

State of North Carolina
Cemetery Commission Meeting Minutes
October 17th, 2018

The North Carolina Cemetery Commission held a meeting on Wednesday, October 17th in the Hilton North Raleigh Midtown located at 3415 Wake Forest Rd., Raleigh, NC 27609. The members in attendance were Vice-President Linda Cotten, Commissioners: Leonard “Boscoe” Fulcher, Ebbie Whitley-Hendren, Bobby Townsend, Lenual Primus, David Simmons, and Sharon Weaver. Glenn Cutler as Executive Director and Gantt Stephens as Director of Operations were also in attendance. Members of the public were also in attendance.

The meeting was called to order by Vice President Cotten. The Vice President called for a Moment of Reflection. First item was the agenda approval. Mr. Townsend moved to approve the agenda. Ms. Weaver seconded. All voted in favor to accept the agenda.

Next up for approval were the minutes from July 25th, 2018. Mr. Fulcher moved to approve the minutes. Mrs. Whitley-Hendren seconded. All voted in favor.

I. CONFLICTS OF INTEREST:

Vice President Cotten 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 conflicts in regards to the matters being brought before them today and to refrain from any undue participation in the particular matters involved.

Mr. Fulcher recused himself from the agenda item related to Landquest Legacy. No other conflicts of interest were reported.

II. OPERATIONS REPORT:

Mr. Stephens began the report with a review of the most current financial reports and asked if there were any questions.

Twenty-Eight (28) inspections have been completed since the last meeting. Four inspections were rescheduled due to the hurricane Florence. 76 inspections have been completed year to date.

Twenty-two (22) Complaints have been received since the last meeting bringing the year to date total to 37. With the exception of one, these complaints are either resolved or within the 20-day response period. One complaint about Calvary cemetery in Wilmington is past due but that is expected to be resolved soon.

There are no cemeteries with late Annual Reports; all Annual Reports have been submitted.

Mr. Stephens reported that there have been changes to the administrative staff. Two new part time staff members have been hired. In keeping with the operational policy of the Commission, these two new hires will be introduced as an agenda item today for Commission approval. Nathan Morris is transitioning to full time inspections. Mr. Stephens commended Mr. Morris for his time and good work in his administrative role with the Commission. Cemetery owners and managers often submit positive feedback on Mr. Morris' inspection work and we look forward to increasing Mr. Morris' time in the field.

Mr. Stephens also reported that the Commission has secured the services of Maddison Caison CPA firm in Raleigh to provide all the accounting needs of the Commission. Representatives from Maddison Caison were present in the gallery and were available for questions.

Mr. Stephens stated his Operations Report was complete unless there were questions.

III. REQUESTS FROM THE PUBLIC TO ADDRESS THE COMMISSION:

Ms. Denice Medlin appeared before the Commission to request assistance with the poor condition of Mountlawn Memorial Park in Boone. Ms. Medlin stated that the owner does not have the resources to properly care for the cemetery and asked the Commission to do whatever it could to improve the condition of Mountlawn Memorial Park. Mr. Stephens stated that the owner was working to turn the cemetery over to County of Watauga or the Town of Boone. Mr. Stephens stated that he had spoken to the owner of Mountlawn two days ago to invite the city and/or county officials to contact him to facilitate the transfer of the cemetery to the city or county.

There were no other requests to address the Commission.

IV. NEW BUSINESS:

- A. Service Corporation International(SCI) Trust Agreement Approval. SCI had submitted templates for their PC Trust Agreements for the Commission to approve. Mark Hall and Esther Bateman were present as representatives of SCI. After a brief discussion, Mr. Fulcher moved to approve the trust agreement template. Mrs. Whitley-Hendren seconded. All voted in favor.
- B. Pinelawn Memorial Park in Southern Pines Change of Control. Mr. Robert Nunalley was present as the buyer. Mr. Jim Williford was present as the seller. After a brief discussion Mr. Fulcher moved to approve the change of control. Mr. Primus seconded. All voted in favor.

