

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

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

Members Present: Robert Salisbury, Ed Edwards, Jan Van Der Kley, Chuck Elliott and Dan DeMent

**A motion was made and seconded to excuse Randy Eberts.**

**Motion passed by voice vote.**

Others Present: Kathy Nelson, Randy Schau, City Commissioner Barb Miller, Vice Mayor Hannah McKinney, Tom Skrobola, Chris Ruppel and Jeanette Meyer, LaJune Montgomery-Talley, Dave Simpson, and Keith Rogers

**Approval of Minutes**

**A motion was made and seconded to approve the minutes of the May 21, 2008 meeting.**

**Motion passed by voice vote.**

**Investment Portfolio**

Tom Skrobola stated that for the period ending June 30, 2008, the U.S. equities are in the amount of \$1,471,601. International stock is \$1,224,667. Total equities are \$2,696,268. Five-year fixed income is \$659,925 and 2-year fixed income is \$671,742. Total Perpetual Care Fund at June 30 was \$4,028,774.

**Investment Portfolio**

Chris Ruppel reported that, during the second quarter of 2008, the assets in the Perpetual Care Fund decreased from \$4,188,717 to \$4,028,774, a decrease of \$159,43 or -3.2%. There were no operating contributions in the second quarter. Withdrawals totaled \$50,025.

The portfolio investments returned -6.5% for the quarter and have returned -10.4% 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 -1.0%.

**Reconciliation**

Jeanette Meyer stated that at the beginning of the period there was a balance of \$4,188,717 and dividends and interest in the amount of \$25,769 and unrealized gains and losses giving us another \$135,688. There was a \$50,000 transfer to the City and a \$25 wire fee, leaving an end balance of \$4,028,773.55. The journal for second quarter activity was not posted.

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**Cash Flow/Liquidation Needs**

Jeanette Meyer reported as follows: Revenues: \$5,466 (sale of lots) and \$3,175 (old invoices). Outside contractual services are the only expenditures for the quarter. Capital improvement is scheduled in the amount of \$80,000.

Liquidation will be in the amount of \$150,000.

**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, Bob Salisbury, Chuck Elliott.**

**Nays: None**

**The motion passed.**

**Audit**

Tom Skrobola referred to the completed financial statements for the Perpetual Care Fund and thanked Jan Van Der Kley for reviewing them.

**Old/New Business**

Chris Ruppel said that he previously had indicated that he would like to replace DFA fixed income with PIMCO Total Return. He researched to determine whether or not it should be a U.S. fund or a foreign fund. He didn't see a significant benefit of one over the other. He recommends that the DFA 2 year global and 5 year global be liquidated and replaced with PIMCO U.S. Total Return Fund.

**A motion to approve the fund changes was made and seconded. Some discussion followed.**

**The committee has always required unanimity when a change of this type is made. Since there was not support from all members the motion was withdrawn.**

The change will be discussed again in November.

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There being no further business, the meeting was adjourned.

Respectfully submitted,

Thomas C. Skrobola  
Secretary