

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
August 26, 1991

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 1:30 p.m. on August 26, 1991.

PRESENT: Frierson, Masuoka, Friery

ABSENT: Crist, DeCamilla

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD JULY 22, 1991

APPROVED

The Board received and reviewed the minutes of the regular meeting held July 22, 1991. Ms. Masuoka moved to approve the minutes. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Frierson, Masuoka, Friery

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the June 1991 Treasurer's Investment Activity Report. Deborah Kanner, Investment Officer, reviewed the investment report with the Board.

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

AYES: Frierson, Masuoka, Friery

NOES: None

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REPORTS OF CONSULTANTS AND ADVISORS

FY 1990-91 ANNUAL REPORT OF PROXIES
ACCEPTED AS INFORMATIONAL

The Board received and reviewed the FY 1990-91 annual report of proxies voted for the system. Deborah Kanner, Investment Officer, reviewed the report with the Board.

The Board accepted the report as informational.

UTILITY STOCK FIXED INCOME ALTERNATIVE PORTFOLIO, JUNE 30, 1991 QUARTERLY REPORT
CONTINUED

Deborah Kanner, Investment Officer, informed the Board that the report will be presented at the next meeting.

REAL ESTATE ADVISOR'S REPORT
ACCEPTED

David DeCamilla arrived at 1:45 p.m.

The Board received the August 1991 Real Estate Advisor's Report, submitted by W. Jim Smith of WJS & Associates. Mr. Smith reviewed the reports with the Board.

Mr. Smith informed the Board that the League of California Cities has requested that the League and the Board hire Dowling Associates to conduct a review of the Draft Supplemental Environmental Impact Report on the expansion of the Sacramento Convention Center. The cost to the system would be \$2,500.00. After a discussion, Mr. Friery, Ms. Masuoka and Mr. Smith were authorized to meet with the League and to negotiate and execute an agreement in partnership with the League with a qualified consultant to conduct a review of the environmental impact report.

Mr. Friery moved to accept the real estate report. 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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COMMUNITY/CONVENTION CENTER EXPANSION-DESIGN REVIEW HEARING
ACCEPTED AS INFORMATIONAL

The Board accepted as informational the notification that a hearing has been scheduled August 28, 1991 before the Design Review/Preservation Board regarding the expansion of the community center.

BATTERYMARCH, JUNE 30, 1991, QUARTERLY REPORT PRESENTATION
ACCEPTED

The Board received Batterymarch's June 30, 1991 quarterly report. Larry Speidell reviewed the report with the Board and focused on the performance of the foreign investment program. Mr. Speidell apprised the Board that the foreign equity investment had been superior to the domestic investment performance.

The Board express their disappointment in the performance of the fund since inception.

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

AYES: Frierson, Masuoka, Friery, DeCamilla

NOES: None

The Board accepted as informational Batterymarch's July 31, 1991 performance report.

LEXINGTON CAPITAL MANAGEMENT, INC., JUNE 30, 1991, QUARTERLY REPORT PRESENTATION
ACCEPTED

The Board received the June 30, 1991, quarterly report from Lexington Capital Management. Jack Waymire reviewed the report with the Board. Mr. Waymire distributed and reviewed material on Lexington's quantitative asset management style.

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

AYES: Frierson, Masuoka, Friery, DeCamilla

NOES: None

The Board accepted as informational Lexington's July 1991 performance report.

AXE-HOUGHTON MANAGEMENT, INC., JUNE 30, 1991, QUARTERLY REPORT PRESENTATION
ACCEPTED

The Board received Axe-Houghton Management's June 30, 1991 quarterly report. Seth Lynn, President & CEO, and Porter H. Sutro reviewed the report with the Board, discussed Axe's investment style and strategy and a possible problem with the Board's 1982 Investment Standards.

The Board complemented Mr. Lynn and Mr. Sutro on investment performance of the fund.

Mr. Friery will report back to the Board on the possible problem with Axe's investment strategy and the Board's investment standards.

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

AYES: Frierson, Masuoka, Friery, DeCamilla

NOES: None

DELAWARE INVESTMENT ADVISERS, JUNE 30, 1991 QUARTERLY REPORT
ACCEPTED

Ms. Masuoka left at 3:00 p.m.

The Board received and reviewed the June 30, 1991 quarterly report from Delaware Investment Advisers.

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

AYES: Frierson, Friery, DeCamilla

NOES: None

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The Board accepted as informational Delaware's July 1991 performance report.

NEWBOLD'S ASSET MANAGEMENT JUNE 30, 1991 QUARTERLY REPORT
ACCEPTED

The Board received and reviewed the June 30, 1991 quarterly report from Newbold's Asset Management.

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

AYES: Frierson, Friery, DeCamilla

NOES: None

REPORTS OF SECRETARY

CALAPRS NEWSLETTER

Margaret Allen, Secretary to the Board, distributed CALAPRS Summer 1991 newsletter.

CLOSED SESSION-REAL PROPERTY TRANSACTIONS

The Board adjourned to closed session to discuss a real estate transaction.

The Board reconvened in open session. There being no further business, the meeting was adjourned at 3:20 p.m. to meet again at the call of the chair.