

State of North Carolina
Cemetery Commission Meeting Minutes
October 21, 2015

The North Carolina Cemetery Commission held a meeting on Wednesday, October 21, 2015 in The Hilton North Raleigh Midtown located at 3415 Wake Forest Rd, Raleigh, NC 27609. Those Members in attendance were President Gantt Stephens, Vice-President Glenn Cutler, Treasurer William "Bill" Gaffney, Commissioners Angie Thomas-Daoud, Brad Bailey, Linda Cotten and new Commissioner Heather Boshier. Commissioners David Brown and John "Winn" Graham were absent. Members of the public were also in attendance.

The meeting was called to order by President Stephens, who opened the meeting with a warm welcome to new Commissioner Heather Boshier of Cumberland County appointed by the Speaker of the House to fulfill the unexpired term of Richard Lagatore. The President then called for a Moment of Reflection. First item was Agenda approval. Mr. Stephens noted that there was an additional item related to personnel which would take place in executive session. Mrs. Cotten moved to approve the amended Agenda, Mrs. Thomas-Daoud seconded the motion, all voted in favor to accept the agenda.

Next up for approval were the minutes from the July 15, 2015 meeting. Mrs. Cotten moved to approve the minutes, 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.

Mr. Stephens then asked if there were any conflicts of interest. No conflicts of interest were reported.

II. PRESIDENT'S REPORT:

There have been 41 complaints filed calendar year to date. Those complaints are either resolved or within the 20 day response period.

Mr. Stephens moved on to inspections reporting that 13 inspections had been completed since the last meeting and 50 inspections had been completed year to date. All annual reports have been received with the exception of four cemeteries: Columbus Memorial Park in Whiteville, Lee Memory Gardens in Sanford, Yadkin Memorial Gardens in Yadkinville and Gethsemane Memorial Gardens in Charlotte.

Mr. Stephens reported that the Grave Space and Assessment Reports had been revised and were now in the format of fillable PDFs which could be completed on a computer and printed for submission to the NCCC. The Pre-Need Sales License application had also been revised to be a fillable PDF.

Mr. Stephens stated that financials along with the NCCC audit would be discussed as a separate line item under New Business.

III. REQUESTS FROM THE PUBLIC TO ADDRESS THE COMMISSION:

Mr. Michael Rulison asked if the fillable forms would have the ability of electronic signatures. Mr. Stephens responded that electronic signatures and submission are part

of the overall goal but the mechanics of the payment had to be worked out first. Mr. Stephens noted that the Grave Space and Assessment reports were relatively easy to move to a digital format but the Merchandise and Services report is much more difficult.

There were no other request to address the Commission

IV. NEW BUSINESS:

- A. Rocky Mount Memorial Park Change of Control.** Mr. Mel Caison was present representing the seller. Mr. Dexter David was present representing the seller. Prior to opening the floor to discussion/questions from the commissioners, Mr. Stephens noted that the parties of this transaction requested revisions to the NCCC's Standard Liability Statement. A "redlined" version of the desired changes had been included in the meeting packet. The Commission's attorney had reviewed the desired revisions and found them to be acceptable. Mr. Stephens stated that the decision today could be to approve the change of control with the changes to the Standard Liability Statement, to approve the change of control and deny the changes to the Standard Liability Statement or deny the change of control. Mr. Cutler asked Mr. David for a brief history and background of the David operation which Mr. David provided. Mr. Bailey asked if accepting this change to the Standard Liability Statement would set a precedent and open the door to future changes to the Standard Liability Statement. Mr. Stephens responded that there was never a prohibition against requesting changes and that the Commission would continue to have the right to accept or deny requested changes in the future. Mr. Cutler noted that in some respects the revised Liability Statement is an improvement to the Standard Liability Statement. Mr. Cutler noted that Suntrust would continue to be the trustee after the change of control. Mr. Cutler moved that we approve the Change of Control for Rocky Mount Memorial Park and accept the changes to the liability statement as submitted. Mr. Bailey seconded. All voted in favor.
- B. Stonemor Properties Change of Trustee Request.** Change of Trustee requests were submitted for Randolph Memorial Park in Asheboro, Alamance Memorial Park in Burlington, West Lawn Memorial Park in China Grove, Wayne Memorial Park in Goldsboro, Lakeview Memorial Park in Greensboro, Skyline Memorial Gardens in Mt. Airy, Oakhill Memorial Park in Kinston, Pinelawn Memorial Park in Kinston, Oaklawn Memorial Gardens in Winston-Salem, Rowan Memorial Park in Salisbury, Carolina Biblical Gardens of Guilford in Jamestown, Martin Memorial Gardens in Everetts, York Memorial Park in Charlotte, Chatham Memorial Park in Siler City, Crestview Memorial Park in Rural Hall, Woodlawn Memorial Park in Durham, Mountlawn Memorial Park in North Wilkesboro, Montlawn Memorial Park in Raleigh and Floral Garden Memorial Park in High Point to change trustees from Suntrust to Regions Bank. Mr. Cutler noted that included in the meeting packet was information about Regions Bank. Mrs. Cotten moved to approve the Change of Trustee request. Mrs. Thomas-Daoud seconded. All voted in favor.
- C. NCCC Financial Audit and Financials Review.** Elizabeth Berry, the Accountant for the Commission was present and available for questions about the current financials. No questions were raised about the financials. Included in the meeting packet was a copy of the Audit Report from the independent audit firm. Mr. Cutler reported that three years of the Commission's audits had been submitted to the State Auditor's Office. There was discussion about transferring some of the Commission's funds to a different bank as recommended in the Audit Report. Ms. Berry provided guidance. Mr. Cutler moved to authorize the Treasurer to investigate our needs for a new bank

