

**CITY OF KALAMAZOO  
PERPETUAL CARE INVESTMENT COMMITTEE MINUTES  
WEDNESDAY, AUGUST 19, 2009**

A meeting of the City of Kalamazoo Perpetual Care Investment Committee was held on Wednesday, August 19, 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 and Randy Eberts.

**A motion was made and seconded to excuse LaJune Montgomery Tabron. The motion passed by voice vote.**

Others present: Tom Ponto, Jeanette Meyer, Tom Skrobola, Chris Ruppel, Randy Schau, Pat Donohoe and Laura Callahan.

**A motion was made and seconded to approve the minutes of the May 20, 2009 meeting. Motion passed by voice vote.**

**Investment Portfolio**

As of June 30, 2009, total U.S. equities were \$1,244,417 totaling 38.94% of the fund. Total international equities were \$1,069,251 totaling 33.46% of the total. Total equities were \$2,313,668 or 72.40% of the total. Fixed income was \$881,508 comprising 27.58% of the total. The sweep account was \$574. Fund total at 6/30/09 was \$3,195,750.

**Investment Performance**

The ending balance at June 30, 2009, was \$3,195,750. As of August 18, 2009, the balance is \$3,441,000, a gain of \$245,000 since the end of the quarter. During the second quarter, the assets increased from \$2,666,707 to \$3,195,750, an increase of \$529,043 or 19.8%. There were no operating contributions or withdrawals.

At the end of the second quarter of 2009 equities comprised 72.% of the assets with 27.6% in fixed income. The target is 70% in equities, 30% fixed income and 0% cash.

All asset managers posted positive returns for the quarter and year-to-date. Equity managers recorded positive double-digit returns. Fixed income gained 4.7%.

The portfolio investments returned 19.8% for the quarter, 9.2% year-to-date and -15.1% 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 -6.5% nominal.

**Reconciliation**

The quarter began with \$2,666,706.97. Dividends and interest were \$28,364.83 and an unrealized gain of \$500,678.09 for total receipts of \$529,042. The Schwab assets at the end of the period were \$3,195,749.88 and the Schwab investment was \$2,639,461.61, a difference of

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\$556,288.28.

**Cash Flow/Liquidation Needs**

Jeanette Meyer reported as follows: Throughout the second quarter, there was a sale of lots with revenue of \$9,508 and miscellaneous revenue of \$200. The 2008 expenditures for the subsidy balance which cleared in the second quarter, as well as the capital improvement project amounts. Additionally, audit fees of \$1,575 and outside contractual services were \$500,000. For the end of the quarter, cash on hand is \$41,849. She asked Chris Ruppel to devise a liquidation strategy for the liquidation of \$110,000 by the end of the third quarter.

**Expenses**

Expenses are: the Cemetery subsidy which is \$15,009 per month. Merion Capital fees of \$5,000 per quarter, capital improvement projects and audit fees.

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  
Nays: None**

**The motion passed.**

**Audit**

Tom Skrobola thanked Jan Van der Kley for her assistance with the audit.

**Old/New Business**

Robert Salisbury asked for discussion about members attending meetings by telephone. Randy Schau summarized his recommendation: members can attend by telephone; the chair must be physically present.

**A motion was made and seconded to approve telephone attendance.**

There was some discussion.

**The motion passed by voice vote.**

**Closing Items**

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

Wednesday, November 18, 2009      8:00 a.m.

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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