



CITY OF FORT LAUDERDALE

APPROVED
CEMETERY SYSTEM BOARD OF TRUSTEES
MINUTES OF MEETING
CITY OF FORT LAUDERDALE
CITY HALL 8TH FLOOR CONFERENCE ROOM
100 N. ANDREWS AVENUE, FORT LAUDERDALE, FL 33301
THURSDAY, JANUARY 13, 2022 – 3:30 P.M.

Members	Attendance	Cumulative Attendance	
		03/2021 through 02/2022	Present
Richard Kurtz, Chair	P	2	3
Benjamin Dowers	A	4	1
Paul Gitnik	P	4	1
Chelsea Krebs	P	4	1
Fred Nesbitt	P	5	0
Mark Van Rees	P	2	0
Michael Watson	P	4	1
Pamela Beasley-Pittman	A	2	3
Patricia Zeiler, Vice Chair	P	5	0

City Staff

Stacy Spates, Parks and Recreation
Trevor Jackson, Parks and Recreation
Carla Blair, Recording Secretary, Prototype, Inc.

Guests

Kim Krause, Truist (SunTrust)
Melissa Doyle, Program Manager

1. CALL TO ORDER

Ms. Spates called the 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.

2. OLD BUSINESS

A. Cemetery Master Plan Project Updates:

- Sunset Memorial Gardens Community Mausoleums (Discussion)

Ms. Spates announced the bid solicitation is on the street and is currently open until January 27, 2022. They will monitor to see if any responses are received.

- Sunset Memorial Gardens Irrigation System (Discussion)

Ms. Spates reported that the irrigation system was approved by the City Commission on December 7, 2021, and the contract is in the approval path with the City Clerk's office.

3. NEW BUSINESS

A. Approval of Meeting Minutes for November 18, 2021 (Discussion/Motion)

Mr. Watson commented that he was present online at the November 18, 2021, but he was unable to communicate due to technical difficulties.

Ms. Spates indicated the City Attorney made the determination and this was captured in the November minutes.

Motion duly made and seconded by Mr. Van Rees, to approve the November 18, 2021 minutes. **Motion** passed unanimously. (7-0)

B. LMP Maintenance Yard Improvements - Presentation by Melissa Doyle, Program Manager (Discussion/Motion)

Chair Kurtz introduced Melissa Doyle, Program Manager.

Ms. Doyle provided a brief presentation regarding things to be done at Sunset Memorial and Lauderdale Memorial Park.

An aerial was shown of Sunset Memorial. They are stockpiling soil at both Lauderdale Memorial and Sunset Memorial Park. A bid was put on the street, and it was determined they are putting in about 80 cubic yards of soil a month at Sunset Memorial Park. Currently, the stockpile is about 3,500 cubic yards and the estimated cost for removal is \$59,500. That removal is scheduled for January going into February. It is anticipated the project will last seven days and most likely will turn into 12 to 14 business days.

Lauderdale Memorial Park has the same basic generation factor. They are creating about eight cubic yards of excess soil, which is being placed along the fence line of their current maintenance yard. They have about 1,500 cubic yards stockpiled and the estimated cost for removal is about \$25,500. That removal was initially scheduled for January but loading and hauling activities began this morning. They expect this project will last two to three business days.

An overhead of the pile was shown. There are miscellaneous materials and debris scattered along the fence line, such as broken headstones, old pallets, etc. that need to be taken care of particularly because a mausoleum project is beginning adjacent to the maintenance yard. As part of that cleanup, 38.56 tons of debris was removed, which was about 30 cubic yards. Also removed was 2.21 pounds of scrap metal, which generated almost \$4,000 of revenue, that goes back into the Cemetery Fund.

A budget transfer was recently approved at the January Commission meeting, as a solution for the stockpile soil. Moving debris was approved, so they could move forward with removing large stockpiles of soil for \$85,000. Once those piles are removed, Mr. Jackson and his team will place excess soil in roll-off containers and will either haul them to a facility as clean fill and if there is no other option, they will haul it as disposed soil. Unfortunately, that will increase the expense to about \$3,000 per month, which is the total for both cemeteries. They are estimating about three hauls for each cemetery.

The Cemetery Master Plan was helpful while talking with the team about their plans for the maintenance yard and what made sense.

