

Minutes of Meeting
Louisiana Cemetery Board
November 15, 2019

The regular meeting of the Louisiana Cemetery Board was held November 15, 2019, at 3445 North Causeway Boulevard, Suite 509, Metairie, Louisiana, pursuant to notice. Chairman Melancon called the meeting to order at 9:00 A.M.

Present were: Gerald W. Melancon, Chairman
Marilyn Leufroy, Vice-Chairman
Shelly M. Holloway, Secretary/Treasurer
Rev. Shelton C. Dixon, At-Large Board Member
F. Anton Wilbert, Board Member
Richard C. Briede, Board Member
Lucy L. McCann, Director
Jerry W. Sullivan, Special Counsel to the Board
Ryan M. Seidemann, Assistant Attorney General

Absent was: Stacey L. Patin, Board Member

- - -
Eugene and Phyllis Walters, Walters Funerals, L.L.C. d/b/a Greenlawn Memorial Gardens, Lafayette, Louisiana; Debbie Holmes and Sarah Duke, Argent Trust, Ruston, Louisiana; L. Paul Raymond, American Cemetery Consultants, LLC., New Orleans, Louisiana; John Holloway, Mulhearn Memorial Park, Monroe, Louisiana; and Esther Bateman. Service Corporation International ("SCI"), New Orleans, Louisiana.

- - -
Public Comment

Esther Bateman provided the Board with information requested at the May 10, 2019 Board Meeting related to data on the growth and income distributions of trusts utilizing the Total Return distribution method, as well as, proposed language for adding the Total Return distribution method option to Title 8.

Ms. Bateman reviewed a portfolio analysis covering 2003 through June 2019 evaluating the distributions and market value of a Total Return portfolio versus an Income portfolio. The analysis reflects that the Income portfolio is distributing less income and growing less than the Total Return portfolio. The analysis provided does not test the income portfolio or Total Return portfolio against the consumer price index ("CPI").

The Board thanked Ms. Bateman for her presentation and requested that the information be provided to the Board in an electronic format for further review and consideration.

- - -
Ms. Leufroy made a motion to take the agenda out of order to accommodate any guests that were in attendance. The motion was seconded by Ms. Holloway and unanimously approved.

- - -
New Business

Walters Funerals, LLC d/b/a Greenlawn Memorial Gardens, Lafayette, LA – Veterans Section/Gallant Fields.

The Director advised an Application for Pre-Construction Sales Project was received in 2015 for this project. Under La. R.S. 8:706 the project must be completed within four years from the date of first sale which, in this case, was June 7, 2019.

Chairman Melancon recused himself from participating in the discussion or vote on this matter.

Mr. Walters addressed the Board advising they developed the project in phases, but cost estimates to complete some phases, particularly the roof, were coming in higher than anticipated. They would have liked the burials in the veteran's section to pay for the project, however, they have had only nineteen inground burials and four inurnments in the veteran's section. The original estimate for the project was approximately \$65,000 and thus far they have invested \$44,900 in the project. Mr. Walter advised they had every intention to complete project and was appearing today to request an extension.

The Director asked Mr. Walters about the number of columbaria currently installed versus the number reflected in the project rendering submitted with the original application. The rendering reflects four columbaria but only two have been installed. Mr. Walters indicated that only two would be installed at this time. The Director asked about the bell tower which is also reflected in the rendering submitted with the application. Mr. Walters acknowledge that has not been done because of the cost factor. Further, Mr. Walters acknowledged the rendering submitted with the application was used in signage advertising the project.

After review and discussion, Rev. Dixon made a motion to approve a modification of the project under La. R.S. 8:606, to reduce the number of columbaria originally proposed to the two existing structures, and to grant a one-year extension to complete the project, including the roof of the pavilion and the bell tower, no later than June 7, 2020. The motion was seconded by Mr. Briede and unanimously approved.

- - -

Modification of Pre-Construction Sales Project by American Cemetery Consultants, LLC.

Congregation of St. Leo's Roman Catholic Church d/b/a St. Leo Cemetery, Leonville, La. The Director reviewed the information before each Board Member, which reflected that the original project called for 152 crypts and 40 niches but, due to lack of sales, a request has been received to reduce the project to 68 crypts and 40 niches. Tentative approval of the modification was given by the Board's staff after all documentation was received so that the projects construction could proceed. Mr. Raymond advised they open a project with a certain number of spaces and if sales reach our goal, they extend the project but, in this case, the project did not meet its sales goal and had to be reduced. The reduction resulted in two sales having to be relocated to an equal or better location.

