED JUNE 30, 1980

	Effective Date	Number of Shares	Amortized Cost
Acquisitions:			
American Standard Inc.	07-05-79	5,000	\$ 245,600
Honeywell Incorporated	07-05-79	1,500	104,492
TRW Incorporated	07-05-79	2,200	82,214
Xerox Corporation	07-05-79	2,000	124,615
Sundstrand Corporation	07-05-79	10,000	274,025
TRW Incorporated	07-05-79	3,800	142,956
Standard Oil of Indiana	07-13-79	5,000	326,850
Beneficial Corporation	07-13-79	10,000	275,438
Northwest Industries	07-19-79	10,000	330,075
AMP Incorporated	08-28-79	5,000	192,925
Pepsico Incorporated	08-28-79	10,000	284,950
Gulf Oil Corporation	11-02-79	15,000	489,300
Peoples Gas Company	11-27-79	1,100	42,057
Cities Service	11-27-79	3,000	237,360
Peoples Gas Company	11-27-79	3,900	147,943
Syntex Corporation	01-18-80	15,000	652,650
Pepsico	01-18-80	10,000	254,700
Beneficial Corporation	01-18-80	10,000	264,775
Peoples Gas Company	01-23-80	2,600	114,062
Peoples Gas Company	01-31-80	2,400	105,288
Air Product and Chem.	01-31-80	10,000	400,325
Texas Oil Gas Corporation	02-22-80	500	20,935
Levis Strauss Company	02-22-80	12,000	420,252
Reading and Bates Coporation	02-22-80	12,000	500,040
Texas Oil Gas Corporation	02-22-80	11,500	478,893
Beneficial Corporation	04-24-80	5,000	98,100
Conn General Insurance	04-24-80	8,000	280,922
Southern California Edison	04-24-80	15,000	364,950
Chase Manhattan	05-16-80	5,000	207,475
Federal National Mortgage Association	05-16-80	5,000	81,225
Sundstrand Corporation	06-06-80	5,000	206,850
Sedco Incorporated	06-06-80	6,000	422,720
Levis Strauss Company	06-06-80	5,000	159,350
Georgia-Pacific	06-06-80	5,000	137,225
Emmett A-Larkin Company	06-06-80	10,000	424,588
Citicorp Convertible*	06-30-80	N/A	502,815
U.S. Steel Convertible*	06-30-80	N/A	492,125
TOTAL ACQUISITIONS			<u>\$9,891,065</u>

* Reclassified from Bonds

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF ACQUISITION AND DISPOSAL OF STOCKS (cont.)

YEAR ENDED JUNE 30, 1980

	<u>Effective Date</u>	<u>Number of Shares</u>	<u>Amortized Cost</u>	<u>Gain (Loss) on Disposal</u>
Disposals:				
NCR Corporation	07-05-79	8,000	\$ 376,050	\$ 151,285
Hanna Mining Company	07-06-79	10,000	594,457	(251,406)
Union Oil of California	07-06-79	12,000	331,195	111,030
Crown Zellerbach	07-13-79	14,000	611,204	(122,938)
Union Oil of California	07-13-79	12,000	331,195	100,137
American Tel. and Tel.	10-24-79	10,000	608,866	(84,079)
Avon Products	11-06-79	8,000	452,798	(127,801)
Halliburton Company	11-06-79	5,000	341,125	32,656
Texaco	11-06-79	20,000	527,000	55,531
Tektronix	11-14-79	5,000	256,665	16,301
Dana Corporation	11-27-79	10,000	272,250	16,541
Arkansas Lou. Gas	01-23-80	12,000	232,470	97,334
Great Western Financial	01-23-80	10,000	241,200	(53,176)
Atlantic Richfield	02-26-80	2,000	99,290	101,744
Ual Incorporated	02-26-80	15,000	538,737	(236,048)
Boeing Company	02-26-80	2,000	40,827	85,617
Motorola Incorporated	02-26-80	12,000	645,550	81,750
Phillip Morris	04-24-80	12,000	418,432	(2,344)
Cities Service Company	04-24-80	3,000	237,360	38,641
Atlantic Richfield	06-06-80	8,000	397,159	325,737
Caterpillar Tractor	06-06-80	10,500	635,855	(124,190)
TOTAL DISPOSALS			<u>\$8,189,685</u>	<u>\$ 212,322</u>

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

YEAR ENDED JUNE 30, 1980

SCHEDULE OF MORTGAGE LOAN COLLECTIONS

	<u>Amortized Cost</u>
FHA, Title II, 5%	\$ 6,247
FHA, Title II, 5½%	2,831
R. H. Dye Investment Company, 5½%	32,821
Capital Square Parking, 5½%	<u>73,459</u>
TOTAL COLLECTIONS	<u>\$115,358</u>

SCHEDULE OF DISPOSAL OF STREET IMPROVEMENT BONDS

	<u>Amortized Cost</u>
Sacramento Street Improvement Bonds, 5%	\$ 1,526
TOTAL	<u>\$ 1,526</u>

INVESTMENTS

Fiscal Year Ended June 30, 1980

Bonds and Notes

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value 000's</u>	<u>Amortized Cost</u>	<u>Average Book Yield</u>	<u>Market Value</u>
<u>Treasury Bonds</u>						
U.S. Treasury Bond	11.75	02-15-10	\$1,000	\$ 948,839.29	12.612	\$1,138,750
U.S. Treasury Bond	11.75	02-15-10	500	470,044.64	12.762	569,375
U.S. Treasury Bond	11.75	02-15-10	750	722,894.92	12.360	854,062
Subtotal			\$2,250	\$2,141,778.85		\$2,562,187
<u>Corporate Bonds</u>						
Carolina Lt. & Power	6.875	10-01-98	\$ 385	\$ 253,987.63	13.338	\$ 250,250
United Technologies	9.375	01-15-04	750	660,133.27	11.295	670,943
Texas Instruments	12.70	02-01-05	500	490,243.33	13.206	525,045
Oklahoma Gas & Electric	8.625	01-01-06	500	417,587.50	11.031	393,885
Shell Oil	8.0	04-15-07	750	581,155.73	11.507	588,367
South Western Bell	8.5	03-15-16	1,000	803,650.09	11.344	790,000
Southern Bell Tel	8.25	04-15-16	1,000	781,329.54	11.435	770,000
Subtotal			\$4,885	\$3,988,087.09		\$3,988,490
<u>U.S. Governments</u>						
Am Mail Line Alaskan	6.0	03-01-93	\$ 116	\$ 111,181.04	6.779	\$ 81,908
Title II - U.S. Michigan	5.10	03-31-93	92	92,000.00	5.086	60,254
Title II - US. Colorado	5.10	03-31-93	186	186,000.00	5.086	121,817
Title II - U.S. Wyo.	5.10	03-31-93	186	186,000.00	5.086	121,817
Title II - U.S. Montana	5.10	03-31-93	92	92,000.00	5.086	60,253
Title II - U.S. Idaho	5.10	03-31-93	186	186,000.00	5.086	121,817
Title II - U.S. Matsonia	7.80	08-01-98	186	186,000.00	7.821	146,306
Title II - Foss & Tub Corp.	9.0	10-15-99	500	500,000.00	8.975	440,345
Title II - Moore McCormack	8.375	07-15-01	48	48,000.00	8.849	41,688
Subtotal			\$1,592	\$1,587,181.04		\$1,196,205
<u>Federal Agencies</u>						
Federal National Mortgage Ass'n.	5.400	06-28-80	\$ 100	\$ 100,000.00	5.400	\$ 95,625
IBR & D Wa	5.375	04-01-92	850	851,307.38	5.394	551,242
Inter. Amer. Dev. Bank	6.625	11-01-93	175	174,530.22	6.725	136,281
IBR & D Washington D.C.	6.375	10-01-94	494	490,664.41	6.542	339,521
IBR & D Washington D.C.	8.125	08-01-96	100	100,000.00	8.182	79,793
IBRD	9.35	12-15-00	3,100	2,698,768.25	11.385	2,687,017
Subtotal			\$4,719	4,415,270.26		3,889,479
<u>Banks & Finance</u>						
J.C. Penney Cr. Corp.	5.375	02-01-87	\$ 50	\$ 49,933.70	5.452	\$ 38,430
Northwest Bancorp	4.75	10-15-90	50	49,892.80	4.827	31,937
Beneficial Corp.	5.0	11-01-90	100	100,000.00	5.035	64,634
J.C. Penney Finl. Corp.	7.875	09-15-91	150	149,579.45	7.995	113,227
Marine Midland Banks	8.125	04-01-94	225	224,380.59	8.243	161,341
General Motors Accep. Corp.	7.75	10-01-94	350	348,372.10	7.896	276,412
General Motors Accep. Corp.	7.25	03-01-95	200	199,175.11	7.374	150,086
Travelers Corp.	8.70	08-01-95	50	50,000.00	8.761	41,943
Household Finance Corp.	7.50	08-01-95	100	100,000.00	7.710	75,997
Wells Fargo & Co.	7.375	11-15-97	100	100,000.00	7.427	71,934
Avco Financial Services	8.35	11-15-98	100	100,000.00	8.408	78,952
General Motors Accep. Corp.	8.875	06-01-99	100	99,715.02	8.986	84,263
Household Finance Corp.	8.50	04-01-01	200	200,000.00	8.560	160,830

Description	Interest Rate	Maturity Date	Par Value 000's	Amortized Cost	Average Book Yield	Market Value
<u>Banks & Finance (continued)</u>						
Bank of America Corp.	8.75	05-01-01	\$ 200	\$ 198,332.89	8.941	\$ 164,454
Cameron Finance Corp.	7.50	12-01-02	200	199,103.27	7.618	134,382
Bank of America Corp.	7.875	12-01-03	300	298,009.57	8.027	224,073
Mercantile Bancorp.	8.50	01-15-04	100	100,000.00	8.559	75,789
Bank America Corp.	8.875	02-15-05	200	198,848.47	9.023	164,846
Citicorp S F Notes	8.45	03-15-07	100	99,706.33	8.548	77,733
Bank America Corp.	8.35	05-15-07	200	200,000.00	8.408	156,610
Aetna Life & Cas. Co.	8.125	10-15-07	200	199,088.75	8.240	157,532
Beneficial Corp.	8.40	12-01-07	200	200,000.00	8.459	151,192
General Motors Accep. Corp.	8.65	02-15-08	100	100,000.00	8.710	81,548
Subtotal			\$3,575	\$3,564,138.05		\$2,738,145
<u>Canadians & Foreign</u>						
Que Hydr Elec Ser T	3.75	02-01-83	\$ 100	\$ 94,638.52	7.560	\$ 86,550
Que Hydr Elec Ser AT	5.25	01-01-87	40	33,283.37	9.328	29,362
BC Hrdro & Power	5.625	07-02-91	100	98,160.18	6.076	70,154
INCO Ltd.	6.85	04-01-93	200	200,000.00	6.898	142,202
Aluminum Co. of Canada	9.5	03-01-95	100	100,759.76	9.399	85,483
Alberta Govt. Tel	7.875	09-01-96	100	99,819.98	7.962	77,860
Nova Scotia Power Corp.	8.125	07-15-98	200	199,599.60	8.215	150,926
Newfoundland Prov.	8.50	11-15-98	100	99,627.67	8.623	77,380
New Brunswick Prov.	8.375	12-15-98	100	99,073.12	8.591	76,583
B.C. Hydro & Power	10.25	10-01-99	250	250,000.00	10.322	230,845
New Brunswick Prov.	10.25	01-15-04	750	745,041.58	10.294	664,050
Ontario Prov.	8.60	03-15-04	200	200,000.00	8.660	160,786
Ontario Province	8.60	03-15-04	750	528,258.33	13.992	602,948
New Brunswick El Power	8.75	04-01-04	100	99,208.07	8.034	77,897
Quebec Province	9.20	04-15-04	200	200,000.00	9.264	162,798
Ontario Province	10.25	10-01-04	100	100,000.00	10.322	92,900
Ontario Province	8.875	03-01-05	100	99,579.23	8.999	82,344
B.C. Hydro & Power	9.625	06-01-05	200	199,584.64	9.724	175,976
Ontario Province	9.125	06-15-05	1,650	1,382,056.70	12.364	1,393,012
Manitoba Hydro & Elec.	9.25	01-15-06	200	198,263.94	9.445	168,778
B.C. Hydro & Power	8.625	12-01-06	200	200,000.00	8.687	158,668
Ontario Province	8.40	01-15-07	200	200,000.00	8.459	156,174
Ontario Providence	9.375	11-30-08	3,150	2,718,901.93	11.332	2,711,614
Subtotal			\$9,090	8,145,856.62		\$7,635,290
<u>Equipment Trusts</u>						
S.P. Transp. Equip. Tr. Cert.	7.375	02-01-87	\$ 300	\$ 299,463.99	7.482	\$ 256,857
Subtotal			\$ 300	\$ 299,463.99		\$ 256,857
<u>Industrials</u>						
Union Oil Co.	8.5	03-30-86	\$ 500	\$ 500,000.00	8.559	\$ 469,850
Times Mirror Co.	4.5	01-01-90	100	90,584.72	6.597	76,404
Rockwell Intl. Corp.	5.75	02-15-91	24	24,106.71	5.691	18,264
Weyerhaeuser Co.	5.20	05-01-91	250	250,000.00	5.236	181,627
Gulf Oil Corp.	5.35	06-15-91	200	200,000.00	5.387	142,610
Gulf Oil Corp.	5.35	06-15-91	650	505,814.37	9.719	463,482
Dana Corp.	6.00	12-01-91	200	184,685.55	7.349	160,166
Ferro Corp.	5.875	01-15-92	25	25,000.00	5.916	20,634
Borg Warner Corp.	5.50	03-01-92	88	88,000.00	5.538	61,317
Shell Oil	5.30	03-15-92	1,215	975,482.36	8.838	835,823
Caterpillar Tractor	5.30	04-01-92	75	75,000.00	5.337	53,191
United Shoe Mach.	5.75	06-15-92	50	49,930.97	5.815	36,482
American Tob Co.	5.875	07-01-92	50	49,750.07	6.018	35,768
ARMCO Steel	5.90	07-15-92	50	50,000.00	5.941	41,471
Standard Oil of Calif.	5.75	08-01-92	640	582,943.39	7.356	458,726
Corn Products	5.75	08-15-92	100	99,749.07	5.840	82,740
RCA Corp.	10.20	08-15-92	100	100,000.00	10.271	93,703
Container Corp.	6.625	03-15-93	100	100,000.00	6.671	74,563