Lauderdale Memorial Park has a projected life span through 2044, and their proposal is to take a portion of about half of the maintenance yard site and convert it to other plot areas that can be sold and used. It is staff's recommendation that while they agree the future makes sense; 2044 is 20 years off, and they are still dealing with an active and busy cemetery.

To reduce the footprint would create some issues for staff, so they are proposing planks, wood, and pipes to use for tenting and flags for different memorial services. Currently, they are sitting on the ground, which is basically a floor of sugar sand. When putting wood and more metal in the yard it eventually disintegrates and has to be replaced much quicker, which is what the cemetery is seeing. They are proposing to purchase elevated scaffoldings that allow them to elevate materials.

The ground and interior of the maintenance yard were shown. The eastern gate is used to access the maintenance yard and the apron is significantly compromised. She met with Mr. Jackson on Tuesday, and it had been raining. After rain, the property floods, is mucky, and they are getting what is referred to as track out. The slide shows sand and muck getting tracked from the interior of the maintenance yard by their own vehicles

and heavy equipment used during normal day to day operations. This is the path of right-of-way that visitors during visits.

Other photos show the path taken when going to the new proposed mausoleum.

Regarding the right-of-way visitors use, there is a chain link fence that encloses both the west and the eastern gates into the maintenance yard, which are not attractive.

Groundwork is proposed on the interior of the maintenance yard. They have been successful in using a contractor they already have, and they have been given pricing to do the proposed work. They are asking for asphalt millings, which is the top layer of any roadway, which comes in a loose pillar form. They are laid approximately two to three inches deep and then compacted, so they are still pervious, and when it rains the water will settle and flow through, but it completely removes the issue of having any sort of track outs, soil, mud, and muck.

They would like to replace the aprons, which is the tracked entrance and exists at the western gate. This will allow safety when large flatbeds and tractor trailers come in to make deliveries. They would like to look at doing some fence work, as there is some damaged fencing. The entrance that runs completely parallel to State Road 84 is a pvc, six-foot tall, beige color, attractive fence, which goes along the western edge where the mausoleum will be built and then along the northern edge that traces into the cemetery park itself.

They are proposing to replace the two chain link fence gates with an adequate pvc, the same type, same style as the remainder of the other fence, so when guests approach the park and are spending time there, they are not subjected to maintenance activities.

The soil has been removed and approval has been received from the Commission to go ahead and get the funds to take care of the immediate operational need. They are also coming to the Cemetery Board of Trustees to request additional approval to move ahead with repairs for groundwork and fencing. Currently, they are looking at approximately \$120,000, which is based on estimates. They have not yet received an estimate from the City's approved fencing vendor; therefore, \$25,000 was plugged in; it may come in less or more.

Mr. Nesbitt questioned if the cemetery fund is going to pay for the soil removal. He also asked if the soil is clean.

Ms. Doyle stated funds have been moved out of the fund balance by the Commission. The soil is clean, and the contractor will probably be taking it to a lake fill in Hallandale.

Mr. Van Rees questioned if the previous vendor had the same issue.

Ms. Doyle replied yes. It was put out to bid and two responses were received. There has been some discussion and they are likely to put out an RFQ. If vendors are interested in receiving the fill on an intermittent basis, they would have to prequalify and have the appropriate insurance and waivers. Arsenic is an issue in the State of Florida because of fertilizer and because of the way the ground table is. Arsenic is something to avoid in cemeteries or compact agricultural applications, so there is a waiver. She made many calls to other cemeteries throughout the County, and this is a universal problem.

Mr. Van Rees wished there was a less expensive way going forward. He mentioned the cost of \$3,000 for both cemeteries and questioned if it includes rent.

Ms. Doyle advised it includes everything; it is dumpster rental and haul, and it also includes the cost of disposal. It is difficult to get a contractor to do the hauling and to find a facility that could take this quantity of soil.

Mr. Van Rees questioned if the photo is old and if the pile has been there a while.

Ms. Doyle stated the photo was taken this morning. She could not speak to how old the pile was but based on the estimated cubic yards on the ground and the idea they are generating about 80 cubic yards, she believes it is probably a fashion statement; she does not have that frame of reference.

