



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, MARCH 9, 2023 – 3:30 P.M.

Members	Attendance	Cumulative Attendance	
		03/2023 through 02/2024	
		Present	Absent
Richard Kurtz, Chair	A	0	1
Scott Busa	P	1	0
Chelsea Krebs	P	1	0
Fred Nesbitt	P	1	0
Mark Van Rees	P	1	0
Dennis Ulmer	P	1	0
Michael Watson	P	1	0
Patricia Zeiler, Vice Chair	A	0	1

City Staff

Stacy Spates, Parks and Recreation
 Kimberly Cunningham Mosley, City Attorney
 Carla Blair, Recording Secretary, Prototype, Inc.

Guests

Kim Krause, Truist

1. CALL TO ORDER

Stacy Spates called the meeting to order at 3:34 p.m.

A. Roll Call

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

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

No discussion.

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

Mr. Ulmer questioned if Mr. Kurtz wants to remain Chair.

Mr. Nesbitt asked if Mr. Van Rees would be willing to Chair.

Mr. Van Rees replied yes.

Motion to nominate Mark Van Rees as Chair, by Mr. Nesbitt, and seconded by Mr. Watson. In a voice vote, the **motion** passed unanimously. (6-0)

Motion to nominate Patricia Zeiler as Vice Chair, by Mr. Busa, and seconded by Mr. Watson. In a voice vote, the **motion** passed unanimously. (6-0)

Chair Van Rees introduced new members, Dennis Ulmer and Scott Busa. Mr. Busa lives across from the Evergreen Cemetery for 23 years and he serves on the Harbordale Civic Association.

2. NEW BUSINESS

A. Approval of Meeting Minutes for January 12, 2023 (Discussion/Motion)

Motion made by Mr. Busa, seconded by Ms. Krebs, to approve the January 12, 2023 minutes. In a voice vote, the **motion** passed unanimously. (6-0)

B. Perpetual Care Trust Fund Investment Review/Truist Bank (Discussion)

Kim Krause, with Truist, provided a Power Point presentation through February 28, 2023, as follows:

Ms. Krause provided the following information:

- Page 3 – The two-month return for the S&P was about 3.7%. International Markets are up, and Bonds are positive. They had two back-to-back years of negative Bond returns, which has never happened, but now they are starting with good Yields in Bonds. They should expect positive contribution from Bonds in the portfolio this year because the Barclay's Aggregate is yielding 4.8%. Their outlook continues to be challenged for Equities as they continue to see economic data come out, inflation is still looking sticky and the Feds are continuing on the path to raise rates.
- Table on bottom of Page 3 – Last years sectors that were big underperformers has reversed with Consumer Services, Info Tech, and Discretionary Posting, with positive returns for the two months. Some of the leaders are the relative outperformers last year like Utilities and Energy.
- Page 4 – Over the next three to 12 months Equity continues to be challenged, which they are viewing as less attractive, meaning they will probably maintain an underweight exposure to Equities, but Fixed Income and Cash are looking attractive because of the Yield environment. Cash or the Money Market Portfolio is yielding 4.4% in short-term cash instruments. The Barclay's Aggregate Fixed

Income Benchmark is yielding 4.8%. They are seeing attractive opportunities for Fixed Income and Cash when compared to Equities, which will continue to be challenged. The ten-year forward outlook is what they base their long-term forecast on and because of the big reset in Equity and Fixed Income last year, now the ten-year returns are looking much more attractive. U.S. Large Cap Equities are expected to return 7% on average over a ten-year time horizon, Core Taxable Bonds 4.5%, which is a much improved long-term expectation of return versus a year ago because Yields have moved up so nicely. Forward looking returns in a diversified portfolio are now looking much more attractive and with the new Investment Policy Statement the Commission approved last night, a target of 55% Equity/45% Fixed Income, can expect a return of roughly 6% over a ten-year period on average.

Mr. Busa asked if that is a target for the funds.

Ms. Krause indicated the stated target has been 5%, but now that they have increased the Equity exposure for long-term return opportunities, she would say closer to 6% is somewhat of a realistic expectation.

- Page 5 – Inflation expectations have risen and they probably have seen the peak in inflation in the U.S. earlier this year; however, they are seeing components of inflation remain sticky with shelter, rent, etc. Inflation has not come down enough and is not continuing to come down to where the Feds want it to come down, so they will keep raising rates and the next meeting is next week. The Market is now pricing at a 50-basis point height and the expectations were 25 basis points. The Market is interpreting that to mean steeper rate increases. That means the terminal Fed rate is likely to be 5.5% or a little higher than what was expected a few months ago because inflation remains a big concern.
- Page 6 – Monetary Policy rates were mentioned, and we are on the first anniversary of the first Fed rate hike, going from 0% to 4.75% within a one-year period and the Market is expecting 5.5% by the end of 2023.
- Page 7 - When thinking about recession, which will likely be a mild recession and perhaps short lived in nature, but the National Bureau of Economics Research is the organization that officially calls a recession. There may be back-to-back quarters of negative GDP, but that does not indicate a recession. They are looking at industrial production, non-farm payroll, personal consumption or spending, and real income. Those are in addition to GDP. There was an uptake in consumer spending, but they are now seeing consumers getting a bit stretched. Employment has been a very strong point and has kept the economy in decent shape.
- Page 8 – Lag effects of Monetary Policy. As the Fed tightens policy, the first areas to feel the effects of higher rates are mortgages, auto loans, and credit

cards; all consumer related. The Labor Market is typically one of the last sectors of the economy to feel the tightening cycle. They think Growth is set to dip later this year and into next year as the lag effects of the Monetary Policy comes into play.

