

September 26 1994

**MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
September 26, 1994**

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 1:35 p.m. on September 26, 1994.

PRESENT: Sperling, Friery, DeCamilla

ABSENT: Crist, Nishimoto

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD AUGUST 22, 1994

APPROVED

The Board received and reviewed the minutes of the regular meeting held August 22, 1994. Mr. Friery moved the minutes be approved. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Sperling, Friery, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the July, 1994 Treasurer's Investment Activity Report. Mr. Glenn Hosokawa, Investment Officer, reviewed the investment report with the Board.

Mr. Hosokawa informed the Board that staff will respond to Mr. Sperling's request regarding the June sale of U.S. Treasury bonds and the investment of the proceeds at the October meeting.

September 26, 1994

Mr. Sperling moved to accept the July, 1994 Treasurer's report. The motion was seconded by Mr. DeCamilla and was carried by the following vote:

AYES: Sperling, Friery, DeCamilla

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT, AUGUST, 1994
ACCEPTED

The Board received and reviewed the August, 1994 Real Estate Advisor's Report submitted by Jim Smith, of WJS & Associates. Mr. Friery moved to accept the August, 1994 Real Estate Advisor's report. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Sperling, Friery, DeCamilla

NOES: None

SEI PERFORMANCE MEASUREMENT REPORT, JUNE, 30, 1994
ACCEPTED

The Board received SEI's June 30, 1994 Performance Measurement Report. Karen Smith reviewed the report with the Board.

Mr. Sperling moved to accepted SEI's June 30, 1994 report. The motion was seconded by Mr. Friery and was carried by the following vote:

AYES: Sperling, Friery, DeCamilla

NOES: None

SEI'S PERFORMANCE REVIEW, JUNE, 1994
ACCEPTED AS INFORMATIONAL

The Board accepted as informational a new quarterly

September 26, 1994

publication from SEI, entitled Performance Review

AXE-HOUGHTON ASSOCIATES, INC., COMMUNICATION
ACCEPTED AS INFORMATIONAL

The Board accepted as informational a communication from Axe-Houghton regarding the appointment of Rick Walton as Chairman and Chief Investment Officer.

DELAWARE INVESTMENT ADVISORS, AUGUST, 1994 PERFORMANCE
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Delaware's August, 1994 performance report.

TRAVEL REIMBURSEMENT REQUEST
APPROVED

In accordance with AIFM Board Resolution No. 94-005, the Treasurer's office submitted for approval a travel request for Deborah Contini, Investment Officer I, to attend the Merrill Lynch Bond School in New York City from November 16 through November 18, 1994. The school's program directly relates to the management of a fixed income portfolio. The emphasis is on corporate bonds which represent the majority of SCER's fixed-income investments. The estimated costs to SCERS will be approximately \$1970.00.

Mr. Sperling moved to approve the travel request with an estimated cost to the system of \$1970.00. The motion was seconded by Mr. Friery and was carried by the following vote:

AYES: Sperling, Friery, DeCamilla

NOES: None

CONFIRMATION OF PLACEMENT OF WEST DAVIS ASSOCIATE LOAN

At the March 22, 1993 AIFM Board meeting a loan proposal to West Davis Associates was approved. The loan amount was \$3.7

September 26, 1994

million and it carried a rate of 9.5%. Because of the lack of available cash in the Real Estate Mortgage Account, the loan was approved by the Board for the Fixed Income Bond Account. In March, 1994 when the Board approved the annual asset allocation, the Board approved an increase of the amount allocated to Real Estate Mortgages from 4% to 5%. Because of this increase to the Real Estate Mortgage Account, confusion arose regarding the source of the loan to West Davis Associates. As a result of the confusion, the loan was placed in the Real Estate Mortgage Account.

Since the loan was originally approved by the Board for the Fixed Income Bond Account and the appropriate dollars were set aside, it is was requested by the City Treasurer that the Board confirm the placement of the loan in the Fixed Income Bond Account as opposed to the Real Estate Mortgage Account.

After a brief discussion the Board confirmed that the placement of the loan be in the Fixed Income Bond Account as originally approved at the March 22, 1993 meeting.

There being no further business the meeting was adjourned at 2:25 pm. to meet again at the call of the chair.