

June 25, 1990

MINUTES
REGULAR MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
June 25, 1990

CALL TO ORDER AND ROLL CALL

The Administration, Investment and Fiscal Management Board met in regular session in Conference Room 101, 921 - 10th Street, at 1:30 p.m. on June 25, 1990.

PRESENT: Crist, Frierson, Masuoka, Sperling, DeCamilla

ABSENT: None

CONSENT CALENDAR

MINUTES OF REGULAR MEETING HELD MAY 14, 1990
APPROVED

The Board received and reviewed the minutes of the regular meeting held May 14, 1990.

Mr. Crist moved the minutes be approved. The motion was seconded by Mr. Sperling and was carried by the following vote:

AYES: Crist, Frierson, Masuoka, Sperling, DeCamilla

NOES: None

INVESTMENTS - TREASURER'S ACTIVITY REPORT
ACCEPTED

The Board received the April 1990 Treasurer's Investment Activity Report. Deborah Carter, Investment Officer, reviewed the investment report with the Board.

Ms. Carter informed the Board that this was the first time bond income was transferred to operating cash in accordance with the Board's Resolution 90-004 adopted May 14, 1990.

Ms. Masuoka moved to accept the investment activity report. The motion was seconded by Ms. Frierson and was carried by the following vote:

AYES: Crist, Frierson, Masuoka, Sperling, DeCamilla

NOES: None

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REPORTS OF CONSULTANTS AND ADVISORS

CITY TREASURER'S UTILITY STOCK REPORT, MARCH 1990 - CONTINUED
ACCEPTED AS INFORMATIONAL

Since the Board formally adopted a summary of the report last month, the Board accepted the final written report as informational. Ms. Carter reviewed the report, in its new format, with the Board.

The new report still provides comprehensive data but in a more user friendly format.

SEI MARCH 31, 1990 QUARTERLY PERFORMANCE REPORT
ACCEPTED

The Board received SEI's performance reports for the quarter ending March 31, 1990. John McLaughlin, from SEI, reviewed the report with the Board. Mr. McLaughlin informed the Board the figures for Axe-Houghton and Batterymarch are incorrect. Corrected reports will be forwarded to the Treasurer.

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

AYES: Crist, Frierson, Masuoka, Sperling, DeCamilla

NOES: None

REAL ESTATE ADVISOR'S REPORT
ACCEPTED

The Board received the May and June 1990 Real Estate Advisor's report, submitted by W. Jim Smith of WJS & Associates. Mr. Smith reviewed the report with the Board.

Mr. Smith informed the Board the \$2,925,000 Power Inn Industrial loan closed. Also, he rejected the \$700,000 office loan in West Sacramento when the MAI appraisal valued the property at \$885,000 rather than \$1,000,000 as originally reported.

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

AYES: Crist, Frierson, Masuoka, Sperling, DeCamilla

NOES: None

LETTER TO CITY COUNCIL REGARDING EXPANSION OF COMMUNITY CONVENTION CENTER AND PLANNING DIRECTOR'S SPECIAL PERMIT/VARIANCE 1401 L STREET
ACCEPTED AS INFORMATIONAL

The Board accepted as informational the final draft letter to the City Council expressing the Board's concerns regarding the expansion of the community convention center and the impact on the system's property located at 1414 K Street.

Also, the Board accepted as informational a notice from the City's Planning Department regarding the issuance of a special permit to provide public parking at 1401 L Street.

BATTERYMARCH APRIL AND MAY 1990 PERFORMANCE
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Batterymarch's April and May 1990 performance reports.

NEWBOLD'S ASSET APRIL 1990 PERFORMANCE
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Newbold's Asset Management's April 1990 performance report.

DELAWARE INVESTMENT ADVISERS APRIL AND MAY 1990 PERFORMANCE
ACCEPTED AS INFORMATIONAL

The Board accepted as informational Delaware Investment Advisers' April and May 1990 performance reports.

IDEAS AND QUESTIONS, MEMBERS OF THE BOARD

At the May 14, 1990 meeting the Board discussed Batterymarch's performance since inception, the portfolio's exposure to non-US equities and the investment limitations imposed by the Board's investment policy.

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In response to that discussion, the Board received a letter from Batterymarch, dated May 16, 1990, requesting the Board consider removing investment constraints limiting exposure to non-US equities.

The Board discussed the request and decided not to consider amending the current agreement with Batterymarch. The Treasurer's office will notify Batterymarch of this decision.

CLOSED SESSION - REAL PROPERTY TRANSACTIONS

The Board met in executive session to discuss a real estate proposal submitted by Jim Smith, real estate advisor.

The Board reconvened. There being no further business, the meeting was adjourned at 3:00 p.m. to meet again at the call of the chair.