

**CEMETERIES BOARD OF TRUSTEES
CITY OF FORT LAUDERDALE
City Hall 8th Floor Conference Room
Thursday, September 14, 2006
3:30 p.m.**

<u>Board Member</u>	<u>Attendance</u>	<u>Cumulative 2006</u>	
		<u>Present</u>	<u>Absent</u>
Connie Christensen	A	4	1
Barbara Falowski	A	3	1
Victoria Mowrey, Vice Chair	P	5	0
Ann Platt	P	3	2
Jose Portela	P	4	0
Larry Sherman	P	5	0
Mark Van Rees, Chair	P	5	0

Also Present

Julius Delisio, Cemetery Board Liaison
John Moritz, Carriage Services
Trevor Jackson, Carriage Services
Sharon Seliger, Carriage Services
Lisa Slagle, Fort Lauderdale Business Enterprises
Frank Snedeker, City Architect
Paul Bangel, Assistant City Attorney
Justin Courtenay, Bank of America
Jim Buchanan, Bank of America
Penelope Smith, Bank of America

The meeting was called to order by Chair Van Rees at 3:39

1. Minutes Approval

A. Meeting of July 2006

Mr. Portela noted that at the previous meeting, Mr. Moritz had mentioned that only 20 crypts remained in the mausoleum and this had caused them to consider creating a long-range Master Plan. He felt this should be noted in July's minutes. Mr. Delisio would amend the minutes.

Motion made by Ms. Mowrey, seconded by Mr. Sherman to approve the minutes of the July 2006 meeting as amended. In a voice vote, the motion passed unanimously.

2. Old Business

A. Sunset Memorial Gardens Building Update (Discussion)

Mr. Snedeker stated that Broward County might hold up the occupancy because of water and sewer issues but they still hoped to open on October 2. Mr. Snedeker said the last \$24,000 change order should cover all remaining construction items, but there would be some additional engineering fees. The building was finished, with electricity and air conditioning [but no water or sewer].

Mr. Delisio said they were pinning the property now and would be ready for burials as soon as they received the CO.

Ms. Mowrey said the new building looked great. She had gone by earlier and seen that sprinklers were malfunctioning in the center area and a section of chin link fence was listing on the northside. She wondered if something could be done about the mausoleum at Sunset; she said it looked terrible because of the water stains. Mr. Delisio said they had planned to address the irrigation issues at Sunset next year in section 6, this would have to be a capital outlay since the section needs re-fitted, but the water would still not be City water, so the iron stains would persist. However, we will ensure irrigation is not hitting the mausoleum and look to either pressure clean or paint the building.

B. Clarification of Expenditures from Perpetual Care Trust Fund (Discussion)

Mr. Delisio explained that the question was whether the costs for developing a Master Plan could be considered a capital improvement, and he had sought advice on this question from the City Attorney's office. Mr. Bangel thought the funding might come from Section 10-47(2)a: Perpetual care of lots, plots, crypts and niches. Mr. Delisio explained that funds for perpetual care were paid from the interest dividends of the trust fund as reimbursement for maintenance expenses.

Mr. Bangel said the question they were struggling with was whether the Master Plan qualified as a capital improvement; he felt that it might qualify if it were associated with one particular project. Mr. Bangel admitted that one problem arose from the absence of a definition of "capital improvement" in the ordinance. He said he could consult IRS regulations for a definition.

Ms. Mowrey felt they were running out of time to plan for the "perpetualness" of the cemeteries and they must find a way to fund the Master Plan. Mr. Delisio said the last Master Plan was created in 2000 and the contractor had paid for it. Ms. Platt felt the Plan should be the Board's responsibility, not the contractor's. Mr. Bangel suggested that requesting a change in the ordinance was one option they could consider. Mr. Bangel thought that Section 10-47(2)d could be changed to "Capital improvements to the cemetery system *and Master Plans for such capital improvements to the cemetery system* when recommended..."

The Board discussed ways to present this to the City Commission. Mr. Bangel agreed that they should make the Commission aware of the problem, and felt they should put it on a conference agenda. Mr. Delisio wanted to be very careful about protecting the trust fund from being accessed and used to fund any type of project. Ms. Platt said, "The absolute optimal use of all of our properties should be made and planned for."

The Board discussed whether they should request the City Attorney's opinion, request an RFP, or go to the City Commission first. Mr. Delisio felt they should consult with the City Attorney first; their next option would be to seek general fund money or modify the ordinance. Mr. Delisio pointed out that any money paid out of interest and dividends of the Trust Fund would be denied to Carriage for their reimbursement. He believed that if the City Commission approved the expenditure, it would have to come out of capital money and not interest and dividends because these were contractually bound already.

Motion made by Ms. Platt, seconded by Mr. Sherman, to recommend to the City Commission that \$50,00 of the Cemetery Perpetual Care Trust Fund be used to create a Master Plan for the Fort Lauderdale cemetery system. In a roll call vote, Board approved unanimously.

3. New Business

A. Bank of America Trust Fund Performance/Outlook (Discussion)

Mr. Courtenay remarked on the volatility of the market since April and described contributing factors.

Mr. Courtenay drew the Board's attention to the Year to Date Asset Reconciliation report, and explained that between January 1, 2006 and August 31, 2006, there was \$401,380 in additions and \$1,153,128 in withdrawals, for an ending market value of \$15,618,639. Mr. Courtenay described the asset allocation, noting that stocks made up 40.98% of the portfolio, and generated \$128,318 in income, with the highest yield [2.26%] coming from large cap stocks. Bonds made up 56.46% of the portfolio and generated \$481,259 in income, with the highest yield [6.86%] coming from preferred stocks. Due to reduction of some stock exposure and an increase in overall yields, the account was earning \$60,000 more in annual income now that it was at the start of the year.

Mr. Courtenay then referred to the Performance Review Report, noting that the portfolio return was up 4.4% Year to Date. All in all, Mr. Courtenay felt the account was on track for the year.

B. Quarterly Maintenance Reimbursement Apr – June 2006 (Discussion/Motion)

Chair Van Rees asked about the Facilities and Grounds Utilities line; Mr. Delisio explained that some months ago, the account was not being paid properly, but the current charges were valid and the problems had been corrected.

Chair Van Rees questioned the Facilities and Grounds Facilities Repairs and Maintenance line; Mr. Delisio explained that this was due to the roof repair. He drew the Board's attention to a detailed list of vendors' disbursements for the Repair and Maintenance line item.

Motion made by Ms. Platt, seconded by Mr. Sherman, to approve the quarterly maintenance reimbursement.

4. **Adjournment**

There being no further business to discuss, the meeting was adjourned at 5:28 p.m.