

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
August 25, 1997

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 1:37 p.m. on August 25, 1997.

PRESENT: Masuoka, Sperling, Friery

ABSENT: Nishimoto, DeCamilla

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD JULY 28, 1997
CONTINUED

This matter was continued to the next regular meeting.

MINUTES OF SPECIAL MEETING HELD AUGUST 18, 1997
APPROVED

The Board received and reviewed the minutes of the special meeting held August 18, 1997. Mr. Sperling moved the minutes be approved. The motion was seconded by Ms. Masuoka and was carried by the following vote:

AYES: Masuoka, Sperling, Friery

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT
ACCEPTED

The Board received the June, 1997 Treasurer's Investment Activity Report. Mr. Glenn Hosokawa, Investment Officer, reviewed the investment report with the Board.

Mr. Sperling moved to accept the June, 1997 Treasurer's report. The motion was seconded by Ms. Masuoka and was carried by the following vote:

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AYES: Masuoka, Sperling, Friery

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT, AUGUST, 1997

ACCEPTED

The Board received and reviewed the August, 1997 Real Estate Advisor's report. Mr. Jim Smith, of WJS Associates, was not present.

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

AYES: Masuoka, Sperling, Friery

NOES: None

RENOVATION OF 1414 K STREET

DISCUSSED

Mr. Friery informed the Board that he had spoken with Mr. Smith of WJS Associates and Mr. Smith informed him that it will take several months to receive all the bids on renovating 1414 K Street to meet the state's seismic requirements.

Ms. Masuoka requested that before the Board make any commitment to the renovation Mr. Smith prepare for the Board's review a comparison of the income stream with leasing to state tenants versus leasing to private tenants.

AXE-HOUGHTON ASSOCIATES, INC., JUNE 30, 1997 QUARTERLY REPORT

PRESENTATION

ACCEPTED

The Board received Axe-Houghton Associates' June 30, 1997 quarterly report. Mr. Seth Lynn and Ms. Robin Kerr reviewed the report with the Board.

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The Board directed Axe-Houghton to continue using both the value line index and the Russell 2000 to measure the performance of the fund.

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

AYES: Masuoka, Sperling, Friery

NOES: None

DELAWARE INVESTMENT ADVISERS, JUNE 30, 1997 QUARTERLY REPORT
ACCEPTED

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

AYES: Masuoka, Sperling, Friery

NOES: None

NEWBOLD'S ASSET MANAGEMENT, INC., JUNE 30, 1997 QUARTERLY REPORT
ACCEPTED

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

AYES: Masuoka, Sperling, Friery

NOES: None

LARGE CAPITALIZATION/GROWTH STOCK PORTFOLIO, JUNE 30, 1997
QUARTERLY REPORT
ACCEPTED

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

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AYES: Masuoka, Sperling, Friery

NOES: None

FIXED UTILITY HIGH INCOME STOCK PORTFOLIO, JUNE 30, 1997 QUARTERLY REPORT

ACCEPTED

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

AYES: Masuoka, Sperling, Friery

NOES: None

COMMUNICATION FROM SEI INVESTMENTS

ACCEPTED AS INFORMATIONAL

The Board accepted as informational a press release from SEI Investments regarding the sell of SEI Capital Resources division.

FY 1996/97 REPORT OF PROXIES VOTED

ACCEPTED AS INFORMATIONAL

The Board accepted as informational FY 1996/97 Report of Proxies Voted.

CITY REVIEW OF SCERS

ACCEPTED AS INFORMATIONAL

The Board accepted as informational a memorandum from Mr. Friery informing the Board that the City is conducting a SCERS review to determine how to recover City administrative costs from SCERS and the feasibility of terminating SCERS.

GENERAL COMMUNICATIONS

COMMUNICATION FROM RUDEN MCCLOSKEY SMITH SCHUSTER & RUSSELL

ACCEPTED AS INFORMATIONAL

The Board accepted as informational a communication from

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Ruden McClosky Smith Schuster & Russell.

There being no further business the meeting was adjourned at 2:15 p.m. to meet again at the call of the chair.