

**MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
June 22, 1998**

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 June 22, 1998.

PRESENT: Nishimoto, Sperling, Friery, DeCamilla

ABSENT: Masuoka

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD MAY 18, 1998

APPROVED

The Board received and reviewed the minutes of the regular meeting held May 18, 1998. Mr. Friery moved the minutes be approved. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Nishimoto, Sperling, Friery, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the April, 1998 Treasurer's Investment Activity Report. Mr. Mike Medema, Asst. City Treasurer, briefly reviewed the investment report with the Board.

Mr. Sperling moved to accept the April, 1998 Treasurer's report. The motion was seconded by Mr. Nishimoto and was carried by the following vote:

AYES: Nishimoto, Sperling, Friery, DeCamilla

NOES: None

June 22, 1998

REAL ESTATE ADVISOR'S REPORTS FOR MAY, 1998 AND JUNE, 1998
ACCEPTED/APPROVED

The Board received both the May and June, 1998 Real Estate Advisor's reports. Mr. Jim Smith, WJS Associates, reviewed the reports with the Board.

Mr. Smith informed the Board that the Pioneer Business Park Loan discussed and approved at the April 29, 1998 meeting was not accepted by Mr. John Jackson.

Mr. Smith informed the Board that the system has signed a parking operation and maintenance agreement with Allright Parking to manage the lot at 1401 L Street. Mr. Friery requested to see the business plan from Allright Parking.

Mr. Smith informed the Board that he has received the final bid of \$418,707.00 to retrofit 1414 K and if the lease agreement with State of California Department of Social Services is renewed there will be an additional cost for upgrading of \$202,590.00

Mr. Friery moved to accept both reports and approve the retrofit expenditure of \$418,707 for 1414 K Street and to approve the additional upgrade expenditure of \$202,590 contingent with the renewal of the State of California Department of Social Services. The motion was seconded by Mr. Sperling and carried by the following vote:

AYES: Nishimoto, Sperling, Friery, DeCamilla

NOES: None

June 22, 1998

REAL ESTATE LOAN - GRANITE OFFICE PARK I
APPROVED

The Board received a first deed of trust loan proposal in the amount of \$12,250,000 on the Granite Office Park I office building, term 10 years, with an interest rate of 7.30%. Mr. Jim Smith, Real Estate Advisor, reviewed the proposal with the Board.

After discussion, Mr. Friery moved to approve the loan, transfer \$3 million from SCERS fixed to real estate and requested that Mr. Smith receive clarification from Sutter Hospital regarding toxic waste disposal. The motion was seconded by Mr. DeCamilla and carried by the following vote:

AYES: Nishimoto, Sperling, Friery, DeCamilla

NOES: None

CAPITAL RESOURCE MEASUREMENT REPORT, MARCH 31, 1998 QUARTERLY
REPORT PRESENTATION
ACCEPTED

The Board received Capital Resource's March 31, 1998 quarterly report. Mr. John McLaughlin and Trevor Jackson reviewed the report with the Board.

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

AYES: Nishimoto, Sperling, Friery, DeCamilla

NOES: None

DELAWARE INVESTMENT ADVISERS, MAY, 1998 PERFORMANCE REPORT
ACCEPTED AS INFORMATIONAL

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

June 22, 1998

CORRESPONDENCE FROM PILGRIM BAXTER & ASSOCIATES
ACCEPTED AS INFORMATIONAL

The Board accepted as informational correspondence from Pilgrim Baxter & Associates regarding an article that recently appeared in The Wall Street Journal regarding possible ownership changes.

POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

AMENDMENT TO RESOLUTION 98-003, INTEREST CREDIT RATE
ADOPTED

The Board previously adopted an interest credit rate of 11.25% at the April, 1998 meeting. The rate adopted was in error as it included unrealized gains; therefore, the correct interest credit rate should be 10.25%.

Mr. Nishimoto moved to adopt the amended interest credit rate of 10.25% to be effective July 1, 1998. The motion was seconded by Mr. Friery and was carried by the following vote:

AYES: Nishimoto, Sperling, Friery, DeCamilla

NOES: None

There being no further business the meeting was adjourned at 2:53 p.m.