

**CEMETERY COMMISSION MEETING MINUTES
LAKE FOREST CEMETERY GATEHOUSE
WEDNESDAY, JULY 27, 2021, 5:00 P.M.**

COMMISSIONERS PRESENT

John Anderson, Chairman
Robert Thornburgh
Lowell Dixon
Robert Wayne
Robert Worobow

STAFF PRESENT

Phil Alderks, Sexton
Alyssa Williams, Admin Assistant, Cemetery

OTHERS PRESENT

Tony Hoban, William Blair

I. ROLL CALL, CALL TO ORDER

Chairman Anderson called the meeting to order at 4:57 pm with all members present.

II. WELCOME NEW COMMISSION MEMBER ROBERT WOROLOW – JOHN ANDERSON

Chairman Anderson welcomed Robert Worobow to the Cemetery Commission. Anderson acknowledged Commissioner Worobow's HR leadership background, his experience on various Boards and Commissions in Lake Forest, and his time on the Lake Forest Caucus.

III. APPROVAL OF APRIL 27, 2022 MEETING MINUTES – JOHN ANDERSON

Chairman Anderson shared that the minutes from the April meeting were not yet available and will be approved at the October meeting.

IV. SECOND QUARTER INVESTMENT REPORT– TONY HOBAN

Tony Hoban of William Blair presented the Second Quarter Investment Report. He reported that performance challenges continued throughout the second quarter due to rising inflation, interest rates, and geopolitical uncertainty which pressured both equity and fixed income markets. After a strong performance record continuously over the last five years, the Cemetery's investment portfolio values dropped sharply in the second quarter of 2022, with common stock investments underperforming relative to our established benchmarks. The total portfolio value decreased by -16.2% during the second quarter (-24.8% year-to-date in 2022) versus a blended portfolio benchmark of -13.4% during the same period (-18.1% year-to-date).

Hoban emphasized that Blair has continued to emphasize growth-oriented domestic equities in our portfolio (with 53% in large cap equities and 47% in small and mid-cap equities), generally with a long-term investment time horizon. He indicated that Blair invested in a couple stocks during the quarter with the focus on companies with cashflow and sustainability through the current economic conditions. Hoban indicated that due to current market situation the asset allocation in the portfolio has intentionally shifted during 2022 with a larger proportion of cash and fixed income along with a lower proportion of international equities. However, allocations remain within the overall investment targets outlined in the Cemetery's Investment Policy.

Following a brief discussion about future expectations for market conditions, Chairman Anderson asked if there were any questions for Blair. There were no further remarks or questions.

A motion was made by Commissioner Thornburgh for William Blair to continue the current investment strategy. Seconded by Commissioner Wayne. Motion passed unanimously.

V. CHAIRMAN'S COMMENTS – JOHN ANDERSON

1) *Cemetery Staffing:* Chairman Anderson informed the Commission that the Cemetery has a new administrative assistant, Alyssa Williams, and welcomed her to the meeting. Anderson said that along with a new seasonal employee, the cemetery is now be fully staffed.

- 2) *Cemetery Annual Report Presentation to the City Council Finance Committee:* Chairman Anderson shared the requisite annual presentation that he gave to the City Council Finance Committee at their July 18th meeting. In that presentation, he reminded the Finance Committee that the work of the Cemetery Commission is directed by the principles in our Mission Statement covering our stewardship responsibilities for the Cemetery and its resources. He discussed the Cemetery's investment policy as well as overall strategy, and indicated that as of 4/30/2022 our total funds were just under \$11.4 Million, reflecting a decrease of -6.7% from the prior year. He pointed out that the Commission understands this outcome and is satisfied overall with the performance of our portfolio. He explained to the Finance Committee that our invested assets are intended to mainly fund the Cemetery's *future* operations after all our plots and niches have been sold (which we do not anticipate reaching for another 60 to 70 years) and to fund major capital improvements, if needed. Although these funds could also serve as a "safety net" for current operating expenses, our expenses are well covered by our operating revenues – and our intention has been to generally not touch that money for operations in the short term.

At the end of the July 18 presentation, members of the Finance Committee had asked questions about the projected availability of cemetery space. In turn, Chairman Anderson provided a follow-up summary analysis to the Finance Committee after that meeting. He shared that follow-up material with the Commission. This included cemetery availability information as of July 1, 2022, showing that there were 2,361 available ground burial space (graves), 1,292 available niches (including niches in the Phase II expansion of the Memorial Garden), as well as additional 784 potential new grave spaces.

