



CITY OF FORT LAUDERDALE

APPROVED
CEMETERY SYSTEM BOARD OF TRUSTEES
MINUTES OF VIRTUAL MEETING
CITY OF FORT LAUDERDALE
CITY HALL 7TH FLOOR CONFERENCE ROOM
100 N. ANDREWS AVENUE, FORT LAUDERDALE, FL 33301
THURSDAY, MARCH 11, 2021 – 3:30 P.M.

Members	Attendance	Cumulative Attendance	
		03/2021 through 02/2022	
		Present	Absent
Richard Kurtz, Chair	A	0	1
Dr. Pamela Beasley-Pittman	P	1	0
Avis Boyd-Gaines	A	0	1
Benjamin Dowers	P	1	0
Paul Gitnik	P	1	0
Chelsea Krebs	P	1	0
John Lilli	A	0	1
Fred Nesbitt	P	1	0
Michael Watson	P	1	0
Patricia Zeiler, Vice Chair (arrived at 4:00 p.m.)	P	1	0

City Staff

Stacy Spates, Cemetery Administrator
Lucretia Penrow, Parks and Recreation
Diana McDowell, Parks and Recreation
Linda Logan-Short, Deputy Finance Director
Trevor Jackson, Parks and Recreation
Carl Williams, Parks and Recreation
Susan Grant, Director of Finance
Mark Almy, Parks and Recreation
Martin Zidtowecki, Parks and Recreation
Jerry Jean-Philippe, Moderator
Jamie Opperlee, Recording Secretary, Prototype, Inc.

Guests

Kim Krause, Truist (SunTrust)
Mark Hall, Truist (SunTrust)

1. CALL TO ORDER

Ms. Spates called the special meeting to order at 3:30 p.m.

A. Roll Call

Roll was called and it was determined a quorum was present.

B. City Ordinance No. C-09-05, Quorum Requirement (Discussion)

No discussion.

C. Election of Chair and Vice Chair (Nominations/Motion)

Motion by Dr. Beasley-Pittman, seconded by Mr. Dowers, to nominate Richard Kurtz as Chair. In a roll call vote, the **motion** passed unanimously (6-0).

Ayes: Dr. Beasley-Pittman, Mr. Dowers, Mr. Gitnik, Ms. Krebs, Mr. Nesbitt, Mr. Watson

Nays: None

Motion by Mr. Nesbitt, seconded by Dr. Beasley-Pittman, to nominate Patricia Zeiler as Vice Chair. In a roll call vote, the **motion** passed unanimously (6-0).

Ayes: Dr. Beasley-Pittman, Mr. Dowers, Mr. Gitnik, Ms. Krebs, Mr. Nesbitt, Mr. Watson

Nays: None

2. OLD/BUSINESS

A. Cemetery Master Plan Project – Sunset Memorial Gardens Irrigation Automation Update (Discussion)

Mr. Almy indicated that the original contractor was not acceptable and there were some concerns about the second one's ability to get the job done, such as their understanding of the timeframes, which made it clear they would not meet a reasonable timeframe. The next bidder was out of the realm of what the Board allocated as far as funding; therefore, they decided to bid out the project again. Rather than a 50-year pipe, they are going with a 20-year pipe, which was a suggestion and should bring the price down considerable; however, there would be more repairs in the next 20 to 30 years, but the system would be the same with a lesser grade pipe.

Mr. Zidtowecki commented that it was possible many companies were not bidding on these types of projects due to Covid. Staff has had a hard time getting qualified people to bid on the job. The original design was using the HDPE pipe, which would have brought the main components of the irrigation system and the feedlines that feed all the major sections in the cemeteries designed in the actual roadway, which would have created more burial plots along the perimeters along the edge of the road since

easements are currently used for irrigation. They redesigned to actual pvc pipe, which makes the project less expensive, so they foresee many companies bidding on the project. All the fittings and pipe are standard, there is no special order or special machinery needed for installation as it would have been with the HDPE pipe. It is anticipated this will come in at the budget the Board originally agreed to, but this is going to be a 20 to 25-year system.

Mr. Nesbitt questioned if the mainlines would be off the road rather than in the road.

Mr. Zidtowecki advised the mainlines would be along the road, not in the asphalt, but in the grass area in the currently existing easements. Mainlines were specified to be as close to the road as possible, so additional plots could be provided. The pipe will be a purple pvc pipe, which is the highest grade that can be used. Two or three systems in the cemetery would be abandoned, which would be a good indication for any future work because when the purple pipe is observed, they know it is a new system and anything else could be removed.

