



CITY OF FORT LAUDERDALE

**APPROVED**  
**CEMETERY SYSTEM BOARD OF TRUSTEES**  
**MINUTES OF MEETING**  
**CITY OF FORT LAUDERDALE**  
**CITY HALL 8<sup>TH</sup> FLOOR CONFERENCE ROOM**  
**100 N. ANDREWS AVENUE, FORT LAUDERDALE, FL 33301**  
**THURSDAY, MAY 12, 2022 – 3:30 P.M.**

<b>Members</b>	<b>Attendance</b>	<b>Cumulative Attendance</b>	
		<b>03/2022 through 02/2023</b>	
		<b>Present</b>	<b>Absent</b>
Richard Kurtz, Chair	P	2	0
Chelsea Krebs	P	2	0
Fred Nesbitt	P	2	0
Mark Van Rees (arrived at 3:35 p.m.)	P	2	0
Michael Watson	P	2	0
Pamela Beasley-Pittman	P	2	0
Patricia Zeiler, Vice Chair	P	1	1

City Staff

Stacy Spates, Parks and Recreation  
Trevor Jackson, Parks Manager  
Carla Blair, Recording Secretary, Prototype, Inc.

Guests

Kim Krause, Truist

**1. CALL TO ORDER**

Chair Kurtz called the meeting to order at 3:33 p.m.

A. Roll Call

Roll was called and it was determined a quorum was present.

B. City Ordinance No. C-09-05, Quorum Requirement (Discussion)

No discussion.

**2. OLD BUSINESS**

A. Cemetery Master Plan Project Updates:

- Sunset Memorial Gardens Community Mausoleums (Discussion)

Ms. Spates advised the RFP was put out twice and there are no takers. The first time the RFP was specifically for people with experience in mausoleums and then it was revised for turnkey only. Mausoleum developers do not want to be bothered with red tape and what is required in the RFP, so they have to pivot to see how this can work with Procurement.

Vice Chair Zeiler asked if Ms. Spates wanted Board members to reach out to Building Contractors they know.

Ms. Spates stated they are open to anything. The RFP is closed, but Contractors can reach out to her.

- Sunset Memorial Gardens Irrigation System (Update)

Ms. Spates reported the irrigation system is currently in process and there have been meetings with the Irrigation Contractor.

- Cemetery Management Software (Update)

Ms. Spates indicated they are having another meeting with the vendor next week and Procurement is involved to see what additional steps need to be taken. The vendor is being quite difficult and not delivering the system they were supposed to have. This is disappointing and has been ongoing since September 2021. She stated a stalemate happened during training because the system delivered was not functional. Management will determine if they are going to turn it over to the City Attorney. A lot of time and money has been expended and the data has been compromised; none of the data has been vetted. She will provide an update at the next meeting.

- LMP Maintenance Yard Improvements (Update)

Ms. Spates advised the asphalt millings and aprons are done, and they are doing the fencing. An invoice in the amount of \$89,000 was received the day before yesterday. The Contractor has been doing a fantastic job showing up on time.

Mr. Nesbitt commented the biggest problem was getting a Contractor to build mausoleums.

Ms. Spates stated this is the first time the City is doing this. She thinks there should be oversight by the City in terms of building. They need to go through the proper process and are working with Procurement to see what other avenues can be taken.

Mr. Van Rees commented someone cannot just come in and build a mausoleum. He advised the last company to build a mausoleum was Ken Dear.

Ms. Spates mentioned Ken Dear is no longer in the business; he is a consultant. She questioned who developed Mr. Van Rees' bid and who their expert is on staff.

Mr. Van Rees replied they do; specifications are specifications because the same building is being built. He noted they recently hired someone.

Ms. Spates indicated they submitted a proposal, and it was decided to go through the RFP to make sure they are getting a decent price. The RFP was sent to probably 10 to 15 companies. If Procurement says to go ahead, they will receive proposals and hire a Project Manager to do the oversight of the project.

Vice Chair Zeiler questioned the name of Mr. Dear's company.

Ms. Spates replied it is Mausoleum USA; they have a couple of names.

Mr. Nesbitt asked about the company that did the long-range Master Plan.

Ms. Spates stated they have not gone back to Keith, Inc. for any help, and she did not know if they build mausoleums.

### 3. NEW BUSINESS

#### A. Approval of Meeting Minutes for March 10, 2022 (Discussion/Motion)

**Motion** made by Mr. Nesbitt, and seconded by Mr. Watson, to approve the March 10, 2022 Minutes. In a voice vote, the **motion** was approved unanimously. (7-0)

#### B. Perpetual Care Trust Fund Investment Review/Truist Bank (Discussion)

Kim Krause, with Truist, was present.

Ms. Krause provided an update through April instead of a quarterly review. There has been a significant pull back downturn since the beginning of the year due to concerns about the Feds moving towards more normalized rates and moving too quickly, moving everyone into a recession. Truist does not think there will be a recession this year.

