

## SPRINGDALE CEMETERY MANAGEMENT AUTHORITY

March 16, 2010

Chairman Rotherham called the meeting of the Springdale Cemetery Management Authority to order at 4:00 p.m. on Tuesday, March 16, 2010. Present were: Al Andrews, Jim Hancock, Jeanette Hillyer, George Kottemann, Tom Luthy, George Merkle, Bruce Thiemann and Kent Rotherham. Absent: Patti Polk. Also present were: Jon Austin, Paula Fenner, Wendy Wilkens and Gordon Cundiff.

**APPROVAL OF MINUTES: Moved by Hancock, seconded by Merkle, that the minutes of the February 16, 2010 Regular Meeting be approved as read. On voice vote, motion carried.**

**Chairman's Report:** Mr. Rotherham discussed the relationships with the City, County and Park District. A meeting is scheduled with the County Administrators, and Mr. Merkle will also attend this meeting. It was suggested a meeting be scheduled with administrators from the Park District. Also suggested were bi-annual meetings with each of the IGA partners.

**Vice Chairman's Report:** In Mrs. Polk's absence, Mr. Austin reported that they met recently, and Ms. Polk is planning a public reception for Mr. Austin's arrival. Discussion followed on a budget and invitations.

**Treasurer's Report:** Mr. Luthy reported that sales were down, and that \$17,000 in bad debt was written off in February 2010. He suggested that a copy of the Aged Receivables Report be included in the financial reports. Commission procedures were discussed, and it was decided that these procedures need to be investigated to see if there is a better option. **The payables were discussed, and it was moved by Andrews, seconded by Merkle that the payables be accepted as read. On voice vote, motion carried.**

**Investment Committee:** A copy of the Investment Policy was distributed to members, and it was **moved by Merkle, seconded by Hancock that the fourth submission of the Investment Policy be accepted as follows. On voice vote, motion carried.**

## STATEMENT OF INVESTMENT POLICY

### Section I – Introduction

The purpose of this policy statement is to set forth the investment guidelines and objectives of the Springdale Cemetery Management Authority (SCMA). This is intended to establish a clear understanding of this investment guideline and objectives by any and all providers thereto of investment management or investment advice (investment providers) to the SCMA.

This statement explicitly sets forth the risk which the Springdale Cemetery Management Authority is willing to undertake with the assets available for investment (the Portfolio), to achieve the investment objective set forth in this document. All assets held in current operating accounts and all calculations or allocations thereof shall be specifically excluded from the Portfolio.

Any assets that the Springdale Cemetery Management Authority has allocated for any self-insurance of the organization shall be held in an account or accounts separate from the portfolio. The self-insurance assets are deemed a separate asset from the portfolio and shall not be considered a part of the portfolio or any investment purpose or calculation.

The SCMA Finance Committee (Finance Committee) shall adhere to the investment guidelines set forth below, but these guidelines shall not be construed to be so rigid that they become impractical and may be changed by the SCMA's economic conditions, the financial needs of the SCMA, or as prudence dictates.

Investments shall be made with judgment and care – under circumstances then prevailing – that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The Finance Committee shall provide a current copy of this Statement of Investment Policy to investment providers and persons requesting copies.

### Section II – In-Kind Gifts

Gifts received by the SCMA shall be reviewed by the Finance Committee upon receipt. The Committee shall consult with the Investment Providers employed at the time the in-kind gift is received to obtain professional guidance as to disposition. Disposition of all gifts shall be made by the General Manager as directed by the Finance Committee as soon as feasible to maximize the benefit of gifts received. The Finance Committee shall report the disposition of each gift at the Board of Directors meeting immediately following the disposition.

Donors shall be informed that only the Authority has the final decision to accept any gift and shall be encouraged to make their gift to the SCMA through the Springdale Historic Preservation Foundation.

### **Section III – Investment Objective**

The investment objectives of the Springdale Cemetery Management Authority include both capital appreciation and current income. The investment approach shall be disciplined and consistent over time and among asset classes. Allocations between asset classes shall be modified when such action is expected to produce incremental return, to reduce risk, or both. All investments shall consist of investment-grade, fixed-income instruments and equity investments. Special emphasis will be placed on guaranteed rate/short-term investments in order to maintain principal under trust stipulations and to meet liquidity needs.

A long-term view should be taken when making investment decisions, and the portfolio's aggregated rate or return shall be evaluated, at a minimum, over a market cycle (i.e. three to five years). The long-term total return of the investments, on an aggregate basis will be compared with inflation as measured by the consumer price index. The performance of the Equities Segment shall be compared to the Standard & Poor's 500 Index. The performance of the Fixed-income Segments shall be compared to both the Lehman Brothers Aggregate Bond Index and the Lehman Brothers Intermediate Government/Credit Index.

