

January 8, 1996

**MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
January 8, 1996**

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 8, 1996.

PRESENT: Nishimoto, Sperling, DeCamilla*

ABSENT: Masuoka, DeCamilla

*Mr. DeCamilla arrived at 1:36 p.m.

Ms. Masuoka will serve as the designee of the City Manager replacing Mr. Crist.

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD NOVEMBER 27, 1995

APPROVED

The Board received and reviewed the minutes of the regular meeting held November 27, 1995. Mr. Nishimoto moved the minutes be approved. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Nishimoto, Sperling, Friery

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT

ACCEPTED

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

Mr. Sperling moved to accept the October, 1995 Treasurer's report. The motion was seconded by Mr. Nishimoto and

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was carried by the following vote:

AYES: Nishimoto, Sperling, Friery, DeCamilla

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT, NOVEMBER, 1995

ACCEPTED

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

Mr. Friery moved to accept the November, 1995 report. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Nishimoto, Sperling, Friery, DeCamilla

NOES: None

1414 K STREET

DISCUSSED

The Board received a report prepared by Mr. Smith, Real Estate Advisor, regarding the 1414 K Street property. Mr. Smith reviewed the report with the Board.

Mr. Smith reported that due to the expansion of the Sacramento Community Center, State of California requiring all buildings leased by them to be earthquake proof and general deterioration of neighboring properties it is difficult to lease space in the property.

Mr. Smith has been looking at a number of potential alternatives seeking ways to salvage this property and protect the System's investment and maximize the yield from the property.

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The latest efforts were focused on a land assemblage, of which the system's property would be a part, to accommodate a 300 room hotel. Mr. Smith was successful in gaining control of all the necessary parcels with the exception of the northeast corner. The owner of that particular parcel would not cooperate. However, Mr. Smith believes if the City of Sacramento were to give a "green light" for a hotel or office project, the property could be delivered.

Mr. Smith will be meeting with the City's consultant on January 9, 1996 submitting a package showing the possible configuration of the hotel using this site.

The Board discussed attempting to get an exemption to the State's seismic requirements. Mr. Smith was not optimistic that the State would grant an exemption to this property.

After discussion, the Board directed Mr. Smith to proceed with attempting to get an exemption to the State's seismic requirements by working with the City Attorney's office and the City's preservation division and also to continue working with Ravel and group to exploring developing the site and defining the system's role in the project.

SEI'S SEPTEMBER 30, 1995 QUARTERLY PERFORMANCE PRESENTATION
ACCEPTED

The Board received SEI's September 30, 1995 quarterly performance report. Robert Connin, from SEI, reviewed the report with the Board.

The Board discussed Newbold's investment performance as it compares to other funds that they manage. Mr. Connin will

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prepare a fund comparison.

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

AYES: Nishimoto, Sperling, Friery, DeCamilla

NOES: None

DELAWARE INVESTMENT ADVISERS, NOVEMBER, 1995 PERFORMANCE
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Delaware Investment Advisers' November, 1995 performance report.

REPORTS OF SECRETARY

SCERS JUNE 30, 1995 ANNUAL FINANCIAL REPORT
ACCEPTED AS INFORMATIONAL

The Board accepted as information the SCERS June 30, 1995 Annual Financial Report.

Staff will schedule a presentation to the City Council.

IDEAS AND QUESTIONS, MEMBERS OF THE BOARD

Mr. David DeCamilla presented to Li Chen Shih, Accountant III, the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada in recognition of the comprehensive June 30, 1994 SCERS Annual Financial Report.

There being no further business the meeting was adjourned at 2:45 p.m. to meet again at the call of the chair.