Mr. Almy questioned if the Board would accept this pipe to get more bidders.

Mr. Jackson questioned if the higher-grade pipe would not be used because there was not a vendor or more money was needed.

Mr. Almy explained the bidder had the correct amount of money, but he would not have been able to do an effective, timely job, so they cancelled out of convenience to move the project forward.

Mr. Gitnik thought they were looking at a monitoring system that could tell if there were leaks, where they were, and with automatic shutoffs.

Mr. Zidtowecki mentioned that Sunset Memorial Gardens has two new pumping stations. The pump has an automatic shutdown to prevent any damage if there is a leak and it only waters as needed. Maintenance crews have technology on their phones to turn the system on and off and data is included the first year; after that, the cost would be about \$300 per year.

Dr. Beasley-Pittman questioned the cost difference between the 50-year and 20-year pipes.

Mr. Almy indicated they would not know until it was bid out.

In response to Mr. Nesbitt, Ms. Spates advised the Board previously authorized up to \$650,000.

Mr. Zidtowecki stated that Lauderdale Memorial Park is in the worst condition because it

still has the original galvanized mainline and every other week a pipe breaks. Hopefully when they get to that, more people will step up to bid on the HDPE pipe for that site.

B. Cemetery Master Plan Projects Implementation – Evergreen Road Conversion to Interment Spaces (Discussion)

Ms. Spates indicated this was part of one of the projects the Board approved, but they wanted to provide an update as to when the project would be started.

Mr. Jackson advised that signs would be placed on the fence to let the neighborhood know that roads were going to be excavated in the that area.

Vice Chair Zeiler questioned if there was any need for neighborhood public input. She mentioned people walk through the cemetery in the mornings and if the paths are torn up, they may likely call their Commissioners. She questioned if any other notice could be displayed to the District to let people know this is something the Board has decided to do because of the lack of space.

Mr. Jackson thought the only reason anyone would call the Commissioners would be due to noise. Perhaps they could have a public meeting regarding the excavation.

Ms. Spates stated this was placed on the agenda so residents could make comments. She noted that no comments have been received.

Vice Chair Zeiler questioned if the information has gone out through a newsletter and if not if it would go out through a newsletter prior to construction.

Ms. Spates stated no. She asked Carl Williams, Deputy Director, if that was necessary.

Mr. Jackson commented that the signs on the fence were a courtesy; approval has already been given to move forward with the project.

Ms. Spates mentioned there are many parks for the residents. At some point there is going to be construction, whether it be in a park or a cemetery and this is something that needs to be done. She questioned if they needed to go that far.

Mr. Nesbitt indicated that the Board talked to the City Commission about the Master Plan; this is not a big issue.

Deputy Director Williams thought there were some valid points and believed it would behoove them, as a department, to advise and inform the Commissioner in that area. He noted that he would be sure to forward that information to Commissioner Sorensen and if any additional information is provided through the City Manager, he will follow through. As Ms. Spates mentioned, this was put on the agenda so there would be an

opportunity for the neighborhood to become notified of the forthcoming project and so they could voice any questions or concerns.

Mr. Gitnik suggested making the signage positive; that something good was happening at the cemetery, not just general construction, so it would deliver a message.

3. NEW BUSINESS

A. Welcome New Board Member Avis Boyd-Gaines.

Vice Chair Zeiler advised that Ms. Boyd-Gaines was not present.

B. Approval of Meeting Minutes for 01/14/2021 (Discussion/Motion)

Motion by Mr. Nesbitt, seconded by Mr. Gitnik, to approve the January 14, 2021 minutes. In a roll call vote, the **motion** passed unanimously (6-0).

Ayes: Dr. Beasley-Pittman, Mr. Gitnik, Ms. Krebs, Mr. Nesbitt, Mr. Watson, Vice Chair Zeiler

Nays: None

Note: Mr. Dowers was not present for the vote.

