

RESOLUTION NO. 84- 005

ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD

OF THE

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

August 20, 1984

A RESOLUTION ADOPTING GUIDELINES
DELEGATING CERTAIN AUTHORITY TO
REAL ESTATE MANAGER, REGARDING
PROPERTIES OWNED BY THE SACRAMENTO
CITY EMPLOYEES RETIREMENT SYSTEM

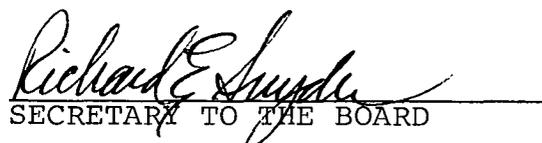
WHEREAS, W. J. Smith has presented, for Board approval and adoption, guidelines for delegation of authority to handle routine matters relative to properties owned by Sacramento City Employees Retirement System; and,

WHEREAS, the draft guidelines have been reviewed by the System's legal counsel and by the Board at its regular meeting of July 16, 1984;

NOW, THEREFORE, BE IT RESOLVED by the Administration, Investment and Fiscal Management Board that the attached guidelines are approved and adopted.


RALPH D'AGOSTINI
Chairman

ATTEST:


SECRETARY TO THE BOARD

APPROVED AS TO FORM:


WILLIAM P. CARNAZZO
Deputy City Attorney

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

REAL ESTATE EQUITY DELEGATION AND APPROVAL GUIDELINES

For Projects Under Asset Management

I. The following actions must be approved in advance by the Board:

1. Sale, purchase, refinancing, or any other transaction affecting the ownership of the property, as recommended by the real estate advisor.
2. Changes to any partnership involving property in which the System has an interest.
3. Contracts for capital improvements negotiated and recommended by the real estate advisor.
4. Contracts for special consultants such as engineers and attorneys.
5. Extension of commitments as recommended by the real estate advisor.
6. Operating budgets and changes to operating budgets as recommended by the real estate advisor providing the cumulative change results in a variance greater than ten percent (10%) of the original pro forma.
7. Management agreements and leases negotiated by the real estate advisor which have been reviewed and approved by legal counsel.

II. The real estate advisor shall be authorized:

1. Subject to final review by the System's counsel, to approve leases, subleases (providing they do not release terms of master lease) and lease guidelines provided they do not negatively affect the original or succeeding revised pro forma/budgets by more than ten percent (10%) annually.
2. Subject to final review by the System's counsel, to approve building subcontracts by property management firms, provided the costs have been previously budgeted, and/or are to be passed through to tenants.
3. Approve insurance programs provided the costs have been previously budgeted, and/or are to be passed through to tenants.

4. Subject to prior approval of the City Treasurer, to approve emergency repairs to properties, provided the cost of the repairs is \$25,000 or less. If the cost exceeds \$25,000, the real estate advisor shall present the matter to the Board for consideration at its next meeting.

5. Attend partnership meetings and represent the System when authorized.

6. Subject to prior approval by the System's counsel, to approve and execute reasonable collection and eviction actions excluding legal procedures.

7. Approve annual operating budgets negotiated by the real estate advisor provided the cash flows are within ten percent (10%) of the original pro forma (reflecting five percent (5%) inflation).

8. Approve changes to operating budgets providing the cumulative change result is less than ten percent (10%) of the approved budget.

9. Subject to prior approval by the City Treasurer, to take other reasonable action which does not materially affect the return to the System.

10. Approve contracts for capital improvements provided the contracts are within ten percent (10%) of the original expenditure approved by the Board.

The real estate advisor shall report to the Board any actions taken pursuant to these guidelines, at the next Board meeting following the action.

For approval of any matter or action not covered by these guidelines, or in any case where the real estate advisor determines that a question exists as to authority for the action, the City Treasurer shall, subject to ratification by the Board, have authority to grant interim approval.

Where these guidelines refer to the "City Treasurer," that term shall be deemed to include the Assistant City Treasurer where the City Treasurer is unavailable.

The Board Chairperson is authorized by the Board to execute documents, changes, authorizations, and amendments including management agreements, contracts, leases and miscellaneous service contracts based on recommendations of the real estate advisor and subject to review and approval of the System's attorney.