

October 28, 1991

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
October 28, 1991

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 28, 1991.

PRESENT: Crist, Masuoka, Friery

ABSENT: Frierson, DeCamilla

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD SEPTEMBER 23, 1991

APPROVED

The Board received and reviewed the minutes of the regular meeting held September 23, 1991. Mr. Crist moved to approve the minutes. The motion was seconded by Ms. Masuoka and was carried by the following vote:

AYES: Crist, Masuoka, Friery

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the August 1991 Treasurer's Investment Activity Report. Deborah Kanner, Investment Officer, reviewed the investment report with the Board.

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

AYES: Crist, Masuoka, Friery

NOES: None

David DeCamillia arrived at 1:40 p.m

October 28, 1991

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT
CONTINUED

The Board received the October 1991 Real Estate Advisor's Report, submitted by W. Jim Smith of WJS & Associates. Mr. Smith was not present.

The Larchmont Square property continues to operate at 10.83% over budget. Mr. Friery requested that Mr. Smith address this issue at the next meeting.

Because the report was missing pages Mr. Friery moved to continue the report to the next meeting. The motion was seconded by Mr. Crist and carried by the following vote:

AYES: Crist, Masuoka, Friery, DeCamilla

NOES; None

TOWERS, PERRIN, FORSTER & CROSBY, JUNE 30, 1991 ACTUARIAL VALUATION
ACCEPTED/ADOPTED RATES

The Board received the June 30, 1991 Actuarial Valuation report from Towers, Perrin, Forster & Crosby. David LeSueur, system's actuary, reviewed the report with the Board. Mr. LeSueur distributed a handout which summarized the valuation.

Mr. LeSueur informed the Board that TPF&C has continued to use the same assumptions employed since the 1980 valuation. These assumptions continue to be reasonable as the system is closed.

The Board discussed the recommended rates. Ms. Masuoka asked to have the flexibility to pay the unfunded liability using the percentage of 0.65% of total payroll or the equivalent of 1.04% of total miscellaneous payroll not to exceed \$892,000.00 which is the equivalent to 0.65% of total payroll.

October 28, 1991

After a lengthy discussion Ms. Masuoka moved to accept the report and adopt the rate of 6.10% of pay for the normal cost and 0.65% of total payroll or the equivalent of 1.04% of total miscellaneous payroll not to exceed \$892,000. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, Masuoka, Friery, DeCamilla

NOES: None

CORRESPONDENCE FROM BATTERYMARCH
ACCEPTED AS INFORMATIONAL

The Board accepted as informational a letter from Batterymarch acknowledging the termination of their services.

Mike Medema, Assistant City Treasurer, informed the Board that as of today \$8.6 million had been liquidated and the rest would be liquidated by Friday, November 1, 1991 as Batterymarch was still in the process of settling the remaining foreign investments.

Per the Board's resolution the funds would be reallocated to the fixed income investment category.

AXE-HOUGHTON MANAGEMENT, INC. SEPTEMBER 30, 1991 PERFORMANCE REPORT
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Axe-Houghton's September 30, 1991 performance report.

REPORTS OF SECRETARY

REPORT ON TERMS OF APPOINTED BOARD MEMBERS-CONTINUED
CONTINUED

Margaret Allen, Secretary to the Board, informed the Board that Donna Giles, Director of Personnel and Mr. Friery will be meeting with Mayor Rudin on this issue.

October 28, 1991

CLOSED SESSION - REAL PROPERTY TRANSACTIONS

The Board adjourned to closed session to discuss the Indio and Modesto real estate transactions.

The Board reconvened in open session. There being no further business, the meeting was adjourned at 3:00 p.m. to meet again at the call of the chair.