

**CITY OF KALAMAZOO
PERPETUAL CARE INVESTMENT COMMITTEE MINUTES
WEDNESDAY, NOVEMBER 8, 2006**

A meeting of the City of Kalamazoo Perpetual Care Investment Committee was held on Wednesday, November 8, 2006, in Room 207-A of the Kalamazoo County Administration Building. Chair Chuck Elliott called the meeting to order.

Members Present: Chuck Elliott, Randy Eberts, Ed Edwards, Bob Salisbury, and Dan DeMent

Others Present: Mark Stuhldreher, Chris Ruppel and Jeanette Meyer

A motion was made and seconded to excuse Jan Van der Kley. Motion passed by voice vote.

Approval of Minutes

A motion was made and seconded to approve the minutes of the August 16 meeting. Motion passed by voice vote.

Investment Portfolio

Chris Ruppel reported that the fund increased from \$4.1 million to about \$4.2 million, an increase of \$66,000 or 1.6%. The quarterly cash flows consisted of operating contributions of \$11,675; contributions of \$50,000 from Fund assets; and operating expenditures of \$51,638. There were no capital expenditures in the period.

The return on the portfolio for the third quarter was 2.8% with the one and five year simulated returns being 11.7% and 14.5% respectively.

The equity portion of the portfolio is 71.1% and it consisted of 40.3% of U.S. Company exposure and 30.8% of international company exposure. Fixed income was the remaining 28.9%.

There was some discussion of the correlation as it relates to the Fund managers.

Reconciliation

Mark Stuhldreher stated there was one reconciling item of \$116,000 at the end of the quarter which is the activity that posted to the funds at the end of the quarter that have not yet been posted to the General Ledger.

Cash Flow

Jeanette Meyer stated that there has been no liquidation for the capital improvements for the year. The funds were scheduled for liquidation in the third quarter however it was postponed for the fourth quarter. She stated that \$198,000 needed to be liquidated for the fourth quarter.

A motion to liquidate \$198,000 was made and seconded.

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There was discussion in regard to the liquidation and where the funds should be obtained. It was decided that Mark Stuhldreher, Chris Ruppel and Jeanette Meyer will decide where the funds will be obtained based on maintaining policy and liquidity constraints.

Amended Motion to approve \$198,000 liquidation and approval for Stuhldreher, Ruppel and Meyer to decide on how to liquidate was made and seconded.

Roll call vote:

Yes: Chuck Elliott, Bob Salisbury, Randy Eberts, Ed Edwards, Dan DeMent

No: **None**, motion carried

Expenses

There was no discussion about expenses; **motion to accept made and seconded.**

Roll call vote:

Yes: Chuck Elliott, Bob Salisbury, Randy Eberts, Ed Edwards, Dan DeMent

No: **None**, motion carried

Audit

The audit scope will remain the same.

Old/New Business

Chairperson Elliott requested that City Staff provide information on long term cash flow for this trust, which could be depleted easily if expenses aren't quite carefully monitored.

General Closing Items

Future meetings (all meetings held after the City RIC meetings)

Wednesday, February 21, 2007 10:15 a.m.

Wednesday, May 16, 2007 9:15 a.m.

Wednesday, August 15, 2007 10:15 a.m.

Wednesday, November 14, 2007 9:15 a.m.

There being no further business, Chairman Elliott adjourned the meeting.

Respectfully submitted,

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Mark D. Stuhldreher
Secretary