Vice Chair Zeiler asked how a local business would go about requesting soil if they wanted it.

Ms. Doyle indicated they would put out an RFQ out, which opens it to anyone who is interested in taking back the soil. There would likely be multiple people, so they would not be held to one person. They would have to have the appropriate levels of insurance and a waiver of liability.

Mr. Nesbitt mentioned the cost estimate and questioned if it was strictly for the groundwork and fence work; without the rack system they are looking at \$39,000.

Ms. Doyle replied that includes everything; the rack system plus the groundwork and fence work, which is approximately \$120,000, based on their best guesstimate.

Mr. Nesbitt questioned if his seawall and yard were raised if he would be able to access the soil.

Ms. Doyle advised if he put in for the bid, had the appropriate insurance levels, and signed a waiver, he could have access. They use Bid-Sync, which is a well-known system for procurement, and she was sure Ms. Spates would send that information to anyone who might be interested. She noted there is an urgency to remove the soil.

Mr. Van Rees mentioned the monthly fee and asked if that was an estimate or a fixed cost.

Ms. Doyle stated it is an estimate. They pay by the bulk and only pull containers when they know they are ready to be serviced. If the soil is taken to the lake and used as lake fill it is significantly less expensive. The price estimated, which is worst case scenario, is \$3,000 per month, which includes three hauls for each of the cemeteries.

Mr. Gitnik commented from a positive viewpoint, that operation is important for residents and customers, but also for the grounds crew. He mentioned the roll out containers and stated they need to be vigilant if they are only dirt, because it is easy for people to come in those containers. He stated third-parties sound good, but when the operation is at a cemetery, unless there are preapproved vendors, allowing residential individuals to come onto the site, not only do they risk damage to the property; someone must be there to ticket. He commented that they have to keep a certain amount of soil on site because there is settlement on the graves, and soil needs to be added when it starts to settle. He questioned if the topsoil is saved.

Ms. Krebs indicated she is a volunteer at the South Florida Wildlife Center, and they regularly go through a lot of dirt and soil in the pelican and water bird habitat, which constantly has to be dug out and replaced with more soil. This would be a wonderful arrangement if they could come to Lauderdale Memorial Park to get soil rather than them paying to get rid of it.

Ms. Doyle stated that would be an opportunity with the RFQ as long as the insurance requirements are there, and waivers are signed.

Motion made by Mr. Van Rees to adopt this program. There was no second to the motion.

Vice Chair Zeiler thought there should be a specific budget between \$120,000 with a \$130,000 maximum.

Amended motion made by Mr. Van Rees, seconded by Vice Chair Zeiler, to adopt this program up to \$130,000. In a voice vote, the **motion** passed unanimously. (7-0)

C. Perpetual Care Trust Fund Investment Review (Discussion)

Ms. Krause provided a brief review of the Perpetual Care Trust Fund Investment results through December 31, 2021, and highlighted the following:

- Major Asset Class Returns had double digit positive returns in the Global Equity Markets with the exception of Emerging Markets, which were negative for the year.
- The S&P, Large Cap Stocks, were up over 28%.
- The U.S. continued to outperform International Markets as well as Large, Mid, and Small Caps.
- Throughout the year, there was only one instance of the Market pulling back at 5% or greater, and that was in September. Moving forward, they expect to have a normal Market cycle with pullbacks in the 5% range multiple times per year.
- Fixed Income returns were negative for the year. Core taxable Bonds, which is the Aggregate Bond Index, was down 1.5%. Yields moved upward and that put pressure on the prices of Bonds.
- The Fed is going to be normalizing interest rates; Truist believes there may be two increases this year, but other firms think there could be as many as four or five throughout the year.
- Market returns showed Energy at 54%, Financials were up almost 35%, Technology was strong, and Real Estate was up almost 48%.
- More defensive sectors of the Market like Consumer Staples and Utilities, vary over different cycles and time periods.
- It is believed the U.S. will see GDP in the range of 4% to 4.5%, so the economy continues to expand, which typically support Equity Market performance. They are expecting 6% to 12% for the S&P this year.
- Inflation has been a topic of discussion and they had an Inflation print of the year of 7%. When taking out Energy and Food prices, which tend to be a volatile component, it is roughly 5.5%.
- The piece of Inflation expected to remain firm is Housing. Typically, Equities tend to be a good Inflation hedge, and the portfolio has an overweight position to Equity versus the Investment Policy.
- Portfolio Review. In looking at the Activity Summary for the 12-month period, the year ended with a Market Value of \$33,865,000, which is an increase from the beginning of the year. The Market Value is at a high adding gain in the portfolio with interest and dividends, it is \$3.3 million. With net out contributions and withdrawals of \$1.5 million to get to the ending portfolio value. This equates to about 10.5% total return of the portfolio, which is strong.
- Portfolio Composition. They continue to have the overweight Equity position of 54.5% current allocation at the end of the year. They continue to like Large Cap and like high quality companies with strong balance sheets. The portfolio is dividend oriented through some of the ETF's that are value and dividend-oriented strategies that provide income to the portfolio. As Fixed Income Yields remain low, they look to some of the Equity instruments in the portfolio to help support the income need.