After review and discussion, Ms. Holloway made a motion to ratify the modification as presented. The motion was seconded by Mr. Briede and unanimously approved.

St. Landry Roman Catholic Church d/b/a St. Landry Roman Catholic Cemetery, Opelousas, LA. The Director reviewed the information before each Board Member, which reflected that the original project called for 230 crypts and 40 niches but, due to lack of sales, a request has been received to reduce the project to 200 crypts and 40 niches. Tentative approval of the modification was given by the Board's staff after all documentation was received so that the projects construction could proceed. Mr. Raymond advised the reduction resulted in two sales having to be relocated to an equal or better location.

After review and discussion, Ms. Holloway made a motion to ratify the modification as presented. The motion was seconded by Mr. Briede and unanimously approved.

Congregation of Our Lady of the Sacred Heart Roman Catholic Church Cemetery, Church Point, LA. The Director reviewed the information before each Board Member, which reflected that the original project called for 104 crypts but, due to lack of sales, a request has been received to reduce the project to 92 crypts. Mr. Raymond advised the reduction resulted in two sales having to be relocated to an equal or better location and one contract being refunded.

After review and discussion, Ms. Holloway made a motion to approve the modification as presented. The motion was seconded by Rev. Dixon and unanimously approved.

- - -

Rev. Dixon made a motion to return to the regular order of the agenda. The motion was seconded by Mr. Briede and unanimously approved.

- - -

Approval of Minutes

Since copies of the Minutes had been previously disseminated to each Board Member, the Chairman asked if there was any discussion or amendments. Ms. Leufroy made a motion to approve the May 10, 2019, September 12, 2019 and September 13, 2019 Board Meeting Minutes as presented. The motion was seconded by Mr. Wilbert and unanimously approved.

Report of Officers

The Director reviewed the Statement of Operations January through October 2019; Cash & Investments as of October 31, 2019; and the Budget vs. Actual January through October 2019. After review and discussion, Ms. Holloway made a motion to accept the financial statements as presented. The motion was seconded by Rev. Dixon and unanimously approved.

The Director reviewed the 2019 Proposed Budget Amendments which, among other things, reflected a significant increase in the Board's general liability insurance premiums.

Ms. Leufroy made a motion to take the agenda out of order to discuss the appeal of the annual insurance premiums assessed to the Board from the Division of Administration, Office of Risk Management. The Director advised that the 2018 insurance premium was \$1,573 and the 2019 insurance premium was \$9,377 but after the matter was appealed a credit of \$2,187 was applied to the 2019 premium reducing it to \$7,190. The Director advised that the reason for the increase is related to the Board being named in a law suit, more specifically, Elton Bouttee vs Catholic Foundation of the Diocese of Lafayette, St. Nicholas Catholic Church, St. Nicholas Catholic Cemetery, Father Gregory Chauvin, Louisiana Cemetery Board, and Oubre's Marble and Granite, 16th Judicial District Court, Parish of Iberia. Although the Board was released from the suit for no cause of action, it raised the Board's exposure and experience which affects the Board's premiums. Mr. Sullivan advised that a meeting was held with Office of Risk Management and provided the Board with an explanation regarding how the premium was calculated. Anytime you look at premium rates you typically look at loss runs but the state does not operate under that procedure. The state looks at two criteria, exposure and experience. Exposure is what is pending now and what is the state's exposure. Experience is what has been pending and what has the cost been associated with that claim. In this case, although we are the client, we were not allowed to see the loss runs. We do know that the Board was dismissed from the case at zero cost in terms of an indemnity, because there was no cause of action. We did receive information which indicates that over nine thousand dollars was attributed to that motion to dismiss. Although the Board was dismissed from this case, the Board will have four more years at this higher exposure and experience premium rate, assuming we are not involved in other litigation. After discussion, Rev. Dixon made a motion to return to the regular order of the agenda. The motion was seconded by Ms. Leufroy and unanimously approved.

After review and discussion, Rev. Dixon made a motion to accept the 2019 Proposed Budget Amendments as presented. The motion was seconded by Ms. Leufroy and unanimously approved.