Description	Interest Rate	Maturity Date	Par Value 000's	Amortized Cost	Average Book Yield	Market Value
Industrials (continued)						
Socony Mobil Oil	4.25	04-01-93	\$ 100	\$ 100,210.53	4.242	\$ 65,536
Sears Roebuck	6.375	04-01-93	1,525	1,309,556.07	8.849	1,109,605
Gulf Oil	6.625	06-15-93	125	125,000.00	6.671	94,726
Owen Corning Fiberglass	6.875	02-01-94	75	74,788.87	6.979	58,482
U.S. Shoe Corp.	7.125	02-15-94	50	49,152.95	7.482	37,914
Weyerhaeuser	7.65	07-15-94	100	100,000.00	7.703	81,824
Ford Motor	9.25	07-15-94	50	50,000.00	9.315	41,237
Int'l. Paper Co.	8.85	03-15-95	100	100,000.00	8.912	88,315
Aluminum Co. of America	9.00	03-15-95	170	168,988.11	9.195	148,267
Westinghouse Electric Corp.	8.625	09-01-95	46	45,927.96	8.717	38,555
Sears Roebuck	8.625	10-01-95	72	71,780.21	8.749	61,266
Pitney Bowes	9.00	10-15-95	25	24,923.46	9.129	21,113
Bristol Myers	8.625	11-01-95	77	76,880.94	8.717	67,696
Gulf Oil	8.5	11-15-95	125	124,615.54	8.623	106,799
NL INDS Inc.	7.5	12-15-95	200	200,463.69	7.509	150,308
General Electric	7.5	03-15-96	400	400,000.00	7.552	321,592
Standard Oil of California	7.0	04-01-96	325	303,666.58	8.008	245,339
Carter Hawley Hale	8.25	05-15-96	100	100,000.00	8.308	79,881
Flintkote Co.	8.25	07-15-96	100	100,000.00	8.308	72,576
Allied Chemical Corp.	7.875	09-01-96	48	47,758.89	8.020	38,767
Union Carbide	5.30	03-01-97	700	700,000.00	5.337	456,400
Borden Co.	5.75	06-15-97	50	50,000.00	5.790	35,495
Texaco Inc.	5.75	07-15-97	200	200,000.00	5.790	132,316
Textron Inc.	7.50	07-15-97	100	100,000.00	7.552	78,388
Intl. Harvester Co.	6.25	03-01-98	25	25,000.00	6.294	14,609
Union Oil Co.	6.625	06-01-98	275	272,946.49	6.798	202,867
Exxon Corp.	6.50	07-15-98	100	100,000.00	6.545	71,665
Great Northern Nekoosa	7.875	07-15-98	100	99,001.24	8.096	77,624
Exxon Pipeline (Humble)	6.625	12-01-98	275	275,000.00	6.671	213,716
Bethlehem Steel	6.875	03-01-99	40	39,840.30	6.988	28,485
Caterpillar Tractor	8.60	05-01-99	100	100,000.00	8.660	84,538
J.C. Penney	9.00	06-15-99	100	100,000.00	9.213	84,413
Standard Oil of Ohio	7.60	07-01-99	190	190,000.00	7.653	147,581
Continental Oil	7.50	07-15-99	200	199,674.37	7.580	155,710
Marathon Oil Co.	8.50	02-01-00	100	99,832.69	8.590	81,076
Oshland Oil	8.80	02-15-00	100	100,000.00	8.862	83,482
Crown Zellerbach	8.875	03-15-00	195	195,320.44	8.906	164,615
Dow Chemical	8.875	05-01-00	132	131,764.31	8.970	111,392
Bethlehem Steel	9.00	05-15-00	248	248,000.00	9.063	204,535
Monsanto Co.	8.50	06-15-00	200	199,201.64	8.623	163,318
Monsanto Co.	9.125	07-01-00	42	41,780.40	9.285	36,679
Shell Oil	8.50	09-01-00	180	179,690.44	8.596	151,371
Weyerhaeuser	8.625	10-01-00	91	91,000.00	8.685	77,127
Exxon Pipeline	8.875	10-15-00	300	299,390.97	8.969	261,633
Dow Chemical	8.90	11-01-00	45	45,000.00	8.962	38,016
Sun Oil	8.50	11-15-00	175	174,357.94	8.624	145,182
Phillips Petrol	8.875	11-15-00	200	198,777.09	9.035	173,342
Phillips Petrol	7.625	03-15-01	200	199,309.37	7.734	155,244
Texaco Inc.	7.75	06-01-01	265	265,000.00	7.804	205,574
CBS Inc.	7.85	08-01-01	200	200,000.00	7.905	158,860
Sun Oil	7.125	05-01-02	100	99,271.27	7.281	73,627
Texas Gulf Inc.	8.5	11-01-02	250	250,000.00	8.559	198,380
United Tech Corp.	9.375	01-15-04	250	249,387.85	9.474	223,647
Ingersoll Rand	8.05	03-01-04	100	100,000.00	8.106	77,334
Borden Inc.	8.50	04-01-04	300	300,593.94	8.530	247,440
Kraftco Corp.	8.375	04-15-04	100	99,405.05	8.522	84,171
General Electric	8.50	05-01-04	200	200,000.00	8.559	170,246
Continental Group	8.85	05-15-04	200	200,000.00	8.912	163,658
Standard Oil of Ind.	9.20	07-15-04	250	250,000.00	9.264	222,680
Standard Brands	9.50	12-15-04	100	99,797.41	9.599	86,983
Minnesota Mining & Mfg.	8.85	04-01-05	200	200,000.00	8.912	174,188
Anheuser Busch	9.20	04-01-05	100	100,000.00	9.264	86,282
General Motors	8.625	04-01-05	200	199,174.76	8.746	166,972
Texaco Inc.	8.875	05-01-05	300	298,137.21	9.030	253,800
Shell Oil	8.75	08-15-05	300	298,134.43	8.903	253,920
Standard Oil of Ind.	8.375	06-15-05	300	297,504.25	8.556	247,365
Standard Oil of California	8.75	07-01-05	200	198,512.74	8.920	169,246
Marathon Oil	8.50	11-01-06	100	99,561.04	8.619	78,976
Shell Oil	8.00	04-15-07	200	200,000.00	8.056	156,898
Dow Chemical	8.625	02-15-08	100	99,249.07	8.784	80,673
Carter Hawley Hale	9.125	10-15-08	200	195,169.82	9.510	163,646
Subtotal			\$17,408	\$16,678,547.53		\$13,612,004
Miscellaneous						
Pacific Gr. East Ry	3.75	06-15-81	\$ 30	\$ 29,969.03		\$ 28,039
Subtotal			\$ 30	\$ 29,969.03		\$ 28,039

Description	Interest Rate	Maturity Date	Value 000's	Amortized Cost	Average Book Yield	Market Value
<u>Public Utilities - Comm.</u>						
General Tel. Co. of CA	4.50	09-01-86	\$ 50	\$ 40,917.00	8.433	\$ 38,041
New England Tel. & Tel.	3.125	12-15-88	50	50,213.33	3.016	30,259
North Western Bell	4.375	05-01-89	150	149,997.77	4.393	100,237
New England Tel. & Tel.	4.0	04-01-93	50	50,011.08	4.024	28,275
New York Tel. Co.	4.125	07-01-93	25	24,931.08	4.190	14,380
Southern Bell Tel.	4.625	12-01-93	50	50,280.93	4.565	30,250
American Tel. & Tel. Co.	5.625	08-01-95	300	301,031.21	5.605	197,142
General Tel. Co. of CA	5.0	12-01-95	25	25,039.80	5.009	13,858
American Tel. & Tel. Co.	4.375	10-01-96	500	481,909.66	4.884	275,025
Chesapeake & Potomac Tel. Co. of VA	4.375	02-01-98	75	75,592.20	4.307	40,199
Illinois Bell Tel. Co.	6.00	07-01-98	150	150,000.00	6.042	98,538
Mountain States Tel. & Tel. Co.	5.00	04-01-00	200	127,215.84	11.064	111,782
Pacific Tel. & Tel. Co.	4.625	05-01-00	100	101,600.93	4.496	50,651
American Tel. & Tel. Co.	6.00	08-01-00	500	365,557.78	11.184	323,550
General Tel. of Indiana	9.00	12-01-00	100	100,000.00	9.063	82,821
Pacific Tel. & Tel. Co.	6.00	11-01-02	125	125,572.27	5.977	74,400
Bell Tel. Co. of Penn.	4.375	02-01-03	100	101,116.48	4.294	49,958
General Tel. Co. of Illinois	8.25	07-01-03	100	100,434.68	8.242	77,804
Wisconsin Tel. Co.	6.25	08-01-04	200	200,000.00	6.294	129,602
Southern Bell Tel. & Tel. Co.	6.00	10-01-04	100	100,477.98	5.977	62,512
Illinois Bell Tel.	8.00	12-10-04	100	100,000.00	8.056	77,787
Mountain States Tel. & Tel. Co.	5.50	06-01-05	100	100,494.54	5.474	57,213
Illinois Bell Tel.	8.00	06-01-05	250	253,460.70	7.843	194,235
New England Tel. & Tel. Co.	4.625	07-01-05	250	251,306.68	4.598	124,717
Southwestern Bell Tel. Co.	8.25	09-01-05	100	100,891.11	8.171	78,754
Indiana Bell Tel.	4.75	10-01-05	50	50,631.43	4.640	25,582
New York Tel. Co.	4.875	01-01-06	50	50,000.00	4.909	26,095
Southwestern Bell Tel. Co.	5.375	06-01-06	100	98,623.24	5.585	56,286
Southwestern Bell Tel. Co.	8.75	08-01-07	50	50,186.42	8.753	41,243
New York Tel. Co.	8.00	07-15-08	100	100,000.00	8.063	76,826
Bell Tel. Co. of Penn.	8.00	08-01-09	100	100,893.26	7.928	77,044
New England Tel. & Tel.	8.625	09-01-09	100	99,787.00	8.717	79,714
Pacific Northwestern Bell Tel. Co.	8.625	10-01-10	50	50,320.06	8.591	40,532
Michigan Bell Tel.	7.75	06-01-11	100	99,527.56	7.867	73,189
Pacific Tel. & Tel. Co.	9.50	06-15-11	100	100,000.00	9.566	82,099
Diamond States Tel. Co.	8.20	08-01-11	100	100,000.00	8.257	76,491
Chesapeake & Potomac Tel. Co. of VA	7.25	06-01-12	85	82,491.32	7.659	59,411
New York Tel. Co.	8.30	08-15-12	150	151,449.81	8.231	116,997
Pacific Tel. & Tel. Co.	9.00	01-15-18	200	200,237.74	9.048	157,860
Mountain States Tel. & Tel. Co.	8.625	04-01-18	200	198,112.28	8.708	160,482
Michigan Bell Tel.	9.125	12-01-18	100	98,781.70	9.337	83,611
Subtotal			\$5,385	\$5,160,094.87		\$3,595,472

Public Utilities - Elect.

Kansas City P & Lt.	3.25	02-15-85	\$ 50	\$ 50,255.49	3.107	\$ 37,284
Philadelphia Electric	3.125	04-01-85	50	50,007.94	3.139	33,300
Cleveland Electric	2.75	09-01-85	25	25,009.69	2.725	17,618
Con. Gas El. & Power	2.75	01-15-86	25	25,036.35	2.731	17,771
Potomac Edison	4.625	05-01-87	40	40,213.61	4.521	27,369
Boston Edison	4.625	06-01-87	50	50,245.19	4.534	34,175
Pennsylvania Electric	4.00	03-01-88	48	47,019.49	4.410	17,591
Washington Water & Power	4.375	08-01-88	25	25,039.85	4.373	16,127
Florida Power & Light	5.00	06-01-89	45	39,322.25	3.274	31,401
Pennsylvania Electric	5.00	09-01-90	100	101,978.76	4.843	34,983
Puget Sound Power & Light	4.625	02-01-91	90	89,799.36	4.691	52,286
Southern California Edison	5.25	05-15-91	150	150,000.00	5.287	100,383
PG&E Ist	5.00	06-01-91	200	165,307.94	9.032	131,950
Boston Edison	4.25	06-01-92	100	99,930.00	4.289	52,331
Consolidated Edison Company	4.375	06-01-92	350	349,328.31	4.432	200,410

Description	Interest Rate	Maturity Date	Value 000's	Amortized Cost	Average Book Value	Market Value
<u>Public Utilities - Elect. (cont'd)</u>						
Baltimore Gas & Electric Co.	4.375	07-15-92	\$ 200	\$ 201,360.95	4.307	\$ 117,832
Southern California Edison	6.375	02-15-93	50	50,081.57	6.385	35,345
Puget Sound Power & Light	4.625	11-01-93	70	70,155.97	4.627	36,812
Wisconsin Electric Power Co.	7.00	11-15-93	100	100,000.00	7.049	71,500
Pacific Gas & Electric Co.	4.375	06-01-94	150	150,313.05	4.375	83,922
Carolina Power & Light	4.50	07-01-94	175	157,714.52	6.370	94,677
Southern California Edison	8.125	10-15-94	100	100,000.00	8.183	79,220
Philadelphia Electric	9.0	02-01-95	220	222,985.25	8.770	173,545
Pacific Gas & Electric	4.25	06-01-95	100	100,000.00	4.280	53,650
Orange & Rockland Utilities	4.875	08-15-95	50	50,676.04	4.707	26,617
Georgia Power Co.	4.875	09-01-95	150	151,178.56	4.788	76,461
Public Service Gas & Electric Co.	4.75	09-01-95	50	50,153.40	4.733	28,416
Ohio Edison	8.75	09-01-95	50	50,313.26	8.684	37,600
Boston Edison	4.75	11-01-95	50	50,328.31	4.680	25,275
West Pennsylvania Power Co.	4.875	12-01-95	50	50,304.50	4.813	28,615
Florida Power & Light	5.0	12-01-95	50	50,605.96	4.842	28,327
Consolidated Edison of New York	5.0	01-01-96	50	50,232.26	4.969	28,157
Ohio Power Co.	5.0	01-01-96	50	50,280.23	4.951	25,948
Gulf States Utility Co.	5.0	01-01-96	50	50,333.26	5.012	27,479
Kentucky Power	5.125	01-01-96	25	25,233.28	5.012	14,125
Texas Power & Light Co.	5.00	02-01-96	100	101,753.13	4.819	58,247
Atlantic City Electric	5.125	02-01-96	100	100,669.88	5.054	56,655
Texas Electric Service	5.125	02-01-96	100	101,034.84	4.997	59,196
Central Illinois Light Co.	5.125	02-01-96	100	100,401.93	5.097	56,655
Duguesne Light	5.125	02-01-96	200	201,234.72	5.062	113,804
Monogahela Power	5.50	03-01-96	500	49,730.59	5.628	27,618
Commonwealth Edison Co.	5.25	04-01-96	200	201,596.32	5.628	112,840
Tampa Electric Co.	5.50	04-01-96	50	50,459.78	5.386	30,805
Philadelphia Electric Co.	8.25	08-01-96	100	100,349.59	8.242	72,990
Illinois Power Co.	5.85	10-01-96	520	399,894.57	9.642	331,905
Florida Power & Light	6.00	12-01-96	55	55,420.80	5.913	34,309
Dallas Power & Light	5.375	02-01-97	250	253,315.85	5.210	151,002
Commonwealth Edison Co.	5.375	04-01-97	100	83,240.81	8.127	56,370
Central Maine Power Co.	7.70	07-01-97	50	50,000.00	7.754	35,100
Texas Power & Light Co.	6.625	01-01-98	45	42,197.74	7.653	31,027
Duke Power Co.	6.375	02-01-98	25	25,112.99	6.346	15,950
Gulf States Utilities	6.625	02-01-98	75	76,043.51	6.442	48,871
Potomac Electric Co.	4.375	02-15-98	100	101,226.52	4.268	48,896
Consumers Power	6.875	05-01-98	100	101,338.01	6.697	64,187
Consolidated Edison, Co. New York	6.85	10-01-98	150	150,000.00	6.898	98,872
Detroit Edison Co.	6.40	10-01-98	150	149,771.80	6.469	90,199
Boston Edison Co.	6.875	11-01-98	100	100,583.21	6.827	62,844
Public Service Co.	7.125	01-01-99	200	201,266.39	7.069	144,132
Duke Power Co.	7.00	02-01-99	225	223,926.87	7.129	156,364
Gulf States Utilities	7.25	03-01-99	75	75,239.56	7.248	50,094
Public Service Co.	7.25	04-01-99	100	99,621.03	7.366	71,702
Union Electric Co.	7.375	05-01-99	100	100,954.57	7.267	66,285
Cincinnati Gas & Electric Co.	7.375	05-01-99	200	202,686.50	7.201	144,698
Virginia Electric & Power Co.	7.75	06-01-99	110	110,000.00	7.804	76,871
Pennsylvania Power & Light	8.125	06-01-99	100	100,894.85	8.021	77,310
Consumers Power	7.625	06-01-99	200	200,000.00	7.678	136,216
Georgia Power Co.	8.125	09-01-99	100	100,183.57	8.151	69,774
Gulf States Utilities	8.125	09-01-99	100	99,426.42	8.284	72,314
Baltimore Gas & Electric Co.	8.25	09-15-99	100	100,717.34	8.179	78,524
Northern States Power Co.	8.00	10-01-99	150	146,309.98	8.510	115,752
Union Electric	8.25	10-01-99	100	100,963.02	8.136	73,816
Wisconsin Electric Power	8.375	11-01-99	100	100,897.66	8.272	80,146
Consumers Power	8.25	11-01-99	50	49,823.35	8.372	36,160
Iowa Electric Light & Power Co.	8.625	11-01-99	100	100,172.39	8.653	77,751
Boston Edison Co.	9.00	12-01-99	50	50,336.58	8.935	37,848
Niagra Mohawk Power Co.	9.125	12-01-89	100	100,000.00	9.189	79,966
Carolina Power & Light Co.	8.75	01-01-00	100	100,353.23	8.746	81,270
San Diego Gas & Electric Co.	8.75	02-01-00	250	251,254.84	8.719	185,242
Gulf States Utilities	8.50	02-01-00	150	151,093.23	8.429	113,673

