

Minutes of Meeting
Louisiana Cemetery Board
November 6, 2020

The regular meeting of the Louisiana Cemetery Board was held November 6, 2020, via video conference, pursuant to notice, and in a manner that allowed for observation and input by members of the public, in accordance with La. Acts 2020, No. 302 and Executive Proclamations JBE 2020-134 and JBE 2020-135. 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
Stacey L. Patin, Board Member
F. Anton Wilbert, Board Member
Sherri S. Peppo, Board Member
Lucy L. McCann, Director
Eric J. Derbes, Special Counsel to the Board
Ryan M. Seidemann, Assistant Attorney General

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Debbie Holmes, Argent Trust Company, Ruston, Louisiana; Sarah Duke, Argent Trust Company, Ruston, Louisiana; L. Paul Raymond, Jr., American Cemetery Consultants, LLC., New Orleans, Louisiana; and Allen Kopp, Resthaven Gardens of Memory, Baton Rouge, Louisiana. (One party "VH" was granted entry into the video conference meeting, but did not identify themselves.)

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Public Comment

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Mr. Wilbert made a motion to take the agenda out of order and defer Topics #1, #2, and #4 until after the Executive Session because they relate to personnel matters. The motion was seconded by Ms. Leufroy and unanimously approved.

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Report of Director

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

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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. Patin 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. Ms. Leufroy made a motion to ratify the 2020 Non-Exempt (New/Transfers) #20-550 - #20-553; 2020 Non-Exempt (Renewals) #20-538 - #20-549; 2020 CSO (Renewals): #CSO-20-07; Exempt (Renewals) #1233E; and Exempt (New) #1484E - #1494E. The motion was seconded by Ms. Holloway and unanimously approved.

Examination and Inspection Committee

The Director reviewed the October 2020 Summary Report and advised the report had been accepted by the Examination & Inspection Committee, Mr. Wilbert and Chairman Melancon (Ex Officio Committee Member).

The Director also provided the Board with a summary of the perpetual care and merchandise trust fund balances of reconciled reports as of October 2020.

After review and discussion, Ms. Holloway made a motion to ratify the October 2020 Summary Report as presented. The motion was seconded by Ms. Leufroy and unanimously approved.

The Director reported that Rev. Shelton C. Dixon, At-Large Board Member, had recently submitted his resignation to the Governor and there is now a vacancy on the Examination & Inspection Committee. The Chairman asked for a volunteer to serve on the committee. There being no volunteer the Chairman will make an appointment at a later date.

Old Business

The Director also reported that Rev. Dixon also represented the Board on the Slavery Ancestral Burial Grounds Preservation Commission. After discussion, Ms. Peppo made a motion to appoint the Director to represent the Board on the Slavery Ancestral Burial Grounds Preservation Commission. The motion was seconded by Ms. Holloway and unanimously approved.

New Business

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

Pythian Cemetery Association d/b/a Pythian Cemetery, Bunkie, LA – Garden Mausoleum No. 3. The Director advised the original project called for 96 crypts and 30 niches but, due to lack of sales, a request has been received to reduce the project to 60 crypts and 30 niches. Mr. Raymond advised, due to a lack of sales and the Covid-19 Public Health Emergency, the project did not meet its sales goal and had to be reduced. He further advised, there are no sales affected by the rows of crypts being eliminated from the project and construction of the modified project is scheduled to begin in December 2020 or January 2021.

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

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National Memorial Planning Company, Inc., San Angelo, Texas – conversion of stored merchandise to trusting.

The Director advised National Memorial Planning Company, Inc. (“NMP”) has an established merchandise trust fund and also stores merchandise to cover contracts previously sold in Louisiana. Pursuant to Title 8, NMP was required to post a Trade Guarantee Bond and insurance with the Board to cover their out of state storage of merchandise. However, NMP was unable to renew its Trade Guarantee Bond and has converted its previously stored merchandise to trusting. At the time of conversion, only ten memorials remained in storage for Louisiana contracts. The Director reviewed the information provided by NMP which reflected \$9,102.84 was placed in trust to cover the ten contracts converted from storage to trusting. Eight contracts were trusted at 50%, one contract was trusted at 70%, and one contract was trusted at 125% of wholesale cost.