account and to move monies according to his best judgment. Mrs. Cotten seconded. All voted in favor. Mrs. Cotten asked if the bank lockbox for check processing had been investigated as recommended in the audit report. Mr. Stephens answered that a bank lockbox had been investigated but that there were problems with it with one being the expense. Mr. Cutler added that timeliness was also a problem because the checks were typically enclosed with the monthly reports. Mr. Stephens stated that with the bank lockbox system the checks would be mailed to a processing center in Atlanta. The processing center would then have to separate the checks from the monthly reports, box up the monthly reports and forward on to the Commission. Separating and forwarding the monthly reports to the Commission added a significant cost to the bank lockbox in addition to complicating the accounting process of matching the checks to the reports. The bank lockbox is a valid recommendation in theory but not good in practice considering the application of the Cemetery Commission. Mr. Cutler moved that we accept the Audit Report from Stancil and Co. dated October 12, 2015 for the past fiscal year. Mrs. Cotten seconded. All voted in favor.

V. OLD BUSINESS:

- A.** Update on Mountain View Cemetery. Mr. Stephens asked Mr. Boscoe Fulcher, receiver for Mountain View, to provide an update. Mr. Fulcher provided an update from the last meeting. Mr. Fulcher reported that the Superior Court Judge had signed an order allowing Mr. Fulcher to sell the cemetery. Mr. Fulcher gave information about Mr. Rick Harwood whom Mr. Fulcher recommended to become the new owner of Mountain View Cemetery. Mr. Fulcher noted that Mr. Harwood had been operating the cemetery under Mr. Fulcher's direction for several months. Mr. Stephens explained that the Commission's role was to accept the proposed Consent Judgment included in the meeting packet and that everything the Commission decided would be subordinate to the Superior Court Judge's order. Assuming the judge and all other parties sign the proposed Consent Judgment the trust funds of Mountain View Cemetery will be made whole, the Cemetery Commission will recoup the attorney fees it incurred and Mr. Rick Harwood will have control of Mountain View Cemetery. Mrs. Cotten moved that the Commission follow Mr. Fulcher's recommendation that Mr. Harwood be the new owner and that the President be authorized to sign the Consent Judgment on the Commission's behalf. Mr. Gaffney seconded. Mr. Gary West, a member of the gallery, volunteered his personal endorsement of Mr. Harwood. All voted in favor. Mr. Cutler made clear that this was not a customary change of control. Mr. Stephens followed that signing the Consent Judgment is the extent of the Commission's role in this matter and that ultimately the Commission will do as the Superior Court Judge directs.
- B.** Crown Memorial Park update. Mr. Hand was present. Mr. Stephens reported that the a recent inspection was completed at Crown Memorial Park and that Crown Memorial Park was found to be in much better shape than it was at the previous inspection. Mr. Stephens reported that Mr. Hand has done exactly what he said he would do and that the trust funds should be fully funded by the next Commission meeting in January. Mr. Stephens stated that he was impressed that Mr. Hand was able to dig out of the hole he was in and respected Mr. Hand for Mr. Hand doing what he said he would do.
- C.** Update on Ashelawn Gardens of Memory. Mr. Fulcher provided an update on his receivership of Ashelawn. Mr. Fulcher stated that Rose Cobb is working to become the sole owner of Ashelawn and restore the trust funds, pay off the IRS debt and the property tax debt. Mr. Fulcher reported that merchandise continues to be delivered and that the cemetery is being maintained. Mr. Fulcher said he would return in January for an update.

- D. Update on LaFayette Memorial Park. Mr. Stephens reported that the complaints have subsided and that there has not been a complaint received on LaFayette since the July meeting. Mr. Bailey commented that although this report was an encouragement it should not be taken that the slate is clean but that the situation will continued to be monitored.

(break)

- E. Discuss Personnel. Mrs. Cotten made a motion to enter executive session. Mrs. Boshier seconded. All voted in favor. Executive session began at 10:08AM. During executive session the employment of Nathan Morris was discussed along with an update on pending legal matters. The Commission's adopted operating agreement specifies that no employee will be hired on a permanent basis without approval from the full Commission. Upon leaving executive session Mr. Cutler made a motion to confirm the employment of Nathan Morris. Mrs. Cotten seconded. All voted in favor.

VII. REMINDER OF NEXT MEETING:

Next meeting for the Commission will be January 20, 2016 at this location unless advised otherwise..

Mr. Gaffney moved to adjourn. Mrs. Boshier seconded. All voted in favor. Meeting adjourned at 10:37 AM.