

CEMETERIES BOARD OF TRUSTEES
CITY OF FORT LAUDERDALE
City Hall 8th Floor Conference Room
Thursday, January 11, 2007
3:30 p.m.

<u>Board Member</u>	<u>Attendance</u>	<u>Cumulative 2007</u>	
		<u>Present</u>	<u>Absent</u>
Connie Christensen	P	1	0
Barbara Falowski	A	0	1
Victoria Mowrey, Vice Chair	P	1	0
Ann Platt	P	1	0
Jose Portela	P	1	0
Larry Sherman	P	1	0
Mark Van Rees, Chair	P	1	0

Also Present

Julius Delisio, Cemetery Board Liaison
Mona Laventure, Recording Secretary
Penelope Smith, Bank of America
Jim Buchanan, Bank of America
Johnny Miller, Bank of America
Lisa Slagle, City of Ft. Lauderdale
Sharon Seligea, LMP Business Enterprises
Trevor Jackson, Carriage Services
Joe Giordano, Carriage Services

The meeting was called to order by Chair Van Rees at 3:30 pm.

1. Minutes Approval

A. Meeting of 11/14/2006

Ms. Mowrey noted that on page 3, Ms. Platt was referred to as Mr. Platt.

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

The Board agreed to address item 3.A – the Bank of America presentation – first.

2. Old Business

A. Sunset Memorial Gardens Building Update

Mr. Delisio reported that the building was complete and all inspections but plumbing had passed; there was an ADA issue with one sink. The building was furnished and the A.C., pump

and irrigations systems were working. Mr. Delisio felt the sink issue could be resolved in a week or so and they would get the Certificate of Occupancy.

Mr. Delisio distributed disbursement sheets to Board members and noted that they did not owe the contractor much more and delays had been caused by a consultant or the County. The balance owed to the contractor was approximately \$70,000 to \$80,000.

Mr. Delisio confirmed that they did plan a grand opening, but he was not yet sure of a date.

B. Evergreen Tree Removal Bid (Discussion/Motion)

Mr. Delisio said the Purchasing Department had not agreed that Gulf Crowder could perform this type of service. Because this was a \$300,000 job, Purchasing wanted it put out to bid and approved by the Commission.

Mr. Delisio informed the Board that they had called in environmental consultants to avoid any issues regarding the lake. He noted that many of the mangroves on the edge of the lake would remain. Mr. Delisio said the City had applied for the County permit and the bid was out. He asked the Board to pre-approve a maximum amount so the bids could go to the City Commission as soon as they were received.

Mr. Delisio said he would oversee the work and they would use Lauderdale Memorial as a staging area.

Ms. Mowrey was concerned about approving an amount much larger than Crowder's estimate. Ms. Platt proposed they call a special meeting after the bids were in instead of pre-approving an amount.

Motion made by Ms. Mowrey, seconded by Ms. Christensen, to call a special meeting when the bids were obtained. Board unanimously approved.

C. GreenShade Grant (Discussion)

Mr. Delisio said he was very pleased with the quality of the trees. They now needed to complete the portion of the application that provided reimbursement from the County.

3. New Business

A. Bank of America Trust Fund Presentation (Discussion)

[This item was heard out of order]

Mr. Johnny Miller, Bank of America Senior Vice President, stated the portfolio had made \$1 million last year. He drew the Board's attention to the fourth quarter market overview and their expectations for the coming year. He explained that in 2006, large-cap companies were

“playing catch-up” to the gains experienced by the small and mid caps the previous year. Mr. Miller said he expected that over the next couple of years, the sectors that had been down recently would rebound.

For 2007, Mr. Miller anticipated a slowdown in the first half of the year, and said it was anticipated that growth would average approximately 2.5% by the year’s end. He personally felt growth would average closer to 2 to 2.25%. Mr. Miller said the earnings on the S&P 500 should increase by 8%, and there were predictions that returns on stocks would be 8% to 15%. It was Mr. Miller’s opinion that they would be in a “break even at best” market next year. He noted that the market had experienced no corrections for over two years and this concerned him.

Mr. Miller drew the Board’s attention the 2005 versus 2006 asset allocation/income level and noted that as of today, they had 43% in stocks, with 39% in large cap and 4% in international stocks. He noted that the small and mid-caps had moved more in the previous three years than they ever had without a correction. He therefore felt that this asset class was overvalued. Mr. Miller explained that preferred stock traded like a bond and these were included to increase the portfolio yield a bit.

Mr. Miller said they had been able to continue growing the income by shifting it to a fixed income, and he hoped to continue this in the future.

Mr. Miller stated that the performance figures on the last page were net after expenses. At year’s end, the total portfolio was at 8.5%. Stocks were at 14.3% [versus an S&P index of 15.8%]. Bonds had performed at a 5.5% rate, versus an overall market performance of 4.5%.

Mr. Miller explained that he had constructed the portfolio to have some stability in a down market. He pointed out that they had almost doubled the income in the last four years. Mr. Miller referred to the summary and explained that the portfolio had started at \$15.9 million; the Cemetery had contributed \$700,000 and withdrawn \$1.7 million. The actual investment gain was \$1.1 million for a year-end total of \$16.45 million.

B. Cemetery Financial Overview FY 2005/06 (Discussion)

Mr. Delisio said he prepared an overview annually. He reminded the Board that the City’s fiscal year ran from October 1 through September 30. Mr. Delisio said that despite their large expenses, the trust fund had made approximately \$1 million.

Mr. Delisio explained the components of the trust fund: the corpus: the deposits made to the fund; interest and dividends paid out, and capital gain. At present, approximately \$7.1 million was non-corpus capital gain and therefore expendable.

Mr. Delisio pointed out the portion of his report that showed income from each cemetery and the gross income for the year. Mr. Delisio drew the Board's attention to the section that showed cash to the number of internments at each park, and noted how significant a mausoleum sale was.

Mr. Delisio stated that page four of the report explained how they calculated the \$3 million. It described the cash receipts, the maintenance reimbursement and interest earnings on sales. Last year, they had ended up with another 20% of the cash flow as a return.

4. Adjournment

There being no further business to discuss, the meeting was adjourned at 4:40 p.m.