



**CEMETERY SYSTEM BOARD OF TRUSTEES
CITY OF FORT LAUDERDALE
CITY HALL 8TH FLOOR CONFERENCE ROOM
THURSDAY, MARCH 10, 2016
3:30 P.M.**

Members	Attendance	Cumulative Attendance 2/2016 through 2/2017	
		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
Larry Ott	P	1	0
John Sykes	A	0	1
Mark Van Rees	P	1	0
Myrna Pototsky	P	1	0
Avis Boyd-Gaines	P	1	0
Dennis Ulmer	P	1	0

City Staff

Yoly Colarusso, Parks & Recreation
Stacy Spates, Liaison/Recording Minutes
Stacey Daley, Parks & Recreation
Carl Williams, Parks & Recreation

Guests

Scott Drzewiecki, Carriage Services
Chris Manceau, Carriage Services
Trevor Jackson, Carriage Services
Ruth Thornquest, Carriage Services
Kim Krause, SunTrust Bank
Mark Hall, SunTrust Bank
Walter Boyd, James C. Boyd, Sr. Funeral Home

CALL TO ORDER

Chairman 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.

2. NEW BUSINESS

A. Requirement Minutes Approval

Motion to approve minutes of the March 10, 2016 meeting, with noted corrections, was made by Mr. Larry Ott and seconded by Ms. Pat Hayes. In a voice vote, the motion passed unanimously.

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

Mr. Hall with SunTrust Bank thanked the Board for the opportunity to serve for the past 5 years and is hopeful that SunTrust will competitively compete in the RFP process in order to continue the relationship for another 5 years. Mr. Hall informed the Board, that the market value of the fund was estimated at \$19 to \$20 million in 2011. At the present time, the fund has grown to \$25 million even after taking on \$4 to \$5 million in capital improvements. Overall, the portfolio has done really well.

Ms. Krause with SunTrust Bank distributed booklets to all Board Members to provide an update on the Perpetual Care Trust Fund for period ending February 29, 2016.

As of March 9, the market value was \$25,427,407, an increase of \$400,000 since the end of February. When SunTrust took over management of the trust in July 2011, the assets were at \$20 million. Over the last four and a half years, the trust has experienced some good growth since the inception of the portfolio. The investment policy stipulates 50% target to equities and roughly 50% target to fixed income. SunTrust continues to maintain bias towards US equity exposure. This approach should help to decrease overall portfolio volatility during market declines.

Ms. Krause stated that the portfolio is favoring developed markets versus emerging markets. China continues to make headlines amid concerns of an economic slowdown. Since the last Board meeting, SunTrust has become increasingly concerned with high yield fixed income due to the depressed energy levels which is about 20% but could also spill over into other sectors of high yield. As a result, high yield fixed income was eliminated from the portfolio (Osterweis) and funds were reinvested into Western Asset (fixed income), which continues to do well. This approach serves to provide income to the portfolio but also a safe haven during volatile equity markets to provide stability in the portfolio.

Ms. Krause highlighted that the expense ratio is derived from third party managers. SunTrust does not manage any of these assets directly. SunTrust utilizes outside managers, which allows SunTrust to remain independent and objective. The average of those managers fees are 32 basis points, which is a good expense ratio for a primarily active portfolio. However, SunTrust keeps a close eye on the underlying cost.

Ms. Krause focused on the investment performance through February 2016 (page 7). The performance calculation inception date is August 1, 2011, through the end February 2016, which equates to 4 years and 7 months. Net of fees are comprised of SunTrust advisory fee and the underlying manager fees is 6.05% return since inception. The inception-to-date returns of the portfolio have been strong and have resulted in significant growth to the trust's assets over time.

Ms. Krause finished by saying international investments and emerging markets have lagged the U.S. Any diversification into those markets has detracted from performance vs. US benchmark. SunTrust continues to favor international for diversification in the portfolio and also for return potential over time. There have been losses over a short term time period which is expected in global equity markets. Historically, over a long term period, markets tend to recover and the portfolio will benefit from long term investments.

C. Request for Proposals Custodial Trust/Investment Services (Discussion/Motion)

Ms. Colarusso asked that two (2) Board members and one (1) alternate Board member serve on the RFP Trust Fund evaluation selection committee. She told the Board that the previous RFP evaluation selection committee included two Board members. The RFP evaluation is scheduled for the end of April. Chairman Ruddy inquired on the number of meetings that would be involved for the volunteers. Ms. Colarusso indicated that there would only be one meeting required. Chairman Ruddy then asked for volunteers. Ms. Mowrey and Mr. Van Rees volunteered to participate in the RFP Trust Fund evaluation selection process while Mr. Ulmer volunteered to serve as the alternate on committee.

