

MINUTES  
REGULAR MEETING OF THE  
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM  
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD  
FEBRUARY 27, 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, Sperling, Mailes, Rees.

ABSENT: Friery

MINUTES OF REGULAR MEETING HELD JANUARY 16, 1984

APPROVED

Ms. Rees moved to approve the minutes of the regular meeting held January 16, 1984.

The motion was seconded by Mr. Mailes and was carried by the following vote:

AYES: Crist, D'Agostini, Sperling, Mailes, Rees

NOES: None

Mr. Friery arrived at 1:05 p.m.

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

Mr. Friery submitted and reported on the Monthly Investment Summary for January 1984 which included the December 1983 portfolio report and the January 1984 reports on Fixed Income Activity, Gold and Silver and Common Stock Activity.

(Continued)

Item 1

3/19/84



INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

(Continued)

Mr. Crist moved to accept the investment report as submitted.

The motion was seconded by Ms. Rees and was carried by the following vote:

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

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT

ACCEPTED

Real Estate Advisor W. Jim Smith submitted and reported on the January 1984 real estate report. Mr. Smith informed the Board that the problem of collecting overdue rent from the previous owner of 1414 K Street remains unresolved. A meeting has been scheduled with the prior owner to discuss the problem.

Mr. Smith presented a credit loan request for \$2.1 million from Atherton Industries, Inc., a subsidiary of Lucky Stores, Inc. Mr. Smith recommended approval of the credit loan.

Deputy City Attorney William Carnazzo advised that Board approval include stipulations that all documents be approved by the system's counsel, that the borrowers pay for an outside real estate counsel's review of the loan and documents, and that the Board approve the terms of the lease on the property.

REAL ESTATE ADVISOR REPORT  
ACCEPTED  
(Continued)

Mr. Crist moved the Board approve the proposal subject to the stipulations advised by Mr. Carnazzo.

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

NOES: None

ALLIANCE CAPITAL DECEMBER 31, 1983 QUARTERLY EQUITY REPORT  
ACCEPTED

The Board received the Alliance Capital Management Corporation December 31, 1983 Quarterly Report. Alfred Henderson of Alliance reviewed the report with the Board.

Mr. Mailes moved to accept the report.

The motion was seconded by Ms. Rees and was carried by the following vote:

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

NOES: None

BATTERYMARCH DECEMBER 31, 1983 QUARTERLY EQUITY REPORT  
ACCEPTED

Mr. Mailes left the meeting at 2:00 p.m.

The Board received the Batterymarch Financial Management December 31, 1983 quarterly report. Dean Williams of Batterymarch reviewed the report with the Board.

Ms. Rees moved to accept the report.

BATTERYMARCH DECEMBER 31, 1983 QUARTERLY EQUITY REPORT

ACCEPTED

(Continued)

The motion was seconded by Mr. Friery and was carried by the following vote:

AYES: Crist, D'Agostini, Friery, Rees

NOES: None

LEHMAN MANAGEMENT DECEMBER 31, 1983 QUARTERLY EMERGING GROWTH EQUITY REPORT

ACCEPTED

The Board received the Lehman Management Company, Inc. December 31, 1983 Quarterly Report. Scott Higgins and Boniface Zaino of Lehman reviewed the report with the Board.

Ms. Rees moved to approve the report.

The motion was seconded by Mr. Friery and was carried by the following vote:

AYES: Crist, D'Agostini, Friery, Rees

NOES: None

LOOMIS SAYLES & COMPANY DECEMBER 31, 1983 QUARTERLY OPTIONS REPORT

ACCEPTED

The Board received the Loomis Sayles & Company December 31, 1983 Full Management Options Quarterly Report. William Mullen reviewed the report with the Board.

Based on his opinion of the market, Mr. Mullen requested the Board consider reinstating the Option Overwrite Program. After discussion, the consensus of the Board was to not reinstate the Overwrite Program at this time.

LOOMIS SAYLES & COMPANY DECEMBER 31, 1983 QUARTERLY OPTIONS REPORT  
ACCEPTED  
(Continued)

Ms. Rees moved to accept the report.

The motion was seconded by Mr. Crist and was followed by the following vote:

AYES: Crist, D'Agostini, Friery, Rees

NOES: None

A. G. BECKER SEPTEMBER 30, 1983 AND DECEMBER 31, 1983 QUARTERLY PERFORMANCE REPORTS  
ACCEPTED

Phil Fox of A. G. Becker submitted the September 30, 1983 and December 31, 1983 Investment Performance Reports. Mr. Fox reviewed the reports with the Board.

Ms. Rees moved to accept the report.

The motion was seconded by Mr. D'Agostini and was carried by the following vote:

AYES: Crist, D'Agostini, Friery, Rees

NOES: None

POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

INVESTMENTS - ASSET DIVERSIFICATION  
DISCUSSED/APPROVED

The Board received copies of the City Treasurer's January 24, 1984 memorandum to the investment managers indicating the monies to be transferred effective March 1, 1984 in accordance with the Board's asset diversification policy.

Ms. Rees moved the approval of the transfers subject to a recalculation of the Loomis Sayles & Company Option Program figures.

INVESTMENTS - ASSET DIVERSIFICATION  
DISCUSSED/APPROVED  
(Continued)

The motion was seconded by Mr. Crist and was carried by  
the following vote:

AYES: Crist, D'Agostini, Friery, Rees

NOES: None

GENERAL COMMUNICATIONS

GREENWICH RESEARCH ASSOCIATES REPORT TO PARTICIPANTS ON PUBLIC PENSION FUNDS  
ACCEPTED AS INFORMATIONAL

The Board received copies of a letter from Greenwich  
Research Associates which briefly highlights the "Report to Participants on  
Public Pension Funds."

The Board accepted the letter as informational.

There being no further business, the meeting was adjourned  
at 3:15 p.m. to meet again at the call of the chair.