

CEMETERY SYSTEM BOARD OF TRUSTEES
 CITY OF FORT LAUDERDALE
 CITY HALL 8TH FLOOR CONFERENCE ROOM
 WEDNESDAY, MAY 14, 2009
 3:30 p.m.

<u>Board Member</u>	<u>Attendance</u>	<u>Cumulative Attendance</u> 2/2009 through 1/2010	
		<u>Present</u>	<u>Absent</u>
Mark Van Rees, Chair	P	2	0
Victoria Mowrey, Vice Chair	P	2	0
Alfred Calloway	A	1	1
William Cooke	P	1	0
Cameron Mizell	A	0	1
Larry Ott	P	2	0
Jose Portela	A	1	1
Dolores Sallette	P	2	0
Larry Sherman	P	2	0
Susan Telli	A	0	2

Also Present

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

Communication to the City Commission

- The Board supports Mr. Pfothenhauer's request at the March meeting for vacation of a portion of the Evergreen Cemetery property.
- The Board voted unanimously in March to approve private estates in the center aisles only in Lauderdale Memorial Park; discussions will continue regarding private estate areas near the front entrance.
- The Board feels the investment policy should remain as is concerning the cemetery trust fund and not be folded into the City of Fort Lauderdale's investment policy, and allow the consultant to be hired and make the recommended changes.

The meeting was called to order by Chair Van Rees at 3:38 pm.

1. Minutes Approval

○ **March 2009 Meeting**

Motion made by Ms. Mowrey, seconded by Ms. Sallette, to approve the minutes of the Board's March 2009 meeting. In a voice vote, the motion passed unanimously.

2. New Business

A. City Ordinance No. C-09-05, Quorum Requirement

Currently, there were ten appointed Board member, so six members present would constitute a quorum. Chair Van Rees confirmed that six members were present for a quorum.

B. City Commission Action Items

Mr. Delisio explained that any items the Board wanted to bring to the City Commission's attention should be mentioned on the first page of the Board's minutes. Since this Board met every other month, and their minutes were not sent out until the Board approved them, Ms. Slagle advised that the first page of the minutes, including the items the Board wished to communicate to the City Commission, would be posted by the City Clerk's office in draft form.

C. Cemetery Investment Policy

Mr. Delisio informed the Board that the City Auditor had notified the City Commission that he believed the cemetery investment policy was too aggressive and should mirror the City's investment policy. Mr. Delisio felt the City's investment policy was too conservative and would not allow them to meet any of their objectives. This item was now scheduled for discussion at a Commission conference meeting.

Mr. Delisio said they had gotten lucky with the bids for trustee; Trustmark Bank had submitted a bid for five years of service at a one-year price. Trustmark's bid was at 1.8 basis points, and they had indicated they were willing to honor the incorrect bid, which Mr. Delisio estimated would save them at a minimum \$15,000 per year. He reminded the Board that Trustmark would charge no transaction fees, no wire transfer fees, no trade fees and no check request fees. He noted that the bank had recently moved into Florida and assumed they wanted some exposure.

Mr. Delisio stated the consultant's fee was approximately 9 basis points, so the total fee would be approximately 10 – 12 basis points. The managers they were seeking would probably charge 50 basis points. They were currently paying Bank of America 66 basis points, and they would end up paying a bit more, but Mr. Delisio thought they would get better returns and they would have more control over picking the top money managers for the asset classes in which they were investing.

Mr. Delisio agreed with the consultants that there were minor adjustments to be made with the current investment policy. He had compiled a spreadsheet of trust fund activity since 1986 and remarked that the fund's performance had been "phenomenal." The fund had paid out almost \$15 million and now had \$5 million more in it than was deposited.

Chair Van Rees pointed out that through their investments, they had been able to do multiple projects, in partnership with the management company, with the City bearing none of the expense. This would not have been possible under the City's investment policy. Chair Van Rees pointed out that changing the investment policy would also negatively affect the bids from management companies.

While they agreed there were some minor changes that could be made to the existing policy, Chair Van Rees and Ms. Mowrey opposed changing to an investment policy similar to the City's. Mr. Delisio advised Board members to contact their individual commissioners to discuss their feelings about the investment policy.

Ms. Mowrey remarked the Board also had a moral obligation to the perpetual care fund, and to the "thousands of people we don't even know who made all of this possible to start with." Mr. Delisio stated the current policy provided the flexibility to strategically and tactically move assets to obtain maximum returns during market fluctuations. We have met liquidity needs and increased the capital gain on the fund during swings in the markets. This money is a trust and should retain the objective of perpetuity; this is not a short liquid fund to use for operating capital of day-to-day funding needs. Without use of the equity market which the City Investment Policy lacks we would never have any capital gain since we would only have interest and dividend gains that is payable for maintenance costs of those sold rights in the cemeteries. This would prevent any capital expenditures and the burden of capital improvements would be needed with tax dollars. Ms. Mowrey added that the consultants had been approved based on an understanding of the existing investment policy.

Ms. Sallette asked Mr. Delisio to notify absent Board members regarding this issue and he agreed.

