



DRAFT
CEMETERY SYSTEM BOARD OF TRUSTEES
CITY OF FORT LAUDERDALE
CITY HALL 8TH FLOOR CONFERENCE ROOM
THURSDAY, MAY 12, 2016
3:30 P.M.

Members	Attendance	Cumulative Attendance	
		2/2016 through 2/2017 Present	Absent
Michael Ruddy, Chair	P	2	0
Patricia Hayes, Vice Chair	P	2	0
Damon Adams	P	2	0
Victoria Mowrey	A	1	1
Larry Ott	P	2	0
John Sykes	P	1	1
Mark Van Rees	P	2	0
Myrna Pototsky	P	2	0
Avis Boyd-Gaines	A	1	1
Dennis Ulmer	P	2	0

City Staff

Stacy Spates, Liaison/Recording Minutes
Stacey Daley, Parks & Recreation
Althea Pemsel, Procurement Services

Guests

Scott Drzewiecki, Carriage Services
Trevor Jackson, Carriage Services
Robin Scussel, Carriage Services
Kim Krause, SunTrust Bank
Vicki Eckels, Neighbor

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.

Mr. Ulmer made the announcement that Dolores Sallette, former board member, has passed away. A moment of silence was observed in honor of her memory.

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 Vice Chair Hayes. In a voice vote, the motion passed unanimously.

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

Ms. Krause with SunTrust Bank distributed booklets to all Board Members to provide an update on the Perpetual Care Trust Fund for period ending April 30, 2016.

A recap of the executive summary was presented. Ms. Krause indicated that things had turned around with results in decent performance Year-to-date (YTD). Global markets and emerging markets rebounded the strongest in March and April. However, emerging markets still show a negative return YTD.

China continues at an attempt to orchestrate a soft landing in a slower growth economy. This most recent rally is more wide spread across a lot of different individual stocks. Whereas, the rally in the fourth quarter of 2015, was really contained to a handful of some of the indexes largest companies like Facebook, Amazon, Netflix and Google that performed really well. Therefore, the index did well. However, if those four stocks had been taken out of the equation, the rally would not have shown such strong results.

This most recent rally is broader based which leads to some support for the rally going forward on a short term basis. For the longer term, we have some concerns about valuations that point to a need of improvement in the economy and also some improvement in earnings.

SunTrust continues to favor US equities over International which has been the position for some time. Additionally, SunTrust continues to favor diversified portfolio across equity, large cap US, mid and small cap with some international exposure within the limits of the investment policy. Fixed income serves to ballast the portfolio as a safe-haven to provide both income and safety to smooth out returns in a changing market environment.

Outlook for the rest of the year continues to be optimistic though cautious. The volatility is expected to continue while the US economy continues to grow at a very slow pace; as well as other global economies (Europe, Japan & China). Improvement is expected in the second quarter. Chairman Ruddy asked Ms. Krause to provide a definition for the term "rally"; Ms. Krause explained that a rally is an increase in the stock market on a consistent basis for a period of time without assigning a specific percentage tied to it.

Ms. Krause emphasized the importance of a long term focus with a diversified portfolio in order to ride out volatility in the markets. The current market value of the portfolio is over \$26 million through the end of April. No changes have been made to the portfolio since the meeting in March. In reference to the large cap equity space, iShares Dow Jones Select Dividend and Federated Strategic Value Dividend strategies have done very well in providing great income to the portfolio.

Ms. Krause indicated that there are two managers being watched closely for potential replacement. The two managers referenced were Quantum Capital Management (Mid Cap Equity) and Grady International Developed (International Equity) where performance has lagged versus their index. The board will be kept up-to-date if any changes are to be made.

Allocations are roughly in-line with the investment policy statement. The investment performance inception to date is at 4 years and 9 months. The net of fees inception to date is at 6.8% average per year, just short of the blended benchmark. The blended benchmark is made up of primarily US equities but also 10% international, which is in-line with the way SunTrust has been managing the portfolio for the last 4 ½ years. The biggest detractor for negative to performance has been Emerging Markets over the 3 year inception to date period.

The underlying manager expense on this total portfolio is 33 basis points or .33%, which is low as a result of using passive strategies in US equities and also the result of the fixed income portfolio being managed directly by SunTrust.