Description	Interest Rate	Maturity Date	Value 000's	Amortized Cost	Average Book Value	Market Value
<u>Public Utilities - Elect. (cont'd)</u>						
Public Service Gas & Electric	9.125	03-01-00	\$ 149	\$ 150,291.92	9.030	\$ 123,022
Southern California Edison	8.875	03-01-00	100	99,373.96	9.043	82,349
Virginia Electric & Power Co.	9.00	04-01-00	120	120,000.00	9.063	93,960
Hartford Electric Co.	9.25	05-01-00	50	50,165.35	9.252	40,402
Georgia Power Co.	8.875	09-01-00	82	82,608.99	8.816	61,127
Iowa Illinois Gas & Electric Co.	8.75	09-01-00	50	49,870.84	8.857	40,612
Kansas City Power & Light Co.	8.75	09-01-00	100	100,688.74	8.691	81,225
Consolidated Edison Electric & Power	9.375	09-15-00	50	50,000.00	9.441	41,995
Cincinnati Gas & Electric Co.	8.625	12-01-00	50	50,275.31	8.589	39,912
Tampa Electric Co.	7.25	01-01-01	100	100,939.51	7.161	71,879
Duke Power Co.	7.50	03-01-01	50	50,352.75	7.445	35,830
Public Service Electric & Gas	8.375	05-15-01	250	225,183.59	9.930	200,112
Georgia Power Co.	8.125	06-01-01	100	100,195.88	8.150	69,126
Wisconsin Power & Light	8.00	07-01-01	70	70,000.00	8.056	54,552
Alabama Power Co.	8.50	07-01-01	200	201,432.94	8.440	139,702
Consumers Power Co.	8.125	08-01-01	175	175,000.00	8.182	124,845
Florida Power & Light Co.	7.75	09-01-01	100	101,272.48	7.612	74,157
Tuscon Electric & Power Co.	8.125	09-01-01	275	275,000.00	8.182	205,274
Union Electric Co.	8.125	10-01-01	50	50,500.63	8.021	36,085
Southwestern Electric	7.50	10-01-01	75	75,000.00	7.552	54,534
Oklahoma Gas & Electric	7.125	01-01-02	125	123,160.67	7.393	86,896
New England Power Co.	7.625	07-01-02	50	50,000.00	7.678	36,753
Southern California Edison	8.25	07-01-02	500	440,979.59	10.082	383,540
Arkansas Power & Light Co.	7.50	12-01-02	100	100,924.44	7.418	64,713
Atlantic City Electric Co.	7.75	06-01-03	100	97,899.19	8.119	73,315
Pennsylvania Electric Co.	8.375	07-01-03	100	101,081.53	8.271	55,700
Appalachian Power Co.	8.125	07-01-03	200	201,958.18	8.037	137,024
Alabama Power Co.	8.875	08-01-03	400	402,483.24	8.839	288,336
Cincinnati Gas & Electric Co.	8.125	08-01-03	150	151,666.95	8.019	115,107
Gulf States Utilities	8.50	08-01-03	400	400,000.00	8.559	299,268
Ohio Power Co.	8.375	08-01-03	200	198,889.84	8.518	143,098
Consumers Power Co.	8.625	08-01-03	300	303,180.83	8.523	220,992
Commonwealth Edison	8.00	10-15-03	300	257,599.65	10.132	220,104
Commonwealth Edison	8.00	10-15-03	500	433,284.96	9.994	366,840
Pacific Gas & Electric Co.	7.50	12-01-03	150	150,000.00	7.552	107,586
United Illuminating Co.	8.25	12-15-03	100	100,000.00	8.308	68,798
Pacific Power & Light Co.	8.375	01-01-04	100	100,000.00	8.434	73,239
Potomac Electric Co.	8.85	02-15-05	50	50,000.00	8.912	39,815
Texas Power & Light Co.	9.50	04-01-05	100	100,000.00	9.566	87,327
Cincinnati Gas & Electric Co.	9.85	05-01-05	100	100,000.00	9.919	88,005
Kansas Gas & Electric Co.	9.625	07-01-05	100	100,212.63	9.659	81,811
Pacific Gas & Electric	9.124	06-01-06	500	496,881.74	9.284	411,090
Houston Light & Power Co.	8.375	10-01-06	350	314,245.64	9.850	276,377
Public Service Electric & Gas Co.	8.125	09-01-07	250	216,003.47	10.067	191,632
Commonwealth Edison	9.125	10-15-08	200	196,618.88	9.412	159,084
Pacific Gas & Electric Co.	9.375	02-01-11	200	199,118.80	9.498	167,838
Subtotal			\$16,439	\$16,016,585.69		\$11,497,740
<u>Public Utilities - Gas</u>						
United Gas Corporation	4.625	06-01-82	\$.47	\$ 47,132.74	4.373	\$ 42,459
Michigan Wisconsin Pipe Line	8.625	08-15-93	200	199,319.16	8.756	169,850
Minnesota Gas Co.	8.00	06-01-94	291	291,000.00	8.056	222,758
Washington Gas & Light Co.	8.75	10-01-94	143	143,406.30	8.747	101,190
Enserch Corporation	9.75	06-15-95	149	149,000.00	9.818	131,060
People Gas, Light & Coke Co.	8.875	09-15-95	98	98,447.52	8.841	79,715
Tenneco, Inc.	8.375	04-01-02	200	199,574.38	8.465	159,234
Tenneco, Inc.	8.875	04-15-03	200	199,544.03	8.969	169,058
Subtotal			\$ 1,328	\$ 1,327,424.13		\$ 1,075,324

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value 000's</u>	<u>Amortized Cost</u>	<u>Average Book Value</u>	<u>Market Value</u>
<u>Private Placement</u>						
American Mail Line Ltd.	7.375	12-01-89	\$ 300	\$ 300,000.00	7.427	\$ 245,541
Chevron Stations	5.10	04-01-91	136	136,000.00	5.136	101,470
Subtotal			\$ 436	\$ 436,000.00		\$ 347,011

TOTAL BONDS

\$67,437 \$63,790,397.15 \$52,422,243

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

MORTGAGE-BACKED CERTIFICATES

YEAR ENDED JUNE 30, 1980

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Original Cost</u>	<u>06-30-80 Amortized Cost</u>	<u>Yield</u>	<u>Market</u>
<u>Bank of America</u>							
Bank of America Series A	8.375	05-01-07	\$ 196,533	\$ 196,533	\$ 196,161	8.491	\$ 142,457
Bank of America Series B	9.000	03-01-08	1,669,274	1,612,414	1,610,582	9.636	1,284,195
Bank of America Series 1978-4	9.000	06-01-08	908,602	844,999	844,715	10.074	699,166
Bank of America Series 1979-1	9.500	07-01-08	2,256,148	2,132,059	2,127,886	10.400	1,911,531
Bank of America Series 1979-7	9.500	12-01-08	487,747	458,483	457,353	10.471	413,326
			\$ 5,518,304	\$ 5,244,488	\$ 5,236,697		\$ 4,450,675
<u>Home Savings</u>							
Second Series	9.250	06-01-08	\$ 1,850,936	\$ 1,760,921	\$ 1,764,499	10.268	\$ 1,733,412
Fourth Series	10.000	06-01-09	2,042,718	1,971,223	1,970,219	10.632	1,455,188
			\$ 3,893,654	\$ 3,732,144	\$ 3,734,718		\$ 3,188,600
<u>GNMA Mortgages</u>							
#20074	8.000	03-15-07	\$ 19,831	\$ 18,387	\$ 19,007	8.625	\$ 16,675
#18781	8.000	10-15-07	889,334	824,579	832,556	8.913	741,204
#21693	8.000	01-15-08	930,580	886,668	887,453	8.681	776,221
#24142	8.000	03-15-08	799,272	740,825	741,611	9.021	666,166
#23139	8.000	05-15-08	948,951	872,442	873,332	9.123	791,339
#27166	9.000	12-15-08	984,479	947,561	947,668	9.615	864,690
#34001	9.500	09-15-09	498,083	483,297	483,056	10.031	448,200
#33203	9.500	10-15-09	495,068	480,215	479,963	10.035	445,500
#33381	9.500	11-15-09	246,370	230,587	230,624	10.523	221,400
			\$ 5,811,968	\$ 5,484,561	\$ 5,495,270		\$ 4,971,285
<u>Federal Home Loan</u>							
	8.050	03-15-00	\$ 304,000	\$ 302,480	\$ 302,755	8.169	\$ 267,520
<u>TOTAL</u>			<u>\$15,527,926</u>	<u>\$14,763,673</u>	<u>\$14,769,440</u>		<u>\$12,878,080</u>

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

STOCKS

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
Convertibles			
Citicorp Cv. Sub. Notes	500M	\$ 502,815	\$ 340,000
U. S. Steel Cv. Sub.	500M	<u>492,125</u>	<u>277,500</u>
Subtotal		\$ 994,940	\$ 617,500
Drug and Hospital Supply			
Merck and Company	10,000	\$ 667,107	\$ 707,500
Smithkline Corporation	16,000	712,340	934,000
Squibb Corporation	15,000	508,325	487,500
Syntex Corporation	15,000	<u>652,650</u>	<u>573,750</u>
Subtotal		\$ 2,540,422	\$ 2,702,750
Food and Beverage			
Heublein Incorporated	16,000	\$ 572,401	\$ 486,000
Pepsico Incorporated	20,000	<u>539,650</u>	<u>482,500</u>
Subtotal		\$ 1,112,051	\$ 968,500
Home Products and Cosmetics			
Dart Industries	10,010	\$ 289,249	\$ 424,174
Leisure and Restaurant			
Eastman Kodak	7,000	\$ 684,860	\$ 392,000
McDonalds Corporation	8,000	<u>382,860</u>	<u>386,000</u>
Subtotal		\$ 1,067,720	\$ 778,000
Retail			
K Mart	16,000	\$ 588,885	\$ 362,000
Banks			
Chase Manhattan Corporation	5,000	\$ 207,475	\$ 225,000

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

STOCKS (cont.)

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
Finance			
Beneficial Corporation	25,000	\$ 638,313	\$ 590,625
Federal National Mortgage Association	35,000	<u>643,713</u>	<u>568,750</u>
Subtotal		\$ 1,282,026	\$ 1,159,375
Insurance			
Capital Holding Corporation	20,000	\$ 519,354	\$ 352,500
Connecticut General Insurance	8,000	<u>280,923</u>	<u>308,000</u>
Subtotal		\$ 800,277	\$ 660,500
Utilities - Electric			
Southern California Edison	15,000	\$ 364,950	\$ 384,375
Utilities - Gas			
Internorth Incorporated	30,000	\$ 586,035	\$ 937,500
Peoples Energy Corporation	10,000	409,350	481,250
Texas Oil and Gas	12,000	<u>499,828</u>	<u>570,000</u>
Subtotal		\$ 1,495,213	\$ 1,988,750
Construction			
Georgia Pacific	20,000	\$ 579,200	\$ 550,000
Oil			
Gulf Oil	15,000	\$ 489,300	\$ 605,625
Natomas Company	10,000	424,588	476,250
Standard Oil California	12,000	459,728	918,000
Standard Oil Indiana	10,000	<u>326,850</u>	<u>572,500</u>
Subtotal		\$ 1,700,466	\$ 2,572,375
Oil Service			
Petrolane Incorporated	10,000	\$ 209,925	\$ 351,250

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

STOCKS (cont.)

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
Reading and Dates Corporation	12,000	\$ 500,040	\$ 577,500
Sedco Incorporated	6,000	<u>422,720</u>	<u>514,500</u>
Subtotal		\$ 1,132,685	\$ 1,443,250
Electronics			
AMP Incorporated	5,000	\$ 192,925	\$ 189,375
Hewlett Packard	4,000	<u>189,990</u>	<u>249,500</u>
Subtotal		\$ 382,915	\$ 438,875
Office Equipment			
Honeywell Incorporated	10,000	\$ 710,463	\$ 783,750
IBM	12,000	830,299	705,000
Xerox Corporation	9,000	<u>744,497</u>	<u>483,750</u>
Subtotal		\$ 2,285,259	\$ 1,972,500
Chemical			
Air Products and Chemicals	10,000	\$ 400,325	\$ 387,500
Celanese Corporation	12,000	<u>630,221</u>	<u>571,500</u>
Subtotal		\$ 1,030,546	\$ 959,000
Textile			
Levis Strauss	17,000	\$ 579,603	\$ 548,250
Aerospace			
Boeing Company	15,000	\$ 204,133	\$ 525,000
Machinery			
Sundstrand Corporation	15,000	\$ 480,875	\$ 637,500
Multi-Industry			
American Standard	10,000	\$ 481,475	\$ 577,500

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

STOCKS (cont.)

