A meeting of the City of Kalamazoo Perpetual Care Investment Committee was held on Wednesday, November 14, 2007, in Room 207-A of the Kalamazoo County Administration Building. Chair Bob Salisbury called the meeting to order.

Members Present: Randy Eberts, Jan Van Der Kley, Ed Edwards, and Dan DeMent

A motion was made and seconded to excuse Chuck Elliott.

Motion passed by voice vote.

Others Present: Randy Schau, City Commissioner Barb Miller, Al Sarquiz, Frank Murray, Don Gilmer, Tom Skrobola, Chris Ruppel and Jeanette Meyer

Approval of Minutes

A motion was made and seconded to approve the minutes of the August 15, 2007 meeting.

Motion passed by voice vote.

Investment Portfolio

Tom Skrobola stated that for the period ending September 30, 2007, total U.S. equities are $1,772,010 representing a 39.05% of the portfolio; international stocks are $1,413,092 representing 31.14% of the portfolio. Total equities are $3,185,101 representing 70.19% of the total portfolio. Total fixed income is $1,351,899 representing 29.79% of the portfolio. Total perpetual care fund, inclusive of $764 of the Sweep Account, is $4,537,765.

Investment Portfolio

Chris Ruppel reported that the assets in the Perpetual Care Fund decreased from $4,678,136 to $4,537,764, a decrease of $140,371 or 3.0%. The quarterly cash flow consisted of no operating contributions and withdrawals of $125,000.

The portfolio investments returned -0.3% for the quarter and have returned 8.0% year–to-date. 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 9.1%.

As of quarter-end, there is no need to rebalance.

Mr. Ruppel stated that small value suffered a setback in the third quarter. DFA, relative to benchmark, is more small and more value orientated.

Reconciliation
Jeanette Meyer stated with the city books are in balance with the Schwab asset reports.

**Cash Flow/Liquidation Needs**

For the third quarter actual – the fund started in a negative position which was merely a book entry situation. Cemetery lots were sold for the amount of $9,614. Cemetery operating subsidy was $45,207, which is the same each quarter. Audit fees were paid in the amount of $1,571. Miscellaneous expenses were $235. Ending balance for the quarter is $21,821. It is anticipated that there will be an additional liquidation for the quarterly $45,027. There may be additional capital improvement charges as well.

**Expenses**

The subsidy and Merion Capital fees are the only expenses.

There was no discussion about expenses; motion to accept made and seconded. Motion passed by voice vote.

There was a brief review of the liquidations.

**Resolution**

A Resolution Designating Certain Individuals to Act on Behalf of the City of Kalamazoo Perpetual Care Trust Investment Committee was presented to the Committee. A motion to adopt the resolution was made and seconded.

Roll call:

Ayes: Bob Salisbury, Jan Van der Kley, Randy Eberts, Ed Edwards, Dan DeMent

Nays: None.

The Motion was approved.

**Audit**

Tom Skrobola reminded the Committee that there is a preparatory meeting with the auditors in December. The audit begins in late January or early February. A management discussion and analysis will be included in the 2007 audit in compliance with GASB 34 guidelines.

**Old/New Business**

None.

**General Closing Items**
The schedule for future meetings is as follows:

   Wednesday, February 20, 2008 – 9:00 a.m.
   Wednesday, May 21, 2008 – 8:00 a.m.
   Wednesday, August 20, 2008 – 9:00 a.m.
   Wednesday, November 19, 2008, 8:00 a.m.

**Around the Table**

Bob Salisbury stated that there would be a recap of the summer summit at the end of the City meeting.

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

Respectfully submitted,

Thomas C. Skrobola
Secretary