

August 24, 1998

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
August 24, 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 1:40 p.m. on August 24, 1998.

PRESENT: Nishimoto, Sperling, Friery*, DeCamilla*

*Mr. Mike Medema sat until Mr. Friery arrived at 1:45p.m.

*Mr. DeCamilla arrived at 1:55 p.m.

ABSENT: Masuoka

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD JUNE 22, 1998

APPROVED

The Board received and reviewed the minutes of the regular meeting held June 22, 1998. 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 MAY AND JUNE, 1998

ACCEPTED

The Board received the May and June 1998 Treasurer's Investment Activity Reports. Mr. Mike Medema, Assistant City Treasurer, reviewed the investment reports with the Board.

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

AYES: Nishimoto, Sperling, Friery

NOES: None

Mr. Friery updated the Board on the staffing of the Treasurer's office.

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORTS JULY AND AUGUST 1998

ACCEPTED/APPROVED

The Board received the July and August 1998 Real Estate Advisor's Reports submitted by WJS & Associates. Mr. Smith reviewed the reports with the Board.

Mr. Smith informed the board that at the June 1998 meeting when the Board approved the seismic/structural retrofit on 1414 K he neglected to include a \$39,500 expense to retrofit the elevators and now was requesting the additional \$39,500.

Mr. Nishimoto moved to accept the reports and approve the additional expenditure of \$39,500 for the 1414 K retrofit. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Nishimoto, Sperling, Friery

NOES: None

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AXE-HOUGHTON ASSOCIATES, INC., JUNE 30, 1998, QUARTERLY PERFORMANCE REPORT PRESENTATION

ACCEPTED

The Board received the Axe-Houghton Associates, June 30, 1998, Quarterly Report. Ms. Ellen Adnopoz and Ms. Robin Kerr, portfolio managers reviewed the report with the Board.

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

PILGRIM BAXTER VALUE INVESTORS, INC., JUNE 30, 1998 QUARTERLY PERFORMANCE REPORT

ACCEPTED

The Board received and reviewed Pilgrim Baxter Value Investors, Inc., June 30, 1998, Quarterly Report.

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

PILGRIM BAXTER & ASSOCIATES, LTD., CORRESPONDENCE

ACCEPTED AS INFORMATIONAL

The Board accepted as informational announcing their acquisition of Analytic TSA Global Asset Management, Inc.

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DELAWARE INVESTMENT ADVISERS, JUNE 30, 1998 QUARTERLY PERFORMANCE REPORT

ACCEPTED

The Board received and reviewed Delaware Investment Advisers, June 30, 1998 Quarterly Performance Report.

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

AYES: Nishimoto, Sperling, Friery, DeCamilla

NOES: None

DELAWARE INVESTMENT ADVISERS, JULY 1998 PERFORMANCE

ACCEPTED AS INFORMATIONAL

The Board accepted as informational Delaware Investment Advisers, July 1998 performance report.

POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

These items were taken out of order.

FY 1997/98 AND 1998/99 SCERS DIRECT INVESTMENT COSTS

ADOPTED

The Board received a report recommending the adoption of the resolution reconciling the actual FY 1997/98 expenditures and the proposed budget for FY 1998/99. Mr. Medema reviewed the report with the Board.

Mr. Nishimoto moved to adopt the resolution. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Nishimoto, Sperling, Medema

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NOES: None

SCERS OPERATING CASH TRANSFER

ADOPTED

The Board received a report recommending the adoption of a resolution transferring \$4.0 million effective September 1, 1998 from fixed investments to operating cash to fund the projected operating cash shortfall for FY 1998/99. Mr. Medema reviewed the report with the Board.

Mr. Nishimoto moved to adopt the resolution. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Nishimoto, Sperling, Medema

NOES: None

CAPITAL RESOURCES ADVISORS REQUEST FOR A FEE INCREASE

ADOPTED

The Board received a report recommending the adoption of a resolution to increase the annual fees for the services of Capital Resources from \$35,000 to \$44,000 effective July 1, 1998. Mr. Medema reviewed the report with the Board.

Mr. Sperling moved to adopt the resolution. The motion was seconded by Mr. Nishimoto and was carried by the following vote:

AYES: Nishimoto, Sperling, Medema

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NOES: None

There being no further business the meeting was adjourned at 2:37 p.m. to meet again at the call of the chair.