

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
MARCH 23, 1987

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 March 23, 1987. Vice Chairman Terry Wolford presided.

Mr. Louis Myles represented Ms. Masuoka.

PRESENT: Myles, Sperling, Wolford

ABSENT: DeCamilla, Frierson

CONSENT CALENDAR

PRESENTATION OF PLAQUE TO JACK CRIST

Donald Sperling, Assistant City Treasurer read a letter from Thomas Friery, Board Chairman, which highlighted Mr. Crist's significant contributions to the Board. Mr. Sperling then presented a plaque to Mr. Crist in recognition of his exemplary service.

MINUTES OF REGULAR MEETING HELD FEBRUARY 23, 1987

APPROVED

The Board received and reviewed the minutes of the regular meeting held February 23, 1987. Mr. Sperling moved the minutes be approved. The motion was seconded by Mr. Myles and was carried by the following vote:

AYES: Myles, Sperling, Wolford

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

Mr. DeCamilla arrived at 1:45 p.m.

The Board received the January 1987 Treasurer's Investment Activity Report. Don Sperling, Assistant City Treasurer, reviewed the investment report with the Board. Deborah Carter, Investment Officer, reviewed the gold

and silver report with the Board. After discussion, Mr. DeCamilla moved to accept the investment activity report. The motion was seconded by Mr. Myles and was carried by the following vote:

AYES: DeCamilla, Myles, Sperling, Wolford

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT

ACCEPTED

The Board received the February 1987 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 that the renovation on the 1414 K Building has generated tremendous interest in leasing space.

A settlement conference meeting of May 27, 1987 and a trial date of June 4, 1987 have been scheduled for the Ron Watkins matter.

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

AYES: DeCamilla, Myles, Sperling, Wolford

NOES: None

SEI DECEMBER 31, 1986 QUARTERLY PERFORMANCE REPORTS

ACCEPTED

Ms. Frierson arrived at 2:15 p.m.

The Board received SEI's performance reports for the quarter ending December 31, 1986. Joseph Perna of SEI reviewed the reports with the Board.

The Board discussed in length the four-year performances of Batterymarch and Alliance and the differences in their investment philosophies. The Board expressed concern about their performances and questioned if the criteria used to select an investment manager should be reevaluated.

After the discussion Mr. DeCamilla moved to accept the report. The motion was seconded by Mr. Myles and was carried by the following vote:

AYES: DeCamilla, Frierson, Myles, Sperling, Wolford

NOES: None

DELAWARE INVESTMENT ADVISERS, INC. - EXECUTIVE SUMMARY AS OF DECEMBER 31, 1986
ACCEPTED AS INFORMATIONAL

The Board received the Delaware Investment Executive Summary as of December 31, 1986. The Board accepted the item as informational.

BATTERYMARCH EXECUTIVE SUMMARY FOR FEBRUARY, 1987
ACCEPTED AS INFORMATIONAL

The Board received the Batterymarch Executive Summary for February, 1987. The Board accepted the item as informational.

POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

BATTERYMARCH INVESTMENT PERFORMANCE
DISCUSSED

The Board felt that this issue and Alliance's performance was discussed extensively during SEI's presentation and that no further discussion was necessary. Mr. DeCamilla requested that Mr. Perna, of SEI, prepare a comparison of Batterymarch's performance to other contrarian investment managers.

REPORTS OF SECRETARY

PENSIONERS' COST OF LIVING INCREASE
ACCEPTED AS INFORMATIONAL

Secretary Richard Snyder submitted a memorandum informing the Board that system retirees and beneficiaries will be receiving a 3% cost of living increase effective July 1, 1987. The Board accepted the memorandum as informational.

IDEAS AND QUESTIONS, MEMBERS OF THE BOARD

Mr. Sperling informed the Board that the Treasurer's office is preparing a response to Assemblyman Stirling's annual comparative review of various state and local retirement funds throughout the State of California.

There being no further business, the meeting was adjourned at 3:50 p.m. to meet again at the call of the chair.