

**CITY OF KALAMAZOO PERPETUAL CARE TRUST
INVESTMENT COMMITTEE MINUTES
WEDNESDAY MAY 17, 2006**

A meeting of the Perpetual Care Investment Committee was held on Wednesday, May 17, 2006, in the room 207-A of the Kalamazoo County Administration Building. Chuck Elliott called the meeting to order.

Members Present: Chuck Elliott, Randy Eberts, Jan Van der Kley, Ed Edwards and Dan DeMent

Others Present: Mark Stuhldreher, Chris Ruppel, Bob Salisbury and Jeanette Meyer

Approval of Minutes

A motion to approve the minutes of the February 15, 2005 meeting was made and seconded. The motion passed by voice vote.

Assets at March 31, 2006

Mark Stuhldreher stated that the market value as of March 31 is \$4,244,000. He also stated that the Committee has not yet approved an official allocation strategy. Chris Ruppel recommended this strategy:

<u>Manager</u>	<u>Asset Class</u>	<u>Target</u>
DFA US Large Cap	US Large Cap	10.0%
DFA US Large Cap Value	US Large Value	10.0%
DFA US Micro Cap	US Micro Cap	10.0%
DFA US Small Cap Value	US Small Cap Value	10.0%
DFA International Value	International Value	10.0%
DFA Int'l. Small Cap Value	Int'l. Small Value	5.0%
DFA Int'l. Small Cap	Int'l. Small Value	5.0%
DFA Emerging Markets	Emerging Markets	<u>10.0%</u>
Total Equity		70.0%
DFA 2 yr Global Fixed	Short term global fixed	15.0%
DFA 5 yr Global Fixed	Intermediate term global fixed	<u>15.0%</u>
Total Fixed		30.0%

A motion was made and supported to accept the strategy. Discussion followed.

Roll call:

Yes: Chuck Elliott, Randy Eberts, Jan Van der Kley, Ed Edwards, Dan DeMent

No: None, **motion carried**

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Investment Performance Review

Chris Ruppel stated that the portfolio is just over \$4.2 million after disbursing over \$200,000. There was a 71% equity allocation and the remainder is in fixed income at 29%. Return on the portfolio was 7.6. He stated he will continue to look for a custodian for the fund. Discussion followed.

Reconciliation

Mark Stuhldreher stated there was one large reconciling item due to the fact that not all entries have posted to the City books.

Cash Flow

Jeanette Meyer stated that there was a larger sale of lots than expected and the subsidy has not yet been removed. Additionally, Merion Capital was paid for both the first and second quarter. Beginning cash balance was \$25,905 and ending cash balance of \$86,886 however the operating subsidy will be removed for the first two quarters.

Expenses

A motion to approve expenses was made and seconded.

Roll call:

Yes: Chuck Elliott, Randy Eberts, Jan Van der Kley, Ed Edwards, Dan DeMent
No: **None**, motion carried

Audit

Mark Stuhldreher stated that the audit was in process. Jan Van Der Kley will review the draft audit for the committee

Old/New Business

None.

Around the Table

No comments.

With no further business, the meeting was adjourned.

Respectfully submitted,

Mark Stuhldreher, Secretary

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