

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
MAY 20, 1985

CALL TO ORDER AND ROLL CALL

The Administration, Investment and Fiscal Management Board met in regular session in Conference Room 103, 801 - 9th Street, at 1:00 p.m. on May 20, 1985.

PRESENT: DeCamilla, Friery, Moore, Wolford

ABSENT: Crist

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD APRIL 15, 1985
APPROVED

The Board received and reviewed the minutes of the regular meeting held April 15, 1985. Mr. Wolford moved to approve the minutes. The motion was seconded by Mr. Moore and was carried by the following vote:

AYES: DeCamilla, Moore, Wolford

NOES: None

ABSTAIN: Friery

INVESTMENTS - TREASURER'S ACTIVITY REPORT
ACCEPTED

The Board received the City Treasurer's Investment Activity Report for April 1985. Donald Sperling, Assistant City Treasurer, reviewed the report with the Board.

Mr. Moore moved to accept the investment activity report. The motion was seconded by Mr. DeCamilla and was carried by the following vote:

AYES: DeCamilla, Friery, Moore, Wolford

NOES: None

(Continued)

SCERS - STATEMENT OF ASSETS AVAILABLE FOR INVESTMENT
AS OF MARCH 31, 1985

	CASH		INVESTMENTS @ COST	AMOUNT 1/ AVAILABLE FOR INVESTMENT
	POOL A	OVERLAND		
EXTERNAL CONTRIBUTIONS	769,383	0	0	769,383
FIXED:				
CORP. BONDS	9,023,547	334,519	79,156,442	88,514,508
2ND TRUST DEED	(11,651)	0	977,118	965,467
MORTGAGE BACKED CERT.	479,631	303,633	19,886,114	20,669,378
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SUB-TOTAL	9,491,527	638,152	100,019,674	110,149,353
REAL ESTATE MORTGAGE	465,867	22,768	4,823,172	5,311,807
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TOTAL FIXED	9,957,394	660,920	104,842,846	115,461,160
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EQUITY:				
ALLIANCE	0	244,920	26,757,886	27,002,806
BATTERYMARCH	0	728,649	29,083,670	29,812,319
EMERGING GROWTH	0	1,413,440	13,395,774	14,809,214
BUY-WRITE OPTIONS	0	(3,882)	10,384,398	10,380,516
O/S BUY-WRITE OPTIONS	0	0	(322,516)	(322,516)
OVER-WRITE OPTIONS	0	104,903	0	104,903
O/S OVER-WRITE OPTIONS	0	0	(104,903)	(104,903)
GOLD & SILVER	19,797	0	1,995,050	2,014,847
REAL ESTATE EQUITY	1,499,197	0	4,694,458	6,193,655
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TOTAL EQUITY	1,518,994	2,488,030	85,883,817	89,890,841
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TOTAL	12,245,771	3,148,950	190,726,663	206,121,384
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1/ This column represents the amount available for investment for each category derived by adding to or subtracting from the previous period's balance all invested income (interest, dividend, gains, losses, etc.) and all contribution transfers.

ATTACHMENT A-2

SCDS - STATEMENT OF CHANGES IN ASSETS AVAILABLE FOR INVESTMENT
FOR THE PERIOD 2/28/05 TO 3/31/05

	BALANCE 2/28/05	INTEREST INCOME		DIV.	GAIN (LOSS) ON SALES	OPTION SALES PROCEEDS	NET RENTAL INCOME	NET EXTERNAL CONTRIB.	CONTRIB. TRANSFER	INTEREST INCOME	CHANGE IN OPTIONS B/S	BALANCE 3/31/05
		POOL A	OVERLAP									
EXTERNAL CONTRIBUTION	1,131,803	65,530						(137,950)	(90,000)			769,383
FIXED:												
CORP. BONDS	84,998,082	184,407	1,847		310,172				3,020,000			88,514,508
2ND TRUST DEED	2,118,186	22,155			12,126				(1,187,000)			953,467
MORTGAGE BACKED CERT.	28,189,338	81,990			204,984				197,000			28,469,378
REAL ESTATE MORTGAGES	18,164,877	131,870			48,110				(5,833,000)			3,311,887
EQUITY:												
ALLIANCE	27,521,854		7,943		83,774				1,762,000			27,602,844
BATTERMAN	27,389,707		6,880		140,812				267,000			27,812,319
EMERGING GROWTH	14,275,466		8,872		14,573				898,000			14,899,214
MUT-WRITE OPTIONS	9,442,958		1,817		27,425	17,987					3,521	10,308,516
O/S MUT-WRITE OPTIONS	(328,837)					184,903					(184,903)	(322,316)
OVER-WRITE OPTIONS	0											184,903
O/S OVER-WRITE OPTIONS	1,917,108						29,642		97,000		(184,903)	2,014,817
GOLD & SILVER	6,053,466	31,947		739					77,000			6,153,455
REAL ESTATE EQUITY												
TOTAL	204,860,350	517,849	26,559	576,131	265,784	122,899	29,642	(137,950)	0	0	(184,903)	204,171,38

