

September 24, 1990

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
September 24, 1990

CALL TO ORDER AND ROLL CALL

The Administration, Investment and Fiscal Management Board met in regular session in Conference Room 101, 921 - 10th Street, at 1:30 p.m. on September 24, 1990.

PRESENT: Frierson, Masuoka, Friery, DeCamilla

ABSENT: Crist

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD August 27, 1990
APPROVED

The Board received and reviewed the minutes of the regular meeting held August 27, 1990.

Mr. Friery moved the minutes be approved. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Frierson, Masuoka, Friery, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT
ACCEPTED

The Board received the July 1990 Treasurer's Investment Activity Report. Deborah Carter, Investment Officer, reviewed the investment report with the Board.

Ms. Frierson moved to accept the investment activity report. The motion was seconded by Ms. Masuoka and was carried by the following vote:

AYES: Frierson, Masuoka, Friery, DeCamilla

NOES: None

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REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT

ACCEPTED

The Board received the September 1990 Real Estate Advisor's report, submitted by W. Jim Smith of WJS & Associates. Mr. Smith was unable to attend the meeting.

Mr. Friery reported that Mr. Smith met with Mr. Solon Wisham and the architects relative to City staff's recommendation to proceed with plans to construct the new addition to the Community Center. After discussion it was agreed that the system would have input into the final plans.

Mr. Smith reported that the borrowers on the Alhambra & O Street mortgage loan wanted to renegotiate the no prepayment clause during the term of the loan. Mr. Smith would not recommend making any loan unless some form of prepayment penalty is included in the loan terms.

Also, Mr. Smith reported the PM Advisors have chosen not to purchase the system's Enterprise property as they felt the property was overpriced in the current market. Mr. Smith recommended to proceed with the back-up offer at the same asking price of \$7.4 million but with the proviso that there be a maximum thirty days to complete due diligence before earnest money is deposited into escrow.

After discussion, Mr. Friery moved to accept the report, to accept Mr. Smith's recommendation on the Alhambra & O loan and to proceed with the back-up offer on the Enterprise property. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Frierson, Masuoka, Friery DeCamilla

NOES: None

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SEI JUNE 30, 1990 QUARTERLY REPORT ON PERFORMANCE
ACCEPTED

The Board received SEI's performance report for the quarter ending June 30, 1990. Jim Blachman, from SEI, reviewed the report with the Board.

The Board discussed the different investment styles of the system's external managers and requested SEI keep the Board informed if any of the managers are inconsistent with their style.

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

AYES: Frierson, Masuoka, Friery, DeCamilla

NOES: None

BATTERYMARCH JULY 1990 PERFORMANCE REPORT
ACCEPTED AS INFORMATION

The Board accepted as informational Batterymarch's July 31, 1990 performance report.

LEXINGTON JULY 1990 PERFORMANCE REPORT
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Lexington's July 31, 1990 performance report.

DELAWARE INVESTMENT ADVISERS AUGUST 1990 PERFORMANCE REPORT
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Delaware Investment Advisers August 1990 performance report.

POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

PROPOSED IMPLEMENTATION OF POLICY CHANGE FOR FREQUENCY OF INVESTMENT MANAGERS PRESENTATIONS
APPROVED

At the August 27, 1990 meeting the AFIM Board recommended that the frequency of formal presentations by external managers and advisors be

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changed and requested staff to prepare a proposed policy.

Deborah Carter, Investment Officer, reviewed the proposed new policy which recommended semi-annual presentations be made by external equity managers and quarterly presentations by the real estate advisor. At the discretion of the Board a manager/advisor may be asked to appear more frequently. External managers and advisors will continue to meet the reporting requirements of their contracts.

Ms. Masuoka moved the new policy be approved and be implemented immediately. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Frierson, Masuoka, Friery, DeCamilla

NOES: None

IDEAS AND QUESTIONS, MEMBERS OF THE BOARD

It was the consensus of the Board to change the date of the regular October meeting from October 22, 1990 to October 29, 1990 as several Board members will be attending a special conference on October 22, 1990.

There being no further business, the meeting was adjourned at 2:20 p.m. to meet again at the call of the chair.