

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
MARCH 19, 1984

CALL TO ORDER AND ROLL CALL

The Administration, Investment and Fiscal Management Board met in regular session in the conference room, 801 - 9th Street, at 1:00 p.m.

PRESENT: Crist, D'Agostini, Friery, Rees, Wolford

ABSENT: None

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD FEBRUARY 27, 1984

APPROVED

Mr. Friery moved to approve the minutes of the regular meeting held February 27, 1984. The motion was seconded by Mr. Mailes and was carried by the following vote:

AYES: Crist, D'Agostini, Friery, Rees, Wolford

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

City Treasurer Thomas Friery submitted and reported on the Monthly Investment Summary for February 1984 which included the January 1984 portfolio report, and the February 1984 reports on Fixed Income Activity, Gold and Silver, and the Common Stock Activity.

Mrs. Rees moved to accept the investment activity report. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, D'Agostini, Friery, Rees, Wolford

NOES: None

(Continued)

Item 1 7/16/84

SACRAMENTO CITY EMPLOYEES RETIREMENT SYSTEM
PORTFOLIO REPORT
FOR THE MONTH OF
JANUARY 1984

INVESTMENTS	COST	ESTIMATED YEARLY INCOME	ESTIMATED CURRENT RETURN %	% PORT- FOLIO	% AUTHO- RIZED	% OVER (UNDER)	DOLLARS AUTHORIZED	DOLLARS OVER (UNDER)
Cash: Pool A	\$ 14,614,207	\$ 1,687,941	11.55	8.02	0.00	8.02	\$ -0-	\$ 14,614,207
Overland M. M. Fund	1,597,836	143,965	9.01	0.88	0.00	0.88	-0-	1,597,836
Fixed:								
Corporate Bonds	\$ 65,407,879	\$ 5,779,128	8.80	35.91	40.00	(4.09)	\$ 72,859,183 ^{6/}	\$ (7,451,304)
2nd Trust Deeds	1,882,342	331,763	17.625	1.03	2.00	(0.97)	3,642,959 ^{6/}	(1,760,617)
Mortgage-Backed Certs.	19,953,866	2,005,185	10.04	10.96	10.00	0.96	18,214,795 ^{6/}	1,739,071
Miscellaneous Mortgages	3,221,062	342,600	10.64	1.77	5.00	(3.23)	9,107,398	(5,886,336)
TOTAL FIXED:	\$ 90,465,149	\$ 8,458,676	9.30	49.67	57.00	(7.33)	\$103,824,335	\$(13,359,186)
Equity:								
Common Stocks:								
Alliance	\$ 24,439,830	\$ 611,275	2.50	13.42	13.50	(0.08)	\$ 24,589,974 ^{1/}	\$ (150,144)
Batterymarch	23,299,079	1,244,533	5.34	12.79	13.50	(0.71)	24,589,974 ^{2/}	(1,290,895)
Emerging Growth	9,953,170	212,909	2.14	5.46	5.00	0.46	9,107,398 ^{3/}	845,772
Sub-Total Common Stocks:	\$ 57,692,079	\$ 2,068,717	3.59	31.67	32.00	(0.33)	\$ 58,287,346	\$ (595,267)
Full Options Management	\$ 11,610,697	\$ 298,917	2.57	6.38	5.00	1.38	\$ 9,107,398 ^{4/}	\$ 2,503,299
Gold & Silver	2,059,426	-0-	0.00	1.13	1.00	0.13	1,821,480 ^{5/}	237,946
Real Estate Equity	4,694,458	450,200	9.59	2.57	3.00	(0.43)	5,464,439	(769,981)
Miscellaneous Equity	-0-	-0-	0.00	0.00	2.00	(2.00)	3,642,959	(3,642,959)
TOTAL EQUITY:	\$ 76,056,660	\$ 2,817,834	3.70	41.75	43.00	(1.25)	\$ 78,373,622	\$ (2,266,962)
TOTAL INVESTED ASSETS:	\$182,733,852	\$13,108,416	7.17	100.32	100.00	0.32	\$182,147,957	\$ 585,895
Less:								
Full Option Contracts Outstanding	\$ (585,895)	\$ (67,671)	11.55	(0.32)	0.00	(0.32)	\$ -0-	\$ (585,895)
TOTAL INVESTED ASSETS LESS OPTIONS O/S:	\$182,147,957	\$13,040,745	7.15	100.00	100.00	0.00	\$182,147,957	\$ -0-
STOCK @ MARKET:								
- Alliance	\$ 26,894,275	\$ 611,275	2.27					
- Batterymarch	26,510,609	1,244,533	4.69					
- Emerging Growth	10,403,543	212,909	2.04					
- Full Options	10,018,377	298,917	2.98					
TOTAL:	\$ 73,826,804	\$ 2,367,634	3.20					

1/, 2/, 3/, 4/, 5/, 6/.

SEE ATTACHMENT A-1 FOR DESCRIPTION OF FOOTNOTES

() - Parenthesis denotes negative figures

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT

ACCEPTED

Real Estate Advisor W. Jim Smith submitted and reviewed the February 1984 Real Estate Advisor Report with the Board. Mr. Smith stated he has received a purchase offer on the Larchmont Square Office Building which he recommends accepting. After Board discussion of the purchase offer, Mr. Crist moved to reject the offer. The motion was seconded by Mrs. Rees and was carried by the following vote:

AYES: Crist, Rees, Wolford

NOES: D'Agostini, Friery

Mr. Smith requested the Board grant the Chairman authority to sign on behalf of the Board on the Atherton Industries loan documents. Mr. Friery moved the Chairman have authority to sign documents on behalf of the Board on the Atherton Industries credit loan. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, D'Agostini, Friery, Rees, Wolford

NOES: None

After further discussion on the February report, Mr. Crist moved to accept the report. The motion was seconded by Mrs. Rees and was carried by the following vote:

AYES: Crist, D'Agostini, Friery, Rees, Wolford

NOES: None

A.G. BECKER JUNE 30, 1983 ANNUAL AND DECEMBER 31, 1983 QUARTERLY PERFORMANCE REPORTS

ACCEPTED

Philip Fox of A. G. Becker submitted and reviewed the June 30, 1983 annual and December 31, 1983 quarterly performance reports. After discussion

(Continued)

by the Board, Mr. Crist moved to accept the reports. The motion was seconded by Mrs. Rees and was carried by the following vote:

AYES: Crist, D'Agostini, Friery, Rees, Wolford

NOES: None

POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

FY 84-85 INTEREST RATE CREDIT

This item was withdrawn by the Secretary and will be calendared on the next agenda.

REPORTS OF SECRETARY

PENSIONERS' COST OF LIVING INCREASE EFFECTIVE JULY 1, 1984

ACCEPTED

The Secretary informed the Board that the Consumer Price Index increase for the San Francisco/Oakland area for the calendar year 1983 amounted to .8%. The 1983-84 fiscal year retirees will receive a pro-rate of .8%; the 1982-83 retirees will receive .8%; and those members retired prior to July 1, 1982 will receive 3% with a -2.2% being drawn from their cost of living bank credits.

The Board accepted the item as informational.

IDEAS AND QUESTIONS, MEMBERS OF THE BOARD

Mr. Friery informed the Board that Boniface "Buzz" Zaino will be leaving Lehman Management effective March 22, 1984 to establish a new investment firm. Chairman D'Agostini requested the Secretary send Mr. Zaino a letter of appreciation and thanks on behalf of the Board.

There being no further business, the meeting was adjourned at 2:10 p.m. to meet again at the call of the chair.