

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

Members	Attendance	Cumulative Attendance	
		2/2011 through 1/2012 Present	Absent
Michael Ruddy, Chair	P	4	0
Patricia Hayes, Vice Chair	P	3	1
Damon Adams	P	4	0
Larry Ott [3:47-4:28]	P	3	1
Jonathan Pearson	A	3	1
Dolores Sallette	P	4	0
Larry Sherman	A	1	3
John Sykes	P	2	2
Susan Telli	A	1	3
Jimmy Witherspoon [arrived 4:14]	P	2	0

City Staff

Julius Delisio, Cemetery Board Liaison
Lisa Slagle, Administrative Assistant II
Cate McCaffrey, Director of Business Enterprises
J. Opperlee, Recording Secretary

Guests

John Banas, Carriage Services
Mark Hall, SunTrust Bank
Kim Krause, SunTrust Bank

Communication to the City Commission

None

The meeting was called to order 3:40 pm.

1. Minutes Approval
○ **July 2011 Meeting**

Chair Ruddy noted a change to the minutes.
[The vote on this item was postponed until the Board had a quorum]

Motion made by Mr. Adams, seconded by Ms. Sallette, to approve the minutes of the Board's July 2011 meeting as amended. In a voice vote, the motion passed unanimously.

Election of Vice Chair

Mr. Adams nominated Ms. Hayes for Vice Chair, seconded by Ms. Sallette. In a voice vote, motion passed unanimously.

2. New Business

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

The Board had a quorum with the arrival of Mr. Ott at 3:47.

B. Sun Trust Perpetual Care Trust Review

Ms. Krause referred to the Executive Summary and noted that the portfolio had been fully transitioned by the end of July. The value of the portfolio was currently \$19,600,000, a loss of approximately 2.6% in one month due to poor performance in the equity market. Ms. Krause described the recent performance of the market, and remarked that the decline was an overreaction.

Ms. Krause stated they had created an investment policy checklist and described how the investments were in compliance with the policy. Currently, 12% of the portfolio was invested in International Equity, which was 2% higher than the policy allowed, but Ms. Krause asked permission to keep this intact and monitor the investments because they felt this was an important component of a well-diversified portfolio. She noted there was language in the investment policy that permitted the Board to consider changes to the policy based on certain conditions. Mr. Delisio explained that in 2004, when the policy was written, it was appropriate to limit International Equities to 10%, but the world had changed drastically since then. Mr. Delisio recommended allowing SunTrust to rebalance the portfolio every 90 days, if needed.

Ms. Krause referred to the Strategy Summary, and stated they had not altered their overall strategy, but were monitoring the situation. They were seeing strong corporate profit and stocks were favored over bonds due to their relative values. Ms. Krause said the portfolio had a tactical tilt toward high-yield bonds, which they felt would continue to offer a good return as the economy continued to expand.

Regarding the portfolio composition, Ms. Krause explained the asset allocation. She stated the managed accounts were run by outside managers. Ms. Krause referred to

the Grady & Company handout, and stated it included companies that were leaders in their markets, and their shares were traded on the NYSE. Vanguard Emerging Markets was an Exchange Traded Fund (ETF) that was very well diversified and included Samsung Electronics.

Ms. Krause referred to the Performance Summary, and reported that the portfolio had declined by 2.65% compared to a blended benchmark of 1.99%. The handouts also included a performance comparison spreadsheet.

Mr. Delisio reminded the Board that Bank of America had used its own managers and SunTrust used independent managers, which provided better transparency. Ms. Krause confirmed that SunTrust was completely independent of the managers and could change them whenever this was appropriate.

Mr. Witherspoon arrived at 4:11.

Chair Ruddy asked about account monitoring and Ms. Krause stated since the portfolio was new, she was monitoring it daily. They had an evaluation team that monitored account managers daily.

C. Maintenance Reimbursement April through June 2011

Motion made by Mr. Adams, seconded by Ms. Hayes, to approve the maintenance reimbursement. In a voice vote, the motion passed unanimously.

D. Upright Memorials at Sunset and Lauderdale Memorial

Chair Ruddy referred to photos of approved and prohibited memorials, and said this item was being discussed because someone wanted an exception to the existing rules.

Mr. Delisio stated Lauderdale Memorial and Sunset did not allow upright memorials. Benches had been put in at Lauderdale Memorial, some of which contained cremains. Other people were skirting the regulations by placing benches at gravesites that included birth and death dates, creating an upright memorial. Mr. Delisio explained that the benches must have distinct legs and not be a solid pedestal design. They must also not include birth and death dates.

Mr. Delisio explained that people wishing benches would first complete an application and then it was determined if there was a place for it in a path or easement.

Chair Ruddy confirmed that when someone signed a contract, he/she received a copy of the rules including this prohibition against upright memorials.

Motion made by Ms. Sallette, seconded by Mr. Sykes, to reaffirm that there should be no exceptions to the existing rules and regulations regarding upright memorializations. In a voice vote, the motion passed unanimously.

At 4:28, Mr. Ott left the meeting.

E. Capital Project Updates

Mr. Banas explained the Capital Projects summary spreadsheet.

Mr. Banas stated they would use \$50,000 at Lauderdale originally planned for pinning and development (which was no longer needed) for irrigation improvements and the entryway at State Road 84 and 9 Avenue.

Mr. Banas said the Jewish section at Evergreen was completely sold, and they had set aside \$10,000 to develop a new section.

Mr. Banas referred to the list of items Carriage had done that were at their own expense outside the contract, such as purchasing maintenance and gravesite equipment and office renovations.

F. Evergreen Private Estate

Mr. Delisio reminded the Board that they needed to approve the design for private estates with more than two crypts. He distributed photos of larger private estate designs a family was currently considering and asked the Board to approve. Mr. Delisio described where the estate would be located and said there would be room for two more in that area.

Motion made by Mr. Adams, seconded by Mr. Sykes, to approve the basic design type in the photos distributed by Mr. Delisio for the private estate currently under consideration. In a voice vote, motion passed unanimously.

G. Communication to the City Commission / Action Items Update

Sunset Fence

Mr. Delisio stated the City Commission had advised them to move forward to the DRC and the Planning and Zoning Board with the fence proposal and then return to the City Commission to make a final determination. Mr. Delisio felt it would be January before this was resolved.

Mr. Delisio stated the Board had allocated \$100,000 for the fence, but after the City Commission stated they wanted the fence around the entire perimeter, they had allocated \$200,000. The bid had come back at \$81,000 and they had spent \$5,000 to apply to the Board of Adjustment. Mr. Delisio said the DRC and Planning and Zoning application would cost \$6,600, and engineering would be approximately \$12,000.

Mr. Delisio estimated the project would cost just over \$100,000. Chair Ruddy stated he had never seen a pedestrian on the adjacent sidewalk, so moving the fence to accommodate the sidewalk made no sense. The cemetery fence was also contiguous to a county fence, so moving it would create a gap.

3. Adjournment

There being no further business to discuss, the meeting was adjourned at 5:05 p.m.

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

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