ATTACHMENT A-3

SCERS - STATEMENT OF ESTIMATED INCOME & RATES OF RETURN
AS OF MARCH 31, 1985

	COST	MARKET	ESTIMATED ANNUAL INCOME	EST. RATE AT COST	EST. RATE AT MARKET
CASH					
CITY POOL A	12,245,771	12,245,771	1,355,484	11.07%	11.07%
OVERLAND MONEY MARKET FUND	3,148,950	3,148,950	262,127	8.32%	8.32%
FIXED:					
CORP. BONDS	79,156,442	66,066,512	7,413,427	9.37%	11.22%
2ND TRUST DEED	977,118	1,061,150	172,217	17.63%	16.23%
MORTGAGE BACKED CERT.	19,886,114	18,258,231	2,002,642	10.07%	10.97%
REAL ESTATE MORTGAGE	4,823,172	4,672,922	578,530	11.99%	12.38%
EQUITY:					
ALLIANCE	26,757,886	30,137,293	626,300	2.34%	2.08%
BATTERYMARCH	29,083,670	29,956,794	1,264,505	4.35%	4.22%
EMERGING GROWTH	13,395,774	13,432,513	170,602	1.27%	1.27%
BUY-WRITE OPTIONS	10,384,398	10,846,514	395,731	3.81%	3.65%
O/S BUY-WRITE OPTIONS	(322,516)	(523,084)	0	0.00%	0.00%
OVER-WRITE OPTIONS	0	0	0	0.00%	0.00%
O/S OVER-WRITE OPTIONS	(104,903)	(141,432)	0	0.00%	0.00%
GOLD & SILVER	1,995,050	1,337,400	0	0.00%	0.00%
REAL ESTATE EQUITY	4,694,458	4,694,458	404,714	8.62%	8.62%
TOTAL	206,121,384	195,193,992	14,646,279	7.11%	7.50%

ATTACHMENT A-4

SCERS - STATEMENT OF OVER (UNDER) INVESTMENT BASED UPON
COST/MARKET AS OF MARCH 31, 1985

	COST	MARKET	% AUTHORIZED	DOLLARS AUTHORIZED	OVER (UNDER) INVESTED BASED UPON COST	OVER (UNDER) INVESTED BASED UPON MARKET
CASH						
CITY POOL A	12,245,771	12,245,771	0.00%	0	12,245,771	12,245,771
OVERLAND MONEY MARKET FUND	3,148,950	3,148,950	0.00%	0	3,148,950	3,148,950
FIXED:						
CORP. BONDS	79,156,442	66,066,512	43.00%	88,632,195	(9,475,753)	(22,565,683)
2ND TRUST DEED	977,118	1,061,150	0.50%	1,030,607	(53,489)	30,543
MORTGAGE BACKED CERT.	19,886,114	18,258,231	10.00%	20,612,138	(726,024)	(2,353,907)
REAL ESTATE MORTGAGE	4,823,172	4,672,922	2.50%	5,153,035	(329,863)	(480,113)
EQUITY:						
ALLIANCE	26,757,886	30,137,293	14.00%	28,856,994	(2,099,108)	1,280,299
BATTERYMARCH	29,083,670	29,956,794	14.00%	28,856,994	226,676	1,099,800
EMERGING GROWTH	13,395,774	13,432,513	7.00%	14,428,497	(1,032,723)	(995,984)
BUY-WRITE OPTIONS	10,384,398	10,846,514	5.00%	10,306,069	78,329	540,445
O/S BUY-WRITE OPTIONS	(322,516)	(523,084)	0.00%	0	(322,516)	(523,084)
OVER-WRITE OPTIONS	0	0	0.00%	0	0	0
O/S OVER-WRITE OPTIONS	(104,903)	(141,432)	0.00%	0	(104,903)	(141,432)
GOLD & SILVER	1,995,050	1,337,400	1.00%	2,061,214	(66,164)	(723,814)
REAL ESTATE EQUITY	4,694,458	4,694,458	3.00%	6,183,642	(1,489,184)	(1,489,184)
TOTAL	206,121,384	195,193,992	100.00%	206,121,384	(0)	(10,927,392)