### **Section IV – Portfolio Composition**

There shall be four segments of this portfolio:

1. **Equity Securities** – The purpose of this segment is to build value and to obtain gradually increasing asset appreciation. Investments in this Segment shall consist of equity mutual funds only. No investments in this category are anticipated in the near future.
2. **Debt Securities** – (maturities exceeding 12 months [See 3 below]) – Zero percent of the Portfolio shall be invested in investment-grade debt instruments. If used in the future, the purpose of this segment would be to generate current income and to provide asset diversification.
3. **Short-term, Income Producing** – (maturities less than 24 months [see 2 above]) – At least 50 percent of the Portfolio shall be invested in high quality Certificates of Deposit or similar investment-grade debt instruments. The purpose of this Segment is to preserve capital.
4. **Cash Equivalents** – A reasonable amount, as determined by the General Manager and the Treasurer, of the Portfolio shall be invested in high quality, highly liquid money market instruments and checking accounts. The purpose of this segment is to provide liquidity for the Authority's near-term needs.

### **Section V – Constraint and Other Parameters**

The following restrictions shall apply to the Portfolio:

1. Investments will be adequately diversified to reduce risk. Equity Securities and Debt Securities Segments – Total investments in one corporation shall not exceed 10 percent of the total value of the Portfolio. Equity Securities Segment – No single industry shall represent more than 20 percent of the total value of all Equities.
2. All Equity investments shall be made in publicly traded companies; no private placements shall be purchased or held.
3. There shall be no short sales or margin transactions and no sales or purchases of puts, calls, or straddles. There shall be no option type investment or sales of any kind.
4. There shall be no trading in commodities.
5. Real estate shall not be acquitted or accepted for investment purposes and shall not be retained except for Cemetery usage, which may include land banking for non-investment cemetery purposes.
6. There shall be no warrants held or purchased.

7. Collectibles of any type (i.e., coins, stamps, art, etc.) shall not be acquired or accepted for investment purposes except for Cemetery usage, which may include artifacts of the Cemetery's history and/or a museum collection.
8. Consistent with the Springdale Cemetery Management Authority's purpose and intent, all investments shall be made with a long-term perspective.
9. The Finance Committee will report to the Board on investment matters at least annually.

**Approved by the Springdale Cemetery Management Authority:**

\_\_\_\_\_/s/\_\_\_\_\_  
Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
Secretary

Date: March 16, 2010

**Axiom Proposal:** The Axiom financial statement revision and a cost proposal to correct mapping issues were discussed, and it was agreed this is a management decision. The General Manager was asked to look for a vendor who could give technical support to the cemetery's software as well as looking for an alternate software vendor.

**Marketing Committee:** A meeting was held with Converse Marketing and going forward with internal signs in the cemetery. They will begin working on the Web site soon. Mr. Austin said the War Memorial Sign was on the Historic Preservation Committee's agenda for April.

**Monument Restoration Committee:** Minutes of the committee meetings are sent to all members. Because of the weather, not much is being done at this time, thus the restoration employee has been laid off.

**General Manager's Report:** Mr. Austin reported the City has prepared demolition specifications on the gatehouse, and it was decided that their current demolition contractor, R. Love Demolition, should complete the work at a cost of \$10,540 to be allocated out of existing budget. Specific building materials will be salvaged and stockpiled on the site. **Moved by Hancock, seconded by Andrews that the bid of \$10,540 from R. Love Demolition be accepted for controlled demolition of the gatehouse. On voice vote, motion carried.**

**MFT Funds:** Mr. Austin is working to have Motor Fuel Tax include the cemetery and its roadways. The City is doing an overview of previous road work and has submitted a \$300,000 request for funding.

**Green Burials:** While attending the ICCFA Conference in San Antonio, Texas, Mr. Austin gathered information concerning green burials. After discussion members concurred that the green burial movement is growing and is one Springdale should consider. Mr. Austin was asked to proceed in gathering further information.

**Cemetery Hours:** The gate on Prospect Road will be kept open 24 hours for cemetery visitors. The Peoria Police Department will be patrolling the cemetery while staff is not present. After April 1, 2010, the Peoria Park District Police will also patrol the cemetery.

**Minutes/Agenda:** The City has informed the Authority that effective immediately, hard copies of the notices/agendas and minutes will no longer be available by mail. The documents can be accessed through the City's Web site. Mrs. Hillyer said she would email members copies of the minutes.

**Other:** Mr. Andrews gave members a graph showing operating income from 2001 through 2009. It was noted that this was only half of the picture as no information was given on expenses for this period.

**Next Regular Meeting:** The next Regular Meeting of the Authority Board is scheduled for Tuesday, April 20, 2010, at 4:00 p.m., in the Maintenance and Volunteer Building at Springdale Cemetery.

**Adjournment:** The meeting was adjourned at 5:31 p.m.

Wendy Wilkens  
Assistant Secretary

ATTEST:

Jeanette P. Hillyer  
Secretary

