

**CITY OF KALAMAZOO
PERPETUAL CARE INVESTMENT COMMITTEE MINUTES
WEDNESDAY, FEBRUARY 20, 2008**

A meeting of the City of Kalamazoo Perpetual Care Investment Committee was held on Wednesday February 20, 2008, in Room 207-A of the Kalamazoo County Administration Building. Chair Bob Salisbury called the meeting to order.

Members Present: Robert Salisbury, 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, Vice Mayor Hannah McKinney, City Commissioner Barb Miller, Al Sarquiz, Len Batts, Tom Skrobola, Chris Ruppel and Jeanette Meyer

Approval of Minutes

**A motion was made and seconded to approve the minutes of the November 14, 2007 meeting.
Motion passed by voice vote.**

Investment Portfolio

Tom Skrobola stated that for the period ending December 31, 2007, total U.S. equities, market value are \$1,664,399 representing a 37.69% of the portfolio; international stocks are \$1,380,944 representing 31.27% of the portfolio. Total equities are \$3,045,343 representing 68.96% of the total portfolio. Total fixed income is \$1,370, 261 representing 31.03% of the portfolio. Total perpetual care fund, inclusive of \$768 of the Sweep Account, is \$4,416,372.

Investment Portfolio

Chris Ruppel reported that, in the fourth quarter of 2007, the assets in the Perpetual Care Fund decreased from \$4,537,764 to \$4,416,371.97, a decrease of \$121,392.58 or 2.68%. There were no operating contributions or withdrawals.

The portfolio investments returned -2.7% for the quarter and have returned 5.2% for the 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 5.9%.

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

Reconciliation

Jeanette Meyer stated that the only outstanding items were the journals for the quarter which had not hit when the books were initially closed for December 31. There was dividend interest of \$179, 000 and realized and unrealized losses of \$301,000. No disbursements were made.

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Cash Flow/Liquidation Needs

Jeanette Meyer reported as follows: Cemetery lot sales for the quarter were in the amount of \$2,414. Sales for the year were \$22,785 and \$30,000 had been anticipated. Cemetery operating subsidy was \$5 more than budgeted. Capital improvements were \$197,000. These improvements were actually done in 2006 and paid for in 2007. The only capital improvements that were to be done in 2007 could not be done because a craftsman couldn't be found who can repair the stone walls. Audit fees were \$1,571, \$4 less than anticipated. Miscellaneous expenses were \$235 which is purchase of flowers on lots for which there is money for actual perpetual care. Ending balance for the quarter is -\$20,797. This is because Jeanette was unsure if there were going to be capital improvements so no liquidation was done. \$25,000 was liquidated the beginning of January.

Expenses

The subsidy and Merion Capital fees are the only expenses.

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

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

Nays: None

The motion passed.

Audit

Tom Skrobola stated that there is nothing to report yet. The Auditors are scheduled to begin in April and finish their field work in May.

Old/New Business

Jeanette Meyer asked that Jan van Der Kley continue to be the liaison for perpetual care. Jan Van Der Kley graciously agreed.

General Closing Items

The schedule for future meetings is as follows:

Wednesday, May 21, 2008 – 8:00 a.m.
Wednesday, August 20, 2008 – 9:00 a.m.
Wednesday, November 19, 2008 - 8:00 a.m.
Wednesday, February 18, 2009 – 9:00 a.m.

A motion to adjourn was made and supported and passed by voice vote.

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Respectfully submitted,

Thomas C. Skrobola
Secretary