- The SPDR Dow Jones REIT, at 3.5% of the portfolio, has provided good Yield to the portfolio. Real Estate was one of the top performing sectors last year, which has been a nice compliment to the diversified Equity exposure.
- International Equities are at 8%. They are looking to replace Vanguard International Growth Fund, which underperformed in 2021. They can invest in an Emerging Market, which has turned cautious and negative given China's exposure in the Emerging Market Universe. This change will be seen at the next meeting.
- Fixed Income is at 40%. A nice addition last year was the Neuberger Berman High Income Fund providing some additional Yield to the portfolio above what the Core Investment Grade Bonds have been providing.
- Cash at \$1.9 million or just under 6% has come down. There was a higher Cash position built up in 2017 and that came from the Fixed Income allocation. It has not been a drag on performance because Fixed Income has been negative, so the Cash allocation has been a carve out of the Fixed Income component.
- Performance of the Total Portfolio. For the 12-month period calendar year, 10.47% Net of Fees and good double-digit returns.
- In looking at Fixed Income for the Year-to-Date period, the Fixed Income Portfolio is negative, a little less negative than the benchmark at -1.45%, but the stronger Equity return of 22% from the Equity portfolio balanced that and gave 10.5% for the calendar year.
- Their expectation in 2022 is still an expanding economy, which should support Equity Markets, but they are not expecting a 28% return from the S&P, they are thinking more high single digits and maybe low double digits, which equates to moderated returns in the total portfolio.

Mr. Nesbitt mentioned the Investment Seminar and stated there was discussion about bringing back the recommendations on Asset Allocation.

Ms. Krause stated they talked about adjusting the range of Equity higher and Fixed Income lower at the last meeting. She advised no action was taken. She thought it had to go before the City Commission again. She asked if she was supposed to provide further analysis.

Mr. Nesbitt mentioned it had to do with specific language for the IPS.

Ms. Krause marked that as a follow up. She noted the IPS is in the back of the presentation. She stated there is an Asset Allocation Table and she will come back with a recommendation as to how that would look with a higher Equity exposure.

Mr. Nesbitt commented that during the Investment Review they discussed doing four hours of training by watching videos. He wanted to make sure they did not miss the next one coming up.

Ms. Krause stated there is a replay of one they just did, but she was not sure how to track the attendance.

Ms. Spates advised it is Sunshine, so they have to make sure it is hosted.

Mr. Nesbitt thought it would be easy to send to Board members, tell them to watch it, and then confirm the date it was watched.

Ms. Spates indicated that she would check on that.

Ms. Krause mentioned that Truist should be able to provide a link assuming it can be tracked. She noted it could also be open to the public.

Vice Chair Zeiler questioned the registration process.

Ms. Krause stated she would find out how it works.

Mr. Van Rees questioned if scenarios could be provided regarding the change to the policy.

Ms. Krause replied yes. They discussed 55% Equity target and 45% Fixed Income with upper and lower ranges. Typically, they take an expected return for an allocation and provide 5, 10, and 30 years out assuming distributions taken.

Vice Chair Zeiler advised that was voted on at the last meeting; it is on Page 4 of the minutes.

D. Maintenance Reimbursement Request for October 2021 & November 2021 (Discussion/Motion)

Chair Kurtz mentioned the maintenance reimbursement for October 2021 and November 2021.

