

October 24, 1994

**MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
October 24, 1994**

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 1:30 p.m. on October 24, 1994.

PRESENT: Crist, Nishimoto, Sperling, Friery, DeCamilla

ABSENT: None

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD SEPTEMBER 26, 1994

APPROVED

The Board received and reviewed the minutes of the regular meeting held September 26, 1994. Mr. Friery moved the minutes be approved. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, Nishimoto, Sperling, Friery, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the August, 1994 Treasurer's Investment Activity Report. Mr. Glenn Hosokawa, Investment Officer, reviewed the investment report with the Board.

Mr. Sperling moved to accept the August, 1994 Treasurer's report. The motion was seconded by Mr. Crist and was carried by the following vote:

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AYES: Crist, Nishimoto, Sperling, Friery, DeCamilla

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT, SEPTEMBER, 1994

ACCEPTED

The Board received and reviewed the September, 1994 Real Estate Advisor's Report submitted by Jim Smith, of WJS & Associates.

Mr. Friery informed the Board that staff would be advising Mr. Smith that there is \$3.7 million available for investment.

Mr. Friery moved to accept the September, 1994 Real Estate Advisor's report. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, Nishimoto, Sperling, Friery, DeCamilla

NOES: None

TOWERS PERRIN, JUNE 30, 1994, ACTUARIAL VALUATION

ACCEPTED

The Board received the June 30, 1994 Actuarial Valuation report from Towers Perrin. David LeSueur, system's actuary, reviewed the report with the Board. For discussion, Mr. LeSueur distributed a report that highlighted the significant changes.

Mr. LeSueur informed the Board that the same assumptions employed since 1980 valuation were used as the assumptions continue to be reasonable in the aggregate.

The report measures the assets against the liabilities. The system has a surplus of \$24,782 million. The surplus is large

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enough so that without any actuarial losses, no further City contribution would ever be required. The surplus is significantly affected by investment performance: each 1% deviation from the actuarial assumption of 7% adds to (or subtracts from) the surplus by \$3.1 million. Mr. LeSueur provided considerations for the surplus such as future ad hoc retiree increases or reducing the employee contributions in the future.

The Board briefly discussed the considerations of improving the plan's benefits. Staff will review the Charter and Code and report back to the Board.

Mr. LeSueur recommended the Board continue with Resolution 93-007 which set the amortization rate and normal rate equal to zero through June 30, 1995. Because of the significant surplus and the fact that the next actuarial report will not be presented and accepted until October, 1995, the Board discussed adopting a new resolution setting the amortization rate and normal rate equal to zero through June 30, 1996. The Board requested staff to prepare a new resolution for adoption at the November, 1994 meeting.

Mr. Sperling moved to accept the June 30, 1994 Actuarial Valuation. The motion was seconded by Mr. Friery and was carried by the following vote:

AYES: Crist, Nishimoto, Sperling, Friery, DeCamilla

NOES: None

SCERS BOND FUND JUNE, 1994 TRANSACTIONS
ACCEPTED AS INFORMATIONAL

In response to Mr. Sperling's request regarding the June,

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1994 sale of U.S. Treasury bonds and the investment of the proceeds, the Treasurer's staff prepared a brief report on the transaction. The Board accepted as informational the Treasurer's staff report.

GENERAL COMMUNICATIONS

CORRESPONDENCE FROM JOHN MCLAUGHLIN

ACCEPTED AS INFORMATIONAL

The Board accepted as informational correspondence from John McLaughlin, formerly with SEI, informing the Board that he is now employed with Columbia Management Company.

There being no further business the meeting was adjourned at 2:3025 pm. to meet again at the call of the chair.