	<u>Shares</u>	<u>Cost.</u>	<u>Market Value</u>
Northwest Industries	10,000	\$ 330,075	\$ 295,000
TRW Incorporated	14,000	530,028	542,500
Tenneco Incorporated	20,000	<u>668,759</u>	<u>787,500</u>
Subtotal		\$ 2,010,337	\$ 2,202,500
Business Service			
Hall, Frank B.	10,000	\$ <u>242,913</u>	\$, <u>255,000</u>
TOTAL HOLDINGS		<u>\$21,372,137</u>	<u>\$22,375,174</u>

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

REAL ESTATE MORTGAGE LOANS

<u>Description</u>	<u>Final Payment Date</u>	<u>Interest Rate</u>	<u>Par Value</u>	<u>Amortized Cost</u>
FHA Title II	05-01-82	5.000	\$ 11,518	\$ 10,865
FHA Title II	10-28-94	5.250	63,239	61,741
R. H. Dye Investment Company	01-01-87	5.250	260,901	260,901
Capital Square Parking	12-01-89	5.750	<u>1,223,667</u>	<u>1,207,798</u>
TOTAL MORTGAGE LOANS			<u>\$1,559,325</u>	<u>\$1,541,305</u>

STREET IMPROVEMENT BONDS

<u>Description</u>	<u>Interest Rate</u>	<u>Par Value</u>	<u>Amortized Cost</u>
Sacramento Street Improvement Bonds	5.000	\$ <u>124</u>	\$ <u>138</u>
TOTAL STREET IMPROVEMENT BONDS		\$ <u>124</u>	\$ <u>138</u>

TOTAL INVESTMENTS

\$101,473,417



EMPLOYEES RETIREMENT
SYSTEM
STATISTICAL SECTION

Annual Financial Report

MEMBERS RETIRED
DURING YEAR 1979-80

<u>NAME</u>	<u>DEPARTMENT</u>	<u>POSITION</u>
Anderson, Robert L.	Water & Sewer	Water & Sewer Serviceman I
Begenisich, Robert	Traffic Engineering	Traffic Supervisor
Bennett, William H.	Police	Sergeant
Betancourt, Manuel	Animal Control	Animal Control Officer
Blythe, Margaret E.	Finance	Revenue & Collections Officer
Calloway, Jessie	Waste Removal	Refuse Collector
Cartoscelli, Angelo A.	Equipment Maintenance	Body Shop Foreman
Ceriani, Frank W.	Traffic Engineering	Traffic Control Maint. Man II
Chandler, Jack W.	EDP	Data Processing Manager
Clark, Howard J.	Water & Sewer	Water & Sewer Serviceman I
Cook, Jonathan	Planning	Zoning Investigator
Copren, Louise L.	Community Services	Intermediate Clerk Typist
Cotta, Bernice	Police	Registered Nurse
Danley, Homer I.	Fire	Firefighter
Dolce, Ted C.	Traffic Engineering	Parking Supervisor
Farr, Sidney N.	Traffic Engineering	Parking Meter Repairman
Floyd, Robert L.	Police	Police Officer
Gray, J.C.	Waste Removal	Sanitation Worker II
Gutierrez, Leo P.	Community Services	Park Maintenance Worker I
Hall, Mell	Waste Removal	Sanitation Worker I
Harding, Buddy E.	Water & Sewer	Machinist Helper
Harold, Leroy	Community Services	Greenskeeper
Hennessy, Edward T.	Fire	Fire Apparatus Operator
Hermann, Ronald W.	Fire	Firefighter
Houghland, Robert J.	Community Services	Golf Course Marshal
Johnson, Robert T.	Police	Police Sergeant
Jolesch, Alice E.	Finance	Intermediate Typist Clerk
King, Dallas M.	Water & Sewer	Utility Serviceman I
Lewis, Calvin A.	Water & Sewer	Machinist
Losoya, Salvador M.	Waste Removal	Equipment Operator I
Lovelace, Ralph E.	Community Services	Park Maintenance Worker II
Mason, Harold D.	Water & Sewer	Water Treatment Plant Supvr.
Matteoli, Mary L.	Finance	Senior Typist Clerk
McDowell, Alfred	Waste Removal	Sanitation Worker II
McDowell, David	Waste Removal	Sanitation Worker I
McLaughlin, Gay P.	Library	Library Assistant I
Mendoza, Felix H.	County Airport	Fire Operations Worker II
Miller, Rudolph D.	Community Services	Park Maintenance Worker II
Morgese, Frank	Community Services	Park Maintenance Worker I
Morrison, Tom	Community Services	Greenskeeper
Morse, J. Boyd	Fire	Captain
Munso, Joe M.	Community Services	Park Foreman I
Paul, John F.	Water & Sewer	Plant Operator II
Peyus, Albert V.	Police	Police Officer
Poor, Roger L.	Fire	Firefighter
Quattrociocchi, Donald J.	Fire	Firefighter
Raphun, Ursula M.	Library	Library Page

MEMBERS RETIRED
DURING YEAR 1979-80

<u>NAME</u>	<u>DEPARTMENT</u>	<u>POSITION</u>
Rath, Robert G.	Police	Police Officer
Reynolds, Robert G.	Police	Police Officer
Richardson, Ernest	Community Services	Park Maintenance Worker I
Riolo, Peter	Police	Sergeant
Roark, Eugene O.	Police	Lieutenant
Rodgers, Virgil	Water & Sewer	Plant Operator II
Sanchez, Freddie	Waste Removal	Maintenance Man I
Smith, Fern W.	Crocker Art Museum	Senior Stenographer Clerk
Sullivan, Milvern	Engineering	Painter
Thomas, John M.	Community Services	Park Maintenance Worker
Tiedt, Shirley L.	Water & Sewer	Plant Operator III
VanDerVolgen, Robert S.	Police	Police Officer
Valenzuela, Alfred M.	Street Maintenance	Equipment Operator II
Waldron, Donald	Community Services	Greenskeeper
Walter, Robert S., Jr.	Police	Police Officer
Wicks, George L.	Finance	Stores Clerk
Williams, Leon C.	Fire	Captain
Wrenn, Norman A.	Waste Removal	Equipment Operator I
Zimmerman, William E.	Inspections	Building Inspector III

MEMBERS RETIRED FOR SERVICE
DURING YEAR 1979-80

<u>EFFECTIVE</u>	<u>NAME</u>	<u>AGE</u>	<u>SECTION</u>	<u>YEARS OF SERVICE</u>
07-02-79	Reynolds, Robert G.	54	399 Safety	29.608
07-11-79	McLaughlin, Gay P.	54-1/4	399 Misc.	15.297
07-31-79	Raphun, Ursula M.	55-1/2	399 Misc.	8.399
08-01-79	Rodgers, Virgil	65-3/4	34.300	10.101
08-06-79	Clark, Howard J.	58-1/2	399 Misc.	17.934
09-01-79	Copren, Louise L.	65	34.300	14.807
09-08-79	Thomas, John M.	64-1/2	34.300	10.364
09-08-79	Morgese, Frank	65-3/4	34.300	23.568
09-29-79	King, Dallas M.	50-1/4	399 Misc.	23.069
10-24-79	McDowell, Alfred	58-3/4	399 Misc.	30.035
12-18-79	Blythe, Margaret E.	59-1/4	399 Misc.	6.525
12-29-79	Begenisich, Robert	57-1/4	399 Misc.	33.600
12-29-79	Zimmerman, William E.	62-1/2	399 Misc.	23.944
01-05-80	Mason, Harold D.	63-1/4	399 Misc.	13.673
01-05-80	Miller, Rudolph D.	58-1/4	399 Misc.	8.940
01-12-80	Harding, Buddy E.	53-1/4	399 Misc.	20.646
01-12-80	Valenzuela, Alfred M.	59-3/4	399 Misc.	31.893
01-13-80	Rath, Robert G.	55	399 Safety	31.389
02-01-80	Smith, Fern W.	62	399 Misc.	26.980
02-16-80	Richardson, Ernest	57-1/4	399 Misc.	30.041
03-15-80	Ceriani, Frank W.	62	399 Misc.	20.853
03-18-80	Matteoli, Mary L.	64	399 Misc.	7.958
03-22-80	Lovelace, Ralph E.	65	399 Misc.	10.019
04-01-80	Wicks, George L.	54-1/4	399 Misc.	18.697
04-01-80	Jolesch, Alice E.	62-1/4	399 Misc.	10.654
04-02-80	Farr, Sidney N.	63	399 Misc.	9.440
04-05-80	Dolce, Ted C.	59-3/4	399 Misc.	32.142
04-12-80	Waldron, Donald	62-1/2	399 Misc.	16.646
05-01-80	Cartoscelli, Angelo A.	62-3/4	399 Misc.	20.887
05-01-80	VanDerVolgen, Robert S.	55	399 Safety	29.676
05-02-80	Johnson, Robert T.	56	399 Safety	28.887
05-03-80	Paul, John F.	61-3/4	399 Misc.	21.996
05-10-80	Roark, Eugene O.	60	399 Safety	27.243
05-10-80	Bennett, William H.	55-1/4	399 Safety	24.714
05-17-80	Cotta, B. (deferred)	56-1/2	34.300	11.817
05-17-80	Lewis, Calvin A.	63-3/4	399 Misc.	15.734
05-31-80	Hall, Mell	67-1/4	34.300	23.000
06-08-80	Cook, Jonathan	60	399 Misc.	23.550
06-10-80	Chandler, J. (deferred)	50	34.500 Misc.	6.719
06-28-80	Wrenn, Norman A.	58-1/4	399 Misc.	26.481
06-28-80	Munso, Joe M.	62-1/2	399 Misc.	17.674
06-28-80	Gray, J.C.	62	399 Misc.	23.538
06-28-80	Morrison, Tom	65	399 Misc.	13.200
06-28-80	Tiedt, Shirley L.	61	399 Misc.	26.000

MEMBERS RETIRED FOR INDUSTRIAL DISABILITY
DURING YEAR 1979-80

<u>EFFECTIVE</u>	<u>NAME</u>	<u>AGE</u>	<u>SECTION</u>	<u>YEARS OF SERVICE</u>
12-08-77 (retro)	Calloway, Jessie	52	34.500 Misc.	10.724
11-23-78 (retro)	Mendoza, Felix H. (Co. Transferee)	57-3/4	34.500 Misc.	30.088
07-23-79	McDowell, David	47-3/4	399 Misc.	7.711
08-02-79	Sullivan, Milvern	53-1/4	399 Misc.	5.231
08-14-79	Sanchez, Freddie	25-3/4	399 Misc.	3.137
08-17-79	Riolo, Peter	49-1/2	399 Safety	20.161
09-03-79	Poor, Roger L.	45-3/4	399 Safety	14.266
09-17-79	Williams, Leon C.	49	34.400	16.066
10-16-79	Hennessy, Edward T.	52	399 Safety	21.663
11-06-79	Morse, J. Boyd	52	34.400	16.535
12-18-79	Danley, Homer I.	52-1/4	399 Safety	20.853
12-19-79	Hermann, Ronald W.	44-3/4	399 Safety	20.583
02-12-80	Quattrociocchi, Donald J.	45	399 Safety	13.776
02-20-80	Floyd, Robert L.	37-1/2	399 Safety	13.347
03-28-80	Peyus, Albert V.	34-1/4	399 Safety	10.932
04-14-80	Betancourt, Manuel	36-3/4	399 Misc.	3.833

MEMBERS RETIRED FOR ORDINARY DISABILITY
DURING YEAR 1979-80

<u>EFFECTIVE</u>	<u>NAME</u>	<u>AGE</u>	<u>SECTION</u>	<u>YEARS OF SERVICE</u>
10-01-79	Anderson, Robert L.	55	399 Misc.	10.614
10-26-79	Walter, Robert S., Jr.	34-3/4	399 Safety	13.199
02-01-80	Harold, Leroy	58-1/4	399 Misc.	13.560
02-20-80	Houghland, Robert J.	58	399 Misc.	12.770
04-21-80	Losoya, Salvador M.	59-1/4	34.300	13.573
06-20-80	Gutierrez, Leo P.	51-3/4	34.300	10.286

DEATH OF ACTIVE MEMBERS
DURING YEAR 1978-79

<u>NAME</u>	<u>DEPARTMENT</u>	<u>YEARS OF SERVICE</u>	<u>DATE OF DEATH</u>	<u>DATE OF BIRTH</u>
McSpadden, Ronald L.	Police	8.712	08-18-79	02-25-38
Granico, Tony	Street Cleaning	17.466	02-29-80	07-13-24
Ray, Ike	Waste Removal	14.932	04-17-80	09-09-29
Jimenez, Juan S.	Community Services	12.609	04-02-80	07-04-29
Avis, Marcelino F.	Community Services	21.000	05-18-80	12-18-18

DEATH OF RETIRED MEMBERS
DURING YEAR 1979-80

<u>NAME</u>	<u>DEPARTMENT</u>	<u>TYPE AND DATE OF RETIREMENT</u>	<u>DATE OF DEATH</u>	<u>DATE OF BIRTH</u>
Nilan, John G.	Police	Service 04-01-68	07-06-79	10-23-01
Hayes, Arnold E.	Waste Removal	Ord Dis 01-01-47	07-08-79	04-19-06
Coyle, Charles	Police	Service 01-03-79	07-12-79	11-26-23
Pierce, James M.	Rec & Parks	Ord Dis 09-01-55	07-31-79	11-18-97
Laughlin, Henry W.	Police	Service 12-01-72	08-03-79	12-01-72
McWilliam, Rodney	Personnel	Service 07-14-70	08-06-79	10-13-15
Orr, William J.	Waste Removal	Service 07-02-70	08-30-79	11-10-05
Bunker, Edwin L.	Fire	Service 04-25-70	09-01-79	12-03-07
Hanretty, Ada T.	Emergency Planning	Service 08-19-72	09-05-79	01-09-15
Brady, Albert C.	Fire	Service 07-01-67	09-24-79	12-30-03
Boyle, Charles A.	Finance	Ord Dis 06-21-78	10-01-79	06-24-15
Lott, Jack F.	Equipment Maint	Service 02-01-69	11-11-79	12-24-03
Nicolosi, William	Corporation Yard	Service 01-03-70	10-16-79	02-07-04
Thomas, John M.	Community Services	Service 09-08-79	10-18-79	02-02-15
Atchison, James C.	Waste Removal	Ord Dis 04-01-54	10-28-79	07-13-97
Manby, Paul	City Clerk	Service 03-09-61	10-30-79	05-26-98
Anderson, Joe A.	Rec & Parks	Ord Dis 07-01-78	11-14-79	02-21-34
Kinney, John T.	Fire	Service 07-01-71	12-07-79	05-14-12
Robbins, Robert C.	Police	Service 07-22-75	01-06-80	12-14-24
Santich, George J.	Police	Ind Dis 05-28-76	02-20-80	08-20-20
Trimble, Roy E.	Fire	Service 10-20-70	03-03-80	12-29-10
King, Nelson C.	Central Stores	Service 10-28-72	03-06-80	12-05-07
Underwood, Walter W.	Fire	Ord Dis 04-28-51	03-13-80	12-05-98
Overstreet, Evelyn E.	Treasurer's	Service 04-16-65	03-19-80	04-16-10
Breech, Bertram J.	Engineering	Service 10-30-76	03-20-80	11-08-14
Young, Velma B.	Library	Service 04-18-55	03-26-80	08-18-85
Luethy, Charles L.	Police	Service 07-06-63	03-31-80	04-06-10
Bird, Isabelle	Health Dept	Service 04-01-56	04-08-80	03-07-91
Bertacchi, Ottorino	Park	Service 09-01-62	04-14-80	08-19-98
Woods, Estelle E.	Rec & Parks	Service 03-01-55	04-19-80	04-24-95
Kersh, Willard R.	Puchasing	Ord Dis 02-14-62	04-29-80	03-23-09
Bolden, Arnold J.	Fire	Service 12-01-62	05-02-80	12-23-04
Barrow, John A.	Fire	Service 07-01-75	05-08-80	01-12-19
Gould, Lester L.	Golf Courses	Service 04-01-71	05-19-80	03-10-06
Butler, Lloyd V.	Community Center	Ind Dis 04-24-75	05-21-80	12-06-19
Hamilton, Edgar F.	Parking Lots	Service 08-01-70	05-29-80	01-26-05
Meyer, Joseph L.	Parks	Ord Dis 08-29-73	05-29-80	08-13-17
Wilson, William L.	Health Dept	Ord Dis 06-10-55	06-14-80	04-12-05