C. Evergreen Private Estate Approval (Discussion/Motion)

Ms. Spates indicated this was previously discussed and in October 2019, the Board approved the addition of private estates. Staff is requesting consideration from the Commission to approve eight new private family estates, which is laid out in the Cemetery Rules and Regulations. This goes to the City Commission on March 16, 2021 for approval and then the map could be updated. There are two private estates: a walk-in and a walk-up. A walk-up can be a two-crypt or four-crypt, which is an alternative for a family that does not want the structure of a walk-in. It falls under the same guidelines as the private family estates; the area is always 20 x 20; however, the structure or the crypt can be no more than 15 feet in any direction. This is something that would be marketed once approved. Part of the Board's role is to approve the design aspects and suitability of the design. The color may vary and there may be a logo in the patio, but this is what a two-person crypt looks like. Staff is being proactive and asking for permission to add. There are two existing areas left, so this could be placed in an existing area and then the other eight could be added as times goes on. Since a family has expressed interest in a two-crypt, they wanted to bring this forward because it is subject to approval by the Board. Pictures were shown of the face with the crypt product and a presentation of how it looks with the patio, benches, and the inside.

Dr. Beasley-Pittman questioned if the goal was for these to be uniform and the same design for the Board to make a decision.

Ms. Spates stated the designs can alter in terms of color and pitch of the roof, but overall, the two-crypt shown was how it would look. Anything else is extra, but everything must stay within the aesthetics of the cemetery. These crypts are secured, built, and installed by a mausoleum builder/developer. Soil testing is done to make sure it could carry the load. Their goal is to stay with a domestic product and not an international product.

Vice Chair Zeiler questioned if these would be available in other cemeteries.

Ms. Spates advised there was one spot available in the cremation garden at Lauderdale Memorial Park. They also have the boulevard at Lauderdale Memorial Park and existing spots were approved by the Commission years ago. The crypts are just for Lauderdale Memorial Park and Evergreen Cemetery. The only difference is the family who expressed interest would like the roof to be at a slant and not pitched the way it is in the picture, so it would have to be customized. There is no issue; it is only changing the pitch of the roof.

Motion by Mr. Gitnik, seconded by Mr. Nesbitt, to approve the Evergreen Private Estates In a roll call vote, the **motion** passed unanimously (6-0).

Ayes: Dr. Beasley-Pittman, Mr. Gitnik, Ms. Krebs, Mr. Nesbitt, Mr. Watson, Vice Chair Zeiler

Nays: None

Note: Mr. Dowers was not present for the vote.

D. Trust Fund Investment Review/Truist Bank (Discussion)

Kim Krause with Truist Bank provided a brief overview of the February 28, 2021 report as follows:

- The Activity Summary showed \$32,072,000 for a 12-month period from March 1, 2020 to February 28, 2021.
- The low point in the Market Value was March 23, 2020. There was a big dip from \$30.7 million down to \$26.6 million.
- There has been an increase in Market Value since March 2020 and as of February 28, 2020 they were at \$32 million and as of yesterday they were at \$32,413,000.
- Since the Stimulus package passed, it is believed there will be several quarters of strong growth, which should lead to significant growth and their estimate is about 5.5% to 6% GDP for the calendar year.
- Year to Date for the first two months of this year, good Market returns have been seen. Equity Markets have been rough as Yields have moved up, but this should support strong Equity returns for 2021.

- In the fourth quarter last year, there was a reversal in leadership regarding Dividend Strategies and Value Oriented Strategies; Stocks started to lag, which benefitted the portfolio, and has continued into the first two months of 2021. Dividend Stocks have done well over the last few months.
- Small Cap Equities have outperformed significantly versus Large Cap, so there was a 5% allocation to a passively managed Fidelity Small Cap Index Fund, which has done well.
- International Equities have done well over the last few months.
- Positioning within the portfolio is well diversified across Income Oriented and Dividend Equity Strategies with some Small Cap and International Equities, which have contributed to Performance.
- Fixed Income is just over 40%.
- Yield on the overall portfolio is at 2%.
- The estimated annual income to the portfolio is about \$667,000.
- The portfolio is well positioned for the rebound in Value and Dividend Stocks, which should help Performance going forward.
- The Cash position is at 5.5%; \$1.7 million in Cash equivalents, which are primarily short-term U.S. Treasuries that give a little more Yield above the Money Market Fund.
- Regarding Investment Performance, the Year to Date was positive, just under 1%; positive 95 basis points Net of Fees.
- Fixed Income returns have been negative for the two-month period because Yields have moved upward. Bonds are being held until maturity to get back the principal at 100%.
- The 13.2% Net of Fees over the last year, 2020, dropped off, and was replaced by a stronger February 2021, which is giving double digit returns.
- Large Cap Value has started to outperform Growth Style, which has been positive as far as contributing to returns. Small Cap and International Equities have also done well.
- With the Stimulus package in place, their outlook for the rest of the year is that Growth is expected to rebound. Other factors that may come into play are rising rates, which may cause inflation trends moving upward, which could cause some volatility along the way. Overall, they are balanced on expectations and think the S&P could still produce about a 10% return for 2021, which should equate to portfolio level returns in high single digits for the Cemetery Trust.