C. Cemetery Custodial Trust Fund /Investment Services Update (Discussion/Motion)

Mr. Van Rees provided an update of the RFP process conducted for the Cemetery Custodial Trust Fund. The evaluation committee consisted of 5 members. Four firms were evaluated as part of the RFP process: SunTrust Bank, Chandler Asset/Landmark Bank, KeyBank and Janney Montgomery Scott. The firms were evaluated based on the evaluation criteria shown below:

EVALUATION CRITERIA	WEIGHT
Understands overall needs of the City	30%
Ability to produce meaningful reports on a monthly basis	20%
Their investment philosophy and hypothetical investment strategy	20%
Cost to the City for five years	30%
Total	100%

The board had a robust debate pertaining to the evaluation criteria used for the Cemetery Trust Fund RFP. The board concluded that they were happy with SunTrust's performance but wanted clarification of the RFP process.

It was determined that SunTrust was ranked in 1st place. **Motion** was made by Mr. Adams and seconded by Ms. Hayes to approve a five-year contract with SunTrust as the provider of cemetery trust fund services. In a voice vote, the motion passed unanimously.

D. New Cemetery Property Update (Discussion/Motion)

Mr. Drzewiecki presented the board with additional information on the 5 acre parcel north of Sunset and BSO which was previously discussed at the March 10th meeting. The property is a good option for continued heritage at Sunset Memorial Gardens. The 5 acre parcel is located within the City of Lauderdale Lakes and is assigned a Community Facility land use designation. Therefore, zoning would not interfere with any future cemetery expansions to the north.

The board requested that the Cemetery Liaison provide them with information on the process regarding the purchase of this property for Sunset Memorial Gardens by contacting CBRE. CBRE is the City of Fort Lauderdale's real estate advisor.

Mr. Drzewiecki also mentioned the property on Riverland Road as an option for Evergreen II. The capacity of the property would provide an estimated 5,000 plots and around 20 years of inventory. Mr. Ulmer requested that a map of the property be presented at the next meeting on July 14th.

E. Capital Improvements Project Update (Discussion/Motion)

Mr. Drzewiecki distributed booklets to all Board Members to provide an update on the irrigation upgrades for Lauderdale Memorial and Sunset Memorial Gardens. The booklet contained information on the preliminary design development of the project.

The board expressed concerns about the status of the previous contract submitted by Ted Conner Landscaping, Inc. It was explained to the Board that the City has procured services with The Gordian Group, Inc., a Job Order Contracting system for routine operational requirements to support this type of irrigation project.

Ms. Pemsel provided an overview of the process being utilized via the Job Order Contracting system. The board members will be provided with the pricing proposal submitted by The Gordian Group, Inc. at the meeting in July.

Motion was made by Mr. Sykes and seconded by Mr. Rees to find out the current status of the irrigation project approved six months ago for Lauderdale Memorial and Sunset Gardens. In a voice vote, the motion passed unanimously.

~~F. Quarterly Maintenance Reimbursement (Discussion/Motion)~~

Motion to approve the Quarterly Maintenance Reimbursement in the amount of **\$157,776.51** made by Mr. Damon Adams and seconded by Mr. Mark Van Rees. In a voice vote, the motion passed unanimously.

G. Jewish Garden (Discussion/Motion)

Mr. Drzewiecki distributed a map of Lauderdale Memorial Park to all Board members pertaining to a request from three funeral directors and one Rabbi in the Jewish community interested in having orthodox Jewish burials. However, they requested that all future markers being made in all granite, which is a deviation from the standard markers at LMP.

Per Section XI, 11.1, of the Cemetery Rules and Regulations, only bronze markers shall be allowed at Lauderdale Memorial Park. Therefore, the request from those individuals aforementioned was denied by the board.

Mr. Drzewiecki reminded the board about the Memorial Day celebration and invited all of those to attend.

H. City Commission Action Items (Discussion/Motion)

Mr. Rees reminded the board that action needed to be taken in order to approve the five-year contract with SunTrust as the provider of cemetery trust fund services. **Motion** was made by Mr. Adams and seconded by Mr. Sykes. In a voice vote, the motion passed unanimously.

~~I. Public Comment~~

Ms. Vicki Eckels, a neighbor from the Harbordale community addressed the board with concerns regarding tree trimming procedures performed at Evergreen. Ms. Eckels was assured that item would be discussed at the next board meeting in July.

There being no further business before the Board, the meeting adjourned at 6:03 p.m.

Minutes prepared by: S. Spates, Liaison