BENEFICIARIES BEGINNING TO RECEIVE
CONTINUATION ALLOWANCES DURING YEAR 1979-80

<u>EFFECTIVE</u>	<u>NAME</u>	<u>SPOUSE OF</u>	<u>DATE OF BIRTH</u>
07-07-79	Mary Nylan	John	04-03-12
07-09-79	Hayes, Jeanette	Arnold	07-26-08
07-13-79	Dolores Coyle	Charles	08-31-27
08-01-79	Lurline Pierce	James	04-02-08
08-04-79	Doris Laughlin	Henry	01-17-12
08-31-79	Oris Orr	William	03-28-10
09-02-79	Helen Bunker	Edwin	04-19-16
09-06-79	Ada Hanretty	Peter	07-22-16
09-25-79	Alice Brady	Albert	10-11-08
10-02-79	Eleanor Doyle	Charles	10-18-17
10-12-79	Elizabeth Lott	Jack	03-03-05
10-17-79	Josephine Nicolosi	William	10-03-12
10-19-79	Ruth Thomas	John	12-17-19
12-08-79	Dorothy Kinney	John	09-10-05
01-07-80	Josephine Robbins	Robert	08-01-19
02-21-80	Catherine Santich	George	06-25-22
03-04-80	Stella Trimble	Roy	12-13-07
03-07-80	Helen King	Nelson	06-02-08
04-01-80	Bernice Luethy	Charles	01-04-11
05-03-80	Jessie Bolden	Arnold	02-02-17
05-20-80	Lillian Gould	Lester	06-09-14
05-22-80	Barbara Butler	Lloyd	05-23-33
05-30-80	Gertrude Hamilton	Edgar	06-01-08
05-30-80	Wilda Meyer	Joseph	09-16-19
06-15-80	Floy Wilson	William	05-26-10

BENEFICIARIES REMOVED
DURING YEAR 1979-80

<u>EFFECTIVE</u>	<u>CAUSE OF REMOVAL</u>	<u>NAME</u>	<u>SPOUSE OF</u>	<u>DATE OF DEATH</u>	<u>DATE OF BIRTH</u>
08-21-79	Death	Margaret Winters	Horace	08-21-79	08-02-10
08-29-79	Death	Alice Gidlund	James Darwin	08-29-79	07-21-91
09-26-79	Death	Dora Thomas	John	09-26-79	06-08-85
11-20-79	Death	Muriel Ochsner	Frank	11-20-79	01-06-18
01-09-80	Death	Nellie Kaminsky	George	01-09-80	07-26-92
02-03-80	Death	Phyllis Berge	Larry Heselton	02-03-80	09-04-21
02-24-80	Death	Ethel Winters	Charles	02-24-80	07-15-99
04-09-80	Death	Eula Dodds	William	04-09-80	09-10-00
05-01-80	Death	Hazel Greenlaw	John	05-01-80	01-13-99



**EMPLOYEES RETIREMENT
SYSTEM
ACTUARIAL VALUATION**

Annual Financial Report

ACTUARIAL VALUATION
OF THE SACRAMENTO CITY
EMPLOYEES' RETIREMENT SYSTEM

January 8, 1981

TOWERS, PERRIN, FORSTER & CROSBY
ONE DEPARTMENT CENTER
LOS ANGELES, CALIFORNIA 90024
(213)553-3470

January 9, 1981

Administration, Investment, and
Fiscal Management Board
Sacramento City Employees'
Retirement System
801 Ninth Street, Room 110
Sacramento, California 95814

Members of the Board:

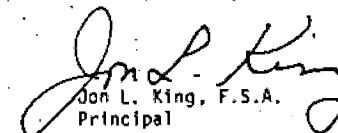
We are pleased to transmit herewith our Report setting forth the results of the valuation of your Retirement System as of June 30, 1980.

The valuation was based upon financial statements furnished by the City's Department of Finance and employee data furnished by the Employee Services Division.

We would like to take this opportunity to express our appreciation for the courtesy and cooperation accorded us by the Employee Services Division during the course of our work.

Sincerely,

TOWERS, PERRIN, FORSTER & CROSBY


Jon L. King, F.S.A.
Principal

JLK/pp

Enclosure

TP&C TOWERS, PERRIN, FORSTER & CROSBY

ACTUARIAL VALUATION
OF THE SACRAMENTO CITY
EMPLOYEES' RETIREMENT SYSTEM

TABLE OF CONTENTS

	<u>Page</u>
<u>SECTION I - INTRODUCTION</u>	1
Summary of Membership	2
<u>SECTION II - RESULTS OF VALUATION</u>	4
Asset Information	
A. Actuarial Balance Sheet	5
Recommended City Contribution	
B. Funding Ratio - Traditional	8
C. Funding Ratio - FASB	10
Present Value of Vested Benefits	
D. Funding Ratio - Quick Liability Measure	11
E. Funding - Overall Consideration	12
<u>SECTION III - MEMBER CONTRIBUTIONS</u>	13
<u>SECTION IV - OTHER RESULTS</u>	14
<u>SECTION V - STATISTICAL AND MISCELLANEOUS INFORMATION</u>	16
Actuarial Assumptions	16
Actuarial Method	25
Summary of Principal Plan Provisions	25
Age/Service Distribution of Active Members	43

SECTION I
INTRODUCTION

This is the first valuation TPF&C has performed of the Sacramento City Employees' Retirement System. At the time we made our presentation to provide actuarial services to the Board we stated that it appeared the actuarial assumptions utilized by the previous actuary were reasonable in the aggregate and that we did not feel an actuarial investigation of the System's experience was warranted.

In the process of completing the valuation the previous actuary supplied us with a complete set of their assumptions. We have now had an opportunity to analyze these assumptions thoroughly and continue to believe they are reasonable in the aggregate. We suspect that the mortality assumptions, both after service and disability retirements, could use some strengthening. However, this strengthening would have only a minimum effect on the results of your valuation. We believe that if we were to make a full-scale investigation of your System, we would find some counterbalancing conservative assumptions anyway.

Our results as described in Section II are financially consistent with the previous actuarial valuation. In other words this year's results would be generally predicted based on last year's results and the demographic changes that took place between June 30, 1979 and June 30, 1980. We believe the consistency between the two most recent valuations is a validation of both the Wyatt and TPF&C valuation programs as applied to your System.

Summary of Membership

The following tables are provided as a general indication of the current size of the System and how it has changed since the last valuation.

Active Participants

		<u>Number</u>	<u>Annual Salaries</u>	<u>Average Salary</u>
Miscellaneous Members	6/30/80	1487	\$ 28,848,755	\$ 19,401
	6/30/79	1522	26,738,328	17,568
Percent Increase		-2.3%	+7.9%	+10.4%
Safety Members	6/30/80	838	22,858,818	27,278
	6/30/79	857	20,980,743	24,482
Percent Increase		-2.2%	+9.0%	+11.4%
Total Covered Members	6/30/80	2325	51,707,573	22,240
	6/30/79	2379	47,719,071	20,058
Percent Increase		-2.3%	+8.4%	+10.9%
Noncovered Employees (PERS)	6/30/80	569	9,474,423	N/A
	6/30/79	315	4,893,173	N/A
Grand Total	6/30/80	2894	61,181,996	N/A
	6/30/79	2694	52,612,244	N/A
Percent Increase			+16.3%	

Retired Participants and Beneficiaries

	<u>Number</u>	<u>Annual Pension</u>	<u>Average Annual Pension</u>
Miscellaneous Members	732	\$ 3,858,514	\$ 5,271
Safety Members	453	3,730,574	8,235
Total	1185	7,589,088	6,404

The above statistics are given only to provide a general understanding of the demographic changes to the System. They are not used directly in any of the actuarial calculations. More complete statistics on active members can be found in Section V of this report.

The more salient features of the System's demographics are:

1. The average pay of all covered members rose 11.4% during Fiscal 1980. This is considerably larger than the assumed salary increase for individuals of 5% per annum. The situation implies larger pension benefits and pension liabilities than previously anticipated.
2. The total pay of all Sacramento City Employees (System Members plus PERS Members) rose by 16.3%. This contrasts with the assumption that total payroll will increase by 5% per year. This is a different assumption than assuming individual salaries increase at 5%. The extra 11.3% (16.3% - 5%) total payroll increase means that there is a larger than expected payroll base over which you can amortize your pension liabilities. Therefore you can expect City contributions to decrease from the prior year if viewed as a percentage of total payroll including PERS.

In summary the demographics would have us expect larger dollar pension expense as a result of the 11.4% average salary increase of covered members and also smaller percentage pension expense as a result of the even larger increase in total payroll.

SECTION II
RESULTS OF VALUATION

Our valuation is based on the actuarial assumptions as described in Section V and the following asset information as provided by the City's Department of Finance.

	<u>Total</u> <u>(000's)</u>	<u>Misc.</u> <u>(000's)</u>	<u>Safety</u> <u>(000's)</u>
Net Assets 6/30/79	\$ 97,181	\$ 43,973	\$ 53,208
Add:			
Member contributions	3,495	1,559	1,936
City's normal contributions	5,197	1,614	3,583
City's amortization contrib.	3,117	1,430	1,687
City's pay-as-you-go contrib.	548	248	300
Investment income	6,878	3,112	3,766
Deduct:			
Benefit expenditures	(7,325)	(3,720)	(3,605)
Contribution refunds	(524)	(298)	(226)
Investment counselor fees	(59)	(27)	(32)
Net Assets 6/30/80	<u>\$108,508</u>	<u>\$ 47,891</u>	<u>\$ 60,617</u>

In the remainder of this Section we will provide four different views of the funding of this System. Before proceeding we would like to point out that we do not round our results to the nearest thousand as did the previous actuary; this is in no way meant to imply that our numbers are more precise than the prior actuary's. Considering the myriad assumptions made in the study, this rounding may even imply more accuracy than actually exists. We do not round our results simply for ease of checking.

A. Actuarial Balance Sheet

Our first view of the funding of your System is given by an Actuarial Balance Sheet as shown on the next page. In this approach we first determine the amount and timing of all future payments that will be made by the System. We then discount these payments at 7% per annum to the date of the valuation, thereby determining their present value. We see from the Balance Sheet that the total present value of benefits to be paid equals over \$345 million. We title this present value the "liability" of the System. Secondly we determine how these liabilities will be met. Item 1 in the Balance Sheet represents the amount of assets already accumulated by the System. Item 2 is the present value of the contributions to be received from the members; we find this to be almost \$44 million. Item 3 is the present value of future normal costs. In layman's terms the City is budgeting 6.1% of Miscellaneous payroll plus 17.1% of Safety payroll for "normal" contribution to the System. These contribution percentages are known as normal cost percentages. The present values of these contributions amount to over \$56 million. There is a historical significance to the 6.1% and 17.1% figures but they are only of academic interest now.

Finally we compare the existing assets plus the present value of the future normal costs plus the present value of future member contributions to the present value of the benefits to be paid from the System. We see that we are "short" in assets by \$136 million. (\$345 million - \$109 million - \$44 million - \$56 million.)

ACTUARIAL BALANCE SHEET

<u>Assets (Income)</u>	<u>June 30, 1979</u>	<u>June 30, 1980</u>
1. Total Assets Held	\$ 97,181,000	\$ 108,508,000
2. Present Value of Future Contributions by Members	40,028,000	43,896,765
3. Present Value of Future City Contributions for Normal Costs (6.1% of Covered Miscellaneous and 17.1% of Covered Safety Payroll)	51,982,000	56,470,715
4. Present Value of Other Future City Contributions (i.e., Unfunded Supplemental Present Value)	123,093,000	136,240,950
5. Total Actuarial Assets	312,284,000	345,116,430
 <u>Liabilities (Outgo)</u>		
6. Present Value of Benefits Already Granted	83,709,000	91,125,418
7. Present Value of Benefits to Vested Terminated, Reciprocal, and Transferred Members	2,196,000	2,470,949
8. Present Value of Future Disability Benefits to Current Active Members	N/A	48,091,728
9. Present Value of Future Death Benefits to Current Active Members	N/A	4,234,298
10. Present Value of Future Service Retirement Benefits to Active Members	226,379,000*	189,068,267
11. Present Value of Refunds of Member Contributions	N/A	10,124,770
12. Total Value of Future Benefits	312,284,000	345,116,430

* Includes death, disability, and refund benefits.

This shortfall (or balancing item) of \$136 million is known as the Unfunded Liability or Unfunded Supplemental Present Value of your System. In the text we will prefer to abbreviate it as USPV. To bring the System into actuarial balance we must determine a source of income which has a present value of \$136 million.

The source is, of course, the City and the pattern of payments to amortize the USPV is specified by the City Charter as a series of payments which increase in accordance with the actuarial salary assumption (5% per annum). The USPV is to be amortized over the period ending June 30, 2007. The Charter further specifies a phase-in of amortization payments between now and January 1, 1983. The contributions to amortize the USPV which fit the pattern specified by the Charter and which have a present value of \$136 million are as follows:

Date of valuation to June 30, 1981	6.88% of total payroll (including PERS)
July 1, 1981 to June 30, 1982	8.58% of total payroll (including PERS)
July 1, 1982 to December 31, 1982	10.28% of total payroll (including PERS)
January 1, 1983 to June 30, 2007	11.13% of total payroll (including PERS)

For expense purposes the Fiscal Year 1981 result of 6.88% of total payroll can be viewed as 5.52% of Miscellaneous and 8.37% of Safety payroll. Similarly for Fiscal 1982 the results would be equivalent to 6.89% of Miscellaneous payroll and 10.44% of Safety payroll. Because the City Charter addresses calendar years, whereas the actuarial valuations are performed on a Fiscal Year basis, the following table can also be used for determining the City's USPV amortization expense.

Calendar Year	Unfunded Supplemental Present Value Amortization Percentage	
	(Current Recommendation)	(Previous Wyatt Recommendation)
1981	7.73% of total payroll (including PERS)	8.00%
1982	9.43% of total payroll (including PERS)	9.70%
1983 and on	11.13% of total payroll (including PERS)	11.40%

The above table was derived from an averaging of the results on the Fiscal Year Basis.

The total recommended City Contribution for this System would be the USPY amortization as above plus the normal cost which is 6.1% of Miscellaneous plus 17.1% of Safety payroll. For normal cost, only payroll covered by this System is included, i.e., PERS payroll is excluded.

