A meeting of the City of Kalamazoo Perpetual Care Investment Committee was held on Wednesday May 20, 2009, in Room 207-A of the Kalamazoo County Administration Building. Chair Robert Salisbury called the meeting to order.

Members Present: Robert Salisbury, Jan Van Der Kley, Chuck Elliott, Dan DeMent, Randy Eberts and LaJune Montgomery-Tabron.


February 18, 2009 Meeting

A summary was distributed with two motions to be approved at this meeting since there was not a quorum for the February 18 meeting.

A motion was made and seconded to approve the minutes of the November 11, 2008 meeting.

Motion passed by voice vote.

A motion was made and seconded to approve the cash flow and expense report for the fourth quarter.

Motion passed by voice vote.

A motion was made and seconded to approve the manner of trading with Schwab.

Motion passed by voice vote.

The committee members who attended the meeting will be added to the summary.

Investment Portfolio

Tom Skrobola stated that for the period ending March 31, 2009 the total U.S. equities are in the amount of $1,019,908. International stock is $804,540. Total equities are $1,824,448. PIMCO Total Return Fund is $841,685. Total Perpetual Care Fund at March 31 was $2,666,707.

Investment Performance

Chris Ruppel reported that during the first quarter of 2009, the assets in the Perpetual Care Fund decreased from $2,899,207 to $2,666,707 a decrease of $232,500 or -8.02%. There were no operating contributions or withdrawals during the quarter.

The portfolio investments returned -8.9% for the quarter and have returned -30.6% year-on-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 -13.5%.

The beginning balance of $2,899,207 shown by the custodian is $27,245 lower than that shown in the Morningstar reports of $2,926,452. An explanation of this reconciling item is included at the end of the Morningstar report section.

**Reconciliation**

Jeanette Meyer stated that at the beginning of the period there was $2.926 million. Dividends and interest received of $19,464 and an unrealized loss of $279,000. There was a difference of $232,000 between the City books and Schwab. $259,000 of that is the journal that had not yet posted and the balance is explained on Chris Ruppel’s review. The account is in balance.

**Cash Flow/Liquidation Needs**

Jeanette Meyer reported as follows: Sale of lots brought in $8,453 in the quarter. Expenses for the quarter were outside contractual services in the amount of $5,000. Liquidation anticipated for the 2nd quarter will be approximately $75,000. Public Services has budgeted $10,000 for capital improvements.

**Expenses**

Merion Capital fees of $5,000 are the only expenses.

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

- Ayes: Dan DeMent, Jan van Der Kley, Bob Salisbury, Chuck Elliott, Randy Eberts and LaJune Montgomery-Tabron.
- Nays: None

The motion passed.

**Audit**

Tom Skrobola stated that statement for review should be received within the next two weeks. A draft of the audit and the MD&A (Management Discussion and Analysis) that he will write will be given to Jan Van der Kley for review.

**Old/New Business**
None.

Closing Items

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

Wednesday, August 19, 2009  10:00 a.m.
Wednesday, November 18, 2009  8:00 a.m.
Wednesday, February 17, 2010  10:00 a.m.
Wednesday, May 19, 2010  8:00 am.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Thomas C. Skrobola
Secretary