- 3) *Clarification of Purview of HPC Review of Cemetery Plans and Structures:* Chairman Anderson shared that he had communicated with Cathy Czerniak, Director of Community Development, and she has definitively clarified that the Cemetery Commission and Cemetery staff are solely responsible for the overall character of the cemetery. Czerniak has stated that the elements at the *outward facing*, public edges of the Cemetery have been determined to be under the purview of the City's Historic Preservation Commission and have in the past been reviewed by the HPC and a Certificate of Appropriateness issued prior to construction or work on those elements (i.e., the Barrell Entrance Gate on Lake Road, the Memorial Garden near the entrance on Lake Road, and the Cemetery Gatehouse on Spruce Avenue). However, the monuments, mausoleums, and memorials *internal to the Cemetery* are under the purview of the Cemetery Commission and Cemetery staff. The responsibility for preserving the overall character of the Cemetery, including trees and landscaping, is also under the purview of the Cemetery Commission and Cemetery staff.

Chairman Anderson commented that he had received a memorandum a few hours earlier that afternoon from the Lake Forest Preservation Foundation expressing concerns about placement of mausoleums and the addition of a new mausoleum in the Cemetery (approved at the Commission's April 2022 meeting). In that memorandum, the LFPF also expressed concerns about the "small sum" of the purchase fee for a mausoleum site. Chairman Anderson indicated that he would study the memorandum in detail after this meeting and respond as needed.

The Commission had a brief discussion on how many mausoleum sites are left. Cemetery Sexton Alderks noted that the cemetery has two sites approved for larger mausolea, and there are a limited number of family estates for small mausolea. Alderks reiterated that all

sites in the cemetery plan/map were fully reviewed and approved by the Cemetery Commission 20+ years ago.

Commissioner Dixon stated that he believes the prices for mausoleum lots were too low. Chairman Anderson said that the Commission would discuss pricing at the October meeting when the Commission will review Cemetery fees overall.

VI. REVENUE/EXPENSE REPORT – JOHN ANDERSON AND PHIL ALDERKS

- 1) *FY2022 Full Year Revenue/Expense Report:* Chairman Anderson shared the Year End FY2022 Revenue-Expense Report. Anderson noted that revenues exceeded projections largely due to strong lot sales (including the sale of the Semersky mausoleum site) and that expenses were lower than originally estimated resulting in a \$750,000 net profit.
- 2) *FY2023 YTD Revenue/Expense Report:* Chairman Anderson stated that for the current fiscal year 2023, even though we are only 2 months in, sales are above budget by +12% and that expenses are -16% below budget mostly due to the administrative assistant and seasonal worker's positions not being filled yet.

Chairman Anderson then asked if there were any questions. There were no further remarks or concerns.

VII. CEMETERY UPDATES – VARIOUS MEMBERS

- 1) *Memorial Garden Phase II Update:* Chairman Anderson shared an update that had been provided to him by Superintendent Myers. He indicated that Craig Bergmann is mostly complete with the design specifications and should have bids completed in early August. If this timing can be achieved, Anderson said that bid packets could go out early August with bids due at the end of August. Anderson said that with this timeframe Myers proposed having a potential Special Meeting in September to approve the bid so then Myers would present the Commission's proposal to City Council. Construction would then start in October or November of this year. The Commission had a brief discussion and Chairman Anderson acknowledged that he thought this timing was likely aggressive. Commissioners also expressed concerns about the need to adjust or delay the timing of this project in order to provide full access to the Memorial Gardens by patrons during the approaching winter months if construction were to begin but not be completed by this time.
- 2) *Cemetery Space Projections Report:* This subject had been addressed already in this meeting under agenda Item V.

VIII. RECOGNITION OF ROMMY LOPAT'S SERVICE TO THE CEMETERY COMMISSION – JOHN ANDERSON

Chairman Anderson expressed appreciation for the dedication and contributions of Rommy Lopat during her tenure as a commissioner, and read into the record a resolution that acknowledges and recognizes her service to the Lake Forest Cemetery Commission.

IX. OTHER MATTERS

No other matters.

X. CITIZENS' OPPORTUNITY TO ADDRESS CEMETERY COMMISSION

No citizens present to address Cemetery Commission

XI. NEXT MEETING: WEDNESDAY, OCTOBER 26, 2022, at 5:00 PM.

Chairman Anderson noted that the next Cemetery Commission meeting will be at 5 p.m., Wednesday, October 26, 2022 at the Cemetery Gatehouse.

XII. ADJOURNMENT

There being no further business, Chairman Anderson asked for a motion to adjourn. Commissioner Thornburgh made a motion to adjourn, seconded by Commissioner Dixon. Motion carried unanimously at 6:23pm.