

January 25, 1993

MINUTES  
REGULAR MEETING OF THE  
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM  
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD  
January 25, 1993

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 9:30 a.m. on January 25, 1993.

PRESENT: Crist, ~~Frierson~~, Masuoka, Friery

ABSENT: ~~Frierson~~, DeCamilla

CONSENT CALENDAR

Mr. David DeCamilla arrived at 9:42 a.m.

ELECTION OF CHAIRPERSON FOR CALENDAR YEAR 1993

Nominations for Chairperson of the Board for calendar year 1993 were opened. Ms. Masuoka nominated David DeCamilla. The nomination was seconded by Mr. Crist. Mr. DeCamilla was re-elected Chairperson by the following vote:

AYES: Crist, Masuoka, Friery, DeCamilla

NOES: None

ELECTION OF VICE-CHAIRPERSON FOR CALENDAR YEAR 1993

Chairman David DeCamilla opened the nominations for Vice-Chairperson of the Board for calendar year 1993. Mr. Crist nominated Thomas Friery. The nomination was seconded by Mr. DeCamilla. Mr. Friery was re-elected Vice-Chairman by the following vote:

AYES: Crist, Masuoka, Friery, DeCamilla

NOES: None

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MINUTES OF REGULAR MEETING HELD JANUARY 4, 1993

APPROVED

The Board received and reviewed the minutes of the regular meeting held January 4, 1993. Mr. Friery moved to approve the minutes. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, Masuoka, Friery, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the November 1992 Treasurer's Investment Activity Report. Deborah Kanner, Investment Officer, reviewed the investment report with the Board.

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

AYES: Crist, Masuoka, Friery, DeCamilla

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT DECEMBER 1992 AND JANUARY 1993

CONTINUED

The Board received and reviewed the December 1992 and January 1993 Real Estate Advisor's reports. Ms. Masuoka moved to accept the reports. The motion was seconded by Mr. Friery and carried by the following vote:

AYES: Crist, Masuoka, Friery DeCamilla

NOES: None

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POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

STATUS OF MID-YEAR ACTUARIAL REPORT  
ACCEPTED AS INFORMATIONAL

As directed by the Board Mr. Friery contacted David LeSueur, system's actuary, to conduct a mid-year actuarial valuation. Deborah Kanner informed the Board that during the asset allocation process staff estimated the December 1992 book and market value of the system's assets along with capital gains and provided this information to David LeSueur.

Mr. LeSueur indicated that the report could be completed within a month.

Ms. Masuoka suggested that Mr. LeSueur should contact her regarding the expected demographic changes in the City because of the voluntary severance program and expected layoffs and also he should be made aware that there will be no salary increases.

1993 ASSET ALLOCATION REBALANCING  
ADOPTED

The Board received a report submitted by Thomas Friery regarding the 1993 Asset Allocation strategy. Mr. Friery reviewed the report with the Board.

The report recommended the Board adopt a resolution to rebalance the fixed asset and equity asset allocations to reflect a 66% to 34% ratio pursuant to Resolution No. 90-002. Resolution No. 90-002 established the policy to annually reduce the equity asset allocation by 2% until the asset allocation equaled 70% fixed investments and 30% equity investments.

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After discussion Mr. Crist moved to adopt the resolution which established the asset allocation for 1993 as follows:

1.

Fixed:

Bonds/2nd Trust/Mtg Backs	57.0%
Real Estate Mortgages	4.0%
Utility Stocks	<u>5.0%</u>
Total Fixed	66.0%

Equity:

Axe-Houghton	9.0%
Delaware	8.5%
Large Capital/Growth	5.0%
Newbolds	6.5%
Real Estate Equity (Net)	<u>5.0%</u>
Total Equity	34.0%

Total Fixed & Equity 100.0%

2. Direct the City Treasurer to advise the external managers of the 1993 asset allocation and to effect the necessary transfers of monies to implement the rebalancing by March 31, 1993, except the \$2.5 million excess real estate mortgage monies which shall remain as over-invested and the transfer of real estate equity monies, which is deferred until real estate assets can be sold at which time the monies will be transferred to the large capital/growth asset allocation.

The motion was seconded by Mr. Friery and was carried by the following vote:

AYES: Crist, Masuoka, Friery, DeCamilla

NOES: None

There being no further business the meeting was adjourned at 10:20 a.m. to meet again at the call of the chair.