

March 26, 1990

MINUTES  
REGULAR MEETING OF THE  
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM  
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD  
March 26, 1990

CALL TO ORDER AND ROLL CALL

The Administration, Investment and Fiscal Management Board met in regular session in Conference Room 101, 921 - 10th Street, at 1:35 p.m. on March 26, 1990.

PRESENT: Frierson, Masuoka, Wolford, Friery, DeCamilla

ABSENT: None

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD FEBRUARY 26, 1990  
APPROVED

The Board received and reviewed the minutes of the regular meeting held February 26, 1990. Mr. Friery moved the minutes be approved. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Frierson, Masuoka, Wolford, Friery, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT  
ACCEPTED

The Board received the January 1990 Treasurer's Investment Activity Report. Mr. Friery reviewed the investment report with the Board.

This is the first report since the transfer of \$103 million from SCERS to PERS and reflects the new asset allocation policy adopted by the Board. Mr. Friery informed the Board that in accordance with the new asset allocation policy the hard asset program has been terminated.

March 26, 1990

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

AYES: Frierson, Masuoka, Wolford, Friery, DeCamilla

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT

APPROVED

The Board received the March, 1990 Real Estate Advisor's report, submitted by W. Jim Smith of WJS & Associates. Mr. Smith was unable to attend the meeting.

As there was nothing unusual in the report, Mr. Wolford moved to accept the real estate report. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Frierson, Masuoka, Wolford, Friery DeCamilla

NOES: None

POWER INN INDUSTRIAL PARK REAL ESTATE PROPOSAL

APPROVED

As Mr. Smith was unable to attend the meeting the Board received and reviewed a letter from Mr. Smith strongly recommending the approval of this loan. Currently the borrowers, Jackson & Ekstrom, have a loan with SCERS. Since inception, the payments on this loan have been made on time.

Mr. Friery informed the Board that he had an opportunity to discuss this loan with Mr. Smith.

After discussion, Mr. Friery moved the loan be approved subject to the borrowers paying any attorneys fees if outside counsel is employed,

March 26, 1990

complete review of leases and other legal documents by System counsel, a complete due diligence of mechanical equipment by the proper engineers and a check by an environmental firm to be sure the property is free of any asbestos/toxic material. The motion was seconded by Mr. Wolford and was carried by the following vote:

AYES: Frierson, Masuoka, Wolford, Friery, DeCamilla

NOES: None

SEI DECEMBER 31, 1989 QUARTERLY PERFORMANCE REPORT  
ACCEPTED

The Board received SEI's performance report for the quarter ending December 31, 1989. John McLaughlin, from SEI, reviewed the report with the Board.

The Board reviewed and discussed Batterymarch's investment performance.

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, Masuoka, Wolford, Friery DeCamilla

NOES: None

BATTERYMARCH, JANUARY AND FEBRUARY 1990 PERFORMANCE  
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Batterymarch's January and February 1990 performance reports.

BATTERYMARCH INVESTMENT PROCESS  
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Batterymarch's booklet on their investment process.

March 26, 1990

LEXINGTON CAPITAL MANAGEMENT, INC., JANUARY 1990 PERFORMANCE  
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Lexington Capital Management's January, 1990 performance report.

DELAWARE INVESTMENT ADVISERS, FEBRUARY 1990 PERFORMANCE  
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Delaware's February, 1990 performance report.

POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

RESOLUTION ESTABLISHING NEW ASSET ALLOCATION

The Board accepted as informational the corrected resolution establishing the new asset allocation policy.

IDEAS AND QUESTIONS, MEMBERS OF THE BOARD

Now and in the future, benefit payments and investment expenses of the system are greater than the contributions made by active members and the City. The Board discussed offsetting this imbalance by periodically transferring the interest earned from the fixed income program.

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