

**CEMETERY SYSTEM BOARD OF TRUSTEES
CITY OF FORT LAUDERDALE
CITY HALL 8TH FLOOR CONFERENCE ROOM
THURSDAY, SEPTEMBER 12, 2013
3:30 P.M.**

Members	Attendance	Cumulative Attendance 3/2013 through 2/2014	
		Present	Absent
Michael Ruddy, Chair	P	4	0
Patricia Hayes, Vice Chair	P	4	0
Damon Adams	P	4	0
Victoria Mowrey	P	3	1
Larry Ott	P	4	0
John Sykes	P	4	0
Mark Van Rees	A	2	2
Jimmy Witherspoon	A	1	3
Myrna Pototsky	P	3	0

City Staff

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

Guests

Julius Delisio, 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 Mr. Sykes and seconded by Mr. Ott. 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 3:32 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, and commented not a lot has changed. She noted July was a very strong month in the market as S&P was up 5% or so, while August was not as good. She explained there was volatility in the equity and fixed income markets for the latter period because of the uncertainty in the geo-political tension in Syria. Ms. Krause believed that the FED will

pull back on mortgage purchases after their September meeting, because of the stronger fundamentals in the economy which would be good for the long term for equity markets. She noted the US economy was continuing to improve.

Looking at the equity markets, Ms. Krause commented that the US measured by the S&P was the strongest YTD. The International/Developed market had a couple of good months but still lagged behind the US. Due to weak currencies and slowing global growth emerging markets, including China, were disappointing, down 9% YTD. On the fixed income side, Ms. Krause noted that most had negative returns on YTD basis, led by US Treasury Bonds down by almost 7% and the core investment grade index down by 3%, with the exception of high yields which had a positive percentage YTD.

Ms. Krause stated September was a pretty decent month, comparing total assets as of 8/31/2013 at \$22.7 million, with \$23.2 million as of 9/11/2013, and with the current yield on the portfolio at 3.37%.

With regards to portfolio construction, Ms. Krause stated there were no changes but they were looking to rebalance and switch out a couple of managers. Large CAP equity companies were favored as there was less volatility with higher quality companies. They were looking to even out the tilt between growth style companies, and positioning in favor of value.

Ms. Krause pointed out that they were looking to swap out from the Index Fund in emerging market to Oppenheimer Active Manager to add extra performance. Whereas in emerging market, as an asset class, index has been down 10%, Oppenheimer returns have been flat. Ms. Krause also stated they were looking to swap out from passively managed high yield index fund in the fixed income holdings to an active manager, Osterweis Strategic to take advantage of possible rise in interest rates.

Ms. Krause stated performance has been relatively quite strong for long-term numbers at 7.2% increase and does not expect significant increase in inflation.

C. Capital Improvements Project Update

Mr. Delisio provided the Board with a handout. He stated there were two projects. One was contracted last week for the Sunset building and is currently out to engineers and the architect with an expected completion of June 1, 2014 and groundbreaking in December 2013.

The second project is the hedge estate at Lauderdale Memorial Park. Mr. Delisio stated this new plan has more flexibility, as more vaults would be around the road, which need not be pre-installed, as opposed to the center. The plan includes an ossuary and an already constructed columbarium, which would be hedged off. This project would be on the north side of the cemetery, to ensure more serenity, with much less traffic.

Mr. Delisio stated that he estimated the project to cost \$100,000, not including benches, which would come in as an inventory item. Mr. Delisio re-iterated that the benches would not be recognized as a cost of the project and may tally about \$75,000.

Mr. Ruddy inquired as to the profit margin of prior hedge estate. Mr. Delisio responded that the price for a hedge estate was between \$6500 and \$7000. He explained that a regular space cost between \$2295 and \$4395.

Mr. Ott asked about maintenance of this project. Mr. Delisio stated that hedges would be trimmed once a month, and the trees and palms are both low maintenance.

Mr. Delisio pointed out that this design included room for future development, as two land areas were left undeveloped for any opportunity that may arise to add something unique.

Motion made by Ms. Mowrey, seconded by Ms. Hayes, to approve the design and development. In a voice vote, the motion passed unanimously.

E. Quarterly Maintenance Reimbursement

Chair Ruddy noted two corrections in the handout received by the Board: second main heading should read April – June instead of January – March and although one cell remained blank on the last column of page two of the handout the grand total of \$121,940.06 was accurate.

Mr. Delisio explained that Carriage Services had cut some expenses during the quarter including a marketing position and radio advertising. He informed the Board that a commercial would be aired in Comcast's Fort Lauderdale market starting later in the year.

Motion made by Mr. Adams, seconded by Ms. Mowrey, to approve the maintenance reimbursement, in the amount of \$188,609.19. In a voice vote, motion passed unanimously.

F. City Commission Action Items

None.

The meeting was adjourned at 4:21 pm.

Minutes prepared by: S. Daley, Parks and Recreation