

July 26, 1993

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
July 26, 1993

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 July 26, 1993.

PRESENT: Crist, Masuoka, Friery, DeCamilla

ABSENT: Frierson

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD JUNE 28, 1993

APPROVED

The Board received and reviewed the minutes of the regular meeting held June 28, 1993. Mr. Crist moved to approve the minutes. The motion was seconded by Ms. Masuoka and was carried by the following vote:

AYES: Crist, Masuoka, Friery, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

The Board received the May, 1993 Treasurer's Investment Activity Report. Ms. Deborah Kanner, Investment Officer, reviewed the investment report with the Board.

Again, Ms. Kanner briefly discussed a potential problem in operating cash. Staff will be reporting back to the Board with recommendations.

Mr. Friery briefly discussed the performance of the Large Capital Growth fund.

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Ms. Masuoka moved to accept the April 1993 Treasurer's Investment Activity Report. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, Masuoka, Friery, DeCamilla

NOES: None

Mr. Friery announced the departure of Tony Ives, Investment Officer. Mr. Ives will be joining the investment staff at PERS.

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORTS JULY 1993
ACCEPTED

The Board received the July, 1993 Real Estate Advisor's report submitted by Jim Smith, of WJS & Associates.

Mr. Smith reviewed the report with the Board. Per the Board's request Mr. Smith is now including a mortgage portfolio update with each report.

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

AYES: Crist, Masuoka, Friery, DeCamilla

NOES: None

RESOLUTION AMENDING AXE-HOUGHTON ASSOCIATES, INC. FEES
ADOPTED

The Board received a proposed resolution formalizing the negotiation of fees between Axe-Houghton Associates, Inc. and the Board.

Mr. Crist moved to adopt the proposed resolution. The motion was seconded by Ms. Masuoka and was carried by the following vote:

AYES: Crist, Masuoka, Friery, DeCamilla

NOES: None

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Mr. Crist left the meeting at 1:55 p.m.

FY 1992/93 & 1993/94 SCERS DIRECT INVESTMENT COST
ADOPTED

The Board received a report and a proposed resolution recommending that the Board adopt the actual expenditures for FY 1992/93 and the proposed budget for FY 1993/94 for the SCERS Direct Investment Costs. These costs are for services such as rental equipment, data processing and subscriptions which are specifically and directly attributable to SCERS investments.

Ms. Masuoka moved to adopt the proposed resolution. The motion was seconded by Mr. DeCamilla and was carried by the following vote:

AYES: Masuoka, Friery, DeCamilla

NOES: None

FY 1992/93 REPORT OF PROXIES VOTED
ACCEPTED AS INFORMATIONAL

The Board accepted as informational the FY 1992/93 report of proxies voted. Resolution #79-002 authorizes the City Treasurer to vote the proxy proposals for the system.

ARTICLE FROM MONEY MANAGEMENT LETTER, JULY 5, 1993
ACCEPTED AS INFORMATIONAL

The Board accepted as informational an article regarding SEI.

ARTICLE FROM THE BUSINESS JOURNAL, JULY 5, 1993
ACCEPTED AS INFORMATIONAL

The Board accepted as informational an article regarding SCERS fiscal independence.

IDEAS AND QUESTIONS, MEMBERS OF THE BOARD

Ms. Masuoka informed the Board that the City was part of a public agency coalition that was successful in having the PERS Board adopt a

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fiscal relief proposal. In general the proposal allowed public agencies with an employer rate increase for fiscal year 1993/94 choose to retain the lower 1992/93 rate. Also, during 1993/94 the coalition, new actuarial consultant and PERS staff will address intermediate and long-term funding issues, such as rate stabilization.

Even though the employer rate to SCERS continues to decline, Ms. Masuoka requested that the system's actuary, in the next actuarial report, discuss rate stabilization as well as the necessity of having a mid-year valuation.

There being no further business the meeting was adjourned at 2:10 p.m. to meet again at the call of the chair.