

February 26, 2001

**MINUTES  
REGULAR MEETING OF THE  
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM  
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD  
February 26, 2001**

**CALL TO ORDER AND ROLL CALL**

The Administration, Investment and Fiscal Management Board met in regular session in Conference Room 101, 921 Tenth Street, at 1:43 p.m. on February 26, 2001.

PRESENT: Nishimoto, Masuoka\*, Sperling, Friery, DeCamilla

ABSENT: None

\*Ms. Masuoka arrived at 1:48 p.m.

**CONSENT CALENDAR**

**MINUTES OF REGULAR MEETING HELD JANUARY 22, 2001**

APPROVED

The Board received and reviewed the minutes of the regular meeting held January 22, 2001. Mr. Nishimoto moved the minutes be approved. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Nishimoto, Sperling, Friery, DeCamilla

NOES: None

Ms. Masuoka arrived at 1:48 p.m.

**INVESTMENTS - TREASURER'S ACTIVITY REPORT JANUARY 2001**

ACCEPTED

The Board received the Treasurer's Activity Report for January 2001. Thomas Berke, Chief Investment Officer, reviewed the report with the Board.

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

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AYES: Nishimoto, Masuoka, Sperling, Friery, DeCamilla

NOES: None

**REPORTS OF CONSULTANTS AND ADVISORS**

**SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM FIXED ALTERNATIVE EQUITY INCOME FUND DECEMBER 31, 2000 QUARTERLY REPORT AND ANNUAL PRESENTATION**

ACCEPTED

The Board received the report and Mr. Berke, Chief Investment Officer, reviewed the report with the Board. The Fixed Alternative portfolio was not included.

The report was presented in the new format providing a comparison with different indices. Ms. Masuoka requested this report, as well as the other fund performance reports, be consistent with SEI's reporting of the fund.

Mr. Berke is to report back to the Board on a possible discrepancy in the new format.

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

AYES: Nishimoto, Sperling, Masuoka, Friery, DeCamilla

NOES: None

**SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM LARGE CAPITALIZATION/GROWTH STOCK PORTFOLIO DECEMBER 31, 2000 QUARTERLY REPORT AND ANNUAL PRESENTATION**

ACCEPTED

The Board received the report and Mr. Berke, Chief Investment Officer, reviewed the report with the Board.

The report was presented in the new format providing a comparison with different indices.

Ms. Masuoka moved to accept the report. The motion was

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seconded by Mr. Nishimoto and was carried by the following vote:

AYES: Nishimoto, Sperling, Masuoka, Friery, DeCamilla

NOES: None

**SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM BIOTECH-TECHNOLOGY GROWTH FUND DECEMBER 31, 2000 QUARTERLY REPORT AND ANNUAL PRESENTATION**

ACCEPTED

The Board received the report and Mr. Berke, Chief Investment Officer, reviewed the report with the Board.

The report was presented in the new format providing a comparison with different indices.

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

AYES: Nishimoto, Sperling, Masuoka, Friery, DeCamilla

NOES: None

**AXE-HOUGHTON ASSOCIATES, INC. DECEMBER 31, 2000 QUARTERLY REPORT**

ACCEPTED

The Board received the Axe-Houghton Associates December 31, 2000 Quarterly Report.

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

AYES: Nishimoto, Sperling, Masuoka, Friery, DeCamilla

NOES: None

**2001 ASSET ALLOCATION AND STRATEGY RECOMMENDATION**

ACCEPTED

The Board received the recommended 2001 Asset Allocation and Strategy recommendation from Mr. Thomas P. Friery, City Treasurer. Mr. Friery recommended the following asset allocation:

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Fixed:	Bonds/2nd TDs/Mortgage Backs	53.79%
	Real Estate Mortgages	9.56
	Utility Stocks	<u>6.65</u>
		70.00%
Equity:	Axe-Houghton	11.00%
	Large Cap/Growth	14.00
	Technology/Biotech	<u>5.00</u>
		30.00%
Total Fixed & Equity		100.00%

In addition to the asset allocation, Mr. Friery recommended the agreement with WJS & Associates be amended to extend WJS Associates' role as real estate equity/mortgage loan advisor to the system and amend the fee payable to WJS Associates.

Ms. Masuoka moved to accept the recommended 2001 Asset Allocation and to amend the agreement with WJS & Associates. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Nishimoto, Masuoka, Sperling, Friery, DeCamilla

NOES: None

There being no further business the meeting was adjourned at 2:40 p.m. to meet again at the call of the chair.