

State of North Carolina
Cemetery Commission

May 1, 2013

9:00 A.M.

The North Carolina Cemetery Commission held a meeting on Wednesday, May 1, 2013 in the Wood Oak Building, Suite 242, at 1100 Navaho Drive, Raleigh, North Carolina. Those members in attendance were President Gantt Stephens, Vice-President Michael “Dicky” Powell, Treasurer William “Bill” Gaffney, Commissioners Glenn Cutler, Ralph Yates, Linda Cotten, David Brown, Leonard J. “Boscoe” Fulcher, Jr., and Frank Rose, Jr.. Attorneys Anne Brown and Faison Hicks from the Department of Justice provided legal representation. Molly G. Lee was also present as temporary Program Assistant. A few members of the public attended the meeting.

The N.C. Cemetery Commission meeting was called to order by President Gantt Stephens. Commission Members then observed a brief silent Moment of Reflection.

President Stephens presented the Agenda for approval. Mr. Fulcher moved to approve, Mr. Brown seconded the motion. All voted in favor.

President Stephens introduced the Reading and Approval of the Minutes from the February 13 and April 26, 2013 meetings. Mrs. Cotten made a Motion to approve the Minutes as written; Mr. Cutler seconded the Motion. All voted in favor.

I. CONFLICTS OF INTEREST:

President Stephens declared that, in accordance with the State Government Ethics Act 138A15E, it is the duty of every Commission Member to avoid both conflicts of interest and appearances of conflict in regard to the matters being brought before them today, and to refrain from any undue participation in the particular matter involved. President Stephens asked for any conflicts of interest, Linda Cotten, David Brown, and President Stephens recused themselves from agenda Section V Item A.

II. ADMINISTRATIVE REPORT:

Pres. Stephens presented the Administrative Report. Financials were presented for April 2013 and considered by the Commissioners. President Stephens then gave an update on inspections and inspectors. Five inspections were completed in April with the goal being to have eight per month. A brief discussion occurred concerning the new exam and inspection process. President Stephens stated that the new process includes questions and the gathering of information that have not been a part of the process previously as does the new annual reporting format.

Continued areas of conflict and concern were discussed. Lee Memory Gardens has been an issue in the past but recent reports say it is looking better. Mr. Gaffney spoke up to the fact that Lee Memory Gardens is looking the best he’s ever seen it and introduced Daniel Owens and Gwen Rhodes who are managing the cemetery. Discussion centered around the possibility of Daniel’s

mother purchasing the cemetery. Mr. Gaffney informed Mr. Owens that approval by the Commission has not been requested or given yet and reminded him of that formal process for change of control of cemetery property. President Stephens commended Mr. Owens and Mrs. Rhodes for their influence.

Scotland County Cemetery in Laurinburg has had two customers request their memorials to be delivered and the cemetery told them they didn't have the funds for those memorials and the Commission filed claim against the bond and have finally secured release of the funds necessary to purchase the memorials. Mr. Fulcher had questions about how the claim was made against the bond and by whom and President Stephens responded that the Commission had made the claim against the bond. President Stephens clarified that the bonding company would be going back against HTCC after they pay the Commission to seek reimbursement for payouts against the bond. Mr. Gaffney asked if the payout was made at retail or wholesale and President Stephens replied that it was wholesale.

III. REQUESTS FROM THE PUBLIC TO ADDRESS THE COMMISSION:

President Stephens asked if anyone wished to address the board. Michael Rulison referenced the new business model for the Commission and suggested that the Commission collect information of Pre-Need Sales as to number and dollar value of Pre-Need contracts and gather such information in spreadsheet format. President Stephens asked for clarification as to the suggestion and thanked Mr. Rulison for his input.

IV. REPORTS OF SPECIAL COMMITTEES:

There were no reports from special committees.

V. NEW BUSINESS:

A. Rocky Mount Memorial Park Audit Fees

President Stephens recused himself and passed the gavel to Vice-President Powell. It was stated that Stewart requested tabling the topic for more time to review and respond. Mr. Cutler motioned to table the topic to the next meeting and all voted in favor.

B. Moody Change of Control

President Stephens updated the Commission on the matter of the Moody properties being Bill Moody Memorial Park in Bryson City and PE Moody Memorial Park in Sylva; Change of Control and informed the Commission that Shelia Gahagan had indeed applied for a change of control. President Stephens also informed the board that a court order was forthcoming to order that the cemeteries be transferred to Shelia Gahagan and into her company's name. President Stephens suggested giving a provisional approval on the Change of Control until the court order was received. Mr. Fulcher motioned to approve change of control but only provisionally until the Commission receives the order, Vice-President Powell seconded. After more discussion, all voted in favor of provisional approval of the Change of Control of the Moody properties to Shelia Gahagan.

C. Moody Name Change

Discussed new owner's desire to change the names on the Moody cemeteries back to the original names, but Mr. Cutler reminded the board that Ms. Gahagan has not put that in writing yet. Motion to table until Ms. Gahagan made that formal request for a name change, all in voted in favor of tabling to the next meeting.

D. Legislative Update

There was a general discussion of current pending legislation that might affect operations of the Commission and cemeteries statewide including H810 - Modify Certain Cemetery Requirements; H808 - Merge Cemetery Comm./Funeral Service Board; S607 - Exempt Certain Columbarium's/Cemetery Act.; S403 - Investments/Cemeteries/Funeral Funds; and H860 - Exempt Real Property for Burial Purposes.

The remainder of the business on the agenda to be considered and discussed needed to be considered in Executive Session as President Stephens had updated the Commission at the beginning of the meeting on the HTCC matter listed as agenda item VI (B).

E. Personnel Action Consideration and Recommendation

Mr. Fulcher made a Motion to go into Execution Session to receive legal guidance from Attorneys Anne Brown and Faison Hicks and to discuss personnel matters. Mr. Brown seconded the Motion. All voted in favor. Executive Session began at 9:39AM. During this Executive Session, the Commission sought, obtained and discussed legal advice provided by Ms. Brown and Mr. Hicks and discussed personnel matters related to Commission permanent staffing and organization. Motion was made by Mr. Fulcher to end the Executive Session and it was seconded. All voted in favor. Executive session ended at 10:13AM.

Motion was made by Mr. Gaffney to create the two staff positions. Mr. Fulcher seconded. All voted in favor. Motion was made by Mr. Gaffney and seconded by Mr. Powell for the Commission to employ Molly Lee and Vikki Tollefsen as Office Manager and Compliance Officer and Administrative Assistant respectively under the terms and conditions and with the duties assigned as presented and discussed during Executive Session. All voted in favor with effective employment dates for Ms. Lee of 5/6/13 and Ms. Tollefsen of 6/1/13.

Motion was made by Mr. Fulcher to go into Executive Session to receive legal guidance from attorneys. Ms. Cotten seconded. All voted in favor. Executive Session began at 10:24AM. Mr. Fulcher made a motion to end executive session. Mr. Yates seconded. All voted in favor. Executive session ended at 10:37AM.

Motion to adjourn meeting. All voted in favor. Meeting adjourned at 10:52 a.m.

The next meeting is scheduled for Wednesday, July 17, 2013 at 9:00 a.m. at the Wood Oak Building, 1100 Navaho Drive, Suite 242, Raleigh, NC 27609.

PRESIDENT

Date