

State of North Carolina
Cemetery Commission Meeting Minutes
April 19th, 2017

The North Carolina Cemetery Commission held a meeting on Wednesday, April 19, 2017, in the Hilton North Raleigh Midtown located at 3415 Wake Forest Rd., Raleigh, NC 27609. The members in attendance were President William "Bill" Gaffney, Vice-President Linda Cotten, Treasurer Brad Bailey, Commissioners Heather Boshier, John "Winn" Graham, and David Simmons. Glenn Cutler and Gantt Stephens were in attendance as Executive Director and Director of Operations, respectively. Members of the public were also in attendance.

The meeting was called to order by President Gaffney. The President called for a Moment of Reflection. First item was agenda approval. Mrs. Cotten moved to approve the amended agenda and Mr. Graham seconded. All voted in favor to accept the amended agenda.

Next up for approval were the minutes from January 18, 2017. One revision to the minutes was proposed. Mrs. Cotten moved to approve the minutes as amended and Mrs. Boshier seconded. All voted in favor.

I. CONFLICTS OF INTEREST:

President Gaffney declared that, in accordance with the State Government Ethics Act 138 A 15E, 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. Gaffney then asked if there were any conflicts of interest. There were none.

II. OPERATIONS REPORT:

Mr. Gaffney asked Mr. Stephens to give a report on Operations.

Mr. Stephens began the report with a review of the most current financial reports. The CPA for the Commission was present in the gallery to answer any questions. Mr. Stephens noted that the Consumer Protection Fund continues to swell in growth. Mr. Stephens noted this was especially impressive considering that the Commission has not increased any of its fees in almost 10 years.

Twenty-seven (27) inspections have been completed since the last meeting bringing the total to twenty-nine (29) for the year. Nine (9) complaints have been received since the last meeting. Those complaints are either resolved or are within the twenty (20) day response period. Total complaints received in 2017 is ten (10).

Late monthly reports: #138 Shepherd (Sept. 2016-Feb. 2017), Yadkin (Oct. 2016-Feb. 2017), #022 Calvary (Dec. 2016-Feb. 2017)

February 2017 Late: All Stonemor cemeteries, #005 Azalea, #009 Bladen, #017 Carolina MG, #143 Sunrise MG.

Nine (9) Annual Reports for 2016 are delinquent: #009 Bladen, #022 Calvary, #054 Gardens of Gethsemane, #163 Overlook, #116 Pisgah View, #138 Shepherd, #143 Sunrise, and #158 Yadkin.

Mr. Stephens reported that the Change of Control for Lee Memory Gardens in Sanford is still pending.

This concluded the Operations Report.

III. REQUESTS FROM THE PUBLIC TO ADDRESS THE COMMISSION:

There were numerous requests to address the Commission. Lisa Adcock, Ray Adcock, Sean Clark, Frank Crumpler and Steve Velker each voiced concerns and complaints about Heather Boshier and LaFayette Memorial Park.

(break from 10:45-10:55AM)

Boscoe Fulcher asked to speak regarding the agenda item related to a pending ruling on Perpetual Care. Mr. Fulcher stated that the more funds that are paid into perpetual care the better the consumer is protected. Mr. Fulcher went on to say he never understood why a cemetery owner would resist or challenge paying funds into their own Perpetual Care trust fund.

There were no other requests to address the Commission.

IV. NEW BUSINESS:

- A.** Change of Control for Lancaster Memorial Park. Mr. Ryan Elliott Brown, representing the purchaser, appeared before the Commission. After a brief discussion, Mr. Graham made a motion to approve the change of control. Mr. Bailey seconded. All voted in favor.
- B.** Forest Lawn appeal of inspection findings. Forest Lawn representatives appeared to appeal the recent inspection findings. During the inspection, the Commission's inspector found two sales that occurred where the PC had not been paid properly in the view of the inspector. Forest Lawn argued that these are atypical sales and that the statute is not clear on the PC requirements of these sales. After a lengthy discussion Mr. Bailey made a motion that the cemetery pay \$3500 to the PC trust fund on the Dodd sale. Mrs. Boshier seconded. Mr. Graham abstained. All others voted in favor. On the second contract (Blitstein), Mr. Graham made a motion that the full PC is due as reported by the inspector and that if and when a mausoleum is placed on that property additional PC will be due. Mr. Bailey seconded. Mr. Simmons voted no. All others voted in favor.
- C.** Rocky Mount Memorial Park request to change trustees. A representative of the proposed trustee appeared and answer questions. After a brief discussion Mrs. Cotten made a motion to accept the trustee change to Live Oak Bank. Mr. Graham seconded. All voted in favor.
- D.** Unitrust Investment Rules. The President gave the floor to Mr. Stephens. Mr. Stephens gave a brief explanation of Unitrust (Total Return) method of investing contrasted with the method by which PC funds are being invested today. There are a growing number of trustees and cemetery owners that are interested in changing their PC investments to utilize the unitrust method. Mr. Stephens went on to say that the unitrust method is somewhat complex, especially for a stranger to the subject. Because of that, Mr. Stephens suggested he merely wanted to broach the subject today and start a dialogue about it. The current methods for PC investments allow the

PC principal (corpus) to grow only by contributions. Mr. Stephens suggested this could be a flawed design and lead to problems in the future. The unitrust method should be considered as a potential solution. Mr. Stephens said one requirement would be the creation of a solid investment policy statement that had been approved and adopted by the Commission. Mr. Stephens hopes to be back with that document for review later this year.

V. OLD BUSINESS:

- A. Update on Ashelawn Gardens of Memory: Mr. Stephens reported that the receivership has been dissolved and that the Ashelawn matter is now closed.
- B. Update on Glennview Change of Trustee: Mr. Stephens reported that Glennview had been approved by this Commission to change trustees from Suntrust to Cemfunds. That change of trustee did not go through due to a disagreement over the trust agreement. The funds remain at Suntrust.

VI. REMINDER OF NEXT MEETING: July 19th, 2017 at 10:00AM.

VII. ADJOURNMENT

Mrs. Boshier moved to adjourn. Mr. Simmons seconded. All voted in favor. The meeting adjourned at 12:27 PM.