REPORTS OF CONSULTANTS AND ADVISORS

ALLIANCE CAPITAL MARCH 31, 1985 QUARTERLY EQUITY REPORT
ACCEPTED

The Board received the March 31, 1985 quarterly equity report from Alliance Capital Management. John Story of Alliance reviewed the report with the Board.

Mr. Moore moved to accept the report. The motion was seconded by Mr. Wolford and was carried by the following vote:

AYES: DeCamilla, Friery, Moore, Wolford

NOES: None

BATTERYMARCH FINANCIAL MARCH 31, 1985 QUARTERLY EQUITY REPORT
ACCEPTED

The Board received the March 31, 1985 quarterly equity report from Batterymarch Financial Management. Richard Gula of Batterymarch reviewed the report with the Board.

Mr. Wolford moved to accept the report. The motion was seconded by Mr. DeCamilla and was carried by the following vote:

AYES: DeCamilla, Friery, Moore, Wolford

NOES: None

LEHMAN MANAGEMENT MARCH 31, 1985 QUARTERLY EQUITY REPORT
ACCEPTED

The Board received the March 31, 1985 quarterly equity report from Lehman Management. Ron Worobel of Lehman reviewed the report with the Board.

Mr. Moore moved to accept the report. The motion was seconded by Mr. Wolford and was carried by the following vote:

AYES: DeCamilla, Friery, Moore, Wolford

NOES: None

LOOMIS, SAYLES & COMPANY MARCH 31, 1985 QUARTERLY OPTIONS REPORT
ACCEPTED

The Board received the Loomis, Sayles & Company March 31, 1985 quarterly options management report. William Mullen, options manager, reviewed the report with the Board.

Mr. Moore moved to accept the report. The motion was seconded by Mr. Wolford and was carried by the following vote:

AYES: DeCamilla, Friery, Moore, Wolford

NOES: None

REAL ESTATE ADVISOR'S REPORT
ACCEPTED

W. Jim Smith of WJS & Associates submitted and reviewed the May 1985 Real Estate Advisors Report. Mr. Smith reported that he has received property management proposals on the 1414 K Street property management contract. It is Mr. Smith's recommendation to continue the property management contract with Coldwell Banker.

Mr. Moore moved to accept the real estate advisor's report. The motion was seconded by Mr. Wolford and was carried by the following vote:

AYES: DeCamilla, Friery, Moore, Wolford

NOES: None

SEI BOOKLETS
ACCEPTED AS INFORMATIONAL

The Board received SEI's booklets; Performance Review for 1984, First Quarter 1985 Performance Summary, March 1985 Market Indexes, and First Quarter 1985 Retirement Fund Universe. The Board accepted the booklets as informational.

SCERS VS RON WATKINS PROPERTIES, INC. - SETTLEMENT OFFER
APPROVED COUNTEROFFER

The Board received copies of an analysis from Donald Pach, outside real estate attorney, relating to the settlement offer made on behalf of Ron Watkins on the 1414 K Street suit. Mr. Pach and W. Jim Smith, real estate advisor, recommended a counter-offer equal to the total amount of rent due plus all late charges and interest applicable, which approximates \$65,969.14, be presented to Mr. Watkins.

After discussion and based on the recommendations of Mr. Pach, Mr. Smith, and system's attorney William Carnazzo, Mr. DeCamilla moved to approve the settlement counter-offer. The motion was seconded by Mr. Wolford and carried by the following vote:

AYES: DeCamilla, Friery, Moore, Wolford

NOES: None

POLICY MATTERS TO BE DISCUSSED AND ACTED UPON

REPORTS OF SECRETARY

SEI PERSONNEL CHANGE
ACCEPTED AS INFORMATIONAL

The Board received a letter from Phil Fox informing the Board that he has accepted a position with another company. The Board also received a letter from SEI informing the Board that Joseph Perna has been assigned to service the system's account.

The Board accepted the letters as informational.

There being no further business, the meeting was adjourned at 2:35 p.m. to meet again at the call of the chair.