

MINUTES  
REGULAR MEETING OF THE  
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM  
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD  
NOVEMBER 24, 1986

CALL TO ORDER AND ROLL CALL

The Administration, Investment and Fiscal Management Board met in regular session in Conference Room 103, 801 - 9th Street, at 1:30 p.m. on November 24, 1986. Chairman Thomas Friery presiding.

PRESENT: Crist, DeCamilla, Frierson, Friery

ABSENT: Wolford

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD OCTOBER 27, 1986  
APPROVED

The Board received and reviewed the minutes of the regular meeting held October 27, 1986. Mr. Crist moved the minutes be approved. The motion was seconded by Mr. DeCamilla and was carried by the following vote:

AYES: Crist, DeCamilla, Frierson, Friery

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT  
ACCEPTED

The Board received the September 1986 Treasurer's Investment Activity Report. Mr. Friery, City Treasurer, reviewed the investment report and the gold and silver report with the Board.

After discussion, Mr. DeCamilla moved to accept the investment activity report. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, DeCamilla, Frierson, Friery

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

CITY TREASURER'S UTILITY STOCK SEPTEMBER 30, 1986 QUARTERLY REPORT  
ACCEPTED

The Board received the Treasurer's Utility Stock Fixed Income Alternative Portfolio and Portfolio Results for the quarter ending September 30, 1986. Mr. Friery reviewed the report with the Board.

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

AYES: Crist, DeCamilla, Frierson, Friery

NOES: None

ALLIANCE CAPITAL SEPTEMBER 30, 1986 QUARTERLY REPORT  
ACCEPTED

The Board received the Alliance Capital September 30, 1986 quarterly report. John Story of Alliance Capital reviewed the report with the Board. Mr. DeCamilla moved to accept the report. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, DeCamilla, Frierson, Friery

NOES: None

BATTERYMARCH FINANCIAL SEPTEMBER 30, 1986 QUARTERLY REPORT  
ACCEPTED

The Board received the Batterymarch Financial September 30, 1986 quarterly report. Richard Gula of Batterymarch reviewed strategic scores and the international portfolio.

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

AYES: Crist, DeCamilla, Frierson, Friery

NOES: None

DELAWARE INVESTMENT SEPTEMBER 30, 1986 QUARTERLY REPORT  
ACCEPTED

The Board received the Delaware Investment September 30, 1986 quarterly report. Edwin Powell of Delaware reviewed the report with the Board. Mr. Crist moved to accept the report. The motion was seconded by Mr. DeCamilla and was carried by the following vote:

AYES: Crist, DeCamilla, Frierson, Friery

NOES: None

NEWBOLD'S ASSET MANAGEMENT SEPTEMBER 30, 1986 QUARTERLY REPORT  
ACCEPTED

The Board received the Newbold's Asset Management September 30, 1986 quarterly report. Harry Hiestand of Newbold's reviewed the report and summarized Newbold's investment philosophy with the Board. Mr. Crist moved to accept the report. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Crist, DeCamilla, Frierson, Friery

NOES: None

REAL ESTATE ADVISOR'S REPORT  
ACCEPTED

The Board received the October 1986 Real Estate Advisor's Report submitted by W. Jim Smith of WJS & Associates. Mr. Smith reviewed the report with the Board which included a comparison of expected earning rates on real estate transactions with current values contained in the SEI's quarterly performance evaluation ending June 30, 1986.

The Board was informed that a court date of December 9, 1986 has been set for the Ron Watkins matter.

Mr. Smith stated that tremendous interest has been expressed in leasing space in the 1414 K Building because of the planned renovation. With the completion of the 50% Working Drawings, competitive bids on the renovation project can then be obtained to complete work on the renovation.

Mr. DeCamilla moved to accept the monthly report. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Crist, DeCamilla, Frierson, Friery

NOES: None

REAL ESTATE MORTGAGE PERFORMANCE  
ACCEPTED

Per the Board's request, Mr. Alan Keang, Treasury Operations Officer presented a report on how the rate of return for the real estate mortgages was calculated by SEI.

Mr. Crist moved to accept the report. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Crist, DeCamilla, Frierson, Friery

NOES: None

STATUS REPORT - SCERS vs. WATKINS

The board received a status report on the SCERS vs Watkins matter. William Carnazzo, Counsel to the Board, summarized the two options available to the board:

1. to obtain a court judgement to enforce the \$71,500.00 settlement.
2. to place the matter back on the civil active list and proceed towards a trial for the full amount owed.

After discussion Mr. DeCamilla moved that SCERS attorney be instructed to obtain a judgement as soon as possible. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, DeCamilla, Frierson, Friery

NOES: None

SEI PERFORMANCE SUMMARY, MARKET INDEXES AND  
RETIREMENT UNIVERSE SEPTEMBER 30, 1986 REPORTS  
ACCEPTED AS INFORMATIONAL

The Board received and accepted as informational copies of SEI's Performance Summary and Market Indexes for the September 1986 quarter.

POLICY MATTERS TO BE CONSIDERED AND ACTED UPON

INVESTMENT MANAGEMENT COMPUTER SOFTWARE  
ADOPTED

Mr Crist submitted a memorandum and proposed resolution regarding authorization to expend up to \$150,000 of SCERS funds for a new investment management computer software system to be designed by American Management Systems (AMS). The estimated total cost of \$150,000 is to be prorated between City and SCERS based on proration factors developed during the computer system design.

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

AYES: Crist, DeCamilla, Frierson, Friery

NOES: None

REPORTS OF SECRETARY

STATUS OF THE JUNE 30, 1986 ACTUARIAL VALUATION

Richard E. Snyder, Secretary, informed the Board that the actuarial valuation will be presented at the December 1986 meeting. The Board accepted the item as informational.

STATUS OF THE TRANSMITTAL LETTER FOR 1985-86 SCERS ANNUAL FINANCIAL REPORT

Richard E. Snyder, Secretary, informed the Board that the final draft of the transmittal letter will be presented to the Board at the December 1986 meeting. The Board accepted the item as informational

TOUR OF ENTERPRISE BLVD. PROPERTY

Richard E. Snyder, Secretary, informed the Board that he would scheduled a tour of the Enterprise Blvd property for early next year

There being no further business, the meeting was adjourned at 4:15 p.m. to meet again at the call of the chair.