8. Funding Ratio - Traditional

Our second view of the funding of your System is to measure the present value of accrued (earned) benefits and then compare it to accumulated assets. This view focuses on benefits earned to date and does not project that any benefits will be earned in the future as does the balance sheet view.

There is more than one way to define benefits earned to date. We will use the "traditional" definition in this section and the "FASB" definition in the next section. The "traditional" view has been used in your preceding valuation reports. In particular the traditional definition of an accrued benefit assumes future salary increases. The following example should be helpful. In a plan that provides 2% of final pay at age 60, a person who entered the plan at age 30 and is now age 50 is two-thirds of the way to

retirement and therefore has earned two-thirds of his projected benefit expected at age 60. If his current monthly salary were, say, \$1,000 his projected final salary would be about \$1,600 and his total earned or accrued monthly benefit would be \$640 (\$1,600 X 2% X 30 years X 2/3). We then determine the present value of \$640 per month taking into account the probability he will receive the benefit, the likely duration of the benefit and any cost-of-living increases expected.

Applying the above methodology to your System we have determined the following:

	June 30, 1979	June 30, 1980
(1) Present Value of Accrued Benefits	\$ 182,300,000	\$ 226,307,825
(2) Assets	97,181,000	108,508,000
(3) Percent Funded (2) + (1)	53.3%	47.9%

The percent funded is interesting in itself but is not as important as the trend over the years. The trend is definitely downward since the "Present Funded" as of June 30, 1978 was 57.3%. There are two main reasons for the downward trend:

- (1) The City is phasing in full actuarial contributions. If the City had been making the full ultimate contributions scheduled for 1983 and after, the "Percent Funded" would have been buoyed up somewhat over the last few years.
- (2) Salary increases over the last few years have exceeded the salary increase assumption of 5% per year.

Hopefully time will reverse the trend illustrated above. Certainly with the passage of time the contributions will be increased to their ultimate level. If possible, we would recommend foregoing the rest of the phase-in period and using an amortization expense equal to 10.79% of total payroll. This is less than the recommended ultimate rate because there is no shortage between now and 1983 if there is no phase-in.

Some may argue that we should increase the salary assumptions in order to reverse the trend. We would be happy to do so, but we feel that would introduce conservatism into the City's current contributions. Keep in mind if we increase the salary assumptions we would be projecting these presumably atypical increases for a period of 30 years or so.

C. Funding Ratio - FASB

This is an approach similar to that in Paragraph B and was recently promulgated by the Financial Accounting Standards Board (FASB) in its Opinion No. 35. The FASB has decided that if the Plan's financial statement is to be compiled in accordance with generally accepted accounting principles (GAAP) the statement must contain the "present value of accumulated benefits" determined in accordance with FASB No. 35.

FASB No. 35 requires a straightforward determination of the present value of accrued benefits except one change to the definition used in the "traditional" view of Paragraph B; that is that no projection of future salary increases be made. Returning to our example, the person's accrued benefit under this definition would be \$400 ($\$1,000 \times 2\% \times 30 \text{ years} \times 2/3$). We see that for our example the earned benefit and in turn the present value is

decreased more than 33%. For younger members the differences are even larger; however for retired members the two methods produce the same results. Using the FASB approach we have estimated the following:

	<u>June 30, 1979</u>	<u>June 30, 1980</u>
(1) Present Value of Accrued Benefits	N/A	\$ 192,193,068
(2) Assets	N/A	108,508,000
(3) Percent Funded (2) ÷ (1)	N/A	56.5%

The above results are based on the actuarial assumptions as described in Section V including an interest rate of 7%. Since the amortized cost of the assets is used by the System and since market value is specified to be used in the above comparison by the FASB it would probably be appropriate to use a higher interest rate more in line with today's market condition in determining a FASB "present value of accumulated benefits".

We have also estimated that about \$189 million of the \$192 million present value of accrued benefits is vested and this may be useful in certain reporting of the City and the System.

D. Funding Ratio - Quick Liability Measure

A final simple measure of a plan's condition is to compare the liability for members who are no longer actively employed plus member deposits of those still actively engaged in providing services versus accumulated assets. This comparison is as follows:

REVISED

June 30, 1980

(1) Liability for Retired; Vested Terminations, Reciprocals, and Transfers	\$ 93,597,367
(2) Accumulated Active Member Deposits with Interest	36,826,167
(3) Total (1) + (2)	130,423,534
(4) Assets	108,508,000

In a well funded System the assets should at least exceed the liability for members no longer providing services plus the active members' "own" money. By this definition the System is not well funded therefore consideration would be given to increasing contributions preferably by removal of the phase-in.

E. Funding - Overall Consideration

There are two basic considerations in contemplating the funding status of a system. The first is how much assets have been accumulated to pay benefits and how they compare to the current liability for benefits already earned. Paragraphs B, C, and D above are intended to evaluate this aspect of funding. However, the second consideration is normally more important: what is the financial commitment of the plan sponsor to continue to fund both benefits earned to date and benefits to be earned in the future, and does the plan sponsor have the financial resources to meet future budgetary obligations? (See Paragraph A of this Section.)

SECTION III
MEMBER CONTRIBUTIONS

The contribution percentages for the Section 399 plan are specified by the City Charter. For the Section 175 plans contribution rate formulas are specified by the City Charter, but in this case the rates have been fixed based on a previous valuation. The City Charter also specifies a method for calculating contribution rates for members of the Equal Shares Plan. We believe a small increase in contributions would arise if we were to make a formal study of the Equal Shares Plan. However, due to the small number of members in this Plan, we recommend that the current rates be maintained indefinitely at their current levels. Although an increase in member contributions would relieve the City of a small amount of eventual expense it is hard to believe that the extra administrative cost of continually making the change would not outweigh the reduction in pension expense.

SECTION IV
OTHER RESULTS

Under the Entry Age Normal Method used to determine contributions for your plan the Unfunded Supplemental Present Value is at best a poor measure of the funding of the plan. However, it does have value as a measuring device concerning the actuarial experience versus that expected by the actuarial assumptions. With this in mind we would like to provide the following analysis of the change in the Unfunded Supplemental Present Value over the last year.

	July 1, 1978 to <u>June 30, 1979</u>	July 1, 1979 to <u>June 30, 1980</u>
(1) Unfunded Supplemental Present Value as of the Beginning of the Fiscal Year	\$ 102,447,802	\$ 123,093,000
(2) Interest at 7% on (1) for One Year	7,171,346	8,616,510
(3) Approximate City Contribution for Amortization of the USPV	1,175,748	3,117,000
(4) Expected USPV at the End of the Fiscal year: (1) + (2) - (3)	108,443,400	128,592,510
(5) Estimated Actuarial Loss Due to Salary Increases Greater Than Expected	16,923,000	7,692,000
(6) Estimated Actuarial Gain Due to Other Experience Being More Favorable Than Expected	2,273,400	43,560
(7) Actual USPV as of the End of the Fiscal Year: (4) + (5) - (6)	123,093,000	136,240,950

In summary, your USPV has increased for two reasons:

- (1) Because of the City's phase-in (i.e., scheduled increases until 1983) of amortization payments and because even the ultimate scheduled payments will not meet or exceed the "interest requirement" (Item 2 above) until about the year 1991, you can expect increases in the USPV for the next several years. Inspection of items one through four provides the details on the "change in the unfunded if all assumptions were met." Even though the USPV is scheduled to increase, these scheduled increases have already been anticipated and will not of themselves cause any increase to the City's contribution.
- (2) Because actual salary increases were greater than expected, pension benefits and in turn liabilities increased more than expected. The normal cost component of your pension expense is self-correcting for greater than expected salary increases because it is calculated to be a level percentage regardless of how much salaries increase; however, there is no such mechanism for the past service liability and if salary losses occur, contributions are necessarily increased prospectively.

For next year's valuation you can expect an increase in the USPV, even if all assumptions are met. The expected increase is developed as on the previous page as follows:

(1) USPV as of June 30, 1980	\$136,240,950
(2) Interest at 7% of (1) for One Year	9,536,867
(3) Approximate City Contribution for Amortization of the USPV	4,496,877
(4) Expected USPV as of June 30, 1981: (1) + (2) - (3)	141,280,940

SECTION V - STATISTICAL AND MISCELLANEOUS INFORMATION

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL ASSUMPTIONS

Assumptions apply to all Sections of the City Charter unless specified.

1. Interest: 7% per annum.
2. Salary Scale: 5% per annum.
3. Consumer Price Index: Increase of 3% per annum.
4. Social Security Wage Base: Increase of 4% per annum.
5. Spouses and Dependents: 85% of male employees and 60% of female employees assumed married at retirement, with wives assumed four years younger than husbands.
6. Rehire of Former Employees: Assumed not to be rehired.
7. Asset Valuation: Asset values taken directly from statements furnished by the City.
8. Rates of Termination of Employment: As shown in Tables I and II which follow.
9. Rates of Death after Retirement: As shown in Table III which follows.

SAFETY EMPLOYEES

TABLE I

Age	Withdrawal	Job-Related Death	Ordinary Death	Job-Related Disability	Ordinary Disability
20	.0310	.00034	.00039	.00153	0
21	.0294	.00034	.00039	.00155	0
22	.0280	.00034	.00039	.00155	0
23	.0268	.00034	.00039	.00162	0
24	.0256	.00035	.00040	.00170	0
25	.0244	.00036	.00040	.00186	.00009
26	.0222	.00036	.00040	.00203	.00009
27	.0220	.00037	.00041	.00222	.00012
28	.0218	.00038	.00041	.00254	.00012
29	.0206	.00039	.00041	.00305	.00012
30	.0194	.00040	.00042	.00366	.00018
31	.0172	.00042	.00042	.00434	.00018
32	.0160	.00044	.00044	.00507	.00021
33	.0150	.00047	.00045	.00587	.00024
34	.0140	.00050	.00048	.00674	.00030
35	.0130	.00055	.00050	.00767	.00036
36	.0120	.00060	.00053	.00866	.00039
37	.0110	.00065	.00057	.00971	.00048
38	.0102	.00071	.00062	.01082	.00060
39	.0094	.00078	.00067	.01199	.00069
40	.0086	.00085	.00072	.01322	.00084
41	.0078	.00094	.00079	.01448	.00099
42	.0070	.00103	.00086	.01581	.00111
43	.0062	.00113	.00094	.01719	.00129
44	.0054	.00124	.00103	.01860	.00150
45	.0046	.00136	.00113	.02006	.00174
46	.0038	.00148	.00123	.02156	.00201
47	.0030	.00162	.00135	.02310	.00234
48	.0020	.00176	.00147	.02466	.00273
49	.0010	.00191	.00161	.02625	.00321
50	.0000	.00207	.00175	.02786	.00378
51		.00223	.00191	.02949	.00447
52		.00241	.00208	.03114	.00525
53		.00259	.00225	.03282	.00618
54		.00277	.00244	.03450	.00729
55		.00298	.00264	.03620	.00861
56		.00318	.00286	.03791	.01017
57		.00339	.00308	.03962	.01200
58		.00360	.00331	.04136	.01413
59		.00382	.00356	.04308	.01659
60		.00405	.00382	.04482	.01941
61			.00409		
62			.00437		
63			.00466		
64			.00496		
65			.00527		

SAFETY EMPLOYEES

TABLE I
(continued)

Age	Service Retirement
Under 50	0
50	.0300
51	.0400
52	.0600
53	.1200
54	.2000
55	.3500
56	.2500
57	.2700
58	.3800
59	.6000
60 and over	1.0000

MISCELLANEOUS EMPLOYEES (Sections 399 & 302)

TABLE II

Age	Withdrawal		Job-Related Death Male & Female	Ordinary Death	
	Male	Female		Male	Female
20	.1720	.2000	0	.00057	.00049
21	.1600	.1900		.00060	.00049
22	.1500	.1800		.00062	.00049
23	.1420	.1700		.00065	.00051
24	.1340	.1600		.00067	.00052
25	.1260	.1500		.00071	.00054
26	.1180	.1400		.00074	.00055
27	.1100	.1300		.00078	.00057
28	.1052	.1244		.00082	.00060
29	.1004	.1188		.00087	.00062
30	.0956	.1132		.00092	.00065
31	.0908	.1076		.00098	.00067
32	.0860	.1020		.00105	.00071
33	.0804	.0966		.00112	.00074
34	.0748	.0912		.00119	.00078
35	.0692	.0858		.00128	.00082
36	.0636	.0804		.00137	.00087
37	.0580	.0750		.00148	.00092
38	.0536	.0694		.00159	.00098
39	.0492	.0638		.00172	.00105
40	.0448	.0582		.00186	.00112
41	.0404	.0526		.00204	.00119
42	.0360	.0470		.00228	.00128
43	.0316	.0416		.00258	.00137
44	.0272	.0362		.00293	.00148
45	.0228	.0308		.00334	.00159
46	.0184	.0254		.00379	.00172
47	.0140	.0200		.00429	.00186
48	.0080	.0100		.00483	.00204
49	.0020	.0050		.00541	.00228
50	.0000	.0000		.00603	.00258
51				.00670	.00293
52				.00740	.00334
53				.00814	.00379
54				.00891	.00429
55				.00972	.00483
56				.01057	.00541
57				.01146	.00603
58				.01239	.00670
59				.01340	.00740
60				.01449	.00814
61				.01571	.00891
62				.01710	.00972
63				.01870	.01057
64				.02056	.01146
65				.02275	.01239

MISCELLANEOUS EMPLOYEES (Sections 399 & 302)

TABLE II
(continued)

Age	Job-Related Disability		Ordinary Disability	
	Male	Female	Male	Female
20	.00003	.00003	.00009	.00003
21	.00003	.00003	.00009	.00003
22	.00003	.00003	.00009	.00003
23	.00003	.00003	.00009	.00003
24	.00003	.00003	.00009	.00003
25	.00003	.00003	.00012	.00003
26	.00006	.00003	.00012	.00003
27	.00006	.00003	.00015	.00003
28	.00006	.00003	.00018	.00003
29	.00006	.00003	.00021	.00006
30	.00009	.00003	.00021	.00009
31	.00009	.00006	.00024	.00012
32	.00009	.00006	.00030	.00018
33	.00012	.00009	.00036	.00024
34	.00015	.00012	.00045	.00033
35	.00021	.00015	.00057	.00045
36	.00027	.00021	.00075	.00057
37	.00036	.00027	.00096	.00069
38	.00045	.00030	.00126	.00087
39	.00057	.00039	.00159	.00102
40	.00075	.00045	.00204	.00123
41	.00093	.00054	.00255	.00144
42	.00114	.00063	.00315	.00168
43	.00138	.00072	.00378	.00195
44	.00162	.00081	.00450	.00222
45	.00192	.00093	.00525	.00252
46	.00222	.00108	.00609	.00297
47	.00252	.00126	.00696	.00342
48	.00285	.00141	.00783	.00393
49	.00318	.00162	.00876	.00441
50	.00351	.00180	.00966	.00495
51	.00384	.00198	.01083	.00549
52	.00417	.00219	.01143	.00597
53	.00444	.00237	.01221	.00651
54	.00471	.00255	.01299	.00699
55	.00501	.00273	.01374	.00747
56	.00528	.00288	.01452	.00792
57	.00555	.00303	.01530	.00837
58	.00585	.00321	.01605	.00879
59	.00612	.00336	.01683	.00924
60	.00639	.00351	.01761	.00969

