

**CITY OF KALAMAZOO
PERPETUAL CARE INVESTMENT COMMITTEE MINUTES
WEDNESDAY, NOVEMBER 18, 2009**

A meeting of the City of Kalamazoo Perpetual Care Investment Committee was held on Wednesday, November 18, 2009, in Room 207-A of the Kalamazoo County Administration Building. Acting Chair Randy Eberts called the meeting to order.

Members Present: Randy Eberts, Robert Salisbury (by conference phone), Jan Van Der Kley, Dan DeMent, LaJune Montgomery Tabron

A motion was made and seconded to excuse Chuck Elliott, The motion passed by voice vote.

Others present: Tom Ponto, Jenny Spears, Tom Skrobola, Chris Ruppel, Randy Schau and Barbara Miller and Kathy Nelson

A motion was made and seconded to approve the minutes of the August 19, 2009 meeting. Motion passed by voice vote.

Investment Portfolio

As of September 30, 2009, total U.S. equities were \$1,505,067 totaling 41.39% of the fund. Total international equities were \$1,191,032 totaling 32.75% of the total. Total equities were \$2,696,099 or 74.14% of the total. Fixed income was \$934,763 comprising 25.71% of the total. The sweep account was \$5,418. Fund total at 9/30/09 was \$3,636,280.

Investment Performance

During the third quarter, the assets increased from \$3,195,750 to \$3,636,280, an increase of \$440,530 or 13.8%. There was a withdrawal of \$110,025 and no contributions.

At the end of the third quarter of 2009 equities comprised 74.1% of the assets with 25.7% in fixed income. The target is 70% in equities, 30% fixed income and 0% cash.

All asset managers posted positive returns for the quarter and year-to-date. Equity managers recorded positive double-digit returns. Fixed income gained 6.0% for the quarter.

The portfolio investments returned 17.3% for the quarter, 28.1% year-to-date and 7.9% year-on-year. Since the transfer of custody from a book-entry account at DFA to a custodial account at Schwab on December 5, 2006, the assets have returned -0.9% nominal.

Reconciliation

The quarter began with \$3,195,749.89. Dividends and interest were \$42,464.96 and an unrealized gain of \$513,090.42 for total receipts of \$555,555.38. The Schwab assets at the end of the period were \$3,636,280.27 and the Schwab investment was \$3,085,749.89, a difference of \$550,530.38.

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Cash Flow/Liquidation Needs

Tom Skrobola reported as follows: Throughout the third quarter, there was a sale of lots with revenue of \$7,312 and miscellaneous revenue of \$0.00. The 2008 expenditures for the subsidy balance which cleared in the third quarter, as well as the capital improvement project amounts. Additionally, audit fees of \$0.00 and outside contractual services were \$0.00. For the end of the quarter, cash on hand is \$53,878.

Expenses

Expenses are: the Cemetery subsidy which is \$15,009 per month. Merion Capital fees of \$5,000, capital improvement projects and audit fees.

There was no discussion about expenses; **motion to accept made and seconded. Roll call vote:**

**Ayes: Randy Eberts, Jan Van Der Kley, Dan DeMent, LaJune Montgomery Tabron
Bob Salisbury**

Nays: None

The motion passed.

Audit

The City will be going out for bid for Outside Auditing Services in December 2009. Last bid for auditing services was taken in 2004. There was brief discussion regarding future audits with the conclusion that going out to bid will continue to bring turnover for objectivity.

Old/New Business

Barbara Miller asked about cemetery space and the obligation to buy more land. Tom replied that there are 2 cemeteries in the City and that more people are seeking cremation versus casket burials.

Tom Skrobola presented to the members the RESOLUTION DESIGNATING CERTAIN INDIVIDUALS TO ACT ON BEHALF OF THE CITY OF KALAMAZOO PERPETUAL CARE TRUST INVESTMENT COMMITTEE form which added Patsy Moore, Deputy Management Services Director as a back-up signee. Randy Schau recommended that changes to the form be made to take out the wording 'Pension Analyst' from the main paragraph of the form.

A motion was made and seconded to approve the RESOLUTION with changes.

The motion passed by voice vote.

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Closing Items

Future Meetings (all room 207A Kalamazoo County Administration Building)

Wednesday, February 17, 2010	10:00 a.m.
Wednesday, May 19, 2010	8:00 a.m.
Wednesday, August 18, 2010	10:00 a.m.
Wednesday, November 17, 2010	8:00 a.m.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Thomas C. Skrobola
Secretary