Mr. Delisio informed the Board that Johnny Miller from U.S. Trust was preparing a comparison of how the trust would have performed under an investment policy similar to the City's and how it had performed under its current policy. This would show that the fund had constantly compounded its money under the current policy and over market cycles out performed the City's investments. Mr. Delisio agreed to forward this information to Board members so they would have it when they approached their commissioners.

Chair Van Rees added that because they had been able to hire a management company, they could provide services that the City could not and this had helped to grow the perpetual care trust fund.

Chair Van Rees and Mr. Delisio agreed that the ordinance made it clear that the cemetery funds were held in trust and the Cemetery Board of Trustees made recommendations to the City Commission for use of the funds. Neither the Cemetery Board of Trustees nor the City Commission could unilaterally decide how the money could be spent for capital items.

D. Capital Improvement Plan

Mr. Delisio had met with Pulice and the vacation process at Evergreen Cemetery was moving along; it would probably be presented to the right-of-way committee in July and the City Commission in September. The spaces should be available in October.

Mr. Delisio was also working with Pulice on the pinning at Sunset. There are a section of indigent burials in the last three rows of the far west side of the cemetery in which requires we adjust the location where we wanted to erect the new mausoleum. He would provide Pulice with the land dimensions needed for the new mausoleum.

Mr. Delisio reported they were in the process of signing a contract with MBR for the maintenance building and demolishing the old administration building, which would be replaced by lawn crypts.

Mr. Delisio informed the Board that the architect was present to show them the plan for a new entrance at Lauderdale Memorial. Mr. Jaime Plana, architect, distributed plans for the entranceway and described the proposal.

- Reuse of existing planter covered with stone to match the new building
- Columns and a black aluminum picket fence
- Granite pediment on columns just behind the planter with the name of the park etched on it

Regarding landscaping, Chair Van Rees wanted to be sure an open-air entrance was maintained.

The Board asked about lighting, and Mr. Banas remarked that the electric meter was not connected, but he planned to have it connected to the pole and use this in the future for lighting, for motorized gates and to provide City water irrigation.

Motion made by Ms. Sallette, seconded by Ms. Mowrey, to approve the Lauderdale Memorial Park entranceway plan as presented. In a voice vote, Board unanimously approved.

Chair Van Rees requested an update on the Lauderdale Memorial Park mausoleum construction. Mr. Banas informed the Board that the crypts were completed. He remarked that the contractor was very precise. Mr. Banas continued that the columns were complete and next the roof would be poured. Mr. Banas anticipated completion of the mausoleum in August.

Regarding the cremation gardens, Mr. Banas stated the account had been established and he had spoken to a landscape architect. He hoped to bring a sketch to the Board's next meeting.

Mr. Banas explained that the \$9,873 expenditure for irrigation at Lauderdale was to replace a pump and to rewire the electric. The portion of the park that had pop-up sprinklers was now fully automated and they would work on the remaining areas little by little. He said they had converted the center aisle to fresh water and ran wires under the road for future automation.

Ms. Sallette noted that at Sunset, the areas behind the mausoleum the sod was in need of some attention and residents with family members there had some concerns. Ms. Banas said it would cost \$40,000 to resod section 6. He noted that this damage was caused by heavy, constant foot traffic, due the number of internments and when that lessened, the grass would come back.

Mr. Delisio reminded the Board that they had budgeted \$15,000 for landscaping at Evergreen. They wanted to purchase some trees, and to remove some Florida Holly trees from along the lake. Mr. Banas agreed that the lakeside trees must be maintained in preparation for hurricane season. The Board discussed the iguana infestation problem in the parks.

Chair Van Rees asked about the fence at Evergreen. Mr. Banas said Dolphin Fence would repair it and provide an estimate for some of the other areas.

Mr. Banas explained that the gentleman who had been closing the gates at Evergreen had fallen ill and Mr. Jackson had found a new person.

Chair Van Rees asked about safety measures for power surges at Lauderdale Memorial. Mr. Banas stated both pumps had safety features to prevent both electrical and pressure overloads.

E. Property Location Pricing

Mr. Delisio drew the Board's attention to maps describing the pricing structure for different areas of the parks. He explained that at Evergreen, they had increased the prices of the locations where the roads would be vacated. Some of these sites may have engineered lawn crypts but would not be available for a while. Mr. Delisio explained that the road vacation had taken so long because the map the contactor had been using indicated there were no spaces available at Evergreen, and they had needed to go through and validate approximately 700 open spaces.

F. Maintenance Reimbursement Jan – Mar 2009

Motion made by Ms. Mowrey, seconded by Ms. Sallette, to approve the maintenance reimbursement for January through March 2009. In a voice vote, the motion passed unanimously.

Other Items

Mr. Banas distributed information regarding the Memorial Day "Day of Remembrance" at Lauderdale Memorial Park starting at 9:00 a.m.

Mr. Delisio reported that they had removed trinkets from Evergreen, resulting in some negative feedback from family members. Those who had complained had been invited to address the Cemeteries Board regarding the rules, but no one had shown up. Chair Van Rees pointed out that people came to the cemeteries expecting a serene setting, and the decorative items could become projectiles in high winds. Mr. Delisio added that they allowed decorations for special occasions for a week or so, but the permanent decorations created problems.

3. Adjournment

The Board's next regular meeting was scheduled for July 9, 2009.

They're being no further business to discuss; the meeting was adjourned at 5:11 p.m.