D. New Cemetery Property (Discussion/Motion)

Chairman Ruddy and Scott Drzewiecki conducted an extensive tour of Lauderdale Memorial, Sunset Memorial, Woodlawn and Evergreen. Chairman Ruddy commended Carriage Services on the excellent conditions of all cemeteries. On another note, Chairman Ruddy expressed a concern with the space remaining at Sunset Memorial. Mr. Drzewiecki provided the Board with an overview of the amount of inventory remaining at Sunset Memorial. Specifically, section 2 (approximately 300 spaces) and section 7 (2,500 to 3,000 spaces).

The 5 acre parcel north of Sunset and BSO seems to be the best alternative to continue the heritage of Sunset Memorial. Ms. Colarusso distributed the map of the parcel to the Board members. This parcel would create approximately 1250 to 1500 plots per acre. The question remains on whether or not the property is for sale and if BSO would give us an easement through the property. There are other options but this seems to be the best option economically.

The vacant property belongs to Golden Heights Church of Christ, Inc. Mr. Ulmer asked if the parcel was located within the City limits, and information regarding zoning and land use designation. Ms. Colarusso stated that the parcel was outside

of City limits and she was unsure of the zoning and land use designation. Ms. Hayes stated that church property will typically have a Community Facility Zoning (CF) designation on the land use plan.

Motion was made by Ms. Mowrey to pursue information to procure the parcel owned by Golden Heights Church of Christ, Inc., and discuss any continuous property on the north side owned by BSO. The motion was seconded by Mr. Van Rees. In a voice vote, the motion passed unanimously.

Chairman Ruddy informed the Board of Woodlawn's historic designation by Florida House of Representatives in 1992 and by the Fort Lauderdale City Commission in 1996. The other interesting fact is that Woodlawn was initially owned by a church, which did not have a perpetual fund. The church could no longer keep the cemetery and abandoned the property. The City had to step in and take over the cemetery after it went into disrepair. The point of this discussion was to provide a prime example of the importance of maintaining the corpus of the perpetual care fund and the financial impact of purchasing additional cemetery property.

E. General Price List (Discussion/Motion)

Mr. Drzewiecki recommended a no change in the price structure based on the market analysis of competitors. Fundamentally, prices will stay the same for property, openings/closings, merchandising, etc. In short, the GPL last year will remain the same for this year. Chairman Ruddy voiced some concern regarding the recommendation based on current market conditions. Ms. Colarusso indicated that some competitors lowered prices on specific items. She also confirmed that the competitors in question did not increase any of their fees or services.

Ms. Mowrey voiced concern on the recommendation and the impact it would have on the perpetual care fund. Mr. Drzewiecki informed the board that 300 additional contracts were written this year in comparison to last year which contributed to property sales.

Motion was made by Mr. Van Rees and seconded by Ms. Mowrey to support the proposed price changes to reflect a no change in the price structure, as of June 1, 2016. In a voice vote, the motion passed unanimously.

F. Capital Improvements Project Update (Discussion/Motion)

Mr. Drzewiecki updated the board of the following:

- The fence project at Lauderdale Memorial Park is completed.
- No major capital improvement projects.
- Bi-annual fertilizer including weed and feed to reduce weeds; mulching and landscaping performed.
- Memorial Day preparation to improve the appearance of the cemetery.

Chairman Ruddy inquired about the status of the irrigation upgrades. Ms. Colarusso indicated that the item had not gone to the City Commission yet because Parks and Recreation is hoping to piggyback off of an engineering contract. The Job Order Contract (JOC) includes all types of construction and repair services. Purchasing recommends that the irrigation upgrades could fall under the scope of the JOC. She estimated that the item should go before the commission within the next month or two.

Chairman Ruddy expressed a concern about the status of the upgrades, as it relates to questions from City Commissioners about watering and irrigation. Ms. Colarusso explained in further detail that the JOC would prevent the project from going out to bid.

G. Quarterly Maintenance Reimbursement (Discussion/Motion)

Motion to approve the Quarterly Maintenance Reimbursement in the amount of \$221,981.56 made by Mr. Damon Adams and seconded by Ms. Vicki Mowrey. In a voice vote, the motion passed unanimously.

H. Nomination/Acceptance Chair and Vice Chair (Discussion/Motion)

Motion made by Vicki Mowrey and seconded by Mr. Larry Ott to nominate Dr. Ruddy as Chair and Ms. Hayes as Vice Chair. In a voice vote, the motion passed unanimously.

I. City Commission Action Items (Discussion/Motion)

The Board had nothing to communicate to the City Commission.

There being no further business before the Board, the meeting adjourned at 4:29 p.m.

➤ Next scheduled meeting: May 12, 2016 – 3:30 p.m.

Minutes prepared by: S. Spates, Liaison