

July 24, 1995

**MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
July 24, 1995**

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 1:40 p.m. on July 24, 1995.

PRESENT: Crist, Sperling, Friery

ABSENT: Nishimoto, DeCamilla

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD JUNE 26, 1995

APPROVED

The Board received and reviewed the minutes of the regular meeting held June 26, 1995. Mr. Crist moved the minutes be approved. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Crist, Sperling, Friery

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the May, 1995 Treasurer's Investment Activity Report. Mr. Glenn Hosokawa, Investment Officer, reviewed the investment report with the Board.

Mr. Crist moved to accept the May, 1995 Treasurer's report. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Crist, Sperling, Friery

NOES: None

July 24, 1995

As discussed at the June 26, 1995 meeting, Mr. Friery informed the Board that staff will be preparing a report regarding continuing to use the management services of an external performance measurement firm.

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT, JUNE, 1995
ACCEPTED

The Board received the June, 1995 Real Estate Advisor's Report submitted by Jim Smith, of WJS & Associates. Mr. Smith reviewed the report with the Board.

Mr. Smith informed the Board that a proposed purchase and sale agreement between RREEF Advisors for the Enterprise Buildings has been completed. The proposal calls for the System's total exposure for anything surviving the close of escrow to be limited to a maximum of \$200,000. The Board will discuss the issue further in close session.

Mr. Smith informed the Board that he is currently negotiating a lease with the police department to place a Sacramento Neighborhood Service Center in the remaining 975 sq. ft. vacant space at Discovery Plaza, at not cost to the Police Department. The space has been vacant for over two years. It is anticipated with the presence of the police department plus the visibility of police substation signage that the number of patrol hours required for private security will be reduced and that crime and vandalism will be reduced. While the police department wanted a one-year commitment, the lease has been modified to allow for a 30-day cancellation in the event the Service Center does not

July 24, 1995

provide any real benefit to the Shopping Center. In the event the system receives an offer to rent the space Bel Air has asked that they be given the first try to meet the terms of the proposal in order to keep the Service Center. Mr. Smith recommended proceeding with the lease agreement so long as the system has the option of either getting rent from Bel Air or terminating the agreement upon 30 day's notice. Mr. Smith explained that the system would benefit from this arrangement because of the reduction in security costs and vandalism repair costs. The Board instructed Mr. Smith to proceed with the lease.

Mr. Crist moved to accept the June, 1995 Real Estate report. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Crist, Sperling, Friery

NOES: None

FY 1994/95 & FY 1995/96 SCERS' DIRECT INVESTMENT COSTS
ADOPTED

The Board received a report and a proposed resolution recommending that the Board adopt the actual expenditures and reimbursement to the City General Fund in the amount of \$59,181 incurred by the City Treasurer during FY 1994/95 for direct expenses related to SCERS' investments, and approve the proposed FY 1995/96 estimated budget of \$61,100 City Treasurer direct expenses for SCERS' investments. Mr. Alan Keang reviewed the report with the Board.

Mr. Crist moved to adopt the proposed resolution. The motion was seconded by Mr. Sperling and was carried by the

July 24, 1995

following vote:

AYES: Crist, Sperling, Friery

NOES: None

IDEAS AND QUESTIONS, MEMBERS OF THE BOARD

THE TEXPERS CODE OF ETHICS

CONTINUED

Mr. Sperling presented to the Board, as informational, the Texas Association of Public Employee Retirement Systems Code of Ethics. Mr. Sperling felt the AIFM Board should adopt something similar.

Mr. Friery stated he had reviewed the material and found it informative but was concern that portions may conflict with FPPC regulations, state law and City policy and requested that Catherine Brown, Counsel to the Board, review the material and report back to the Board.

CLOSED SESSION: REAL PROPERTY NEGOTIATIONS

The Board adjourned to closed session at 2:10 p.m. to discuss:

PROPERTY: 1750 and 1800 Enterprise Blvd., West Sacramento, California

PARTIES: SCERS and RREEF AMERICAN, L.L.C.

UNDER NEGOTIATION: Terms of Payment and Price

The Board reconvened to regular session at 2:35 p.m. Mr. Smith, Real Estate Advisor, was instructed to continue to negotiate with RREEF.

There being no further business the meeting was adjourned at 2:35 p.m. to meet again at the call of the chair.