

MINUTES  
REGULAR MEETING OF THE  
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM  
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD  
FEBRUARY 23, 1987

CALL TO ORDER AND ROLL CALL

The Administration, Investment and Fiscal Management Board met in regular session in Conference Room 103, 801 - 9th Street, at 1:30 p.m. on February 23, 1987. Chairman Thomas Friery presiding.

PRESENT: DeCamilla, Frierson, Friery, Masuoka, Wolford

ABSENT: None

CONSENT CALENDAR

ELECTION OF CHAIRPERSON FOR YEAR 1987

Chairman Thomas Friery opened the nominations for Chairperson of the Board for calendar year 1987. Mr. DeCamilla nominated Thomas Friery. The nomination was seconded by Ms. Masuoka. There were no other nominations. Mr. Friery was re-elected Chairman by the following vote:

AYES: DeCamilla, Frierson, Masuoka, Wolford

NOES: None

ABSTAIN: Friery

ELECTION OF VICE-CHAIRMAN FOR YEAR 1987

The Chairman opened the nominations for Vice-Chairperson of the Board for calendar year 1987. Mr. DeCamilla nominated Terry Wolford. The nomination was seconded by Mr. Friery. Mr. Wolford nominated David DeCamilla. Mr. Wolford withdrew his nomination. There were no other nominations. Mr. Wolford was elected Vice-Chairman by the following vote:

AYES: DeCamilla, Frierson, Friery, Masuoka, Wolford

NOES: None

MINUTES OF REGULAR MEETING HELD JANUARY 26, 1987

APPROVED

The Board received and reviewed the minutes of the regular meeting held January 26, 1987. Ms. Masuoka moved the minutes be approved. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: DeCamilla, Frierson, Friery, Masuoka, Wolford

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the December 1986 Treasurer's Investment Activity Report. Mr. Sperling, Assistant City Treasurer, reviewed the investment report with the Board. Mr. Friery reviewed the gold and silver report with the Board and informed the Board of an error in the report. The report should read, for the month of January the annualized rate of return on the SCERS hard asset program was 49.23% rather than (49.23%). After discussion, Mr. Wolford moved to accept the investment activity report. The motion was seconded by Ms. Masuoka and was carried by the following vote:

AYES: DeCamilla, Frierson, Friery, Masuoka, Wolford

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

CITY TREASURER'S UTILITY STOCK DECEMBER 31, 1986 QUARTERLY REPORT

ACCEPTED

The Board received the Treasurer's Utility Stock Fixed Income Alternative Portfolio and Portfolio Results for the quarter ending December 31, 1986. Mr. Friery reviewed the report with the Board.

After discussion, Mr. DeCamilla moved to accept the report. The motion was seconded by Mr. Wolford and was carried by the following vote:

AYES: DeCamilla, Frierson, Friery, Masuoka, Wolford

NOES: None

ALLIANCE CAPITAL DECEMBER 31, 1986 QUARTERLY REPORT

ACCEPTED

The Board received the Alliance Capital December 31, 1986 quarterly report. John Story of Alliance Capital reviewed the report with the Board. Mr. DeCamilla moved to accept the report. The motion was seconded by Mr. Wolford and was carried by the following vote:

AYES: DeCamilla, Frierson, Friery, Masuoka, Wolford

NOES: None

BATTERYMARCH FINANCIAL DECEMBER 31, 1986 QUARTERLY REPORT

ACCEPTED

The Board received the Batterymarch Financial December 31, 1986 quarterly report. Richard Gula of Batterymarch reviewed strategic scores and the international portfolio.

Mr. Friery commented that he was disappointed in the performance of Batterymarch.

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

AYES: DeCamilla, Frierson, Friery, Masuoka, Wolford

NOES: None

DELAWARE INVESTMENT DECEMBER 31, 1986 QUARTERLY REPORT

ACCEPTED

The Board received the Delaware Investment December 31, 1986 quarterly report. Mr. Wayne Stork, President of Delaware Investment, presented an economic overview and forecast for 1987. Edwin Powell of Delaware reviewed the report with the Board. Mr. Wolford moved to accept the report. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: DeCamilla, Frierson, Friery, Masuoka, Wolford

NOES: None

NEWBOLD'S ASSET MANAGEMENT DECEMBER 31, 1986 QUARTERLY REPORT

ACCEPTED

The Board received the Newbold's Asset Management December 31, 1986 quarterly report. Harry Hiestand of Newbold's reviewed the report and summarized Newbold's investment philosophy with the Board. Mr. Wolford moved to accept the report. The motion was seconded by Mr. DeCamilla and was carried by the following vote:

AYES: DeCamilla, Frierson, Friery, Masuoka, Wolford

NOES: None

REAL ESTATE ADVISOR'S REPORT

ACCEPTED

The Board received the January 1987 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 contract for renovation on the 1414 K Building, which the Board approved expenditures of up to \$400,000, was signed at \$413,468. The increase was due to additional changes required by the City Building Inspection Division. Mr. Smith recommended that the Board increase the authorization from \$400,000 to \$425,000 to cover all potential overruns.

Mr. DeCamilla moved to accept the monthly report and to increase the maximum expenditure on the 1414 K renovation to \$425,000. The motion was seconded by Ms. Masuoka and was carried by the following vote:

AYES: DeCamilla, Frierson, Friery, Masuoka, Wolford

NOES: None

PROPOSAL FOR EQUITY PURCHASE - DATA TECH MAGNETICS BUILDING, FOLSOM, CA.  
PROPOSAL REJECTED

Mr. Smith submitted a proposal for the purchase of a research development facility located at 140 Blue Ravine Road, Folsom, Ca., for \$3,000,000. The Board reviewed and discussed the proposal. Based on the April 1985 Data Tech Magnetics and Shape, Inc. financial statements, and the fact that current financial statements were not available the Board could not approve the purchase of the facility. In addition, the Board would require that a test for toxic waste be conducted on the property. After considerable discussion, Mr. Wolford moved that the board not approve the purchase of the Data Tech Magnetics facility. The motion was seconded by Mr. Friery and carried by the following vote:

AYES: DeCamilla, Friery, Masuoka, Wolford

NOES: Frierson

SEI PERFORMANCE SUMMARY, MARKET INDEXES AND RETIREMENT UNIVERSE  
DECEMBER 31, 1986  
ACCEPTED AS INFORMATIONAL

The Board received and accepted as informational copies of SEI's Performance Summary and Market Indexes for the December 1986 quarter.

POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

ASSET REALLOCATION  
APPROVED

The Board received and reviewed the recommended asset reallocation, in accordance with Resolution 84-007, as presented by Donald Sperling, Assistant City Treasurer. After brief discussion, Ms. Frierson moved to approve the asset reallocation. The motion was seconded by Mr. DeCamilla and was carried by the following vote:

AYES: DeCamilla, Frierson, Friery, Masuoka, Wolford

NOES: None

Ms. Masuoka left the meeting at 4:07 p.m.

REPORTS OF SECRETARY

SCERS INVESTMENT MANAGER PAYMENTS FOR 1986  
ACCEPTED AS INFORMATIONAL

Richard E. Snyder, Secretary to the Board, submitted a summary of payments made to the investment managers, who were under contract to the Sacramento City Employees' Retirement System during calendar year 1986. The Board accepted the item as informational

There being no further business, the meeting was adjourned at 4:15 p.m. to meet again at the call of the chair.