Ms. Krause briefly reviewed a handout as follows:

- **Foundations and Endowments Specialty Practice**

- Page 3: April Performance Summary: Most major Asset classes have declined double-digit percentage terms. S&P 500, EFA, and Emerging Markets are 12% year-to-day and NASDAQ is down over 20%. At the same time as Equities are down, Bonds have also been negative. Barclay's Aggregate is down 9.5%, the Bloomberg Commodity Index is up 30%, REITs are down 8%, and High Yield is down a little less than the Core Aggregate Bonds. The Large Cap Benchmark is broken out by sectors and the only three positive sectors year-to-date are Energy at 36.9%, Consumer Staples up 1.5%, and Utilities with a .3% positive return.
- Page 4: From 2019 to the end of April, there has been a sharp pullback recently after one of the sharpest rebounds in history with Stocks more than doubling in less than two years since the Pandemic. The negative 33.9% in 2020 was the downturn in February and March 2020 when the economy closed for COVID, and then there was a sharp rebound and a few pullbacks of 6%, 7%, and 9.5%. In 2022, through April, it has been 13.9% down, and as of today it is about 18% down. Stocks are still well above the low point seen prior.
- Global Growth expectations have been downgraded. In 2021, the United States saw a 5.27% GDP. Truist's expectation has been downgraded from 4% at the beginning of the year to a low 2%, which is the pre-pandemic average; much slower growth is expected. Europe is close to 2% and Germany is having a tougher time. There is a slowdown in China and their target Growth is 5.5%, which they likely will not see. China has a zero-COVID policy, and they have had lockdowns in certain areas of the country. If those spread to other areas it could put further pressure on the supply chain, which looks like it is starting to recover.
- Across the globe, the United States tends to be in the best position. They have maintained an overweight position to US Equities because they tend to be higher quality than their global peers. A recession may be seen in other parts of the globe, but it is not expected in the United States in the next 6 to 12 months; however, that outlook could change.
- Page 6: Manufacturing Trends: Benchmarks of 50 indicate an expanding economy and when they are below 50, it signals a contraction. Currently, China is below 50, so it looks like they are significantly slowing, which is putting global pressure on global manufacturing.
- Page 7: Global Inflation Trends Remain Elevated: A peak in inflation has not been seen, but it will be seen and then it will level off. The cause of the elevation has been due to a lot of supply chain disruptions seen from the pandemic and from the fiscal stimulus that has been abundant and now starting to scale back.

- Page 8: Central Banks: Not only are the United States raising rates, but also other global central banks. Many global central banks started hiking rates last year and the United States is just starting this year.
- Page 9: Recession Indicators: Green indicates healthy conditions, red signals a warning sign for recession, and yellow garners a little more attention. Many indicators are still green, meaning healthy. The Labor Market remains strong; the unemployment rate is extremely low and job numbers look good. Oil has had a year over year 50% increase, which is an enormous pressure on the consumer, as well as spiking inflation and higher Energy prices.
- Page 10: Asset Class View: There is neutral Equity in Cash and Fixed Income, which is considered less attractive given the rising Yield environment. Large Cap and Real Estate Investment Trust look attractive. Less attractive are International and Emerging Markets. Fixed Income and Investment Grade Corporates are neutral. Bonds are being held until maturity; they are all high-quality Investment Grade Corporates with decent Yields. High Yield Corporates are also looking more attractive. In this type of environment, they upgrade the quality of the portfolio. US Large Cap tends to have more high-quality companies versus developed peers versus Mid Cap and Small Cap. When there is a significant pullback, everything pulls back at once, which they have been able to buffer; the focus is keeping a long-term perspective. The Market was down 30% with the COVID downturn; it happened and rebounded quickly. As of today, it looks like they are down in the S&P about 18%.
- Page 12: Activity Summary Monthly Year-To-Date Quarterly: The year started January 1, 2022, at \$33.8 million. There has been a loss of \$3.5 million, which somewhat balanced out with some positive Interest and Dividends, but not enough, so the Market Value at the end of April 2022 was \$30,180,000. The pullback was negative returns across Fixed Income and Equity that caused a decline in Market Value for the four-month period.
- Page 13: Portfolio Composition: The US Large Cap tends to have higher quality companies and Dividend strategies have held up better than the broader market. Dividend strategies like I-Shares, Select Dividends, Vanguard Value Index, and the SPDR Dividend have done well. The Edgewood Growth Fund, a high Growth concentrated portfolio, has not held up well; it is a 4% allocation, which is a small piece of the portfolio and Dividend strategies have balanced that out quite a bit. They are looking to add an additional Dividend strategy; an I-Shares High Core Dividend, low-cost passive, but the sector composition tends to be a bit more defensive. It would be a nice compliment to the existing Dividend strategy. They are also looking to add additional Dividends at the reduction of the Vanguard Institutional Index. Some Active Managers have held up well like Atlantic

Capital Small Mid Cap in the SMID space, as has Artisan International Value, which is an Active Manager in International space. International exposure is 7%, and that was reduced by eliminating a Vanguard International Growth Fund. They expect to remain around 7% in International. The SPDR Dow Jones REIT has held up better and there is a nice yield of 3%. In addition to the Dividend strategies, REITS are providing decent Dividend Yields, and Fixed Income is providing some Income Yield as well. Cash remains under 6%; \$1.7 million. Now that short-term rates are moving up, the yield on Cash, which was roughly one basis point, .01%, is about 40 basis points and is moving upward. The Cash Yield will get to about 1% or more later this year.