The Director reviewed the 2020 Proposed Budget outlining estimated income and expenses. After review and discussion Ms. Leufroy made a motion to approve the 2020 Budget and increase the 2019 interment fees for the 2020 Renewals for Certificate of Authority from thirteen dollars (\$13.00) to fourteen dollars (\$14.00) per interment. The motion was seconded by Rev. Dixon and unanimously approved.

Further, Rev. Dixon made a motion to increase the Merchandise Report filing fee from eight dollars (\$8.00) to nine dollars (\$9.00) on contracts written in 2020 and due in 2021; and to increase the Perpetual Care Report filing fee from three dollars (\$3.00) to four dollars (\$4.00) on contracts written in 2020 and due in 2021. The motion was seconded by Mr. Briede and unanimously approved.

There was a discussion regarding the Legal Litigation Escrow Account and Long-Term Liabilities and Extra Ordinary Expenses Treasury Bill which will mature December 5, 2019. Mr. Briede made a motion to increase and reinvest the funds in another twelve-month Treasury Bill with a face value at maturity of \$125,000. The motion was seconded by Rev. Dixon and unanimously approved.

- - -

Report of Director

The Director reported on matters being handled by staff and not requiring action by the Board at this time.

- - -

Approval of Applications for Pre-Construction Sales Projects

The Director reviewed the Applications for Pre-Construction Sales Projects received by the Board since the last Board meeting. After review and discussion, Ms. Leufroy made a motion to approve the Applications for Pre-Construction Sales Projects received since the last Board meeting. The motion was seconded by Ms. Holloway and unanimously approved.

- - -

Ratification of Certificates of Authority issued

The Chairman asked for a motion to ratify the licenses issued since the last Board Meeting. Mr. Wilbert made a motion to ratify the 2019 Non-Exempt (New/Transfers) #19-539; #19-542; #19-544 - #19-545; 2019 Non-Exempt (Renewals) #19-537 - #19-538; #19-540 - #19-541, #19-543; Exempts (New) #1464E - #1472E; and 1,042 Exempt (Renewals) as identified in Topic #4. The motion was seconded by Ms. Leufroy and unanimously approved.

- - -

Reports of Committees

The Director reviewed the October 2019 Summary Report and advised the report had been accepted by the Examination & Inspection Committee, Mr. Wilbert and Chairman Melancon, Ex-Officio Member of the Committee.

The Director also provided the Board with a summary of the perpetual care and merchandise trust fund balances of reconciled reports as of November 12, 2019.

Old Business

Assistant Attorney General, Mr. Seidemann, provided a status report and answered questions on the cemetery disruptions caused by the 2016 flooding advising there still remains two cemeteries out of the seventy-four impacted cemeteries that have not been completely restored.

The Statewide Cemetery Response Task Force within the Governor's Office of Homeland Security, has met several times to discuss contingencies in the event of a disaster. However, the Task Force was not activated during Hurricane Barry. In subsequent meetings, the Task Force appointed Mr. Seidemann Chairman, and he will be the point person to request GOHSEP activate the Task Force in the event of a natural disaster in the future. Mr. Seidemann stated they had documented some impacts from Hurricane Barry but there was not funding available through FEMA for governmental assistance in cemetery repairs. The most significant impacts were in a Catholic Cemetery but they were able to fund repairs through their insurance.

Mr. Seidemann advised the Slavery Ancestral Burial Grounds Preservation Commission has not met since its initial meeting. Mr. Seidemann also advised that at the federal level there has been similar legislation introduced in Congress that would institute a similar program within the National Park Service to record and document historic African American cemeteries nationwide and, if passed, it would provide a funding source for the documentation of these cemeteries.

New Business

Informal Proceeding Docket No. 2019-013-E – Re: Parklawn Memorial Management, L.L.C. d/b/a Parklawn Memorial Gardens, Hammond, LA.

The Director and Mr. Seidemann reviewed the details of the stipulated facts and violation(s), as well as the proposed resolution outlined by the Consent Agreement, a copy of which was before each Board Member.

The Director and Mr. Seidemann answered questions by the Board regarding the stipulated facts, violation(s), and the recommended resolution.

After discussion, Rev. Dixon made a motion to ratify the Consent Agreement with Parklawn Memorial Management, L.L.C. d/b/a Parklawn Memorial Gardens as presented. The motion was seconded by Mr. Briede and unanimously approved.

