

**CEMETERY SYSTEM BOARD OF TRUSTEES
CITY OF FORT LAUDERDALE
CITY HALL 8TH FLOOR CONFERENCE ROOM
THURSDAY, MAY 9, 2013
3:30 P.M.**

Members	Attendance	Cumulative Attendance 3/2013 through 2/2014	
		Present	Absent
Michael Ruddy, Chair	P	2	0
Patricia Hayes, Vice Chair	P	2	0
Damon Adams	P	2	0
Victoria Mowrey	P	2	0
Larry Ott	P	2	0
John Sykes	P	2	0
Mark Van Rees	P	1	1
Jimmy Witherspoon	A	0	2
Myrna Pototsky	P	1	0

City Staff

Cate McCaffrey, Parks and Recreation Deputy Director
 Carl Williams, Parks and Recreation Deputy Director
 Yoly Colarusso, Parks and Recreation
 Stacey Daley, Parks and Recreation/Recording Secretary

Guests

Julius Delisio, Carriage Services
 Trevor Jackson, Carriage Services
 Kim Krause, SunTrust Bank

Communication to the City Commission

None

1. Minutes Approval

Motion to approve minutes of the March 14, 2013 meeting, with noted corrections, by Ms. Mowrey and seconded by Mr. Sykes. In a voice vote, the motion passed unanimously.

2. New Business

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

The meeting was called to order 3:35 pm and it was determined a quorum was present.

B. Trust Fund Investment Review SunTrust

Ms. Krause with SunTrust distributed a booklet and handouts to the Board for review.

She explained that the first quarter of the calendar year was strong with the S&P 500, US equities and domestic stock up over 10% for the quarter. Developed markets international, emerging markets, international bonds and US treasuries lagged during the first quarter. During the month of April, the price of gold dropped and some of the agricultural commodities were weak. This lag is believed to be based on global growth concerns. Belief is that the economy will pick back up during the second half of the year.

US unemployment has steadily been declining during the first quarter, while rising in Europe to over 12%

Ms. Krause brought to the attention of the Board the market returns through the month of March: S&P had a 10.6% return, small caps were strong, international developed and emerging was slightly weaker. Within fixed income, high yield continued to do well, up close to 3% for the quarter. The international bonds did show some weakness during the first quarter, but did start to recover during the month of April. Overall the portfolio benefited from its exposure to equities.

Ms. Krause provided historical data to the Board depicting when the market has had a strong first quarter such as this year, historically, the market has continued to post gains throughout the remainder of the calendar year.

She explained the position of the portfolio, with total assets of \$23,543,841 and yield of 3.3%. The portfolio remains with approximately 51% in equities diversified across large, mid, small and international. Ms. Krause informed that they sold the corporate bonds with long-term maturity and reallocated to bonds with intermediate terms to protect the portfolio from a declining value when interest rates do eventually rise.

Ms. Krause presented the investment performance through April with the one-year performance up 12.7% and the year to date up 6%.

Ms. Krause pointed out that some of the large cap managers have struggled to meet their benchmark. SunTrust uses higher quality managers and research is showing that during 2012 and the first quarter of 2013, that the lower rated, lower quality stocks in the index have performed very well. She explained though that historically when the market turns downward, the higher quality managers are more protected.

C. Capital Improvements Project Update

Mr. Delisio provided the Board with a handout. He informed the Board that Phase II of the Sunset Mausoleum will start October of this year and the project is currently in the bid process. The 7-story building, Phase I, has already sold out almost all three of the top floors. Mr. Delisio explained that the mausoleum will consist of 364 units and construction will take approximately 8-9 months to complete.

Mr. Ott inquired if the mausoleum would have Westminster units. Mr. Delisio explained that it would not due to the cost of the units.

Mr. Delisio explained that this project would expend approximately \$420,000 of the \$625,000 allocated for the 5-year capital improvement projects.

It was noted that the hedging and an entranceway at Lauderdale Memorial Park's Jewish garden will be evaluated after the Memorial Day event. The cost, approximately \$1,500, will be funded from remaining money from the improvements done last year at the cemetery.

Mr. Delisio informed the Board that the Veteran's Wall at Lauderdale Memorial Park would be dedicated at the Memorial Day event.

Mr. Delisio explained that in the last few months, many of the sales for Evergreen Cemetery have been cremations. Carriage Services, due to the lack of space at the cemetery, is suggesting the placement of niche banks to meet these demands. Mr. Delisio suggested designating a test area to see if these banks are suitable to the location.

Motion made by Mr. Van Rees, seconded by Mr. Adams, to proceed with the concept of the niche bank with location and design in Evergreen Cemetery.

D. Quarterly Maintenance Reimbursement

Mr. Delisio explained that that the quarterly maintenance reimbursement request was usual in nature. He pointed out to the Board that Carriage Services may be hiring more maintenance staff in the upcoming quarter.

Mr. Delisio informed the Board that the interest and dividends overage for the prior period, in the amount of \$6,990, is being added to this maintenance reimbursement

Motion made by Ms. Mowrey, seconded by Ms. Hayes, to approve the maintenance reimbursement, in the amount of \$173,431. In a voice vote, motion passed unanimously.

E. City Commission Action Items

None.

The meeting was adjourned at 4:21 pm.

Minutes prepared by: S. Daley, Parks and Recreation