

Minutes of Meeting
Louisiana Cemetery Board
November 2, 2018

The regular meeting of the Louisiana Cemetery Board was held November 2, 2018, 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
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
Rev. Shelton C. Dixon, At-Large Board Member

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Gary A. Moore, President, Argent Trust, Shreveport, Debbie Holmes, Argent Trust, Ruston, Louisiana; and L. Paul Raymond, American Cemetery Consultants, LLC., New Orleans, Louisiana.

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Public Comment
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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. Mr. Briede made a motion to approve the May 4, 2018 Board Meeting Minutes as presented. The motion was seconded by Ms. Leufroy and unanimously approved.

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The Director reviewed the actions and recommendations made by the Executive Committee at its September 28, 2018 meeting.

The Director advised the Board's current bank, Capital One, had discontinued its investment services as of July 30, 2018. The Executive Committee, reviewed proposals from J.P. Morgan Chase and Hancock Whitney. The committee selected Hancock Whitney

and authorized the opening of the new accounts. Hancock Whitney is an approved depository for the state and their services and fees were comparable to Capital One. The Executive Committee also made recommendations relative to changes in the Board's Policies and Procedures to reflect the change in the Board's banking institution and services.

The Executive Committee also approved the Application to Establish a Master Trust and the proposed Report of Trustee and Report of Cemetery Authority for the Master Trust, in accordance with Act 391 of the 2018 Regular Legislative Session, which became effective May 20, 2018.

Further, the Executive Committee reviewed the budgets and fee schedules and recommended the 2019 Renewals for Certificate of Authority remain at (\$13.00) per interment; the Merchandise Report filing fee remain at eight dollars (\$8.00) for contracts written in 2019 and due in 2020; and the Perpetual Care Report filing fee remains at (\$3.00) for contracts written in 2019 and due in 2020.

After review and discussion, Ms. Leufroy made a motion to approve the September 28, 2018 Executive Committee Meeting Minutes ratifying the Committee's actions. The motion was seconded by Mr. Wilbert and unanimously approved.

Report of Officers

The Director reviewed the Statement of Operations January through October 2018; Cash & Investments as of October 31, 2018; and the Budget vs. Actual January through October 2018. After review and discussion, Ms. Leufroy made a motion to accept the financial statements as presented. The motion was seconded by Mr. Briede and unanimously approved.

The Director reviewed the 2018 Proposed Budget Amendments. After review and discussion, Mr. Briede made a motion to accept the 2018 Proposed Budget Amendments as presented. The motion was seconded by Ms. Leufroy and unanimously approved.

The Director reviewed the 2019 Proposed Budget outlining estimated income and expenses based on the fee schedule recommended by the Executive Committee. After review and discussion, Mr. Wilbert made a motion to approve the 2019 Budget as presented ratifying the fee schedule recommended by the Executive Committee. 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 6, 2018. The Board recommended that the funds be reinvested in another twelve-month Treasury Bill with a face value at maturity of \$100,000.

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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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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 Mr. Briede and unanimously approved.

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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 2018 Non-Exempt (New/Transfers) #18-523; #18-526; #18-530; #18-532 - #18-533; 2018 Non-Exempt (Renewals) #18-524 - #18-525; #18-527 - #18-529; #18-531; Exempts (New) #1434E - #1448E; and Exempt (Renewals) #0932E; #0592E. The motion was seconded by Mr. Briede and unanimously approved.

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The Director reviewed the October 2018 Summary Report and advised the report had been accepted by the Examination & Inspection Committee, Rev. Dixon and Mr. Wilbert

The Director also provided the Board with a summary of the perpetual care and merchandise trust fund balances of reconciled reports as of October 2018.

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

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Old Business

Assistant Attorney General, Mr. Seidemann, provided a status report and answered questions on the cemetery disruptions caused by the 2016 flooding advising of the seventy-four affected cemeteries work is still ongoing in four cemeteries.

Mr. Seidemann also provided an overview of the Statewide Cemetery Response Task Force within the Governor's Office of Homeland Security, established by Act 713 of the 2018 Regular Legislative Session, stating the Task Force is needed to provide a chain of command in the event cemeteries are impacted by a natural disaster.

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New Business

The Director reviewed the recommendations by the Executive Committee to amend the Board's Policies and Procedures, Section 2 – Financial.

After review and discussion, Mr. Wilbert made a motion to approve the revision as presented, the motion was seconded by Ms. Leufroy and unanimously approved.