After review and discussion of LAC 46:XIII.1703(B), Ms. Holloway made motion to ratify the conversion as presented since the contracts trusted also remain in storage at NMP’s facility in Texas. The motion was seconded by Ms. Patin and unanimously approved.

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Argent Trust – Request for modifications to Master Trust.

The Director advised that Argent is requesting the Board consider modifications to the Master Trust previously approved by the Board as follows: 1. The ability to hire a third-party record keeping firm; 2. An increase in the annual fee from 0.75% to 1.10% to cover the increase in cost associated with recordkeeping; and 3. The extension of this authority to include Merchandise Trust assets (La. RS 8:502). The Director advised that item 3 could only be accomplished through legislation.

Ms. Holmes addressed the Board advising that in-house record keeping is not something Argent offers across the board to their cemetery and funeral clients and the current management believes there is a liability in Argent providing these services in-house. Therefore, Argent would like to engage a third-party record keeper. Argent works with several third-party record keeping firms and believes that Funeral Services, Inc. (“FSI”) would be the firm chosen for Louisiana’s Master Trust. Ms. Holmes advised the proposed changes would happen gradually as the number of participants in the Master Trust increases and the increased fees can be justified by better and lower cost investments.

After review and discussion, Ms. Holloway made a motion to approve items #1 and #2 for the Master Trust administered by Argent and to take item #3 under advisement. The motion was seconded by Ms. Patin and unanimously approved.

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The Director presented a proposed CPA engagement letter from Pinell & Martinez, LLC. for services covering the years ending December 31, 2020, 2021, and 2022.

After review and discussion, Ms. Leufroy made a motion to approve the engagement as presented. The motion was seconded by Ms. Peppo and unanimously approved.

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The Director advised the Board’s current office lease expires May 31, 2021 and presented a Lease Option to renew the current lease, under the same terms, for an additional five years ending May 31, 2026.

After review and discussion, Ms. Peppo made a motion to approve the Lease Option. The motion was seconded by Ms. Leufroy and unanimously approved.

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Statewide Cemetery Response Task Force Report – Hurricanes Laura, Delta, and Zeta.

Mr. Seidemann, Assistant Attorney General and Chairman of the Statewide Cemetery Response Task Force, addressed the Board and stated there is cemetery damage from all three events. The damage from these storms is unprecedented and eclipses the scope of Hurricanes Katrina and Rita.

With regard to Hurricane Laura, the Task Force has surveyed 220 cemeteries statewide with damage. The total number of hurricane related disruptions currently stands at 2,501 impacted graves. The most impacted cemeteries are located in Cameron and Calcasieu Parishes and the number of headstone impacts outnumber the impacted vaults. In Cameron Parish there is substantial vault and casket disruptions with caskets being pushed into the marsh by storm surge. There is still an active recovery of those caskets, so we do not have a full count of the number in Cameron that were displaced. To date, 56 caskets have been recovered and are being stored in

secured trucks at an undisclosed location and will be moved to a staging area to do full forensic workups for identification purposes. Approximately fifty percent of the caskets recovered thus far have an identity that is associated with them. Some of the caskets have affixed tags from Hurricanes Ike and Rita. In Cameron Parish there are approximately 1,200 broken or damaged tombstones. In Calcasieu Parish there are approximately 610 broken or damaged tombstones and 79 disrupted vaults. The numbers are going up daily, but the numbers in other Parishes are substantially less than Cameron and Calcasieu. Response efforts are anticipated to take one to two years.

Further, Mr. Seidemann stated the impacted areas for Hurricanes Laura and Delta substantially overlap and we cannot definitively say which storm caused what damage in many cases. Surveys were done after Hurricane Laura, but they were not complete, and, because of this overlap, we largely refer to the Hurricane Laura statistics for the Delta data. Two parishes have specific impacts from Hurricane Delta only, Iberia Parish and Vermillion Parish. Unfortunately, at this time Iberia and Vermillion Parishes are not included within the disaster declaration for either Hurricane Laura or Delta. Therefore, there is no federal funding to make repairs and the cemeteries are going to be on their own.

