

October 29, 1990

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
October 29, 1990

CALL TO ORDER AND ROLL CALL

The Administration, Investment and Fiscal Management Board met in regular session in Conference Room 101, 921 - 10th Street, at 1:30 p.m. on October 29, 1990

PRESENT: Crist, Frierson, Masuoka, Friery

ABSENT: DeCamilla

The meeting was chaired by Vice-Chairman Thomas Friery.

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD SEPTEMBER 24, 1990
APPROVED AS AMENDED

The Board received and reviewed the minutes of the regular meeting held September 24, 1990.

Mr. Friery requested the minutes be amended to read as follows under the real estate advisor's section:

As Mr. Smith was unable to attend the meeting, Mr. Smith contacted Mr. Friery and briefed Mr. Friery on the current real estate activities.

Ms. Frierson moved the amended minutes be approved. The motion was seconded by Ms. Masuoka and was carried by the following vote:

AYES: Frierson, Masuoka, Friery

NOES: None

ABSTAINED: Crist

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INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the August 1990 Treasurer's Investment Activity Report. Deborah Carter, Investment Officer, reviewed the investment report with the Board.

Michelle Stenoski, Investment Officer, reported that on August 31, 1990, \$6 million of the 8% Imperial "put" bonds maturing in 2011 were sold and reinvested into 30 year 8.75% U.S. Treasury Bonds yielding 9.12%. Although the sale resulted in a bookkeeping loss of approximately (\$200,000), the total net benefit of the trade to the year 2011 worked out to be nearly \$800,000.

The original purchase of the Imperial Bonds in October 1986 was made in lieu of the current U.S. Treasury Bond which was yielding 7.75% at that time. As it was felt that interest rates were due to rise, the Imperial "put" bonds provided the City an opportunity to get out of the bonds earlier than maturity, if necessary, without the risk of owning a 30 year security.

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

AYES: Crist, Frierson, Masuoka, Friery

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT

ACCEPTED

The Board received the October 1990 Real Estate Advisor's report, submitted by W. Jim Smith of WJS & Associates. Mr. Smith was unable to attend the meeting.

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Ms. Masuoka moved to accept the report. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, Frierson, Masuoka, Friery

NOES: None

BATTERYMARCH AUGUST 1990 PERFORMANCE REPORT
ACCEPTED AS INFORMATION

The Board accepted as informational Batterymarch's August 1990 performance report.

LEXINGTON AUGUST 1990 PERFORMANCE REPORT
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Lexington's August 1990 performance report.

AXE-HOUGHTON MANAGEMENT, INC., SEPTEMBER 1990 PERFORMANCE REPORT
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Axe-Houghton Management's September 1990 performance report.

IDEAS AND QUESTIONS, MEMBERS OF THE BOARD

Ms. Frierson reported that she attended the first Adjacent Property Owner Design Input Meeting on October 4, 1990 regarding the Community/Convention Center Expansion project. As a representative of the Board, she expressed the Board's concerns on the loading dock issue and the affects on the system's 1414 K Street property. Mr. Jim Smith, Real Estate Advisor, will be attending the next meeting, October 31, 1990.

Mr. Friery informed the Board that he will be attending a seminar in November on international investment opportunities. For future planning, he will be viewing foreign securities as part of the asset diversification plan. Mr. Friery welcomed any ideas or comments from the other Board members on this subject.

There being no further business, the meeting was adjourned at 1:50 p.m. to meet again at the call of the chair.