

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

Members	Attendance	Cumulative Attendance 2/2012 through 1/2013	
		Present	Absent
Michael Ruddy, Chair	P	4	1
Patricia Hayes, Vice Chair	P	4	1
Damon Adams	A	4	1
Victoria Mowrey	P	1	0
Larry Ott	P	5	0
John Sykes	P	4	0
Susan Telli	A	4	1
Mark Van Rees	P	2	0

City Staff

Julius Delisio, Cemetery Board Liaison

Lisa Slagle, Parks and Recreation/Recording Secretary

Guests

John Banas, Carriage Services

Trevor Jackson, Carriage Services

Kim Krause, SunTrust Bank

Mark Hall, SunTrust Bank

Communication to the City Commission

None

The meeting was called to order 3:31 pm and it was determined a quorum was present.

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

Chair Ruddy announced that a quorum was present. The board currently has 8 members; six members constitute a quorum. Five members were present. Mark Van Rees entered the meeting at 3:35 pm.

B September 2012 Meeting Minutes Approval

Motion to approve minutes of the Board's September meeting with no corrections, made by John Sykes, seconded by Larry Ott. In a voice vote, the motion passed unanimously.

2. Old Business

A. Cemetery Contract Renewal.

Mr. Delisio explained the City's process for signature and execution of the contract. This is a fully executed amendment and the Assistant City Manager signed for the City Manager. The Board was reminded that this was not a contract but an extension to the original contract. Mr. Delisio informed the Board the City Commission has approved this amendment to the contract on October 2, 2012. There was concern the names of the signees were not printed on the document underneath their respective signatures.

Discussion continued regarding terms of the original agreement and the CIP commitment. The current amendment terms for CIP were also discussed. As of October 1, 2013, the 5-year amendment (October 1, 2013 – Sept 30, 2018) as approved, has \$170,000 for discretionary spending, with the only specific commitment being the mausoleum at Sunset Memorial Gardens for \$350,000. Improvements for the 2013-2018 amendment do not require City Commission approval but will need approval from the Board and the City designee.

This contract cannot be extended beyond 2018. The Board is reminded that the City needs to begin preparations in 4 years for a new Request for Proposal for cemetery management, as there is a one-year advance notification required.

3. New Business

A. Sun Trust Bank/Trust Quarterly Review

Ms. Krause, SunTrust Bank, provided an update on the Perpetual Care Trust Fund portfolio. Mark Hall, SunTrust Bank, client manager was introduced.

Updates on fund performance through October 31, 2012 with investment market overview through quarter end were presented.

SunTrust is maintaining a neutral position as opposed to defensive. The Portfolio has done very well on a year to date basis. Equities have been stronger than anticipated. Economic perspective: the housing market appears to have bottomed out and is showing an increase in prices; employment rate has dropped a bit.

Global market and US stocks were quite strong through the end of September. Year to date as measured by S&P 500 - 16%; twelve month period up 30%. A lot of strength from US Equities and International; developing and emerging markets not quite as strong but we have seen some growth.

Fixed income high yield up 12%. International bonds are relatively strong. Nothing has really changed in the portfolio since last time. September meeting allocation was in line with your policy and no rebalancing / no changes since July. Looking forward to next quarter. Fixed income high yield has done well.

Small cap equities looking less favorable right now based on higher expected volatility and lower quality as opposed to their mid cap and large cap peers. We look to reduce small cap in favor of mid and large cap growth and value stocks.

Performance through October 2012 looking at the total portfolio which meets the policy benchmark: 50% S&P which is blended with Barclay's Aggregate and includes international and global markets. Year to date up to 11.2 %.

Ms. Krause provided information on the fiscal cliff and breakdown of what it includes; Bush tax cuts expiring, payroll taxes, Medicare reimbursement, health care act, and budget cuts. This is an issue you will hear about every day on the news and will be front and center for quite some time.

Ms. Krause informed the Board that cash is in a money market fund and US treasury securities, so that it is completely liquid.

Present value of the fund, as of the end of October is \$21.7 million. Ms. Krause will email present day value to Julius for distribution to the Board.

Mr. Delisio explained the difference between the statements that the Board receives vs. the statements Mr. Delisio and the Finance Department receive. The latter statements record all details of every single transaction that happens to the account. In reviewing the statement the City's Finance Department questioned the American Depository Receipts (ADR) fee and foreign tax fee and opined the fees should be part of the bank fees. The City is a government entity and therefore the Fund is a tax-exempt account but if you have foreign holdings, which we do; you are charged a tax on dividends. ADRs are foreign investments, which are listed on the US stock exchange. When an ADR dividend is paid, each country levies its own dividend tax. The ADRs are typically charged on a semi-annual or annual basis.

Prior to SunTrust, Bank of America purchased an international mutual fund. There was no money manager for that international mutual fund and those fees were included as part of the mutual fund's administrative fees. Now the Fund individually owns the equities. They are not part of a mutual fund. SunTrust has a money manager for international equities and the Fund incurs those charges as a fee for doing business with the international funds not the Bank.

B. Quarterly Maintenance Reimbursement

Motion made by Mr. Van Rees, seconded by Mr. Sykes, to approve the quarterly maintenance reimbursement, July through September, in the amount of \$192,051.42. No discussion. In a voice vote, motion passed unanimously.

C. Capital Project Updates

Mr. Banas informed the Board that currently all capital projects, as required by the current contract, have been completed as of July.

Evergreen:

Wrapping up replacement of sidewalk at Evergreen. The Jewish section wall was rebuilt, new stucco and painting have been completed.

Lauderdale Memorial Park:

Pavers were placed behind the new entrance wall replacing the memory plaques removed from the old wall. A bench was provided for reflection and this is now a nice area in the cemetery.

Discussion on tree maintenance and if the use of weed trimmers stresses the trees. Mr. Banas will provide an update to Mr. Sykes on the condition of the trees at Lauderdale Memorial Park.

All Parks:

Discussion on repaving the "roads" in the Cemeteries. Evergreen roads are official city streets and will be covered under the City contract for repaving. Lauderdale Memorial and Sunset are not official city streets and the cost of repaving will be significant. Estimates on paving were gathered years ago and the cost were prohibitive, at the time, for Lauderdale Memorial Park. Sunset Memorial Gardens roads are in worse condition than Lauderdale Memorial Park. Plan would be to do Sunset roads first and then in a few years repave Lauderdale Memorial Park.

City has a master contract to repave city streets; Mr. Delisio will look into the possibility of using that contract as opposed to going out to bid.

Discussion on damage from hurricane Sandy regarding replacement of garbage cans do we have insurance to cover fencing etc. John Banas reported that Carriage covers those costs if they occur as part of the contractual agreement.

Woodlawn:

An update was provided on yet another incident with cars coming off I-95 and into the cemetery. This happens about twice a year. DOT has been contacted in the past and responded that DOT would rather have cars travel into the cemetery and off 1-95 than bump off a guard rail and back onto I-95 and hit yet another car. There are above

ground vaults in this cemetery, and one vault was damaged in this latest accident. The bigger issue is that the above ground vaults deteriorate with age due to exposure to the weather and these types of accidents will cause more and more damage to those vaults. At one time there was a hedge on the cemetery side of the property. Mr. Delisio will speak to Gene Dempsey and ask about replanting the hedge. A request to DOT can be made again, explaining the benefits of at least having a guardrail in the area to protect the cemetery.

D. Communication to the City Commission

None

4. Adjournment

There being no further business to discuss, the meeting was adjourned at 4:46 p.m.

The Board's next meeting was scheduled for January 10, 2013.

Minutes prepared by: L.Slagle, Parks and Recreation