

**CEMETERY SYSTEM BOARD OF TRUSTEES  
CITY OF FORT LAUDERDALE  
CITY HALL 8<sup>TH</sup> FLOOR CONFERENCE ROOM  
THURSDAY, March 13, 2014  
3:30 P.M.**

<b>Members</b>	<b>Attendance</b>	<b>Cumulative Attendance</b>	
		<b>2/2014 through 2/2015 Present</b>	<b>Absent</b>
Michael Ruddy, Chair	P	0	1
Patricia Hayes, Vice Chair	P	0	1
Damon Adams	P	1	0
Victoria Mowrey	P	1	0
Larry Ott	P	1	0
John Sykes	P	1	0
Mark Van Rees	P	1	0
Myrna Pototsky	P	1	0

City Staff

Yoly Colarusso, Parks and Recreation Cemetery Liaison  
Brett Maraj, Parks and Recreation/Recording Minutes

Guests

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

**1. Minutes Approval**

Ms. Colarusso reminded members that Mr. Ruddy, Chair, and Ms. Hayes, Vice Chair, would be unavailable today. Motion to have Ms. Mowrey chair the meeting by Mr. Ott and seconded by Mr. Sykes.

Motion to approve minutes of the January 9, 2014 meeting 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 3:31 pm and it was determined a quorum was present.

**B. Trust Fund Investment Review SunTrust**

Ms. Krause with SunTrust distributed booklets to the Board for review. Ms. Krause stated that the first couple months of the year have been pretty decent. While January

was a negative month in Equity, as well as Fixed Income markets, in February the markets came back very strongly, with the S&P gaining over 4.5% and Global Equity and International Developed actually outpacing the S&P. Ms Krause noted that Emerging Markets was still lagging but did have positive returns in February which was encouraging, while bonds have done pretty well with the Barclays Aggregate Index up about 2% YTD, due to investors reverting to them as a safe haven because of the geopolitical risk in Russia and the Ukraine.

Ms. Krause explained that although commodities, up over 6% YTD, outpaced equities, which had not happened for quite a while, SunTrust was still very cautious because of concerns of slow global growth and thus there was no exposure in the portfolio currently.

Ms. Krause stated that as of 02/28/2014, total assets in the portfolio stood at \$24,803,754, showing good appreciation over time. As of 03/12/2014, it was slightly down at \$24,775,000.

With regards to the composition of the portfolio, Ms Krause stated that there had been no changes since January but they were looking to rebalance the portfolio and make some tactical adjustments before the end of the month and quarter to capture near term opportunities. This would include an international small cap allocation with a weight of 2% pulled from developed and emerging markets, so as not to increase the overall international equity weight. Ms. Krause explained this should provide good performance as well as diversity in the international allocation. Another addition to provide diversification and attractive value would be a real estate security component, most likely a low fee exchange traded fund, about 2%, which would be within Large Cap Equity. In terms of fixed income allocation, Ms. Krause was comfortable with the exposure.

Ms. Krause stated performance for the month of February was quite strong with net of fees up over 3%, with pretty good returns since inception.

### **C. General Price List Review**

Mr. Delisio stated that the increase in prices this year was less than previous years and is in line with Carriage's annual rental increases paid to the City, which was around 5%. Mr. Delisio acknowledged that there was a limitation to the increases that otherwise could be more. Mr. Delisio cited whereas after capital improvement projects were completed at Sunset and then considered on par with Lauderdale Memorial, with pricing to reflect such, in fact the two cater to different markets, with Sunset having a true competitor in Forest Lawn South, while Lauderdale has none. Also, while Lauderdale has significantly more space, with more diversity in cremations, Sunset is space sensitive with 99% burials.

Motion made by Mr. Van Rees, seconded by Mr. Sykes, to approve General Price List as proposed. In a voice vote, motion passed unanimously.

#### **D. Capital Improvements Project Update**

Mr. Delisio stated that the Hedge Estate at Lauderdale Memorial was practically complete which ran about \$4,000 over budgeted cost of \$80,000. All property has been pinned out and starts at \$14,000 to \$16,000, with a premium site in excess of \$40,000. Mr. Van Rees and Ms. Mowrey expressed concern about under-pricing. Ms. Mowrey suggested that Carriage start those discretionary prices higher and then adjust according to demand, as there were no other cemeteries around like the City's. Mr. Van Rees agreed and commented that the City's parks themselves have value, and sell themselves, as people were traveling from Dade County to find what the City's parks have.

Mr. Delisio stated the Sunset mausoleum project is moving along on schedule.

Mr. Delisio provided handouts showing the actual internment numbers for 2012 and 2013, as well as projected internments for the future, including the year 2018, when the current cemetery contract expires. By that time, Mr. Delisio estimated that plots at Evergreen would be finished. Ms. Colarusso reported that City officials had met with the new real estate contractors, CBRE, who have been charged with locating properties, not only to alleviate the limited space concerns, but is necessary to ensure participation from contractors in the next bid for cemetery management due in 2018. Mr. Delisio expressed interest in the property north of the Broward Sherriff's lot, located adjacent to Sunset, as ideal for expansion of Sunset, contingent to BSO granting right of way access. The property in question is about five acres and is owned by a church but is not in the City limits presently.

Mr. Delisio stated that in May he would be seeking some developmental money to continue the expansion of the Cremation Gardens, consisting of basically landscaping, which would be inexpensive.

#### **E. Quarterly Maintenance Reimbursement**

Mr. Delisio stated that there was nothing unusual about the figure and reminded the Board that capital gains are not distributed to Carriage, and income defined for distribution for maintenance reimbursement comes strictly from interest and dividends of funds.

Motion made by Mr. Adams, seconded by Mr. Van Rees, to approve the maintenance reimbursement, in the amount of \$205, 701.49. In a voice vote, motion passed unanimously.

**F. Nomination/Acceptance Chair and Vice Chair**

Motion made by Mr. Van Rees, seconded by Mr. Sykes to defer the nomination of Chair and Vice Chair to May's meeting. In a voice vote, motion passed unanimously.

**G. City Commission Action Items**

None.

The meeting was adjourned at 4:33 pm.

Minutes prepared by: B. Maraj, Parks and Recreation