To date, two cemeteries in Orleans Parishes have reported damage caused by Hurricane Zeta. St. Vincent #2, owned by SCI which has indicated they will handle needed repairs, and Holt Cemetery, which is a municipal cemetery. At this time, public assistance through FEMA has not been approved for Hurricane Zeta. The Task Force is working with the City of New Orleans regarding the damage in Holt Cemetery.

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The Director reviewed bills which passed the 2020 Second Extraordinary Session, that may affect the administrative function of the Board including, but not limited to, HB 94, and SB 71 (Act No. 43).

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The 2021 meeting dates were set for Thursday, May 13, 2021 (if necessary); Friday May 14, 2021; Thursday, November 4, 2021 (if necessary); and Friday, November 5, 2021.

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The Director advised each Board Member will need to complete their Ethics Training online and provided the instructions for accessing the Louisiana Ethics Administration Online Training Portal.

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Executive Session

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

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

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Since copies of the Minutes had been previously disseminated to each Board Member, the Chairman asked if there was any discussion or amendments. Ms. Holloway made a motion to approve the May 15, 2020, Board Meeting Minutes and the October 22, 2020, Executive Committee Meeting Minutes as presented. The motion was seconded by Ms. Patin and unanimously approved.

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Report of Officers

The Director reviewed the Statement of Operations January through October 2020; Cash & Investments as of October 31, 2020; and the Budget vs. Actual January through October 2020. After review and discussion, Ms. Leufroy made a motion to accept the financial statements as presented. The motion was seconded by Ms. Peppo and unanimously approved.

The Director reviewed the 2020 Proposed Budget Amendments advising that the amendments previously disseminated did not reflect a needed increase in IT Services. The Board purchases IT Services in blocks of hours at a reduced rate. The last block of hours was purchased in 2017 and only ten hours remain in the 2017 block for IT Services. Therefore, the 2020 Proposed Budget Amendments needs to reflect an increase of \$4,000 for the purchase of a 40-hour block of hours at a reduced rate. After review and discussion Ms. Peppo made a motion to approve the 2020 Proposed Budget Amendments, including the increase in IT Services, as presented. The motion was seconded by Ms. Leufroy and unanimously approved.

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Reports of Committees

At the recommendation of the Executive Committee the Board reviewed an addition to Board Policies and Procedures: Section 3(B) – Compensation for Attainment of an Advanced Degree.

The Director reviewed the proposed addition to the Board's Policies and Procedures, advising the policy is based on Civil Service Rule 6.16(h) which authorizes agencies to offer additional

compensation to classified employees for the attainment of an advanced degree. The policy is in response to a request for a salary increase by the Board's Compliance Investigator, Joni C. Thompson, who recently attained her MBA.

After review and discussion, Ms. Leufroy made a motion to approve and adopt Section 3(B) – Compensation for Attainment of an Advanced Degree, to become effective upon approval by the State Civil Service Commission. The motion was seconded by Ms. Holloway and unanimously approved.

Regarding staff performance, Ms. Holloway made a motion to increase the salary of the Compliance Investigator for the attainment of an advanced degree by 10%, upon approval of the Board's policy by the State Civil Service Commission, but no earlier than the first pay period of 2021. The motion was seconded by Ms. Patin and unanimously approved. Ms. Peppo made a motion to increase the salary of the Assistant to the Director by 4% effective the first pay period of 2021. The motion was seconded by Ms. Patin and unanimously approved.

On behalf of the employees, Director thanked the Board for their consideration.

Report of Officers (Cont.)

The Director reviewed the 2021 Proposed Budget outlining estimated income and expenses. After review and discussion Ms. Leufroy made a motion to approve the 2021 Budget reflecting the approved salary increases. The motion was seconded by Ms. Patin and unanimously approved.

The Legal Litigation Escrow Account and Long-Term Liabilities and Extra Ordinary Expenses Treasury Bill which will mature December 3, 2020 and will be reinvested in another twelve-month Treasury Bill with a face value at maturity of \$125,000.

Since there was no further business, Ms. Patin made a motion to adjourn at 11:54 A.M. The motion was seconded by Ms. Leufroy and unanimously approved.



Shelly M. Holloway, Secretary/Treasurer

Attested To:

Gerald W. Melancon, Chairman


