

CEMETERY SYSTEM BOARD OF TRUSTEES  
 CITY OF FORT LAUDERDALE  
 CITY HALL 8TH FLOOR CONFERENCE ROOM  
 TUESDAY, JANUARY 13, 2009  
 3:30 p.m.

<u>Board Member</u>	<u>Attendance</u>	<u>Cumulative Attendance</u> 2/2008 through 1/2009	
		<u>Present</u>	<u>Absent</u>
Mark Van Rees, Chair	P	6	0
Victoria Mowrey, Vice Chair	A	5	1
Alfred Calloway	P	6	0
James Mowell	A	1	1
Larry Ott	P	5	0
Jose Portela	P	6	0
Dolores Sallette	A	3	3
Larry Sherman	P	6	0
Susan Telli	A	4	2

Also Present

Julius Delisio, Cemetery Board Liaison  
 John Banas, Carriage Services  
 Trevor Jackson, Carriage Services  
 Perry Caudill, Carriage Services  
 Andrea Stewart, Asset Strategy Management  
 Cate McCaffrey, Director, Business Enterprises  
 Lisa Slagle, City of Fort Lauderdale  
 J. Opperlee, Recording Secretary

The meeting was called to order by Chair Van Rees at 3:42 pm.

**1. Minutes Approval**

o **November 2008 Meeting**

**Motion** made by Mr. Calloway, seconded by Mr. Sherman, to approve the minutes of the Board's November 2008 meeting. In a voice vote, the motion passed unanimously.

o **December 2008 Special Meeting**

**Motion** made by Mr. Calloway, seconded by Mr. Sherman, to approve the minutes of the Board's December 2008 Special meeting. In a voice vote, the motion passed unanimously.

## **2. New Business**

### **A. Asset Strategy Consultants Overview Perpetual Care Trust Fund**

Ms. Andrea Stewart, Asset Strategy Management, distributed a copy of a work plan they had developed for the Trust, and remarked that the account was currently "in a bit of a disarray." She stated Bank of America had things structured in a way that was not in the best interest of a Trust Fund.

Ms. Stewart explained that the first step was to select a new custodian. Mr. Delisio stated that at a meeting earlier in the day, the Purchasing Director had given permission to create an RFP and conduct the search for a new custodian.

Ms. Stewart provided Mr. Delisio with a copy of a questionnaire Asset Strategy used to assess prospective custodians. She informed the Board that there were at least two companies she knew of, a Broward County group called Salem Trust, and a Mississippi company called Trustmark who would both be interested in bidding on the RFP. She invited Board members to suggest candidates as well.

While they were selecting a new custodian, Ms. Stewart said they would work on the Trust's Investment Policy. The Investment Policy should declare specific actions the Board could take with an underperforming manager.

Ms. Stewart informed that Board that Asset Strategy would also: realign the asset allocation to be more appropriate for a Trust Fund of this size; determine which investments the Trust currently held that should be maintained or dropped and find new investments for the Trust.

After the account we set up, Ms. Stewart said the Board would receive quarterly reports from Asset Strategy that would describe the account and activity in easy to understand terms.

Ms. Stewart announced that Asset Strategy would always be available for education sessions, on whatever schedule and covering whatever topics the Board desired.

Chair Van Rees was concerned that the Bank of America account would continue to lose money. Mr. Delisio felt the account had lost what it was going to lose, and he anticipated December's balance would be up a bit.

Mr. Delisio estimated the RFPs would go out in two to three weeks and would be returned in March. After they selected the new custodian he would give Bank of

America 30 days notice. Ms. Stewart explained that the entire account would transfer overnight to the new custodian and Bank of America would create a link for the income hits to be sent to the new custodian. Whoever sent the income would automatically be sent notice that the account was no longer with Bank of America, and income should in the future be sent to the new custodian.

Ms. Stewart said her biggest concern was that Bank of America would continue to trade on the Trust account "just for the sake of doing trades and making money on your account." Chair Van Rees was concerned as well, and asked what could be done to change Bank of America's strategy until the account was transferred to the new custodian. Ms. Stewart said one option, which she did not recommend, was to liquidate the entire account into cash. Another option was to direct Bank of America to stop trading on the account. Mr. Delisio said he was discussing the options with the City Attorney. In the meantime, he advised the Board to make a motion to allow him to take whatever action the City Attorney determined was legal and appropriate, which could include revoking Bank of America's discretionary authority.

Mr. Delisio said he wanted to see the Trust's December statement to determine whether Bank of America had continued the trend of the past few months of continued trading on the account.

Mr. Delisio reminded the Board that Bank of America had discretion, per the Trust Agreement, to make decisions and take action with regard to the Trust Fund. He must discuss with the City Attorney the extent to which that right could be revoked. Mr. Delisio suggested the Board make a motion that City staff should take whatever action the City Attorney and the consultant deemed appropriate to minimize any losses to the Trust fund.

Based upon his examination of the last statement, Chair Van Rees felt that Bank of America had conducted trades that "benefited them more than it benefited us" and he wanted to avoid any more of this. He believed they must revoke Bank of America's authority in order to prevent their taking advantage of the Trust Fund.

**Motion** made by Mr. Portela, seconded by Mr. Calloway to authorize City Staff to take whatever action the City Attorney and the consultant deemed appropriate to minimize any losses to the Trust Fund accounts. In a voice vote, the motion passed unanimously.

### Other Items

Mr. Delisio reported that the project to erect the wall at Sunset had been bid and awarded. A problem had arisen because the main irrigation line was located

directly under where the wall would be built. Neither one could be moved farther north because this would intrude into an FPL easement. Mr. Delisio estimated a cost of \$60,000 to relocate the irrigation line farther onto cemetery property. He stated there was sufficient room to move the irrigation line in on the property.

Mr. Delisio informed the Board that he hoped they would have the building permit for the new mausoleum building at Lauderdale Memorial Park by the end of the week.

Mr. Delisio announced that the McAndliss private estate in Evergreen was complete. They had also completed improvements on the Amaturio mausoleum.

Mr. Delisio said the two major capital projects on which they were working were the gate at Lauderdale Memorial and the demolition of the original administration building at Sunset.

In response to Mr. Portela's question, Mr. Delisio stated Pulice Land Surveyors had made significant progress at Evergreen and believed they should be finished by April. The Sunset project would take additional time because it was more involved.

Mr. Delisio stated the shed at Evergreen had been repaired.

Ms. Slagle stated the candlelight service at Lauderdale Memorial Park was very nicely done and well attended.

Mr. Banas reported the candlelight service at Sunset was traditional and had also been very well attended.

Mr. Delisio announced that the Memorial Day events this year would be organized by a committee to ensure equal representation of all groups.

### **3. Adjournment**

The Board's next regular meeting was scheduled for March 12, 2009.

There being no further business to discuss, the meeting was adjourned at 4:27 p.m.