

SPRINGDALE MANAGEMENT AUTHORITY
April 20, 2010

Chairman Rotherham called the meeting of the Springdale Cemetery Management Authority to order at 4:00 p.m. on Tuesday, April 20, 2010. Present were: Al Andrews, Jim Hancock, Jeanette Hillyer, George Kottemann, Tom Luthy, George Merkle, Patti Polk and Kent Rotherham. Absent: Bruce Thiemann. Also present were: Jon Austin, Paula Fenner, Wendy Wilkens and Gordon Cundiff.

APPROVAL OF MINUTES: Moved by Hancock, seconded by Kottemann, that the minutes of the March 16, 2010 Regular Meeting be approved as printed. On voice vote, motion carried.

Guest Input: Michael Brown with Peoria Wilds commented on the possibility of green burials at Springdale. He stated the Peoria Wilds would be against using the Savannah for this purpose. Pat Lewis, resident of the city said that because the Savannah is very delicate and should not be used for anything other than a Savannah.

Vice Chairman's Report: Ms. Polk discussed the reception for the General Manager. The reception will be from 5:00 p.m. to 7:00 p.m. with comments at 6:00 p.m. She said she would consult with Converse Marketing for the invitations. It was decided that the Park District, County, City, Foundation, Peoria Historical Society and possibly the Historical Preservation Commission be included in the guest list. Ms. Polk also said that the reception would be held at 225 in the Mark Twain Hotel, and that office help would be appreciated in preparing the invitations. The possibility of having an open house meet and greet type affair later in the summer for the general public at Springdale was also discussed.

Treasurer's Report: Mr. Luthy discussed the financial reports. Questions were asked and answered. It was moved by Luthy, seconded by Andrews, that beginning immediately, commissions on sales of lots, monuments, etc. (when paid on an installment basis) be paid as payment is received from the consumer. On voice vote, motion carried. The payables were discussed, and it was moved by Hancock, seconded by Polk, that the payables be approved as presented. On voice vote, motion carried.

Bylaws Committee Report: Mr. Hancock reported they will meet with the General Manager soon and go over the portion of the bylaws completed. These will then be presented to the Authority for approval.

Investment Committee Report: Mr. Luthy reported that there had been no meetings. He stated that within sixty days, he will be making a proposal to take down some of the CD interest from the decoration funds to help the cash flow and expenses to offset the summer mowing costs.

Monument Restoration Committee: Ms. Hillyer reported that the wet weather has been a factor in slowing the work process and said that now that the weather is better, work will start to progress more quickly.

General Manager's Report:

- Copies of the General Manager's Report were handed out and questions were asked and answered.
- Mr. Austin also reported that the mold issue in the office is being dealt with.
- The signage program needs to go to the Historic Preservation Commission for review. He and Jane Converse are scheduled to attend their meeting on April 28 to present an overview of projected plans.
- Work should begin on demolition of the gatehouse within the next couple of weeks.

Unfinished Business: Mr. Rotherham said with the current elevated levels of communication with the IGA Partners, bi-annual meetings were suggested. It was suggested that the dates to meet be set in August 2010 and February 2011.

The modified Statement of Investment Policy was discussed, and it was moved by Andrews, seconded by Luthy, to approve the Statement of Investment Policy as follows:

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 acquired 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.

On voice vote, motion carried.

Axiom: The Axiom Business System issues were discussed, and it was decided that an ad hoc committee would be formed to investigate these issues further. It was also decided to invite outside consultants to do presentations. Mr. Kottemann suggested that Mr. Thiemann be involved. It was also suggested Bradley University Computer Science students and/or businesses in the area be asked for help.

Unfinished Business: Mr. Merkle asked if Mr. Austin had time yet to check regarding the change regarding the use of Motor Fuel Tax and was told he had not yet been able to check.

New Business: Handouts were distributed by Mr. Austin regarding green burials. This was discussed, and questions were asked and answered. Mr. Austin said that he would get some direction from Randy Ray regarding the legality of doing green burials at Springdale.

MRC POSITIONS: The Monument Restoration Technician and the Laborer position descriptions were discussed, and it was agreed that the description should include that these employees are supervised by the General Manager. **It was moved by Andrews, seconded by Polk, that the Monument Restoration Technician position and the Monument Restoration Laborer description be approved as corrected.**

Signage/Surcharge: Mr. Hancock expressed his feeling that it was very important that the new signage be installed in the cemetery as soon as possible. To this end, he suggested the possibility of adding a surcharge to marker and monument sales. This surcharge would be to finance the signs. Also suggested was to ask the Foundation to include information on the new signage in their fund-raising information. The General Manager was asked to make a recommendation at the next meeting regarding the surcharge.

Guest Input: Mr. Pat Lewis noted it has been stated at past meetings the previous administration did or didn't do certain things. He took issue with the comment and discussed some practices that were in place when he was General Manager.

Angela Moorhouse from the National Heritage Landmark group discussed the Savannah, the hill prairie area and possible funding available.

Next Regular Meeting: The next Regular Meeting of the Authority Board is scheduled for Tuesday, May 18, 2010, at 4:00 p.m., in the Maintenance and Volunteer Building at Springdale Cemetery.

Executive Session: It was moved by Luthy, seconded by Polk, to adjourn into Executive Session to discuss 2C21-Review of Executive Session Minutes and 2C5 – Acquisition of Real Property. On voice vote, motion carried.

Adjournment: Chairman Rotherham adjourned the meeting in Executive Session at 5:43 p.m.

Wendy Wilkens
Assistant Secretary

ATTEST:

Jeanette P. Hillyer
Secretary