

September 25, 1989

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
September 25, 1989

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 1:35 p.m. on September 25, 1989.

PRESENT: Masuoka, Friery, DeCamilla

ABSENT: Frierson, Wolford

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD AUGUST 28, 1989
APPROVED AS AMENDED

The Board received and reviewed the minutes of the regular meeting held August 28, 1989. Mr. Friery requested the minutes reflect that a report dated August 29, 1979 on asset diversification be attached to the minutes. Ms. Masuoka moved the amended minutes be approved. The motion was seconded by Mr. Friery and was carried by the following vote:

AYES: Masuoka, Friery, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT
ACCEPTED

The Board received the July 1989 Treasurer's Investment Activity Report. Deborah Carter, Investment Officer, reviewed the investment report with the Board.

Ms. Carter informed the Board that this is the first report that isolates the money to be transferred to PERS and is identified as PERS Trust Account. Mr. Friery commented that the future safety contributions

September 25, 1989

for the transferring members should be included in the PERS Trust Account as presented to the AIFM Board at the March 3, 1989 meeting. However, it was stated that including these contributions in the PERS Trust Account would require significant staff time to complete all the necessary steps between now and January. The Treasurer's office and the Finance Department will review this situation and present a workable solution.

Mr. Friery informed the Board that because of the favorable market approximately \$21 million in the PERS Trust Account will not be transferred to PERS but will be returned to SCERS for reinvestment.

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

AYES: Masuoka, Friery, DeCamilla

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

UTILITY STOCK FIXED INCOME ALTERNATIVE PORTFOLIO AND PORTFOLIO RESULTS
-CONTINUED
ACCEPTED

The Board received the Treasurer's written report on the Utility Stock Fixed Income Alternative Portfolio and Portfolio Results for the quarter ending June 30, 1989. An oral report was presented to the Board on August 26, 1989.

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

AYES: Masuoka, Friery, DeCamilla

NOES: None

REAL ESTATE ADVISOR'S REPORT
ACCEPTED

The Board received the September, 1989 Real Estate Advisor's

September 25, 1989

report, submitted by W. Jim Smith of WJS & Associates. Mr. Smith was unable to attend the meeting.

Mr. Friery moved to accept the Real Estate Advisor's Report. The motion was seconded by Ms. Masuoka and was carried by the following vote:

AYES: Masuoka, Friery, DeCamilla

NOES: None

SEI JUNE 30, 1989 QUARTERLY PERFORMANCE REPORT
ACCEPTED

The Board received SEI's performance reports for the quarter ending June 30, 1989. Jim Blachman, from SEI, reviewed the report with the Board.

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

AYES: Masuoka, Friery, DeCamilla

NOES: None

SEI'S PERFORMANCE REVIEW FOR THE SECOND QUARTER
ACCEPTED AS INFORMATIONAL

The Board accepted as informational SEI's Performance Review for the second quarter of 1989.

LEXINGTON CAPITAL MANAGEMENT, INC. JULY, 1989 PERFORMANCE
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Lexington Capital Management, Inc., July, 1989 performance report.

GENERAL COMMUNICATIONS

Deborah Carter, Investment Officer, informed the Board that a press release had been received from Delaware Investment Advisers regarding Tokio Marine and Fire Insurance Company, Ltd., part of the Mitsubishi Group acquiring 10% interest in Delaware Investment.

September 25, 1989

IDEAS AND QUESTIONS, MEMBERS OF THE BOARD

The Board discussed the current policy on asset allocation and the pending report from the Treasurer's office which will be submitted in January 1990.

There being no further business, the meeting was adjourned at 3:15 p.m. to meet again at the call of the chair.