- - -

The meeting adjourned for lunch.

- - -

Request for wavier of late fees of 2019 Request for Information on Exempt Certificate of Authority: Town of Iota d/b/a Iota Cemetery, Iota, LA; Town of Oil City d/b/a Lakeview Memorial Gardens, Oil City, LA; and Town of Oil City d/b/a Evans Field Cemetery, Oil City, LA.

After review of the information presented, Ms. Leufroy made a motion to grant the waivers. The motion was seconded by Rev. Dixon and unanimously approved.

- - -

Request for withdrawal from Merchandise Trust Fund pursuant to LAC 46:XIII.1705(D) by: City of Baker d/b/a Hillcrest Memorial Gardens and Mausoleum.

The Director reviewed the correspondence requesting the withdrawals and supporting documentation from the City of Baker which reflects 70% (\$3,220) of a contract for the sale of two mausoleum crypts was deposited into the merchandise trust fund of Hillcrest Memorial Gardens and Mausoleum in error. The Director also reviewed the law and rules applicable to this request.

After review of the request and discussion, Rev. Dixon made a motion to authorize the withdrawal of funds deposited in error, totaling \$3,220. The motion was seconded by Ms. Leufroy and unanimously approved.

- - -

The Board reviewed the resumes and discussed the interviews conducted during the Board Meeting on November 14, 2019.

After discussion, Mr. Briede made a motion that the Board hire the Derbes Law Firm, L.L.C., to serve as Special Counsel to the Board, and to authorize the Director to enter into a two-year contract, at \$35,000 per year / \$190 per hour, with the firm. The motion was seconded by Ms. Leufroy and unanimously approved.

- - -

The Director advised Act No. 4 of the 2019 Regular Legislative Session became effective August 1, 2019, and amended La. R.S. 8:655.

- - -

The 2020 meeting dates were set for Thursday, May 14, 2020 (if necessary); Friday May 15, 2020; Thursday, November 5, 2020 (if necessary); and Friday, November 6, 2020.

- - -

Executive Session

Rev. Dixon made a motion to go into Executive Session to discuss litigation and review staff performance. The motion was seconded by Mr. Briede and a roll call vote was taken: Ms. Leufroy – yea; Mr. Wilbert – yea; Rev. Dixon – yea; Mr. Briede – yea; Ms. Holloway – yea; and Mr. Melancon – yea.

Mr. Briede made a motion to come out of Executive Session. The motion was seconded by Ms. Leufroy and a roll call vote was taken: Ms. Leufroy – yea; Mr. Wilbert – yea; Rev. Dixon – yea; Mr. Briede – yea; Ms. Holloway – yea; and Mr. Melancon – yea.

In the matter of Karen Sue Giles versus Oak Lane Memorial Park, L.L.C. and National Information Services, Inc., et al – Docket No. 2019 CA 0357, Frist Circuit Court of Appeal, dated November 15, 2019, Mr. Briede made a motion the Board’s staff and Attorney General’s office be authorized to institute a receivership of Oak Lane Memorial Park cemetery in the event that National Information Services, Inc. files for bankruptcy protection. The motion was seconded by Rev. Dixon and unanimously approved.

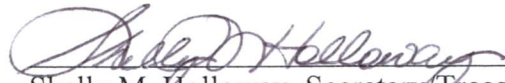
Further, Ms. Leufroy made a motion to authorize the Board’s staff and Attorney General’s office to take any necessary steps in protection of consumers or the cemetery’s trust funds in a bankruptcy proceeding, should one be filed. The motion was seconded by Mr. Wilbert and unanimously approved.

Regarding staff performance, Rev. Dixon made a motion to increase the salary of the Assistant to the Director by 5% and to increase the salary of the Director by 6%, with both increases becoming effective the first pay period of 2020, and authorize the Director to amend the 2020 Budget accordingly. The motion was seconded by Mr. Briede and unanimously approved.

The Director thanked the Board for their consideration.

- - -

Since there was no further business, Rev. Dixon made a motion to adjourn at 2:15 P.M. The motion was seconded by Ms. Leufroy and unanimously approved.



Shelly M. Holloway, Secretary/Treasurer

Attested To:

Gerald W. Melancon, Chairman