MISCELLANEOUS EMPLOYEES

TABLE II
(continued)

Age	Service Retirement			
	Sections 399 & 302		Section 175	
	Male	Female	Male	Female
50	.00563	.01779	0	0
51	.00524	.02758	0	0
52	.00483	.02735	0	0
53	.00447	.02712	0	0
54	.00412	.03694	0	0
55	.01384	.04676	.06415	.19727
56	.00362	.05660	.03362	.05660
57	.05342	.06645	.05342	.06645
58	.06316	.09639	.06316	.09639
59	.07291	.14641	.07291	.14641
60	.11290	.20651	.11290	.20651
61	.17310	.20635	.17310	.20635
62	.23333	.20619	.23333	.20619
63	.23306	.23618	.23306	.23618
64	.33374	.31645	.33374	.31645
65	1.00000	1.00000	1.00000	1.00000

TABLE III

POSTRETIREMENT MORTALITY

Age	Disability Retirement		Nondisability Retirement	
	Male	Female	Male	Female
20	.00287		.00057	.00047
21	.00340		.00060	.00048
22	.00394		.00062	.00049
23	.00443		.00065	.00051
24	.00496		.00067	.00052
25	.00550		.00071	.00054
26	.00604		.00074	.00055
27	.00657	.00287	.00078	.00057
28	.00711	.00340	.00082	.00060
29	.00765	.00394	.00087	.00062
30	.00818	.00443	.00092	.00065
31	.00872	.00496	.00098	.00067
32	.00926	.00550	.00105	.00071
33	.00979	.00604	.00112	.00074
34	.01038	.00657	.00119	.00078
35	.01107	.00711	.00128	.00082
36	.01177	.00765	.00137	.00087
37	.01251	.00818	.00148	.00092
38	.01325	.00872	.00159	.00098
39	.01399	.00926	.00172	.00105
40	.01474	.00979	.00186	.00112
41	.01534	.01038	.00204	.00119
42	.01624	.01107	.00220	.00128
43	.01713	.01177	.00258	.00137
44	.01808	.01251	.00293	.00148
45	.01908	.01325	.00334	.00159
46	.02008	.01399	.00379	.00172
47	.02113	.01474	.00429	.00186
48	.02231	.01534	.00483	.00204
49	.02343	.01624	.00541	.00220
50	.02472	.01713	.00603	.00258
51	.02612	.01808	.00670	.00293
52	.02761	.01908	.00740	.00334
53	.02900	.02008	.00814	.00379
54	.03048	.02113	.00891	.00429
55	.03212	.02231	.00972	.00483
56	.03386	.02343	.01057	.00541
57	.03559	.02472	.01146	.00603
58	.03742	.02612	.01239	.00670
59	.03916	.02761	.01340	.00740

TABLE III
(continued)

POSTRETIREMENT MORTALITY

Age	Disability Retirement		Nondisability Retirement	
	Male	Female	Male	Female
60	.04099	.02900	.01449	.00814
61	.04288	.03048	.01571	.00891
62	.04476	.03212	.01710	.00972
63	.04696	.03386	.01870	.01057
64	.04916	.03559	.02056	.01146
65	.05156	.03742	.02275	.01239
66	.05417	.03916	.02534	.01340
67	.05674	.04099	.02806	.01449
68	.05922	.04288	.03073	.01571
69	.06195	.04476	.03349	.01710
70	.06493	.04696	.03662	.01870
71	.06822	.04916	.04052	.02056
72	.07161	.05156	.04487	.02275
73	.07539	.05417	.04958	.02534
74	.07908	.05674	.05471	.02806
75	.08363	.05922	.06026	.03073
76	.08868	.06195	.06661	.03349
77	.09450	.06493	.07392	.03662
78	.09860	.06822	.08212	.04052
79	.10320	.07161	.09117	.04487
80	.10850	.07539	.10085	.04958
81	.11500	.07908	.11104	.05471
82	.121662	.08363	.12166	.06026
83	.132654	.08868	.13265	.06661
84	.144016	.09450	.14402	.07392
85	.155717	.09860	.15572	.08212
86	.167895	.10320	.16790	.09117
87	.180601	.10850	.18060	.10085
88	.193932	.11500	.19393	.11104
89	.207993	.121662	.20799	.12166
90	.222882	.132654	.22288	.13265
91	.234813	.144016	.23617	.14402
92	.246809	.155717	.25017	.15572
93	.258385	.167895	.26502	.16790
94	.270246	.180601	.28085	.18060
95	.281839	.193932	.29780	.19393
96	.295694	.207993	.31606	.20799
97	.306714	.222882	.33580	.22288
98	.319916	.234813	.35724	.23617
99	.333150	.246809	.38058	.25017

TABLE III
(continued)

POSTRETIREMENT MORTALITY

Age	<u>Disability Retirement</u>		<u>Nondisability Retirement</u>	
	Male	Female	Male	Female
100	.346794	.258385	.40606	.26502
101	.366556	.270246	.43393	.28085
102	.386244	.281839	.46442	.29780
103	1.000000	1.000000	.50010	.31606
104			.54355	.33580
105			.59733	.35724
106			.66401	.38058
107			.74616	.40606
108			.84635	.43393
109			.96713	.46442
110			1.00000	1.00000

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL METHOD

The actuarial method employed is the entry age normal cost method (EANC) under which normal cost percentages are obtained on the basis of the most recent entrants into the System.

This actuarial method (EANC) produces a normal cost (current cost) which is expected to be a constant percentage of covered payroll. When actuarial assumptions or plan provisions are changed, the normal cost percentage may change.

The unfunded liability may also change when plan provisions or actuarial assumptions change; it will reflect differences between the actual experience under the System and the experience assumed.

The City Charter amendment of 1976 provides that unfunded liability be amortized as a percentage of total payroll, not covered payroll. This is due to the fact that the unfunded liability, which developed when the System covered all regular employees, could not be amortized efficiently as a proportion of the declining payroll of covered employees. This proportion would have needed to be a very high percentage of covered payroll to reflect its drastic reduction before the end of the amortization period.

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
SUMMARY OF PRINCIPAL PLAN PROVISIONS

This section summarizes the provisions of the Sacramento City Employees' Retirement System as described in the Sacramento City Charter, Article XVII, and the Sacramento City Code, Chapter 34. This summary is limited to those provisions which are material to the valuation.

SECTION 175 - MISCELLANEOUS MEMBERS

Retirement:

Eligibility Requirements - Members are automatically retired at age 70. Members may elect to retire at age 55 with 20 years of service.

Retirement Benefits - The monthly allowance is equal to one-sixtieth of the average monthly salary in the three years prior to retirement, multiplied by years of service and multiplied by a factor which is determined by age at retirement. Examples of such factors are:

<u>Age</u>	<u>Factor</u>
55	.661651
60	1.000000
65 and over	1.463854

Minimum Retirement Benefit - For retirement after age 65 with 20 years of service, the minimum monthly allowance is \$60.

Payment Period - Lifetime of the member; member may elect to receive actuarially determined reduced payments with subsequent payments to be made to beneficiary upon death of the member.

Disability:

Eligibility Requirement: .ars of service.

Disability Benefit - For members with at least 16-2/3 years of service, the monthly allowance is equal to 1-1/2% of average monthly salary in the three years prior to disability, multiplied by years of service to disability. For members with less than 16-2/3 years of service, the monthly allowance is equal to the lesser of 1-1/2% of such monthly average, multiplied by years of service member would have earned at age 60, or 25% of such monthly average.

Payment Period - Lifetime of the member, with same options available as for retirement.

Lump Sum Death:

Eligibility Requirements - Death of members for any cause, either before or after retirement.

Lump Sum Death Benefit - For death before retirement, the benefit payable is equal to return of member's contributions plus interest plus an amount equal to one-twelfth of average salary in the year preceding death, multiplied by the lesser of the member's years of service and 6. For death after retirement, the benefit payable is \$500.

Death While Eligible for Retirement:

Eligibility Requirements - If member after qualifying for retirement, but before retiring, with spouse, children under 18, or dependent parents.

Death Benefit - A monthly allowance equal to one-half of the member's allowance if the member had retired at the time of death.

Payment Period - For lifetime of spouse, or until remarriage. If no spouse is receiving the benefit, children under 18 receive benefit until age 18, death, or marriage. If no child under 18 or spouse is receiving the benefit, dependent parents may receive the benefit. Before the first monthly payment, the eligible beneficiary may elect to receive the lump sum death benefit, described above, in lieu of the monthly allowance.

Termination of Employment:

Eligibility Requirements - Member terminates employment with the City for any cause other than death, retirement or disability.

Benefit - Return of member's contributions plus interest. However, if such value exceeds \$500, the member may elect to leave such value in the System. The benefits for such members are as follows: (a) disability benefits continue in effect except the 10 years of service requirement

no longer applies; (b) retirement and disability benefits will become payable when other eligibility requirements are satisfied; and (c) lump sum death benefits will become payable upon death, based upon the member's salary at time of termination.

Member Basic Contributions:

Basis - Determined as a rate of pay, based upon the member's entry age, which would provide one-half of the member's retirement benefit.

Workers' Compensation Reduction:

Application - No reduction is applied to benefits payable under this section of the Code.

SECTION 175 - SAFETY MEMBERS

Retirement:

Eligibility Requirements - Members are automatically retired at age 65. Members may elect to retire at age 55 with 20 years of service.

Retirement Benefit - Upon satisfying the eligibility requirements, members are entitled to a monthly allowance equal to 50% of average monthly salary in the three years prior to retirement.

Payment Period - Lifetime of the member; the member may elect to receive actuarially determined reduced amounts with subsequent payments to be made to beneficiary upon death of the member.

Early Retirement - A member with 20 years of service may, upon attaining age 50, elect to receive an actuarially reduced allowance, equivalent in value to the allowance which would be payable at age 55, based upon salary and service at time of early retirement.

Industrial Disability:

Eligibility Requirements - Member disabled while in the performance of duty.

Industrial Disability Benefit - If member is not eligible for retirement benefit, monthly allowance is 50% of average monthly salary in the three years prior to disability. If member is eligible for retirement benefit, monthly allowance is larger of retirement allowance or 50% of average monthly salary in the three years prior to disability.

Ordinary Disability:

Eligibility Requirements - Member is disabled, but not in the performance of duty, with 10 years of service.

Ordinary Disability Benefit - The monthly allowance is the larger of 1-1/2% of salary in the three years prior to disability, multiplied by years of service, or 25% of average monthly salary in the three years prior to disability.

Payment Period - Lifetime of the member, with the same options available as for retirement.

Industrial Death:

Eligibility Requirements - The member dies in performance of duty, with a spouse, children under 18, or dependent parents.

Industrial Death Benefit - If the member is eligible for retirement benefits, the monthly allowance is equal to the larger of retirement benefit or 50% of average monthly salary in the three years prior to death. If the member is not eligible for retirement benefits, the Code is silent. However, by analogy to the industrial disability benefit, the monthly benefit would be 50% of average monthly salary in the three years prior to death.

Payment Period - Lifetime of spouse, or until remarriage. If no spouse is receiving the benefit, children under 18 receive the benefit until age 18, death, or marriage. If no child under 18 or spouse, dependent parents may receive the benefit.

Postretirement Death:

Eligibility Requirements - Member dies following retirement, industrial disability, or after qualifying for retirement (but not in performance of duty), with spouse, children under 18, or dependent parents.

Postretirement Death Benefits - One-half of the monthly allowance being paid to the member or to which the member is entitled.

Payment Period - The lifetime of the spouse, or until remarriage. If no spouse is receiving the benefit, children under 18 receive benefit until age 18, death or marriage. If no child under 18 or spouse, dependent parents may receive the benefit. Before the first monthly payment, the eligible beneficiary may elect to receive the lump sum death benefit, described below, in lieu of the monthly allowance.

Lump Sum Death:

Eligibility Requirements - Member dies before retirement, but not in the performance of duty or after retirement for any cause.

Lump Sum Death Benefit - For death before retirement, the benefit payable is equal to the return of the member's contributions plus interest plus an amount equal to one-twelfth of average salary in the year preceding death, multiplied by the lesser of years of service and 6. For death after retirement, the benefit payable is \$500.

Termination of Employment:

Eligibility Requirements - Member terminates employment with the City for any cause other than death, retirement, or disability.

Benefit - Return of member's contributions plus interest. However, if such value exceeds \$500, the member may elect to leave such value in the System. The benefits for such members are as follows: (a) disability benefits continue in effect except the 10 years of service requirement no longer applies; (b) retirement and disability benefits will become payable when other eligibility requirements are satisfied; and (c) lump sum death benefits will become payable upon death, based upon the member's salary at time of termination.

Workers' Compensation Reduction:

Application - Any death, retirement, or disability benefit provided by the City's contributions shall be reduced by Workers' Compensation benefits, provided such benefit became payable on account of the industrial death or disability which led to the Workers' Compensation benefits.

Member Basic Contributions:

Basis - Member contributions are determined as a rate of pay, based upon the member's entry age into the System, which would provide one-half of the member's retirement benefit.

SECTION 399 & FORMER SECTION 302 - MISCELLANEOUS AND SAFETY MEMBERS

(All provisions except member contributions apply to all plans.)

Retirement:

Eligibility Requirements - Safety members are automatically retired at age 60. Miscellaneous members are automatically retired at age 65.

Members may elect to retire at age 50 with 5 years of service.

Retirement Benefit - Members are entitled to a monthly allowance equal to a percentage of average monthly salary in the three years prior to retirement, multiplied by years of service. Examples of the percentages are:

Age	Percentage	
	Safety	Miscellaneous
50	1.7500	1.1000
55	2.4000	1.7500
60 and over	2.4000	2.4000

The maximum retirement benefit is 75% of the member's average monthly salary in the three years prior to retirement.

Payment Period - Lifetime of the member. The member may elect to receive actuarially reduced amounts with subsequent payments to be made to beneficiary upon death of the member.

Industrial Disability:

Eligibility Requirements - Member disabled while in performance of duty.

Industrial Disability Benefit - If member is not eligible for retirement benefit, monthly allowance is 50% of average monthly salary in the three years prior to disability. If member is eligible for retirement benefit, monthly allowance is larger of retirement allowance or 50% of average monthly salary in the three years prior to disability.

Payment Period - For the lifetime of the member, with same options available as for retirement.

Ordinary Disability:

Eligibility Requirements - Member is disabled, but not in the performance of duty, with 10 years of service.

Ordinary Disability Benefit - For safety members not eligible for retirement, the monthly allowance is the larger of 1-1/2% of salary in the three years prior to disability, multiplied by years of service, or 25% of average monthly salary in the three years prior to disability. For miscellaneous members not eligible for retirement, the monthly allowance is the smaller of 1-1/2% of salary in the three years prior to disability, multiplied by years of service, or the percentage of salary in the three years prior to disability to which the member would be entitled upon retirement at age 50. The minimum benefit for such miscellaneous members is 25% of average monthly salary in the three years prior to disability. For all members eligible for retirement, the monthly allowance is the larger of the retirement allowance or 25% of average salary in the three years prior to disability.

