A meeting of the City of Kalamazoo Perpetual Care Investment Committee was held on Wednesday November 19, 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 and Randy Eberts. (Mr. Salisbury and Mr. Elliott participated via telephone)

Others present: Jeanette Meyer, Tom Skrobola, Chris Ruppel, Kathy Nelson, Vice Mayor Hannah McKinney, Jeff Bye, Nick Lam, LaJune Montgomery Talley, Randy Schau, Commissioner Barbara Miller

**Approval of Minutes**

A motion was made and seconded to approve the minutes of the August 20, 2008 meeting. Motion passed by voice vote.

**Investment Portfolio**

Jeanette Meyer stated that for the period ending June 30, 2008, the U.S. equities are in the amount of $1,405,055. International stock is $981,337. Total equities are $2,386,392. Fixed income is $1,185,172. Total Perpetual Care Fund at October 31 was $3,572,377.

Jeanette Meyer stated that the statement at the end of October showed a balance of approximately $2,700,000.

**Investment Performance**

Chris Ruppel reported that during the third quarter of 2008, the assets in the Perpetual Care Fund decreased from $4,028,774 to $3,572,377, a decrease of $456,397 or -11.3%. There were no operating contributions during the quarter. Withdrawals were $150,025.

The portfolio investments returned -7.7% for the quarter and have returned -17.2% 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 -4.98%.

**Reconciliation**

Jeanette Meyer stated that sale of cemetery sale of lots in the amount of $8,432, cemetery operating subsidy was taken out for the first 6 months of the year in the amount of $90,000. Capital improvements of $80,000 have not yet been removed from the fund but will be removed. Outside contractual services were $5,000. For the quarter there was a net decrease of $86,852 and an ending cash balance of -$49,498. After a contribution of $150,000, the balance is $100,502.
Cash Flow/Liquidation Needs

Jeanette Meyer reported as follows: $100,000 will need to be liquidated by the end of the year. This will fund the operating subsidy and the current balance will fund the capital improvement.

Expenses

After a brief discussion about expenses regarding whether the third quarter operating expenses were pending or paid; motion to accept made and seconded. Roll call vote:

Ayes: Dan DeMent, Ed Edwards, Jan van Der Kley, Bob Salisbury, Chuck Elliott, Randy Eberts
Nays: None

The motion passed.

Later investigation showed that the expenses were pending and an email was sent to the investment committee indicating this.

Audit

Tom Skrobola asked if anyone wanted to change the scope of the audit for this year. Jan Van Der Kley volunteered to meet with the auditors in compliance with the new requirement. A motion was made and seconded to elect Jan Van Der Kley as the committee member who will meet with the auditors. The motion passed by voice vote.

Old/New Business

Pimco Total Return Fund – It was suggested at the August meeting that the fixed income exposure be shifted from the two DFA funds to PIMCO. Chris Ruppel presented research on similar funds, it is his recommendation that the DFA funds be shifted to PIMCO.

A motion was made and seconded that the change be made.

In response to a question posed, Mr. Ruppel stated that PIMCO is 60% treasury, 30% cash and 10% corporate.

Roll call vote:

Ayes: Dan DeMent, Ed Edwards, Jan van Der Kley, Bob Salisbury, Chuck Elliott, Randy Eberts
Nays: None

The motion passed.

**Future Meetings (all room 207A Kalamazoo County Administration Building)**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
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<tbody>
<tr>
<td>Wednesday, February 18, 2009</td>
<td>9:00 a.m.</td>
</tr>
<tr>
<td>Wednesday, May 20, 2009</td>
<td>10:00 a.m.</td>
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<tr>
<td>Wednesday, August 19, 2009</td>
<td>8:00 a.m.</td>
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<tr>
<td>Wednesday, November 18, 2009</td>
<td>9:00 a.m.</td>
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</tbody>
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There being no further business, the meeting was adjourned.

Respectfully submitted,

Thomas C. Skrobola
Secretary