- Page 14: Investment Performance Year-To-Date: The portfolio is down around 10%; negative 9.96% net of fees; the Benchmark is down 11%, so a little outperformance. The Dividend exposure has helped because it has been less negative, and the Cash position has helped as well. Better returns can be seen with long-term numbers.

Mr. Nesbitt questioned if this is still based on the 50/50 ratio.

Ms. Krause replied yes. She referenced Investment Policy Guidelines on Page 13 and noted there is currently 54% Equity, which represents their view that Equity is more attractive than Fixed Income.

Mr. Nesbitt asked if that has been approved by the Commission.

Ms. Spates stated it will not be approved until these minutes are approved.

Mr. Van Rees mentioned Management Performance and the Russell 1000 Year-to-Date on Page 15.

Ms. Krause commented that is Edgewood versus the Russell 1000 Growth. The Russell 1000 Growth is the Benchmark Edgewood is compared to. Edgewood has underperformed; it has 22 Stocks in this portfolio, which means it is highly concentrated. It differs from the Benchmark in that it does not own Tesla or Apple.

Mr. Nesbitt mentioned he attended a Pension conference where people were promoting crypto currency and bit coins for Pension Funds.

Vice Chair Zeiler thinks crypto currency and bit coins are dangerous; people are pumping them on the non-profit side to do it.

Ms. Krause advised they are not doing this in this type of portfolio.

### C. Memorial Day Ceremony, Monday, May 30, 2022

Ms. Spates announced the Memorial Day celebration is on May 30, 2022, and Dr. Beasley-Pittman will be the MC.

Vice Chair Zeiler reported the Robert Bethel Post is doing their own ceremony for Memorial Day at the Woodlawn Cemetery the Saturday before Memorial Day, on May 28, 2022, at 4:00 p.m. Robert Bethel is the most highly black decorated WW1 Veteran in Broward County, and he is interred in Woodlawn Cemetery.

Mr. Nesbitt mentioned the Jacksonville budget, and they received a huge appropriation to restore a black cemetery.

Vice Chair Zeiler stated FDOT sent her an email to attend a meeting; they are resurrecting the Woodlawn Cemetery Groups, and she accepted the invitation.

Ms. Spates indicated she was contacted and told they were resurrecting the Committee.

Vice Chair Zeiler thought a couple of the mature members of their black community who were previously on the Committee are no longer with them. She talked to them once or twice about things on the historical side as a private citizen and testified at a Public Hearing where she mentioned the Woodlawn Cemetery issue because it was one of the Hearings for the New River Crossing. She basically said she lives in Dorsey River Bend and thought they should consider going forward with the project and speaking to members of the black community who would be significantly affected. Because of the FEC tracks, she did not think constructing another wall between the white and black communities was appropriate. She stated there are significant dollars in the Federal budget for granting and that it might be in the Park Service in National Humanities, but it is earmarked for historical black cemeteries.

### D. Other Business

Mr. Nesbitt advised the Board was starting to get quarterly video reports and questioned the status.

Ms. Krause indicated there was not a full quarter report this year; they have been doing small snip-its, so it hard to use for training. She thinks a report will be done mid-year, which might be an hour video. As soon as the next one is available, she will provide the link to Ms. Spates.

Mr. Nesbitt commented that any other videos done by someone else might be beneficial.

Ms. Krause thought there might be other videos, but she did not know if there was a way to track the attendance because they would be third party.

Ms. Spates asked if Board members could go back and watch the recap.

Ms. Krause advised she would check.

#### E. Communication to the City Commission

Vice Chair Zeiler asked if Ms. Spates needed anything from the Board.

Ms. Spates replied employees; she has been without a financial account person since last July.

Mr. Van Rees stated they are at the lowest point ever with staff and maintenance is down at least five to seven employees.

Ms. Spates indicated the contract for the Supplemental Contractor for maintenance to help during the rainy season is going to the Commission in June. They did a primary secondary award in case the primary says the cost is too low.

Trevor Jackson, Parks Manager, stated the help would be from May to October 2022.

Mr. Van Rees asked if there were issues with that last year.

Ms. Spates advised that the City utilized the services of VisualScape, but the services ended when the company wanted more money to continue the work. The cost was about \$200,000 just for LMP, which they could not afford. She mentioned irrigation at Sunset Memorial Gardens and noted it has been six years.

#### 4. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:20 p.m.

The next scheduled meeting is Thursday, July 14, 2022, at 3:30 p.m.

[Minutes prepared by C. Guifarro, Prototype, Inc.]

***Minutes changes are to be made only by Prototype. Please make all staff edits at one time via redlining or in an email and return to your minutes writer for our approval and acceptance. We will then create a 2<sup>nd</sup> draft. We will also make final changes after Board approval. Contact Lisa with any questions.***