

**CEMETERY SYSTEM BOARD OF TRUSTEES
CITY OF FORT LAUDERDALE
CITY HALL 8TH FLOOR CONFERENCE ROOM
THURSDAY, JANUARY 12, 2012
3:30 P.M.**

Members	Attendance	Cumulative Attendance	
		2/2011 through 1/2012 Present	Absent
Michael Ruddy, Chair	P	6	0
Patricia Hayes, Vice Chair	P	4	2
Damon Adams	P	6	0
Larry Ott	P	5	1
Jonathan Pearson	P	5	1
Dolores Sallette [arrived 3:38]	P	5	1
John Sykes	P	3	3
Susan Telli	A	2	4
Jimmy Witherspoon [arrived 3:34]	P	3	1

City Staff

Julius Delisio, Cemetery Board Liaison
D'Wayne Spence, Assistant City Attorney
Lisa Slagle, Parks and Recreation
Amanda Lebofsky, Recording Secretary

Guests

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

Communication to the City Commission

None

The meeting was called to order 3:30 pm. It was determined a quorum was present.

1. **Minutes Approval**
 - A. **November 2011 Meeting**

Motion made by Mr. Pearson, seconded by Mr. Sykes, to approve the minutes of the Board's November 2011 meeting. In a voice vote, the motion passed unanimously.

2. **New Business**

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

Chair Ruddy stated the Board currently had nine members, so five members present constituted a quorum.

B. City Commission Action Items

None

Mr. Witherspoon arrived at 3:34.

C. Trust Fund Investment Review - SunTrust

Kim Krause, SunTrust Bank, provided an update on the Perpetual Care Trust Fund portfolio. She said they were cautiously optimistic going into the new year but there were still concerns that would cause volatility, such as the European debt crisis and needed fiscal and policy improvements. She remarked that approximately 50% of global economies were entering an election year, which also caused uncertainty.

Ms. Krause anticipated 3% growth for 2012 in the United States. She thought inflation would increase in 2012 and 2013. She stated this was a low-yield environment and the Trust Fund's exposure to high-yield, fixed-income investments would benefit the portfolio with income.

Ms. Krause said expectations for equities were low, so they believed positive surprises would have a very positive effect on the equities market. So far for the year, most sectors of large, mid and small cap equities were up two to three percent.

Ms. Krause believed emerging markets would outperform developed international markets and they were emphasizing large cap stocks with a tilt toward dividend paying stocks in domestic portfolios.

Regarding asset allocation, Ms. Krause said their equity rate had decrease from 47% in July to 44% in December, which was a reflection of performance. Fixed incomes were just under 50% and the slight increase was also due to performance.

Performance for the last quarter was approximately 6%, but the portfolio had underperformed benchmarks since its inception date. Ms. Krause attributed this to a weak August and September.

Ms. Salette arrived at 3:38.

Ms. Krause stated fixed income had held up very well. Market value of the portfolio as of December 31, 2011 was \$19.8 million.

Regarding the managers, Ms. Krause explained that they had identified one manager whose 2011 underperformance dragged down their long-term numbers. She said this

manager had been hurt by recent volatility. This manager was on SunTrust's watch list, but they were confident of their management and felt this was a short term phenomenon. If things did not improve, they could be replaced with another approved manager.

Ms. Krause pointed out that only 15% of large-cap managers had outperformed the index in 2011; it had been a difficult environment for everyone.

D. Capital Improvements Project Update

Mr. Banas reported someone had been locked in at Lauderdale Memorial Park and damaged the State Road 84 gate trying to get out. Mr. Banas would replace the gate so it would match the others. He was also looking into a gate system that would electronically lock from the outside but still allow someone to get out once they were closed in the evenings.

Mr. Banas showed the work that had been done in the area where the old maintenance garage and office building had been demolished at Sunset Memorial Gardens Cemetery.

Mr. Banas reported on the progress of the new mausoleum. The projected completion date was June 1.

Mr. Banas said the irrigation project at Lauderdale Memorial Park was now complete. The new system did not cover the entire park, but they planned to add a couple of zones to the system each year to eventually automate the entire park.

Mr. Banas explained that items with a code number on the spreadsheet were capital accounts that Carriage had set up for the project and committed the funds. Items with no number were ideas.

Mr. Banas stated they were waiting for a third bid on pavers for under the trash cans to prevent rusting. He and Mr. Delisio had discussed where to use the \$15,000 for landscaping at Evergreen. One idea was to enhance the Jewish section, which needed concrete and wall repair and tree removal. Another idea was to repaint and refurbish the fence. He did not want to alter the character of the historic cemetery. Mr. Banas also wanted to use some of the landscaping funds to clean up the lakeside bank, which became overgrown.

Chair Ruddy asked about erosion on the lakeside and Mr. Delisio explained that all of the damage along the bank had been caused by falling trees that took portions of the bank with them after the last major hurricane; there was no water erosion damage.

Mr. Banas displayed a photo of a garden they were constructing at another cemetery. He said this was an idea for another cremation garden.

Other Discussion Items

This item was heard out of order.

Regarding the Sunset fence, Mr. Delisio reported the western portion was installed. The rest of the plan would go to DRC in February and Planning and Zoning in March. there would then be two readings before the City Commission. He anticipated the fence would be installed in June.

Mr. Witherspoon thanked Mr. Banas for putting names of the Funeral Homes on the committal tents during services to direct attendees to the proper sites.

Mr. Delisio said the last three rows along the western fence in Sunset were the original indigent burial areas. The area east of these burials has been re-pinned for future burials. This would add approximately another 700 spaces. Mr. Banas confirmed they had not moved any indigents already buried there.

Mr. Sykes asked when they would run out of space. Mr. Banas explained that Evergreen would probably run out in five to ten years; Lauderdale would probably last another 15 years and Sunset another 10 years.

Chair Ruddy announced he would be unable to attend the Board's March meeting.

3. Adjournment

There being no further business to discuss, the meeting was adjourned at 4:30 p.m.

The Board's next meeting was scheduled for March 8, 2012.

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