Mr. Nesbitt commented the water sewer bill is sporadic.

Motion made by Mr. Nesbitt, seconded by Vice Chair Zeiler, to approve the October 2021 maintenance reimbursement in the amount of \$93,904.07. In a voice vote, the **motion** passed unanimously. (7-0)

Motion by Mr. Nesbitt, and seconded, to approve the November 2021 maintenance reimbursement request in the amount of \$133,796.37. In a voice vote, the **motion** passed unanimously. (7-0)

Mr. Nesbitt questioned if this information could be put on a spreadsheet, so it can be tracked.

Ms. Spates stated that would not be a problem.

E. February Special Meeting Request (Discussion/Motion)

Ms. Spates requested a special meeting to discuss the general price list. The last list was done in August 2019, and adjustments need to be made based on operations and prices.

She noted there is availability in the eighth-floor conference room and questioned if it would be easier for everyone to stay on Thursday at 3:30 p.m. She stated that February 17, 2022, or February 24, 2022, would also work.

Ms. Krebs preferred February 17, 2022

Motion made by Mr. Van Rees, seconded by Vice Chair Zeiler, to have a special meeting on Thursday, February 17, 2022, at 3:30 p.m. In a voice vote, the **motion** passed unanimously. (7-0)

Mr. Gitnik asked if any information regarding the price list would be provided prior to the meeting.

Ms. Spates replied yes.

F. Interment Reports for FY2019, FY2020 & FY2021

Ms. Spates provided a Year-to-Date for the past three years of the Interment accounts. She stated it has been a challenge, they were hit hard with labor shortages due to Covid.

Mr. Van Rees mentioned the labor shortage and the City has a formula of how many people they will hire. Offices were understaffed dramatically, and it affected the customer's experience. The Board needs to contact the Commissioners and tell them something needs to change because they are desperately overworked and see to it that the City cemeteries are staffed to provide customer service, especially during the time of death.

Ms. Spates stated Parks and Recreation are going to forecast the number of bodies they are going to request based on budget. Typically, Enterprise Funds are given more latitude. A survey is done every year, and another will be done in March or April, and they encourage everyone to participate. Everyone has issues and she agrees that family service staff and maintenance staff are overworked.

Mr. Watson advised he would be happy to communicate with the Commissioners. He would need a list of employees at each location and their job status, as well as what the ideal staffing would be at each location.

Ms. Spates indicated that information was presented to the former contractor model, and they are doing some forecasting for each area. She stated the forecast would be provided to determine their forecast for each year. A list will be sent to Board members once it is finished.

Mr. Nesbitt commented they are under-staffed, and the problem continues. He suggested inviting the City Manager to the February meeting to discuss the issue and how well they have done financially, but given the increase in interment, request his help.

Ms. Spates stated some of the work is done by her Deputy Director and Director; they are waiting for amounts to be finalized. A memo will be going to the City Commission with the fiscal year and what the revenues have been.

Mr. Van Rees commented that staff has maintained themselves very well, they are there when you need them.

Ms. Spates reiterated they are understaffed, dealing with the pandemic is a compound issue and they still have Covid exposures where people are out. Their intent is never to be a burden on the General Fund and that has always been their pledge from day one. She advised they are getting ready for the budget planning process.

Mr. Gitnik questioned if they could use the February meeting to get their presentation together rather than having the City Manager there. He thought they should talk about prices and revenues. If a sales pitch is going to be done, there needs to be a cohesive sales pitch with a little Power Point that says this is our statement and why they can prove they are doing what they are supposed to do, and that they can afford three or four counselors for family services. He questioned if Mr. Van Rees' question is due to the lack of availability of family counselors or if it is the internal process.

Mr. Van Rees indicated it is family services; they need help.

Mr. Gitnik stated that is another reason to add to the position statement to say that is why they need family counselors. He commented that this is a significant life event, and he would like to know how it will be presented. The Board needs to have a package.

Mr. Van Rees liked the idea.

Ms. Krebs commented that as part of the presentation it might be a good time to get customer satisfaction surveys from people who have used the cemeteries and some of the negative comments saying where they need help.

