

February 28, 1994

**MINUTES  
REGULAR MEETING OF THE  
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM  
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD  
February 28, 1994**

**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 1:34 p.m. on February 28, 1994.

PRESENT: Crist, Benoit, Sperling, Friery, DeCamilla

ABSENT: None

**CONSENT CALENDAR**

**MINUTES OF REGULAR MEETING HELD JANUARY 24, 1994**  
APPROVED

The Board received and reviewed the minutes of the regular meeting held January 24, 1994. Mr. Crist moved to approve the minutes. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Crist, Benoit, Sperling, Friery

ABSTAINED: DeCamilla

**INVESTMENTS - TREASURER'S ACTIVITY REPORT**  
ACCEPTED

The Board received the December, 1993 Treasurer's Investment Activity Report. Mr. Glenn Hosokawa, Investment Officer, reviewed the investment report with the Board.

Mr. Hosokawa highlighted the market and portfolio changes that have occurred since the report was completed. In addition to presenting market and portfolio highlights, the Board requested that the Treasurer's report include previous months

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market and cost value for comparisons.

Mr. Sperling moved to accept the December, 1993 Treasurer's Investment Activity Report. The motion was seconded by Ms. Benoit and was carried by the following vote:

AYES: Crist, Benoit, Sperling, Friery, DeCamilla

NOES: None

REPORTS OF CONSULTANTS AND ADVISORS

REAL ESTATE ADVISOR'S REPORT, JANUARY, 1994

ACCEPTED

The Board received the January, 1994 Real Estate Advisor's Report submitted by Jim Smith, of WJS & Associates. Mr. Smith reviewed the report with the Board.

Mr. Friery requested that Mr. Smith speak with Dick Hastings, Principal Planner with the City's Preservation Section, regarding the possibility of obtaining an exemption to seismic requirements on 1414 K because the building is listed on the Historical Preservation Register.

Mr. Smith reported the buyer on the Enterprise Blvd. property continues to do the due diligence work and appears to be having a problem reconciling a net figure. Mr. Smith will meet with the buyer and our property manager to discuss the problem and will report back to the Board.

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

AYES: Crist, Benoit, Sperling, Friery, DeCamilla

NOES: None

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WEST DAVIS ASSOCIATES, EXTENSION REQUESTED  
APPROVED

Mr. Smith presented to the Board a request from West Davis Associates, Davis, California, to extend the funding of the System loan until June 30, 1994. The primary reasons for the delay in the completion of the project is the consolidation efforts now going on in the health care industry and the interior floor plan changes necessary to accommodate those considerations.

Mr. Smith informed the Board that he negotiated a .25% non refundable extension fee totaling \$9,250.00 and recommended the Board approve the extension.

Mr. Friery moved to approve the extension. The motion was seconded by Mr. Crist and was carried by the following vote:

AYES: Crist, Benoit, Sperling, Friery, DeCamilla

NOES: None

AXE-HOUGHTON ASSOCIATES, DECEMBER 31, 1993, QUARTERLY PERFORMANCE REPORT  
ACCEPTED

The Board received and reviewed Axe-Houghton Associates, December 31, 1993, Quarterly Performance Report.

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

AYES: Crist, Benoit, Sperling, Friery, DeCamilla

NOES: None

DELAWARE INVESTMENT ADVISERS, DECEMBER 31, 1993, QUARTERLY PERFORMANCE REPORT  
ACCEPTED

The Board received and reviewed Delaware Investment Advisers, December 31, 1993, Quarterly Performance Report.

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

AYES: Crist, Benoit, Sperling, Friery, DeCamilla

NOES: None

NEWBOLD'S ASSET MANAGEMENT, INC., DECEMBER 31, 1993, QUARTERLY PERFORMANCE REPORT  
ACCEPTED

The Board received and reviewed Newbold's Asset Management, Inc., December 31, 1993, Quarterly Performance Report.

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

AYES: Crist, Benoit, Sperling, Friery, DeCamilla

NOES: None

UTILITY STOCK (FIXED INCOME ALTERNATIVE) PORTFOLIO, DECEMBER 31, 1993, QUARTERLY PERFORMANCE REPORT PRESENTATION  
ACCEPTED

The Board received the December 31, 1993, Utility Stock (Fixed Income Alternative) Portfolio quarterly report. Mr. Glenn Hosokawa reviewed the report with the Board.

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

AYES: Crist, Benoit, Sperling, Friery, DeCamilla

NOES: None

LARGE CAPITALIZATION/GROWTH STOCK PORTFOLIO, DECEMBER 31, 1993, QUARTERLY PERFORMANCE REPORT PRESENTATION  
ACCEPTED

The Board received the December 31, 1993, Large Capitalization/Growth Stock Portfolio Quarterly Performance Report. Mr. Friery reviewed the report with the Board.

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The Board discussed the performance of the fund. Ms. Benoit moved to accept the report. The motion was seconded by Mr. Sperling and was carried by the following vote:  
AYES: Crist, Benoit, Sperling, Friery, DeCamilla  
NOES: None

GENERAL COMMUNICATIONS

COMMUNICATION FROM TOWERS PERRIN  
ACCEPTED AS INFORMATIONAL

The Board accepted as informational a letter from David C. LeSueur, system actuary, informing the Board he was transferred to the Denver office; however, he would continue to be the system's actuary.

ARTICLE FROM GOVERNING, "DON'T WORRY ABOUT YOUR PENSION . . . YET"  
ACCEPTED AS INFORMATIONAL

The Board accepted as informational the article from the February, 1994 issue of Governing.

COMMUNICATION FROM THE SUSAN G. KOMEN BREAST CANCER FOUNDATION  
ACCEPTED AS INFORMATIONAL

The Board accepted as informational a letter acknowledging a contribution made by SEI to the Susan G. Komen Breast Cancer Foundation in the Board's honor.

IDEAS AND QUESTIONS, MEMBERS OF THE BOARD

Mr. Friery wanted to bring to the Board's attention the failure to have the 1994 Asset Allocation recommendation on the agenda. Mr. Friery explained that annually the Treasurer's staff prepares and submits for the Board's approval the annual asset allocation recommendation but because he wanted to address Mr. Crist's concerns that he brought up at the last meeting and due to

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some misunderstandings the report was not completed in time to be distributed in the agenda packet. The completed report was now ready for distribution.

Because the report was not on the agenda the Board could not discuss the report but could discuss procedurally how to handle the report.

Because of the importance of asset allocation Mr. DeCamilla called a special meeting for March 8, 1994 at 1:30 p.m.

In preparation for the special meeting, Mr. Friery distributed the 1994 Asset Allocation report and John Worcester, Secretary to the Board, distributed a report on asset allocation process.

**CLOSED SESSION - REAL PROPERTY TRANSACTIONS**  
**(Government Code Section 54956.8)**

The Board adjourned to closed session at 3:05 p.m. to discuss a proposed first mortgage loan to Elk Grove Medical Dental Center, a California Partnership.

The Board reconvened in open session at 3:20 p.m. and directed Jim Smith, Real Estate Advisor, to bring the matter back to the Board once he obtains and reviews current financial statements and receives more information about the tenant owners.

There being no further business, the meeting was adjourned at 3:25 pm. to meet again at the call of the chair.