Payment Period - Lifetime of the member, with the same options as for retirement.

Industrial Death:

Eligibility Requirements - Member dies in performance of duty with spouse, children under 18, or dependent parents.

Industrial Death Benefits - If the member is eligible for retirement, the monthly allowance is equal to the larger of retirement benefit or 50% of average monthly salary in the three years prior to death. If the member is not eligible for retirement, the monthly allowance is 50% of average monthly salary in the three years prior to death.

Payment Period - Lifetime of the spouse, or until remarriage. If no spouse is receiving the benefit, children under 18 receive the benefit until age 18, death, or marriage. If no child under 18 or spouse, dependent parents may receive the benefit.

Postretirement Death:

Eligibility Requirements - Member dies following retirement, disability or after qualifying for retirement (but not in performance of duty), with spouse, children under 18, or dependent parents.

Postretirement Death Benefit - One-half of the monthly allowance being paid to the member or to which the member is entitled.

Payment Period - Lifetime of the spouse, or until remarriage. If no spouse is receiving the benefit, children under 18 receive benefit until age 18, death or marriage. If no child under 18 or spouse is receiving the benefit, dependent parents may receive the benefit. Before the first monthly payment, the eligible beneficiary may elect to receive the lump sum death benefit, described below, in lieu of the monthly allowance.

Lump Sum Death:

Eligibility Requirements - Member dies before retirement, but not in the line of duty, or after retirement for any cause.

Lump Sum Death Benefits - For death before retirement, the benefit payable is equal to the return of the member's contributions plus interest plus an amount equal to one-twelfth of average salary in the year preceding death multiplied by the lesser of years of service and 6. For death after retirement, the benefit payable is \$500.

Termination of Employment:

Eligibility Requirements - Member terminates employment with the City for any cause other than death, retirement, or disability.

Benefit - Return of member's contributions plus interest. However, if the member has 5 years of service, the member may elect to leave the money in the System. The benefits for such members are as follows: (a) retirement benefits become payable when eligibility requirements are satisfied; (b) if member is disabled while eligible for retirement, retirement benefit becomes payable; (c) if member is disabled, but not eligible for retirement, the benefit is the lesser of 1-1/2% of average monthly compensation in the three years prior to termination, multiplied by years of service, or the retirement benefit the member would be entitled to at age 50; (d) if member dies while eligible for retirement, following retirement, or following disability, one-half of the monthly allowance being paid to the member or to which the member is entitled is payable to the spouse, children under 18, or dependent parents (lump sum benefit may be elected in lieu of a monthly allowance); and (e) if member dies before retirement, disability,

or eligibility for retirement, a lump sum death benefit equal to the member's contributions plus interest plus one-twelfth of average salary in the year prior to termination, multiplied by the lesser of years of service and 6, is payable to the beneficiary.

Workers' Compensation Reduction:

Application - Any death, retirement, or disability benefit provided by the City's contributions shall be reduced by Workers' Compensation benefits provided such benefit became payable on account of the industrial death or disability which led to the Workers' Compensation benefits.

Member Basic Contributions:

Basis - The Equal Shares Plan is to be funded on a share-and-share-alike basis by the members of the plan and the City. Costs are to be determined under the premises that all people entering City employment after 8/16/77 will become members of the Plan and that all members of the Plan on 8/16/77 who elect to join the Section 399 plan instead remain in the Equal Shares Plan. Under these premises, the actuary computes a unique rate for safety members and a unique rate for miscellaneous members which, when multiplied by certain entry-age factors, provide one-half of the Plan's costs.

Examples of these entry-age factors are as follows:

<u>Entry Age</u>	<u>Factor for Safety Member</u>	<u>Factor for Miscellaneous Member</u>
25	.892	.861
35	1.120	.984
45	1.348	1.106
55	1.439	1.216

These factors, which may be revised from time to time, are based upon each employee's age at entry into the System. The factor is multiplied by the unique rate developed by the actuary to give the employee's contribution rate.

Contribution rates for members of the Section 399 Plan are taken from a table in the Charter, Section 403, based upon the employee's age at entry into the System. Examples of these entry age rates are as follows:

<u>Entry Age</u>	<u>Entry-Age Rate For Safety Member</u>	<u>Entry-Age Rate For Miscellaneous Member</u>
25	9.01%	6.94%
35	11.31%	7.93%
45	13.61%	8.91%
55	14.53%	9.80%

Members are permitted to make voluntary contributions for extra benefits.

ADDITIONAL PROVISIONS WHICH APPLY TO ALL PLANS

Employees Transferred to County (Code 34.700)

Eligibility Requirements - Employee transfers to Sacramento County and becomes a member of Sacramento County Employees' Retirement System and elects to remain in City System; must be an employee of the City Health Department or employed on or after January 1, 1963 with employment commencing on or before November 4, 1974.

Benefits for Such Employees - Retirement and disability benefits are, for the most part, computed as though service continued with the City. The benefit thus calculated would be reduced by any benefit payable under the County System with the resulting difference payable by the City. Termination of employment benefits are determined by the relevant provisions of the City System. Death benefits are those payable under the City System under the premise that service continued with the City, reduced by the actuarial equivalent of the County's benefits, subject to a minimum benefit equal to the member's City contributions with interest.

Benefits from Excess City Contributions - The City contributes to each member's account an amount equal to the excess of the member's required contributions under the City System over the member's required contributions under the County System. The value of this account is payable at retirement as a lump sum or an additional retirement allowance.

Equal Shares Treatment - Transferees on or before July 1, 1970 may elect to be substantially covered by the Equal Shares Plan provided that certain retroactive contribution adjustments are paid to the City System.

Government Employees Transferred to City (Code 34.800)

Treatment of Such Employees - A member of the City System who was in service with a public agency whose functions were taken over by the City may elect to receive prior service credit for service with the public agency by making a lump sum payment for contributions which would have been paid during the period of past service.

Increase in Retirement Benefits (Code 34.900)

Adjustments - As of each July 1, allowances payable since the preceding July 1 are adjusted at the same rate as the Consumer Price Index for San Francisco-Oakland changed for the preceding calendar year. 1968 and 1969 adjustments were limited to 2%; subsequent adjustments were limited to 3%. Any carryover to the adjustment would be accumulated. The allowance would not be permitted to decrease below the allowance on benefit commencement, or July 1, 1968, if later.

Member Contributions - 6.7% of contributions otherwise made to the System.

Social Security Coverage (Code 34.1000)

Coordination of Retirement System and Social Security - Applies only to miscellaneous members of the Retirement System. Only retirement benefits and disability benefits (for disability benefits after age 55) are coordinated.

Social Security Reduction - Applicable at later of age 62 or actual retirement age. The amount of the reduction is equal to one-half of the member's Primary Insurance Amount multiplied by the ratio of salary

earned from the City (used in the calculation of the Primary Insurance Amount) to the salary earned from all sources (used in the calculation of the Primary Insurance Amount).

Reduction in Member Contributions - A member may reduce normal contributions to the System by an amount equal to the taxes paid for Social Security coverage.

Reduction in Allowance on Account of Reduction in Member Contributions - If the member elects to reduce member contributions as provided above, any allowance payable by the System will be reduced by the actuarial equivalent of the accumulated value of the reduction of contributions.

Reciprocity (Code 34.1600)

Reciprocal Provisions with PERS - The City System provides for portability of service and benefits between itself and the PERS.

PERS:

Membership - Effective 1977, all future employees of the City would enter the PERS. These employees would not be eligible to enter the City System.

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

AGE/SERVICE DISTRIBUTION SECTION 175-SAFETY MEMBERS

AGE	** SERVICE **											TOTAL																									
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35-																								
15-19	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	*TOT. AMT*	0	0	0	0	0	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0
20-24	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	*TOT. AMT*	0	0	0	0	0	0	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0
25-29	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	*TOT. AMT*	0	0	0	0	0	0	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0
30-34	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	*TOT. AMT*	0	0	0	0	0	0	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0
35-39	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	*TOT. AMT*	0	0	0	0	0	0	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0
40-44	*NO. *	0	0	0	0	0	0	3	4	0	0	0	0	*TOT. AMT*	0	0	0	0	77874	104774	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	25958	26694	0	0	0	0
45-49	*NO. *	0	0	0	0	0	1	7	9	1	0	0	0	*TOT. AMT*	0	0	0	0	13536	183507	252786	24448	0	0	0	*AVE. AMT*	0	0	0	0	0	13536	26215	26087	24488	0	0
50-54	*NO. *	0	0	0	0	0	0	1	19	5	0	0	0	*TOT. AMT*	0	0	0	0	0	25562	516970	143593	0	0	0	*AVE. AMT*	0	0	0	0	0	0	25562	27108	28711	0	0
55-59	*NO. *	0	0	0	0	0	0	0	4	2	1	0	0	*TOT. AMT*	0	0	0	0	0	0	116411	52148	43098	0	0	*AVE. AMT*	0	0	0	0	0	0	0	29103	26074	43098	0
60-64	*NO. *	0	0	0	0	0	0	0	1	0	1	0	0	*TOT. AMT*	0	0	0	0	0	0	41226	0	30349	0	0	*AVE. AMT*	0	0	0	0	0	0	0	41226	0	30349	0
65-	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	*TOT. AMT*	0	0	0	0	0	0	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0
TOTAL	*NO. *	0	0	0	0	0	1	11	37	8	2	0	0	*TOT. AMT*	0	0	0	0	13536	286943	1033767	220149	73447	0	0	*AVE. AMT*	0	0	0	0	0	13536	26086	27940	27519	36724	0

AVERAGE AGE * 50.4 * AVERAGE SERVICE * 16.4 *

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

AGE/SERVICE DISTRIBUTION EQUAL SHARES-MISC MEMBERS-INTEGRATED

AGE	** SERVICE **											TOTAL																									
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35-																								
15-19	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	*TOT. AMT*	0	0	0	0	0	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	
20-24	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	*TOT. AMT*	0	0	0	0	0	0	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0
25-29	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	*TOT. AMT*	0	0	0	0	0	0	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0
30-34	*NO. *	0	0	2	1	0	0	0	0	0	0	0	0	*TOT. AMT*	0	0	23868	11172	0	0	0	0	0	0	0	*AVE. AMT*	0	0	11934	11172	0	0	0	0	0	0	0
35-39	*NO. *	0	0	0	0	0	3	1	0	0	0	0	0	*TOT. AMT*	0	0	0	0	56152	10080	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	19384	10080	0	0	0	0
40-44	*NO. *	1	0	1	0	0	1	1	0	0	0	0	0	*TOT. AMT*	9720	0	11208	0	42182	33446	0	0	0	0	0	*AVE. AMT*	9720	0	11208	0	0	42182	33446	0	0	0	0
45-49	*NO. *	0	0	3	0	0	2	2	1	0	0	0	0	*TOT. AMT*	0	0	60026	0	33003	42912	25200	0	0	0	0	*AVE. AMT*	0	0	20009	0	0	16502	21456	25200	0	0	0
50-54	*NO. *	0	1	1	0	0	1	0	0	0	0	0	0	*TOT. AMT*	0	10680	8050	0	0	25147	0	0	0	0	0	*AVE. AMT*	0	10680	8050	0	0	25147	0	0	0	0	0
55-59	*NO. *	0	0	0	0	1	0	0	1	2	0	0	0	*TOT. AMT*	0	0	0	0	12216	0	0	16682	30972	0	0	*AVE. AMT*	0	0	0	0	12216	0	0	16682	15486	0	0
60-64	*NO. *	0	0	0	0	0	1	0	0	0	0	0	0	*TOT. AMT*	0	0	0	0	0	16931	0	0	0	0	0	*AVE. AMT*	0	0	0	0	0	16931	0	0	0	0	0
65-	*NO. *	0	0	0	0	1	0	0	1	0	0	0	0	*TOT. AMT*	0	0	0	0	0	30264	0	0	16578	0	0	*AVE. AMT*	0	0	0	0	0	30264	0	0	16578	0	0
TOTAL	*NO. *	1	1	7	1	2	8	4	3	2	0	0	0	*TOT. AMT*	9720	10680	103152	11172	42182	175415	86438	50460	30972	0	0	*AVE. AMT*	9720	10680	14736	11172	21240	21927	21610	19487	15486	0	0

AVERAGE AGE * 47.6 * AVERAGE SERVICE * 7.3 *

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

AGE/SERVICE DISTRIBUTION EQUAL SHARES-MISC MEMBERS-NONINTEGRATED

AGE		** SERVICE **											TOTAL		
		0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35-	
15-19	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	*NO. *	0	0	0	0	0	0	0	1	0	0	0	0	0	1
	TOT. AMT	0	0	0	0	0	0	0	18408	0	0	0	0	0	18408
	AVE. AMT*	0	0	0	0	0	0	0	18408	0	0	0	0	0	18408
45-49	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50-54	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55-59	*NO. *	0	0	0	0	0	0	0	0	0	1	0	0	0	1
	TOT. AMT	0	0	0	0	0	0	0	0	0	23109	0	0	0	23109
	AVE. AMT*	0	0	0	0	0	0	0	0	0	23109	0	0	0	23109
60-64	*NO. *	0	0	0	0	0	0	0	0	0	1	0	0	0	1
	TOT. AMT	0	0	0	0	0	0	0	0	0	21133	0	0	0	21133
	AVE. AMT*	0	0	0	0	0	0	0	0	0	21133	0	0	0	21133
65+	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	*NO. *	0	0	0	0	0	0	0	1	0	2	0	0	0	3
	TOT. AMT	0	0	0	0	0	0	0	18408	0	46262	0	0	0	62650
	AVE. AMT*	0	0	0	0	0	0	0	18408	0	22121	0	0	0	20803

AVERAGE AGE * 54.7 * AVERAGE SERVICE * 23.0 *

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

AGE/SERVICE DISTRIBUTION EQUAL SHARES-SAFETY MEMBERS

AGE		** SERVICE **											TOTAL		
		0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35-	
15-19	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	*NO. *	0	0	0	0	0	1	1	0	0	0	0	0	0	2
	TOT. AMT	0	0	0	0	0	18200	17196	0	0	0	0	0	0	35396
	AVE. AMT*	0	0	0	0	0	18200	17196	0	0	0	0	0	0	17698
45-49	*NO. *	0	0	0	0	0	0	1	1	0	0	0	0	0	2
	TOT. AMT	0	0	0	0	0	0	11696	15710	0	0	0	0	0	27406
	AVE. AMT*	0	0	0	0	0	0	11696	15710	0	0	0	0	0	13703
50-54	*NO. *	0	0	0	0	0	0	0	0	1	0	0	0	0	1
	TOT. AMT	0	0	0	0	0	0	0	0	16818	0	0	0	0	16818
	AVE. AMT*	0	0	0	0	0	0	0	0	16818	0	0	0	0	16818
55-59	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60-64	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65+	*NO. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOT. AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	AVE. AMT*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	*NO. *	0	0	0	0	0	1	2	1	1	0	0	0	0	5
	TOT. AMT	0	0	0	0	0	18200	28892	15710	16818	0	0	0	0	79620
	AVE. AMT*	0	0	0	0	0	18200	14446	15710	16818	0	0	0	0	15924

AVERAGE AGE * 45.6 * AVERAGE SERVICE * 13.8 *