Mr. Nesbitt questioned if the Board was sitting on too much cash.

Ms. Krause stated that some Equities were sold three years ago and after that the allocation was about 45% Equity, 45% Fixed Income, and 10% Cash. Over time, Equities have performed well, and growth has been seen, so the allocations have adjusted, and the Board is at 53% Equity, 41% Fixed Income, and 5% Cash. The Cash piece has become part of the Fixed Income allocation instead of Equities. The Board is

still getting the benefit of a rising Equity Market. Fixed Income returns have been negative, so the Cash position has helped because Cash is not generating much of a Yield, but it is also not generating negative total returns.

Note: Vice Chair Zeiler took control of the meeting.

E. Maintenance Reimbursement Request for December 2020 & January 2021
(Discussion/Motion)

Ms. Spates advised that at the last meeting, Vice Chair Zeiler asked Susan Grant, Finance Director, to do some projections for the Board.

Ms. Grant stated that the projection shown at the last meeting was more of a static representation of what was going on daily. She explained that they started with Market Value, subtracted Corpus, and took out Unrealized Gains, which said what the available funds were. These can be updated periodically or as needed for the Board to help inform decision-making. She started with the same beginning balances and when doing projections, a few assumptions had to be made. Deposits of \$500,000 a year were added to the Corpus, taking out operational expenses, so it started with what the Board is currently averaging, which is about \$150,000 a month. An inflation factor was then added, which increased at about 5% per year. Capital expenses tied to the first five years of the Capital Plan had earnings based on averages for the year of 5%, which is the Plan's Assumed Rate of Return. Subtracting the Corpus, which increases by \$500,000 per year, is the Assumption for what is added, and there is an ending available balance that is reduced with Capital expenses. It is not meant to be anything except a tool for the Board when deciding.

Vice Chair Zeiler mentioned the \$500,000 deposit per year and questioned if that included the increased deposits with all the extra mausoleums and other things Capital expenses would produce.

Ms. Grant asked Ms. Spates to give a number guesstimate. When things like this are done, they try to be conservative as possible, but when they start seeing trends, adjustments could be made.

Mr. Nesbitt stated there was an option to use the Perpetual Care Trust Fund and he questioned if there was an option for the City to do a line of credit.

Ms. Grant indicated that could be put on the list of things to consider, but the line of credit would be around 3% to 4% to borrow.

Mr. Nesbitt mentioned if money were taken out of the Perpetual Care Trust Fund, they would be reducing operating income and the question becomes if the operating income would fall below what they need. His preference would be to ask the City to do a line of credit loan for the Cemetery Trust Fund so the Board could borrow money, build the

mausoleum, and pay the interest, but at least the Perpetual Care Trust Fund would not be reduced, and it would not reduce their income for operating expenses, which is always a concern.

Ms. Grant advised that purchases of the mausoleums are included in the Capital expenses during the first three years.

Note: Mr. Dowers returned to the meeting.

Vice Chair Zeiler reiterated that her big concern was outspending earnings because there would be a point at which operational expenses from the Trust Fund would be impossible. She was all right with the Capital projects if they could be repaid at 100%.

In response to Mr. Nesbitt, Ms. Spates indicated that she would send this to the Board members so they could look at it in more detail.

Mr. Gitnik mentioned deposits were left at \$500,000 and once a mausoleum was built, deposits would substantially increase.

Ms. Grant stated that could be updated.

Ms. Spates was all right with the conservative \$500,000 and she wanted to remind the Board that they are striving to make sure those healthy deposits remain. The goal is not to spend and not care about money being left in perpetuity.

Ms. Penrow mentioned maintenance reimbursement requests for December and January.

Mr. Nesbitt commented that permanent salaries in December were about \$78,000 and January was about \$54,000. He questioned the big variance.

Ms. Penrow advised there were three pay periods in December and two pay periods in January.

Motion by Mr. Nesbitt, seconded by Ms. Beasley-Pittman, to approve the maintenance reimbursement for December in the amount of \$155,065.83. In a roll call vote, the **motion** passed unanimously (7-0).

