

**CEMETERY SYSTEM BOARD OF TRUSTEES
CITY OF FORT LAUDERDALE
CITY HALL 8TH FLOOR CONFERENCE ROOM
THURSDAY, JANUARY 13, 2011
3:30 P.M.**

<u>Chair</u>	<u>Attendance</u>	<u>Cumulative Attendance</u> 2/2010 through 1/2011	
		<u>Present</u>	<u>Absent</u>
Victoria Mowrey, Chair	A	5	1
Damon Adams	P	6	0
Patricia Hayes	P	3	0
Larry Ott	P	6	0
Jonathan Pearson	P	5	1
Dolores Sallette [3:35]	P	5	1
Larry Sherman [3:35]	P	6	0
John Sykes	P	5	1
Susan Telli	A	4	2

City Staff

Julius Delisio, Cemetery Board Liaison
Lisa Slagle, City of Fort Lauderdale
J. Opperee, Recording Secretary

Guests

John Banas, Carriage Services
T. Amos, Carriage Services
Trevor Jackson, Carriage Services
Johnny Miller, U.S. Trust

Communication to the City Commission

None.

The meeting was called to order 3:32 pm.

Motion made by Mr. Pearson, seconded by Mr. Sykes, to appoint Mr. Adams to act as Chair for this meeting. In a voice vote, Board unanimously approved.

1. Minutes Approval

- **November 2010 Meeting**

Motion made by Mr. Sykes, seconded by Mr. Ott, to approve the minutes of the Board's November 2010 meeting. In a voice vote, the motion passed unanimously.

2. Old Business

None

3. New Business

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

It was determined that a quorum was present.

B. City Commission Action Items

None.

Ms. Sallette and Mr. Sherman arrived at 3:35.

C. US Trust Bank of America Quarterly

Mr. Miller described the new format for the report. He drew the Board's attention to the Investment Performance Review page and noted that the portfolio was up 16.5% last year. Stocks were up almost 23% last year, versus the S&P 500 stock index, which was up only 15.1%. Their bond portfolio was up 13.6% last year, versus the index, which was up 6.5%. Mr. Miller said the portfolio had more than made back the losses suffered in 2008 and had gained \$2.8 million last year for a total of \$19.4 million.

Mr. Miller anticipated there would soon be a market correction, and said he had taken some money out of equities to make it available for reinvestment when the market was at a lower level. He felt the market would grow approximately 8% this year.

Mr. Miller said he had begun to underweight mid-cap, small-cap and international stocks to accumulate cash to put into US large-cap stocks. He anticipated that large companies, that had access to emerging markets, would do very well this year.

Mr. Sykes asked if inflation would affect Mr. Miller's allocations. Mr. Miller stated it would, but it would probably not be an issue, with Quantitative Easement. He explained, "The Feds...are trying to re-ignite inflation" because they were fearful of deflation.

Mr. Miller believed that commodities was one of the best places to invest right now. He said the portfolio owned a limited partnership in oil and gas. He would like to own a commodity mutual fund, but the Investment Policy did not specifically allow this. Mr. Miller informed Mr. Pearson that the portfolio did own ETFs, but he did not know if it could own commodity ETFs. Mr. Delisio said the Investment Policy permitted mutual

funds but the Policy did not specify what must be in the mutual fund and did not preclude it from owning commodities.

Mr. Sykes stated inflation affected debt equities, and Mr. Miller said he had been using the Pimco Commodity Fund as a hedge on the bond portfolio.

Mr. Delisio reminded Mr. Miller that he had never received a letter from Columbia Funds. Mr. Miller explained that Bank of America had sold Columbia, but had an agreement that they would continue to charge no management fee; they would continue to charge as they had when Bank of America owned them.

D. Request for Proposals Custodial Trust/Investment Services

Mr. Delisio stated the RFP was due back February 9. He invited Board members to attend a pre-proposal conference on January 20 at 2 PM. Mr. Delisio remarked that there had not been a lot of questions regarding this.

Mr. Delisio said there would be five people on the Selection Committee to consider the bids, including two members from the Cemeteries Board of Trustees [CBOT] and three City representatives. After the January 20 meeting, they would reduce the pool of bidders to three or fewer. Mr. Delisio said he did not see the account changing hands until June 1. He reminded the Board that whoever took over the account must comply with the Investment Policy.

Mr. Delisio confirmed that the City Attorney had approved two CBOT members to serve on the Selection Committee. Mr. Pearson and Mr. Sykes agreed to be on the Selection Committee and Ms. Hayes agreed to be an alternate.

E. Capital Improvements Project Update

Mr. Delisio stated the RFP for the Sunrise fence had come back from six vendors. They had allocated \$200,000 for the project and had received bids in the \$80,000 range and the low bidder was 3-C Builders from Deltona, who would subcontract the project out to MDI Solutions, a fencing contractor in Deland. The City Commission would approve the bid on February 1. Mr. Delisio hoped the fence would be installed in April.

Mr. Banas distributed copies of the Capital Improvement Plan update and explained that the first page showed the dollars allocated and spent and the second page went back to what Carriage had committed to in the bid. In year 1, Carriage had spent \$1.22 million; in year 2, they had spent \$462,000 and in year 3, \$414,500. He noted that they had spent \$100,000 more than anticipated because the maintenance building had bled in from the prior year.

Mr. Banas said they were spending \$10,000 for irrigation at Evergreen. The irrigation company had been working for two weeks and had identified several leaks. These

leaks had caused the water bill at Evergreen to be very high and Mr. Banas anticipated they would be able to cut the water bill in half this year.

At Lauderdale, Mr. Banas listed the projects from last year had been completed: the cremation gardens, resurfacing the roads and the trashcans. The office renovations were ongoing.

Mr. Banas said this was a big year at Sunset because the larger projects had bled into this year. He anticipated the permit for the mausoleum building would be submitted the following week. Mr. Banas said the lawn crypt project should start at the end of January. They were in the process of demolishing the old maintenance building, which was taking time. Mr. Banas stated this project would go approximately \$15,000 over budget because of unexpected expenses.

Mr. Banas referred to the report and said they had spent \$74,093 in 2010 for non-contract capital items they deemed necessary to operate the business but to which they were not committed within the contract such as the new casket lift, landscaping at Lauderdale and additional costs for the cremation garden project, irrigation in the gate area and office renovations at Lauderdale.

Mr. Banas explained to Ms. Sallette that the entryway at Sunset would be similar to the entryway at Lauderdale Memorial Park.

Mr. Delisio said it had been difficult dealing with FPL regarding disconnecting the meter at the old maintenance building at Sunset in order to demolish it.

Other Items

Mr. Delisio stated the sale of the Evergreen property would be on the City Commission's agenda on January 19.

Mr. Delisio introduced Tim Amos from Carriage Services.

4. Adjournment

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

The Board's next meeting was scheduled for March 10, 2011.

[Minutes prepared by: J. Opperlee, Prototype Inc.]