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Informal Proceeding Docket No. 2017-016-I (Amended Consent Agreement) – Re: S.E. Cemeteries of Louisiana, LLC d/b/a Metairie Cemetery, New Orleans, LA.

The Director advised that the Consent Agreement approved by the Board at its May 4, 2018 meeting contained a typographical error, which inadvertently included the \$10,000 fine in the amount(s) to be reimbursed to the perpetual care trust fund. S.E. Cemeteries of Louisiana, LLC d/b/a Metairie Cemetery reimbursed the amount(s) reflected in the Consent Agreement to its perpetual care trust fund, creating a \$10,000 overfunding in the trust fund. The Director advised the Amended Consent Agreement reflects the correct amount(s) that should have been reimbursed to the perpetual care trust fund.

After review and discussion, Ms. Holloway made a motion to ratify the Amended Consent Agreement with S.E. Cemeteries of Louisiana, LLC d/b/a Metairie Cemetery as presented. The motion was seconded by Ms. Leufroy and carried. Mr. Briede abstained.

Ms. Leufroy made a motion to approve S.E. Cemeteries of Louisiana, LLC d/b/a Metairie Cemetery to take a credit against future deposits due its perpetual care trust fund for the \$10,000 documented overfunding, in accordance with L.A.C. 46:XIII.1501(F). The motion was seconded by Ms. Holloway and carried. Mr. Briede abstained.

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Informal Proceeding Docket No. 2018-001-C – Re: National Information Services, Inc. d/b/a Oak Lane Memorial Park, Prairieville, 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, Mr. Briede made a motion to ratify the Consent Agreement with National Information Services, Inc. d/b/a Oak Lane Memorial Park as presented. The motion was seconded by Ms. Leufroy and unanimously approved.

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Informal Proceeding Docket No. 2018-009-C – Re: Kilpatrick’s Rose-Neath Funeral Homes, Crematorium, and Cemeteries, Inc. d/b/a Rose-Neath Cemetery, Bossier City, 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, Mr. Briede made a motion to ratify the Consent Agreement with Kilpatrick’s Rose-Neath Funeral Homes, Crematorium, and Cemeteries, Inc. d/b/a Rose-Neath Cemetery, subject to receipt of the corporate resolution assigning the pre-need contracts to the funeral home and the funeral home assuming the pre-need obligations sold on behalf of the cemetery. The motion was seconded by Ms. Leufroy and unanimously approved.

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Informal Proceeding Docket No. 2018-001 – Re: Evangeline Memorial Park, Inc. d/b/a Evangeline Memorial Park, Ville Platte, 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, Ms. Holloway made a motion to ratify the Consent Agreement with Evangeline Memorial Park, Inc. d/b/a Evangeline Memorial Park as presented and authorize the Board’s staff to notice the cemetery upon any non-compliance with the Consent Agreement. The motion was seconded by Mr. Briede and unanimously approved.

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Informal Proceeding Docket No. 2018-012-I – Re: Protestant Cemetery Association, of New Iberia, LA. d/b/a Rosehill Cemetery, New Iberia, LA.

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

After discussion, Ms. Leufroy made a motion to ratify the Consent Agreement with Protestant Cemetery Association, of New Iberia, LA. d/b/a Rosehill Cemetery as presented. The motion was seconded by Mr. Wilbert and unanimously approved.

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Informal Proceeding Docket No. 2018-011-I – Re: Lake Charles Cemetery Association, Ltd., d/b/a Orange Grove and Graceland Cemeteries, Lake Charles, LA.

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

After discussion, Ms. Leufroy made a motion to ratify the Consent Agreement with Lake Charles Cemetery Association, Ltd., d/b/a Orange Grove and Graceland Cemeteries as presented. The motion was seconded by Mr. Briede and unanimously approved.

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Consideration of Application to Establish a Master Trust – Argent Trust.

The Director reviewed the documents which were before each Board Member, including: the Application to Establish a Master Trust submitted by Argent Financial Group; information from the Secretary of State authorizing the applicant to do business in Louisiana; a brief history and organization chart; insurance coverage; master trust fee schedule; investment policy statement and sample asset allocation; sample report reflecting segregated accounting for the proposed master trust; statement indicating applicant is not currently employing any third-party contractors, other than a tax preparer; and a list of potential participants in the master trust based on trust fund balances under \$250,000.