Ayes: Dr. Beasley-Pittman, Mr. Dowers, Mr. Gitnik, Ms. Krebs, Mr. Nesbitt, Mr. Watson, Vice Chair Zeiler

Nays: None

Motion by Mr. Nesbitt, seconded by Mr. Dowers, to approve the maintenance reimbursement for January in the amount of \$119,813.91. In a roll call vote, the **motion** passed unanimously (7-0).

Ayes: Dr. Beasley-Pittman, Mr. Dowers, Mr. Gitnik, Ms. Krebs, Mr. Nesbitt, Mr. Watson, Vice Chair Zeiler

Nays: None

F. Cemetery P & L Statement (Discussion)

Vice Chair Zeiler indicated there was no discussion or questions.

G. Report of Interments for October 2019 – September 2020

Ms. Spates reported that the Board wanted to see how many and what types of interments were done. In the past, interments ranged between 800 and 850 and a little over 1,000 were done.

Mr. Gitnik questioned the numbers for the same period in the prior year and if they tracked how many were Covid. He asked because it demonstrates that staff probably worked harder in 2020 than they ever worked to meet the burial requirements as did most cemeteries.

Ms. Spates advised they do not have access to that information, so they do not track. They were slammed the prior year and pushed for burials on weekdays because at one point they were so inundated. She will send the information for the previous fiscal year. She indicated there have been a lot more weekday burials. Lauderdale Memorial Park was a weekday burial site, but that has shifted to both. Sunset Memorial Gardens was typically a Saturday burial site and now there are burials every day of the week.

Mr. Gitnik suggested the Board send a thank you note to all cemetery staff for their hard work in 2020. He questioned if any type of bonus was given to the employees and if the Board would be allowed to give a \$100 bonus to the employees with a letter.

Ms. Spates mentioned they have an Administrative Supervisor who works seven days a week and takes bins of contracts home. As far as a bonus, that has never been done before and their coordinators are not on commission.

Vice Chair Zeiler thought a Publix or grocery gift certificate could be included in the letter so there would not be an issue with payroll.

Mr. Nesbitt felt it would be better to do a nice thank you letter from the Board. Not only does the Board appreciate the work done in 2020, but the transition from the prior management to the City taking over the cemetery.

Mr. Williams commented that Ms. Spates hit the nail on the head. Not only did Diana and the Family Service providers and Lucretia; Stacy, herself, worked extremely hard and she still works extremely hard. She has had to endure quite a bit over the last couple of years when the transition took place from the previous provider until now and to be able to say that you have had two years where you made money in the cemetery is not only commendable, but he did not even know if there were words to express his gratitude for her and the amount of work she has done to learn cemeteries let alone run it the way she has.

Ms. Beasley-Pittman questioned if the Board could sponsor a luncheon.

In response to Mr. Gitnik, Mr. Jackson stated there are 32 employees: 19 staff and 13 Administrators.

Mr. Gitnik mentioned that Board members could donate money for a luncheon as their thank you.

Vice Chair Zeiler stated she could not do anything like that per CDC requirements. The only thing she could consider was purchasing individual boxed lunches.

Mr. Nesbitt suggested letting Vice Chair Zeiler and Ms. Spates discuss this and bring back an update.

Mr. Gitnik commented Ms. Spates and her team and stated that 2020 would not have been the year it was, and their transition has been spectacular and will only get better.

Mr. Williams acknowledged that a lot of this was attributed to Mr. Jackson because of his knowledge and history associated with the cemeteries, which has kept everything going.

4. Other Business

Mr. Nesbitt requested Ms. Spates provide an update on the software implementation.

Ms. Spates advised they are still in the discovery phase. They are making sure the information submitted to the vendor is scaled down to what they want to see in the system. Someone from IT has been able to make sure the vendor is doing what they are supposed to be doing and making sure the implementation and plan are coming together. They hope to have some type of timetable within the next couple weeks.

In response to Mr. Gitnik, Ms. Spates indicated everything is about communication. They had to do a reset and are going to hire temps to do data entry. It has not been a

bad experience; they have done a reset and will continue with meetings. Both parties need to operate in good faith.

5. **Communication to the City Commission – None.**

6. **ADJOURNMENT**

NEXT SCHEDULED MEETING DATE: THURSDAY, MAY 13, 2021 - 3:30 P.M.

There being no further business to come before the Board, the meeting was adjourned at 5:06 p.m.

[Minutes prepared by C. Guifarro, Prototype, Inc.]