



APPROVED

**CEMETERY SYSTEM BOARD OF TRUSTEES
CITY OF FORT LAUDERDALE
CITY HALL 8TH FLOOR CONFERENCE ROOM
THURSDAY, MARCH 9, 2017
3:30 P.M.**

Members	Attendance	Cumulative Attendance	
		2/2017 through 2/2018	
		Present	Absent
Michael Ruddy, Chair	P	1	0
Patricia Hayes, Vice Chair	P	1	0
Damon Adams	P	1	0
Victoria Mowrey	P	1	0
Allen Powell	P	1	0
John Sykes	P	1	0
Mark Van Rees	P	1	0
Myrna Pototsky	P	1	0
Dennis Ulmer	P	1	0
Richard Kurtz	P	1	0

City Staff

Stacy Spates, Liaison/Recording Minutes
Carl Williams, Parks & Recreation
D'Wayne Spence, City Attorney's Office

Guests

Yamilet Reina, Carriage Services
Trevor Jackson, Carriage Services
Chris Manceaux, Carriage Services
Kim Krause, SunTrust Bank
Mark Hall, SunTrust Bank

CALL TO ORDER

Chair Ruddy called the meeting to order at 3:30 p.m.

A. Roll Call

B. City Ordinance No. C-09-05, Quorum Requirement (Discussion)
Roll was called and it was determined a quorum was present.

Chair Ruddy announced to the board on the loss of Ms. Hayes' daughter. The board extended their deepest condolences to Ms. Hayes.

Chair Ruddy asked Mr. Manceaux to introduce Yamilet Reina, the new Managing Partner for Carriage Services. Mr. Manceaux provided the board with a brief background of Ms. Reina's experience.

2. NEW BUSINESS

A. Update on Woodlawn Cleanup Project – Mr. Roberto Fernandez, Plantation HS

This item was tabled. Mr. Fernandez did not come before the board.

B. Approval of Meeting Minutes – 01/12/2017 & 01/19/2017 (Discussion/Motion)

Motion to approve minutes of the January 12, 2017 meeting, with noted corrections, was made by Ms. Mowrey and seconded by Mr. Sykes. In a voice vote, the motion passed unanimously.

Motion to approve minutes of the January 19, 2017 meeting, with noted corrections, was made by Mr. Adams and seconded by Mr. Sykes. In a voice vote, the motion passed unanimously.

C. Trust Fund Investment Review/SunTrust Bank (Discussion/Motion)

Ms. Krause provided the board with a handout of three (3) illustrative portfolios including the Perpetual Trust Fund's current portfolio, an all-passive portfolio as recommended by the City Commission and a portfolio that SunTrust believes would be better suited to meet the needs of the cemeteries that encompass a blend of the current and passive portfolio.

The current portfolio for the last five (5) years is a blend of 63% active and 37% passive investment. The underlying manager fees is 26 basis points =.26%. The current total portfolio yield is 2.98% and equates to about \$837,000 per year of income used for the expenses of the cemeteries.

The manager fees for an all-passive portfolio would be 16 basis points, which results in lower costs but would reduce the percentage of the yield. The yield would go down to 2.35% and would provide approximately \$658,000 per year of income. Most of the differential in yield is from fixed income.

SunTrust recommends all passively management equity. We suggest keeping individually managed corporate bonds, which is about \$5 million dollars of the portfolio = approximately 4% yield and blending with passive fixed income funds. As the bonds mature, assets would be invested into passive funds. Some bonds are ten (10) years out from maturity but there some bonds due for maturity within the next year or so. The manager fees are the lowest in this scenario at 15 basis points because SunTrust manages the bonds as part of our advisory fees. The yield is still lower than the current portfolio at 2.66% and would provide approximately \$744,000 income per year. SunTrust advises this type of portfolio would be better than an all-

passive portfolio; assuming that the City is moving towards an all-passive investment structure.

It is not an ideal time to sell the bonds that are yielding 4% in the portfolio. We would recommend that the transition plan take place over a full quarter. However, if the City mandates that we move 100% of the assets including the bonds to passive management, we would want to take more time to sell the bonds over three quarters by the end of the year.

Chair Ruddy made note that the current portfolio is in line with the City's Investment Policy. SunTrust is able to move to passive investments under the current investment policy but recommends revisions to the Investment Policy since the last update occurred in 2004. However, it is required that revisions take place before the transition. SunTrust is happy to re-write the investment policy on the board's behalf to propose to the City Commission.

SunTrust expects two to three rate increases by the US Federal Reserve this year. As interest rates go up, bond prices go down. Ms. Mowrey reminded the board that the City has not made a final decision on going to an all-passive investment portfolio.

SunTrust agrees that passive management has outperformed active management since 2009. More importantly, active managers can provide downside protection, raise cash in difficult periods and provide less negative returns. Ms. Krause stated that academic research supports passive more than active.

Motion to include pages one through five from the SunTrust investment report with the board minutes for period ending January 31, 2017, made by Ms. Mowrey, seconded by Mr. Van Rees.

