

May 18, 1992

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
May 18, 1992

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 May 18, 1992.

PRESENT: Crist, Frierson, Friery, DeCamilla

ABSENT: Masuoka

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD APRIL 20, 1992

APPROVED

The Board received and reviewed the minutes of the regular meeting held April 20, 1992. Mr. Friery moved to approve the minutes. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Crist, Frierson, Friery, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the March, 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. Frierson and carried by the following vote:

AYES: Crist, Frierson, Friery, DeCamilla

NOES: None

May 18, 1992

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT

ACCEPTED/APPROVED

The Board received the real estate advisor's report for May, 1992. Mr. Smith reviewed the report with the Board.

Mr. Smith recommended the Board approve the cost of installing additional parking lot lighting at Discovery Plaza. Bel Air Market, the major tenant, has requested the additional lighting for greater security. The total cost will be \$18,075.00 of which Bel Air would pay \$7,915.00.

Also, Mr. Smith recommended the Board accept the bid from Asbestos Control Group, Inc., of \$64,760.00, to remove the asbestos at 1414 K.

Ms. Frierson moved to accept the Real Estate Advisor's report, approve the expenditure of \$10,160.00 for additional lighting at Discovery Plaza and the expenditure of \$64,760.00 to clean up the asbestos at 1414 K. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, Frierson, Friery, DeCamilla

NOES: None

CITY COUNCIL PROPOSED HISTORIC PRESERVATION STRATEGY/1414 K STREET

The Board received notice from the Sacramento Housing and Redevelopment Agency that the City Council will be hearing the proposed Historic Preservation Strategy on May 19, 1992. The Board was informed that the System's property located at 1414 K will be included on the Historic Preservation Protected List.

After discussion, Mr. Crist moved that Mr. Smith, Real Estate Advisor, initiate the process to remove 1414 K from the protected list. The motion was seconded by Mr. Friery and was carried by the following vote:

AYES: Crist, Frierson, Friery, DeCamilla

May 18, 1992

DELAWARE INVESTMENT ADVISERS, MARCH 31, 1992, QUARTERLY REPORT
PRESENTATION
ACCEPTED

The Board received the March 31, 1992 quarterly report from Delaware Investment Advisers. Bernard P. Schaffer and John P. Gavin reviewed the report with the Board.

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

AYES: Crist, Frierson, Friery, DeCamilla

NOES: None

NEWBOLD'S ASSET MANAGEMENT, MARCH 31, 1992, QUARTERLY REPORT PRESENTATION
ACCEPTED

The Board received the March 31, 1992 quarterly report from Newbold's Asset Management. Lynn Wharton reviewed the report with the Board.

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

AYES: Crist, Frierson, Friery, DeCamilla

NOES: None

AXE-HOUGHTON MANAGEMENT, INC., MARCH 31, 1992, QUARTERLY REPORT
ACCEPTED

The Board received and reviewed the March 31, 1992 quarterly report from Axe-Houghton Management.

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

AYES: Crist, Frierson, Friery, DeCamilla

NOES: None

May 18, 1992

LEXINGTON CAPITAL MANAGEMENT, INC., MARCH 31, 1992 QUARTERLY REPORT
ACCEPTED

The Board received and reviewed the March 31, 1992 quarterly report submitted by Lexington Capital Management, Inc.

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

AYES: Crist, Frierson, Friery, DeCamilla

NOES: None

POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

AMENDMENT TO ASSET REALLOCATION RESOLUTION #92-002
ADOPTED

At the April 20, 1992 meeting, the Board approved a real estate mortgage loan which exceeded the current real estate allocation. To fund this action, the City Treasurer recommended the adoption of the amended asset reallocation resolution to change the real estate allocation from 4% to 5% by decreasing the bond allocation by 1%.

Mr. Crist moved to adopt the amended asset reallocation resolution. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Crist, Frierson, Friery, DeCamilla

NOES: None

REPORTS OF SECRETARY

CALAPRS - PENSION FUND INVESTING
ACCEPTED AS INFORMATIONAL

The Board accepted as informational an announcement from CALAPRS regarding a seminar on Pension Fund Investing.

May 18, 1992

CITIZENS AND MEMBERS ADDRESSING THE BOARD ON MATTERS NOT ON THE AGENDA

Upon the request of Mr. Crist, Ms. Masuoka and Mr. Friery, Mr. Steve Lakich, Employee Relations Director, came before the Board to inform the Board of the possible transfer of active Sacramento City Employees' Retirement System members to the Public Employees' Retirement System (PERS).

Under the direction of the City Manager, Mr. Lakich and Donna Giles, Director of Personnel, were requested to study providing a "golden hand shake" under SCERS, the possibility of allowing individual members of SCERS the option to transfer to PERS and eliminating the current "injury on duty" benefit as an offsetting cost savings. The City hired the system's actuarial firm TPF&C to conduct a valuation to determine the cost of the first two issues.

Mr. Lakich stated that after receiving the actuarial report it was determined that the "golden hand shake" option was too costly and would not be considered but the City would enter into negotiations with the recognized employee organizations to prepare a Charter amendment, for the November, 1992 ballot, to permit the transfer of active miscellaneous SCERS members to PERS in conjunction with eliminating the injury on duty benefit.

The Board discussed having to significantly change investment objectives and goals if the transfer is permitted. At this time because the negotiating process is only in the preliminary stages, the Board decided to take no action but requested that Mr. Lakich keep the Board informed as this issue progresses.

There being no further business the meeting was adjourned at 2:10 p.m. to meet again at the call of the chair.