

January 25, 1999

**MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
January 25, 1999**

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 January 25, 1999.

PRESENT: Masuoka, Friery, DeCamilla

ABSENT: Nishimoto, Sperling

ELECTION OF CHAIRPERSON FOR 1999

Mr. DeCamilla was re-elected as Chairperson for 1999.

ELECTION OF VICE CHAIRPERSON FOR 1999

Mr. Friery was re-elected as Vice Chairperson for 1999.

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD JANUARY 4, 1999

APPROVED

The Board received and reviewed the minutes of the regular meeting held January 4, 1999. Mr. Friery moved the minutes be approved. The motion was seconded by Ms. Masuoka and was carried by the following vote:

AYES: Masuoka, Friery, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT NOVEMBER, 1998

ACCEPTED

The Board received the November 1998 Treasurer's Investment Activity Report. Mr. Thomas Berke, Chief Investment

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Officer, reviewed the investment report with the Board.

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

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT

CONTINUED

This matter was continued to the next regular meeting.

DELAWARE INVESTMENT ADVISERS, DECEMBER 1998 PERFORMANCE

ACCEPTED AS INFORMATIONAL

The Board accepted as informational the Delaware Investment Advisers, December 1998 performance report.

LARGE CAPITALIZATION/GROWTH STOCK PORTFOLIO JUNE 30, 1998 AND SEPTEMBER 30, 1998 QUARTERLY REPORTS PRESENTATION

ACCEPTED

The Board received the Large Capitalization/Growth Stock Portfolio reports for quarters ending June 30, 1998 and September 30, 1998.

Mr. Thomas Berke, Chief Investment Officer, reviewed the reports with the Board. Mr. Berke informed the Board that in the future two reports will be presented. The new report will separate and feature the DOG's of the DOW.

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

AYES: Masuoka, Friery, DeCamilla

NOES: None

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**FIXED UTILITY HIGH INCOME STOCK PORTFOLIO REPORTS JUNE 30, 1998 AND
SEPTEMBER 30, 1998 QUARTERLY REPORTS PRESENTATION**

ACCEPTED

The Board received the June 30, 1998 and September 30, 1998 Fixed Utility High Income Stock Portfolio quarterly reports.

Mr. Thomas Berke, Chief Investment Officer, reviewed the reports with the Board.

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

AYES: Masuoka, Friery, DeCamilla

NOES: None

TOWERS PERRIN ACTUARIAL ASSUMPTION STUDY

ACCEPTED

The Board received the Actuarial Assumption Study prepared by Towers Perrin. Mr. David LeSueur, actuary for the system, reviewed the report with the Board.

After a lengthy discussion regarding adopting new non-economic assumptions and economic assumptions, the Board formed a sub-committee, with Mr. Friery and Ms. Masuoka as members, to further study the recommended actuarial assumptions. Also, because Towers Perrin recommended changing the interest rate from 7.00% to 7.50%, the Board requested that Mr. LeSueur prepare a report on the actual interest rate for the last five to ten years.

Mr. Friery moved to accept the report, form a sub-committee to further study the report and to have Towers Perrin prepare a report on the actual interest rate for the last five to ten years. The motion was seconded by Mr. DeCamilla and was

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carried by the following vote:

AYES: Masuoka, Friery, DeCamilla

NOES: None

There being no further business the meeting was adjourned
at 4:00 p.m. to meet again at the call of the chair.