SunTrust will provide the board with a few hours of investment training in accordance with the Cemetery audit. SunTrust will seek approval of the training material from Linda Logan-Short. We expect the training to occur sometime in the summer.

D. Approval of Cost Proposal for Irrigation Upgrades at Sunset (Discussion/Motion)

Motion to approve expending and not to exceed \$120,000 from the Perpetual Care Trust Fund for automated irrigation upgrades at Sunset Memorial Gardens by Ms. Mowrey, seconded by Mr. Adams. In a voice vote, the motion passed 9 -1.

E. General Price List Review (GPL) (Discussion/Motion)

Mr. Manceaux is proposing that prices remain the same with no changes to the GPL for June 1, 2017. Mr. Van Rees and Mr. Kurtz asked Mr. Manceaux for clarification on the 2nd right of interment. After further discussion, Mr. Spence advised the board that this item requires additional clarification be provided. Motion to table this item made by Mr. Van Rees, seconded by Mr. Powell. In a voice vote, the motion passed unanimously.

F. Quarterly Maintenance Reimbursement (Discussion/Motion)

Motion to approve the Quarterly Maintenance Reimbursement for October - December 2016, in the amount of **\$229,602.61** was made by Mr. Van Rees and seconded by Mr. Kurtz. In a voice vote, the motion passed unanimously.

The board expressed concerns over the water bills at Lauderdale Memorial and Evergreen cemeteries for this quarter. Mr. Van Rees made reference that he has received comments about dry patches in the area of the owner's mausoleum at Evergreen cemetery. The board requests for Carriage to provide a breakdown of line items under the utilities section in future expense reports.

G. Annual Maintenance Reimbursement Payments – 10/1/2015 thru 09/30/2016

H. Interment/Plot Availability Report (Discussion)

It was determined that information in this report provided by Carriage is flawed. Mr. Manceaux could not offer any information that could provide the board with accurate inventory counts. Mr. Van Rees stated that Carriage is to provide with board with a monthly interment report as outlined in City of Fort Lauderdale Code of Ordinances.

Mr. Spence stated that he is troubled by the inaccuracies contained in the interment report that is now a part of public record under Florida's Sunshine Law. Mr. Spence advised and reminded Mr. Manceaux that Carriage Services is subject by virtue of contract to the Public Records Law. It is distressing that the Board is having to ask and beg for things that should readily available under the Sunshine Law.

Mr. Manceaux assured the board that an interment report with accurate inventory counts at each cemetery would be provided to the board at their May 11, 2017 meeting. Mr. Van Rees asked that Mr. Manceaux provide the 2016 interment reports as well. Ms. Mowrey expressed her frustration in the fact that Carriage Services is providing the board with false information as provided in the interment report.

I. Short Term Maintenance Plan "Quick Fix" (Discussion/Motion)

The short term maintenance plan was requested by the City Commission at the Joint Workshop with the Cemetery Board on January 24, 2017. Based on the timeframe of the board meeting, some completion dates in the maintenance will require adjustment based on date it is presented to the City Commission.

The board agreed that Lauderdale Memorial receive priority in preparation for Memorial Day.

Motion to accept the short term maintenance plan for submittal to the City Commission and place priority upon Lauderdale Memorial in preparation for the Memorial Day service made by Ms. Mowrey, seconded by Mr. Kurtz. In a voice vote, the motion passed unanimously.

J. Cemetery Master Plan RFP (Discussion/Motion)

Motion to schedule a special meeting to discuss the Cemetery System Master Plan RFP made by Ms. Mowrey, seconded by Ms. Hayes. In a voice vote, the motion passed unanimously.

K. Election of Chair and Vice Chair (Nominations/Motion)

A motion to nominate Michael Ruddy as Chair made by Mr. Adams, seconded by Ms. Mowrey. In a voice vote, the motion passed unanimously.

A motion to nominate Pat Hayes as Vice Chair made by Ms. Mowrey, seconded by Mr. Van Rees. In a voice vote, the motion passed unanimously.

L. Other Business

Mr. Kurtz presented the board with a letter from a Pastor about his concerns with the level of professionalism with staff at Sunset Memorial Gardens. Mr. Kurtz expressed his dismay at an attempt by a family sales counselor to fault the reputation of his funeral home and tarnish his reputation by painting a negative picture of the products offered and sold by Mr. Kurtz' funeral home.

Mr. Kurtz requested that Carriage address this situation with the counselor in question and follow-up with the Cemetery Liaison of the outcome.

Mr. Van Rees inquired about the advertisement flyers from Sunset promoting special deals outside of the GPL. Mr. Manceaux denies that he has never seen the advertisement and insists that this promotion was ever approved for any customer.

Motion to schedule a second special meeting to discuss issues/concerns addressed at the Joint Workshop with the City Commission made by Ms. Mowrey, seconded by Mr. Ulmer. In a voice vote, the motion passed unanimously.

M. Communication to the City Commission

None.

There being no further business before the Board, the meeting adjourned at 5:26 p.m.

Minutes prepared by: S. Spates, Liaison