

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
May 22, 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 May 22, 1989.

PRESENT: Frierson, Wolford, Friery, DeCamilla

ABSENT: Masuoka

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD APRIL 24, 1989

APPROVED

The Board received and reviewed the minutes of the regular meeting held April 24, 1989. Mr. Friery requested the minutes be amended to reflect that the Board requested he write an article for the newsletter regarding the 12.25% interest rate credit to members' accounts for FY 89-90. Mr. Friery moved the minutes be approved as amended. The motion was seconded by Mr. Wolford and was carried by the following vote:

AYES: Frierson, Wolford, Friery, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

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

Mr. Wolford moved to accept the investment activity report. The

motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Frierson, Wolford, Friery, DeCamilla

NOES: None

Ms. Carter distributed to the Board an addendum to the March 1989 Treasurer's Report regarding the impact of potential SCERS/PERS transfer of assets of the active safety members if Measure M is approved by voters on June 6, 1989. The report apprised the Board of those assets which have been segregated for the potential transfer and underscored the volatility of the portfolio.

REPORTS OF CONSULTANTS AND ADVISORS

CITY TREASURER'S UTILITY STOCK MARCH 31, 1989 QUARTERLY REPORT

ACCEPTED

The Board received the Treasurer's Utility Stock Fixed Income Alternative Portfolio and Portfolio Results for the quarter ending March 31, 1989. Ms. Carter reviewed the report with the Board.

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

AYES: Frierson, Wolford, Friery, DeCamilla

NOES: None

HARD ASSET PROGRAM MARCH 31, 1989 QUARTERLY REPORT

ACCEPTED

The Board received the Hard Asset Quarterly Report for the quarter ending March 31, 1989. Ms. Carter 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: Frierson, Wolford, Friery, DeCamilla

NOES: None

REAL ESTATE ADVISOR'S REPORT MAY 1989

ACCEPTED

The Board received the May 1989 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 he had received and reviewed three offers on the Enterprise Building and had rejected two of the three proposals. The third proposal is from the Bank of America Investment Department. Mr. Smith requested direction from the Board on responding to a letter from the the Bank of America asking the Board if the property is for sale and at what price. Mr. Friery informed the Board that he, Mr. DeCamilla and Mr. Smith have discussed a selling price of \$7 million. After discussion, the Board decided to retain the property and instructed Mr. Smith to inform the Bank of America.

Ms. Frierson moved to accepted the real estate report. The motion was seconded by Mr. Wolford and was carried by the following vote:

AYES: Frierson, Wolford, Friery, DeCamilla

NOES: None

BATTERYMARCH MARCH 31, 1989 QUARTERLY REPORT

ACCEPTED

The Board received the March 31, 1989 quarterly report from BatteryMarch. Richard Gula reviewed the report with the Board.

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

AYES: Frierson, Wolford, Friery, DeCamilla

NOES: None

DELAWARE INVESTMENT ADVISERS MARCH 31, 1989 QUARTERLY REPORT

ACCEPTED

The Board received the March 31, 1989 quarterly report from Delaware Investment Advisors. George Deming reviewed the report with the Board.

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

AYES: Frierson, Wolford, Friery, DeCamilla

NOES: None

AXE-HOUGHTON MANAGEMENT, INC. MARCH 31, 1989 QUARTERLY REPORT
ACCEPTED

The Board received the March 31, 1989 quarterly report from Axe-Houghton. Porter Sutro reviewed the report with the Board.

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

AYES: Frierson, Wolford, Friery, DeCamilla

NOES: None

NEWBOLD'S ASSET MANAGEMENT MARCH 31, 1989 QUARTERLY REPORT
ACCEPTED

The Board received the March 31, 1989 quarterly report from Newbold's Asset Management. Madelyn Y. Wharton reviewed the report with the Board.

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

AYES: Frierson, Wolford, Friery, DeCamilla

NOES: None

LEXINGTON CAPITAL MANAGEMENT MARCH 31, 1989 QUARTERLY REPORT
ACCEPTED

The Board received the March 31, 1989 quarterly report from Lexington Capital. Ralph D'Agostini reviewed the report with the Board.

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

AYES: Frierson, Wolford, Friery, DeCamilla

NOES: None

SEI PERFORMANCE SUMMARY AND MARKET INDEXES, MARCH 31, 1989
ACCEPTED AS INFORMATIONAL

The Board accepted as informational SEI's March 31, 1989 performance summary and market indexes.

There being no further business the meeting was adjourned at 3:00 p.m. to meet again at the call of the chair.