

June 24, 1991

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
June 24, 1991

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 June 24, 1991.

PRESENT: Crist, Frierson, Sperling, DeCamilla

ABSENT: Masuoka

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD MAY 20, 1991
APPROVED

The Board received and reviewed the minutes of the regular meeting held May 20, 1991. Ms. Frierson moved the minutes be approved. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Crist, Frierson, Sperling, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT
ACCEPTED

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

Ms. Kanner also distributed and reviewed a special report regarding fixed income investment activity and strategy for May 1991.

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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, Sperling, DeCamilla

NOES: None

POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

RECOVERY OF CITY SCERS INVESTMENT COST
APPROVED

The Board received and reviewed a report presented by the City Treasurer's Office advising the Board, that based on the legal opinion of the City Attorney, the City Treasurer's direct costs of managing and investing the system's fixed assets program can be charged to the assets of SCERS.

It was the City Treasurer's recommendation that the AIFM Board approve reimbursement of the \$44,449 direct City investment costs incurred as a result of direct management of SCERS funds for FY 1990/91 and the estimated costs for FY 1991/92 and FY 1992-93 of \$44,449 and \$45,449 respectively.

Mr. Crist moved to approve the reimbursement of \$44,449 actual cost for FY 1990/91 and approve the reimbursement for FY 1991/92 and FY 1992-93 subject to actual costs. The motion was seconded by Mr. DeCamilla and was carried by the following vote:

AYES: Crist, Frierson, Sperling, DeCamilla

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

CITY TREASURER'S UTILITY STOCK REPORT MARCH, 1991 - CONTINUED
ACCEPTED

The Board received the Treasurer's Utility Stock Fixed Income Alternative Portfolio results for the quarter ending March 31, 1991. Ms. Kanner reviewed the report with the Board.

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

AYES: Crist, Frierson, Sperling, DeCamilla

NOES: None

SEI MARCH 31, 1991 QUARTERLY PERFORMANCE REPORT
ACCEPTED

The Board received SEI's performance report for the quarter ending March 31, 1991. Mr. McLaughlin reviewed the report with the Board.

The Board had a lengthy and in-depth discussion regarding all the managers performances and investment strategies.

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

AYES: Crist, Frierson, Sperling, DeCamilla

NOES: None

Mr. Crist left at 2:45 p.m.

REAL ESTATE ADVISOR'S REPORT
ACCEPTED

The Board received the June, 1991 Real Estate Advisor's Report, submitted by W. Jim Smith of WJS & Associates. Mr. Smith reviewed the report with the Board.

Mr. Smith informed the Board that the Senate Rules Committee is currently interpreting their lease to read that the landlord is responsible for paying the cost of providing utilities beyond normal working hours. The Board's position is that the tenant is responsible to pay the cost of using utilities beyond normal working hours.

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The Board instructed Mr. Smith to inform existing tenants of the Board's position. Mr. Sperling moved to accept the real estate advisor's report. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Frierson, Sperling, DeCamilla

NOES: None

MORTGAGE LOAN PROPOSAL- BEL AIR MART CORPORATION
APPROVED

The Board received a first mortgage loan proposal submitted by Mr. Smith, Real Estate Advisor, in the amount of \$2,490,000, with an interest rate of 10.375%, on a Bel Air Supermarket located at the southeast corner of Sunrise Boulevard and Cirby Way in Roseville, California.

Mr. Smith recommended that the Board approve the proposal and also informed the Board that he thought he could get a higher interest rate of 10.50%.

The Board discussed the proposal and the Board instructed Mr. Smith to attempt to secure a 10.50% interest rate but if he was unsuccessful the Board felt the 10.375% was acceptable.

Mr. Sperling moved to approve the mortgage loan proposal. The motion was seconded by Mr. DeCamilla and was carried by the following vote:

AYES: Frierson, Sperling, DeCamilla

NOES: None

BATTERYMARCH APRIL AND MAY1991 PERFORMANCE REPORTS
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Batterymarch's April and May 1991 performance reports.

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LEXINGTON CAPITAL MANAGEMENT, INC. APRIL 1991 PERFORMANCE REPORT
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Lexington's April 1991 performance report.

DELAWARE INVESTMENT ADVISERS MAY 1991 PERFORMANCE REPORT
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Delaware's May 1991 performance report.

There being no further business, the meeting was adjourned at 3:00 p.m. to meet again at the call of the chair.