Ms. Spates stated they have customer satisfaction surveys from last year and they are sending them out again in March. She appreciates the support and concerns, but she must respect her chain of command, so they are aware. She likes the idea of putting something together and having the general price list on the sheet.

G. P&L FY2019, FY2020 & FY2021

Ms. Spates reported in their first fiscal year they made a total net profit of \$1.9 million; there was a General Fund transfer that was already scheduled for almost \$740,000. That was not a catch up, it was scheduled.

Mr. Van Rees questioned if there was a management company.

Ms. Spates stated that was the philosophy of the former City Manager to continue.

Mr. Watson mentioned the operating revenue is listed as Cemetery Lot Sales; he assumed it was all sales.

Ms. Spates stated that is how Finance has it to keep up with inventory. She noted they sell merchandise, but it is separate.

Mr. Van Rees questioned if that is interment services. He questioned if that would include merchandise or if it is separate.

Ms. Spates replied yes. She thought merchandise was separate.

Vice Chair Zeiler mentioned forecasting and overlooking the life expectancy and questioned if that would be seen as sustainable or if it would level out at some point. She also questioned if a lot of this was due to Covid.

Ms. Spates stated many people have done self-reflection, making more people aware that they want to have arrangements taken care of and not wanting to leave it on their family. She noted the mausoleums are going to go fast. She does not see much slowing down and thinks there will not be an issue with the crypts in the mausoleum.

They are doing the best they can and as they get more staff, they will be able to service more.

Vice Chair Zeiler commented this documents what Mr. Nesbitt said.

Ms. Spates does not know how staff does it. Mr. Jackson never takes a day off.

H. Other Business

Mr. Nesbitt requested an update on the status on the computer database.

Ms. Spates stated they are working with the vendor; the system has not been delivered. They are meeting with the vendor to see if they can come to a compromise, the most important thing was getting the data from the former City procured contractor. She thinks the task was underestimated. They can access the system, but it is not functional daily.

Mr. Gitnik went on site to see the software. The vendor did a good presentation, but he questioned whether they got all the modules they were supposed to receive and there was no help, support, or a user manual. He was disappointed because if you would have seen the presentation on the RFP, you would have thought that we would not have any of these issues.

Mr. Van Rees questioned what they bid on and what we received.

Mr. Gitnik thought Legal and IT were looking at that. He knows they were supposed to get the Enterprise, which included all the modules. He was not sure they received the Enterprise version because he did not see all the modules, at least live.

Mr. Van Rees questioned if they also provide future updates.

Mr. Gitnik stated in the RFP they were good with that; they were providing future updates and they got a good, negotiated rate for the software; everything was positive. He was disappointed with the deliverables he saw; they were not as robust as what he saw on the presentation. He still believes the vendor can prove themselves. What he saw on site was the frustration of the staff, which was appropriate. It was not a lack of user ability; it was multiple issues.

Mr. Van Rees questioned what was provided in terms of other entities who used their software when they provided the information in the RFP.

Mr. Gitnik stated the City did an excellent job on their due diligence on the RFP. He believes the vendor did an excellent job answering the questions the way they thought they should have been answered, but he is questioning if they can deliver some of the

deliverables they said they could deliver. He kept screen prints when the presentation was done, which he provided to Ms. Spates. He believes this is a reputable firm, but they need software that works. Online help should be in the software package and an administrative user manual should be provided, none of which was provided. He believes this model cannot be run without the software program and the longer they go without the software program in place, the harder it will be to replicate that into the software. He thinks their capacity and ability would be increased if the software was fully operable. Doing everything in paper format right now is labor intensive.

Ms. Spates stated IT is doing an audit and will have a recommendation.

Vice Chair Zeiler mentioned new business and stated the Civic Association of Harbordale has approached them to do a preliminary outreach for a National Registration for the Evergreen Cemetery. An application will have to be done, which will take some time.

Mr. Nesbitt questioned when they started the process for a National Registration for Woodlawn.

Ms. Spates thought that started before she got there.

Mr. Gitnik stated it started almost six years ago.

I. Communication to the City Commission

Chair Kurtz questioned if discussion was necessary.

4. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:08 p.m.

The next scheduled meeting is Thursday, February 17, 2022, at 3:30 P.M.

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