

October 23, 1995

**MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
October 23, 1995**

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 1:40 p.m. on October 23, 1995.

PRESENT: Nishimoto, Sperling, Friery

ABSENT: Crist, DeCamilla

Mr. Friery informed the Board that Mr. DeCamilla sends his apologizes and regrets missing the last three meetings.

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD SEPTEMBER 25, 1995

APPROVED

The Board received and reviewed the minutes of the regular meeting held September 25, 1995. Mr. Sperling moved the minutes be approved. The motion was seconded by Mr. Nishimoto and was carried by the following vote:

AYES: Nishimoto, Sperling, Friery

NOES: None

Mr. Hosokawa reported that Mr. Connin of SEI will be reporting back to Board at the November, 1995 meeting on the two outstanding issues discussed at the September, 1995 meeting.

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the August, 1995 Treasurer's Investment Activity Report. Mr. Glenn Hosokawa, Investment Officer, reviewed the investment report with the Board.

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Mr. Sperling moved to accept the August, 1995 Treasurer's report. The motion was seconded by Mr. Nishimoto and was carried by the following vote:

AYES: Nishimoto, Sperling, Friery

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT, SEPTEMBER, 1995
ACCEPTED

The Board received the September, 1995 Real Estate Advisor's Report submitted by Jim Smith, of WJS & Associates. Mr. Smith reviewed the report with the Board.

Mr. Smith informed the Board that he is still waiting the report on reroofing the Enterprise property. Estimated cost for reroofing and resurfacing the parking lot would be approximately \$350,00 to \$450,000. Rather than going forward with the work, the prospective buyers propose a reduction of \$150,000 on the purchase price. Mr. Smith recommended the price reduction. The Board decided to discuss the reduction in the close session.

Mr. Smith informed the Board that the 1414 K property is 51% occupied. At this time there is not much leasing activity on this project. The lack of parking, location of the loading area for the Convention Center and the abandoned buildings on the street combined with the seismic deficiencies make this project a real challenge to lease. Ravel Property Management, the System's property manager, has been in discussions with Ken Luttrell, a seismic expert under contract to the State. Mr. Luttrell would not recommend modifying the seismic standards for a State occupied

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building nor would he personally pursue approvals or variances to the State standards with regards to this building.

Mr. Smith stated he was meeting with the City as the City is looking at three sites and the 1414 K property is part of one of the sites.

Mr. Friery expressed his concerns about the low occupancy rate and the difficulty to lease the 1414 K Street property. Mr. Friery suggested the Board meet to discuss the options of developing the property.

Mr. Nishimoto moved to accept the September, 1995 report and to schedule the discussion of 1414 K at the next meeting. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Nishimoto, Sperling, Friery

NOES: None

TOWERS PERRIN ACTUARIAL VALUATION, JUNE 30, 1995
ACCEPTED

The Board received Towers Perrin June 30, 1995 Actuarial Valuation. Mr. David LeSueur distributed and reviewed a summary of the report with the Board.

Mr. LeSueur informed the Board the system has a surplus as of June 30, 1995 of \$34.8 million and presented some ways to "use" the surplus.

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

AYES: Nishimoto, Sperling, Friery

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NOES: None

SCERS EMPLOYER RATE
DISCUSSED

The Board received a copy of Resolution 94-007 which established the employer rates through June 30, 1996.

After discussion and based on Towers Perrin's actuarial valuation it was the Board's consensus to adopt a new resolution establishing the employer's normal contribution rate and the amortization contribution rate of 0.0% through June 30, 1997.

The Board instructed staff to prepare a resolution for adoption at the next meeting.

REPORTS OF SECRETARY

AIFM BOARD VACANCY
INFORMATIONAL

Ms. Donna Giles, Secretary to the Board, informed the Board that Mr. Sperling's term expires on January 4, 1996. Filing for the position closes on November 17, 1995.

Mr. Sperling informed the Board he has already refiled for the position.

CLOSED SESSION: REAL PROPERTY NEGOTIATIONS

The Board adjourned to closed session at 2:35 p.m. to discuss:

PROPERTY: 1750 and 1800 Enterprise Blvd., West Sacramento, California
PARTIES: SCERS and RREEF AMERICAN, L.L.C.
UNDER NEGOTIATION: Terms of Payment and Price

The Board reconvened to regular session at 2:50 p.m. Mr. Smith, Real Estate Advisor, was instructed to continue to negotiate with RREEF.

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There being no further business the meeting was adjourned at 2:50 p.m. to meet again at the call of the chair.

**ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT
BOARD**

R O L L C A L L

Item No. 2

Date: 11/27/77

Title of Item: Item 2 - [unclear]

ACTION:

Adm. H. [unclear] [unclear]

Moved by: JC

Seconded by: [unclear]

	<u>AYES</u>	<u>NOES</u>	<u>ABSTAINED</u>	<u>PRESENT</u>	<u>ABSENT</u>
Crist:	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Nishimoto:	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sperling:	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Friery /VChair	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
DeCamilla/Chair	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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