Ms. Holmes addressed the Board and provided information about the software (Datair Employee Benefits System) that will be used for tracking the collective investments within the master trust. The software has been used by Argent for almost 20 years and tracks contributions, distributions, income, gains and losses, all of which can be allocated by participant. The reports generated by the system can be customized to provide the

information requested by the Board on the annual reports. Mr. Moore indicated they may have some limitations regarding the customized report, however, any information needed will be provided.

There was a discussion regarding the proposed fee schedule, Ms. Holmes indicated that .75% of the fair market value of the assets is less than the current fee schedule of potential participants with accounts currently at Argent. The Chairman asked about the allocation of trustee fees and whether larger accounts would be subsidizing the expenses of smaller accounts. Ms. Holmes indicated the allocation ratio for income and expenses would be the same, therefore, each participants expense should be covered by the allocated income.

The Director asked if the proposed asset allocation of the master trust would change based on the number of participates and size of the master trust. Ms. Holmes indicated that with perpetual care trust funds the objective is to preserve principal and generate as much income as possible and that objective would not change, however, at some point it may be necessary to review investment vehicles, such as individual bonds versus bond funds.

Mr. Moore asked the Board, if a participant's trust were to grow to \$275,000 does it have to come out of the master trust? Mr. Sullivan indicated that, by law, once the trust exceeds \$250,000 the trust would have to be removed from the master trust. Ms. Holmes and Mr. Moore indicated that in other states, the threshold is \$500,000 or even \$1,000.000. Mr. Sullivan asked if, in their experience, master trusts work better with larger trusts funds participating. Ms. Holmes indicated that her only experience with a large master trust was with a funeral master trust and while the objective is the same regardless of the size of the master trust the strategy may change, including the use of a third-party contractors for records management.

The Director advised, and Argent acknowledged, if Argent changes its method of administering the master trust, such as contracting with a third-party for records management, etc., in any way that adversely affects the master trust, Argent would need to notify the Board.

After review and discussion, Mr. Briede made a motion to approve the Application to Establish a Master Trust submitted by Argent Financial Group. The motion was seconded by Ms. Holloway and unanimously approved.

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The meeting adjourned for lunch.

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The Director reviewed possible legislative topics for the upcoming 2019 Legislative Session, which is a fiscal session.

After discussion, the Board recommended not to pursue any legislation affecting Title 8 in 2019. Areas to possibly research for consideration in future Legislative Sessions should include: corporate liquidation laws and how it may affect pre-need liabilities; minimum size standards for cemeteries; and pre-construction trust funds.

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The 2019 meeting dates were set for Thursday, May 2, 2019 (if necessary); Friday May 3, 2019; Thursday, November 14, 2019 (if necessary); and Friday, November 15, 2019.

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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 Mr. Wilbert and a roll call vote was taken: Ms. Leufroy – yea; Mr. Briede – yea; Mr. Wilbert – yea; Ms. Holloway – yea; and Mr. Melancon – yea.

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

Regarding State of Louisiana and the Louisiana Cemetery Board’s Motion for Leave of Court to Intervene, Petition of Intervention and Rule to Show Cause - In Re: Eugene J. Sonnier, II versus The Catholic Foundation of the Diocese of Lafayette, et al., Docket No. C-20146291, 15th Judicial District Court, Parish of Lafayette, Mr. Briede made a motion to grant authority to seek Supreme Court review if the 3rd Circuit rules against the State. The motion was seconded by Ms. Holloway and unanimously approved.

Regarding staff performance, Ms. Holloway made a motion to increase the salary of the Assistant to the Director by 4.5% and to increase the salary of the Director by 3%, with both increases becoming effective the first pay period of 2019, and authorize the Director to amend the 2019 Budget accordingly. The motion was seconded by Mr. Briede and unanimously approved.


The Director thanked the Board for their consideration.

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The following individuals watched an Ethics Training video, Chairman Melancon, Ms. Leufroy, Ms. Holloway, Mr. Briede, Lucy L. McCann, and Jerry W. Sullivan. All other Board Members will need to complete Ethics Training on line and provide proof of completion to the Board for their records.

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Since there was no further business, Ms. Leufroy made a motion to adjourn at 2:20 P.M. The motion was seconded by Mr. Wilbert and unanimously approved.


Shelly M. Holloway, Secretary/Treasurer

Attested To:

Gerald W. Melancon, Chairman