- C. Citadel Management to Parklawn change of control. All the missing documents noted at the July meeting have been received. Mr. Fulcher moved to approve the change of control. Mr. Townsend seconded. All voted in favor.
- D. Declaratory ruling request. Ensley Family Cemetery requested a declaratory ruling that their family cemetery is not subject to the Cemetery Act. Mr. Cutler explained that the statute provides for specific exemptions and that based on the information provided to the Commission, Ensley Family Cemetery is exempt from the Cemetery Act. Mr. Fulcher moved to declare Ensley Family Cemetery exempt from the Cemetery Act. Mr. Townsend seconded. All voted in favor.
- E. Lee Memory Gardens Inspection Findings. Trust deficiencies were discovered by a recent inspection of Lee Memory Gardens. The 20-day letter had been sent without a response so this item was referred to the full Commission. Mr. Cutler reported that the day prior to the meeting the Commission had received a letter from Lee Memory of a proposal to pay \$500 per month correct the deficiencies. A copy of that letter was provided to the Commissioners. After much discussion Mr. Fulcher moved to approve a plan for Lee Memory to pay \$500 per month to correct their deficiencies with the first payments to be applied to the PC Trust Fund and, upon satisfaction of the PC Fund deficiency the subsequent payments will be applied to the Merchandise Trust Fund. Mrs. Whitley-Hendren seconded. All voted in favor.
- F. Lumbee Memorial Gardens Inspection Findings. Trust deficiencies were discovered by a recent inspection of Lumbee Memorial Gardens. Lumbee made one lump sum payment against their deficiency along with a proposal to pay \$500 per month repay the remaining deficiency. Mrs. Whitley-Hendren moved to approve the Lumbee's proposal. Mr. Fulcher seconded. All voted in favor.
- G. Gardens of Gethsemane Rocky Mount Inspection Findings. For some time, the Commission has been working with Gardens of Gethsemane to resolve trust fund deficiencies discovered by an inspection. Gardens of Gethsemane submitted a proposal to pay \$5,000 per month to correct the deficiencies. Gardens of Gethsemane also requested approval to changed their trustee from Chemical Bank to Cemetery Funds. Mrs. Whitley-Hendren moved to approve the change of trustee and Gardens of Gethsemane's proposal provided that the first payments are applied to the PC Trust Fund until satisfied subsequent payments applied to the Merchandise Trust Fund. Mr. Fulcher seconded. All voted in favor.
- H. Landquest Legacy and the Commission had entered an agreement a year ago to correct deficiencies discovered by an inspection. Because a payment was past due, the issue was placed on the meeting agenda. Landquest delivered payment to the Commission prior to the meeting so the issue was resolved.

- I. Mr. Stephens explained that the Investment Policy Statement adopted by the Commission on January 24, 2018 needed a minor revision. Instead of the distribution being calculated on the quarterly fair market value balance, the distribution would be calculated on the fair market value ending December 31. The primary reason for this change is to facilitate ease of oversight by the inspectors. Mr. Townsend moved to approve the change. Mr. Fulcher seconded. All voted in favor.
- J. Janice Bishop and Jennifer Street appeared before the Commission for approval to become permanent employees. Mr. Stephens explained that the Commission adopted an operational manual several years ago that included a provision that all permanent staff hires be approved by the full Commission. The board members were provided resumes of Ms. Bishop and Ms. Street and were provided the opportunity to ask any questions. After a brief discussion, Mrs. Whitley-Hendren moved to approve the permanent employment of Janice Bishop and Jennifer Street. Mr. Primus seconded. All voted in favor.
- K. By statute, the Commission is required to submit an annual budget. Copies of the proposed budget were provided to the board members. Mr. Cutler provided an overview of the budget and asked if there were any questions. Mr. Fulcher moved to approve the budget as proposed. Mr. Townsend seconded. All voted in favor.

V. OLD BUSINESS

- A. Shepherd Memorial Park Update. Mr. Stephens reported that the lawsuit was filed and a court date assigned. Shepherd has since submitted all the reports that were late. There are currently no past due reports or complaints for Shepherd Memorial Park. The Commission has proposed a settlement agreement whereby Shepherd would pay the attorney fees the Commission has incurred to date.

VII. REMINDER OF NEXT MEETING DATE:

January 16th, 2019 at 10:00 AM.

VIII. ADJOURNMENT:

Mrs. Cotten adjourned the meeting. The meeting ended at 11:07 A.M.