- Page 9 – The chart shows a big increase in defaults on auto loans and leads to the consumer. The consumer makes up two-thirds of U.S. GDP, so as defaults are seen on auto loans, credit card balances have increased as have credit card interest rates. The consumer is now becoming under more pressure and that will be difficult to maintain.
- Page 10 – The credit card interest rate now averages 19.1%, which is very significant. The revolving credit balances are starting to grow at a high rate.
- Page 11 – S&P 500 Broad Market. In December they had a 6.4% pull back followed by a 10.5% increase in January, and then a 5% pull back in February. They think volatility is going to continue to take place until there is more of a clear understanding of inflation coming down and the Feds at some point pause raising rates.
- Page 12 – Evaluations. The price to earnings ratio for the S&P is now sitting at the ten-year average, which is 17.2 times, which is not cheap. Stocks are not cheap even though the Market pull back has been significant over the last year, earnings have also started trending downward. Evaluations remain at roughly 17.2 times and earnings risk continues to be a big concern. What that means to Bonds relative to Stocks is that Bonds are now more attractive.
- Page 13 – Equity Risk Premium, which measures the relative attractiveness to Stocks versus Bonds. When Stocks are paying a good dividend Yield and Bonds were not, the Equity Risk Premium was very positive and attractive making Equities more compelling. Today, Bonds are providing a very nice Yield and Equities are expected to remain volatile with pressure on earnings and now Bonds are looking more attractive. That leads to their short-term tactical thinking that Bonds are more attractive in a diversified portfolio.

Mr. Busa asked if that is Specific Bonds or Bond Funds.

Ms. Krause replied both. Bonds in general, Fixed Income instruments in general. When looking at details of the portfolio there are individual Bonds they manage as well as Funds.

- Page 14 – Fed Funds Rate and their Market bottoms. Typically, when a Bear Market is seen, the bottom of the Bear Market has not come into play until the Fed has stopped raising rates or has pivoted to cutting rates and that clearly is not the case today, they are still continuing along the path to raise rates. They did see a 25% decline in the S&P twice in two different periods in time last year, in June and October. They may hit that low again, especially as the Fed continues

along this path. Bear Market bottoms tend to coincide with a pause in Monetary Policy or a pivot, which is not the case at this moment.

- Page 15 – Yield Curve. This is the two-year Treasury and the ten-year Treasury, which is now 105 basis points inverted, meaning that the two-year is roughly at 505 and the ten-year is right around 4% or just under 4%. That typically has been a strong indicator of recession in the past and that has been the case since last summer.
- Page 16 – Intermediate Term Yield. The ten-year U.S. Treasury Yield range over the last year or so looks more compelling when it hits 4% and above. They think yields will start to soften a bit above 4%, and below 3%, less compelling. They are in the range where Yields are looking very attractive.
- The outlook continues to be chalky Markets for Equities with a backdrop of weakening economic trends, tough macro-economic environments in the U.S., but also globally, continues increase and Fed Fund rates and continued higher levels of inflation. Making a difficult back drop for Equities to perform well.
- Page 18 – Portfolio table. Year to date of January and February, so March 1, 2022 to February 28, 2023. In the two-month period, there was an unrealized gain in the portfolio of \$378,000; positive interest in dividends of just under \$80,000; and the Market Value at the end of February is \$30,101,000. The dip last year was as low as \$27,000,000 in the third quarter. When looking at the annual snapshot, there is an unrealized loss of \$2.9 million. On a 12-month basis unrealized Market Value Loss of \$2.9 million.

Mr. Busa mentioned fees and asked if they are in withdrawals.

Ms. Krause stated these are in the withdrawal section. She believes they pay 25 basis points to Truist for Investment and Advisory Services, and when they look at the underlying manager fees, those are all net of fee returns. There are no dollar costs for underlying managers.

Mr. Busa commented there is a fee associated with a particular fund the managers take out.

Ms. Krause replied that is correct. That is on Page 19.

- Page 19 – This shows a high-level snapshot of the investment assets. She mentioned expense ratios and stated that Truist uses third party Mutual Funds and ETFs as well as some internally managed Bonds. The average expense ratio is 16 basis points, which is very low and is a blended average of all the underlying funds. It is a heavily passive portfolio, roughly 80% passive, and Mutual Funds and ETFs are netted out from the daily assets of the fund, so when they report performance, they are already net of fees. It is not a hard dollar cost

the City pays, but it is a fee that is realized by the fund. You can also see the IPS ranges, so again, last night the IPS was approved and revised, so they will update the ranges and targets, 55% Equity/45% Fixed Income, and then the ranges around that will revise accordingly. As of February 28, 2023, 52% in Equities, 37% in Fixed Income with the remainder in cash equivalent, some of which are short-term Treasuries. Within Equities, reminder they have a dividend focus and income focus in the fund, so many dividend strategies that are generating nice income on the Equity side and then also a small exposure, 7%, to International Equities. On the Fixed Income side, the Corporate obligations, Foreign Bonds, and Government Bonds can be seen, which are all individual securities that Truist manages. An expense ratio of 0 can be seen because Truist is managing those and there is no additional manager fee. They are complimented by three Mutual Funds, and the expense ratios can be seen as well. They are getting a good Yield from the Fixed Income portfolio, which is a positive. They will be looking to add to Fixed Income from part of the Cash Equivalents and the Money Market Fund is yielding 4.43%, which is a good Yield as well. They are looking to increase Fixed Income exposure somewhat to enhance the diversification and Yield in the portfolio. For now, Equity exposure will not be increased even though the City approved the increase, they will wait for a more opportune time, likely later in the year to move up to the 55% Equity exposure, and perhaps at some point, they will be able to overweight that a little when the risk return scenario becomes more attractive. Estimated annual income is \$846,000; overall portfolio Yield is 2.8%, which includes the FB portion.

- Page 20 – Performance. The year-to-date column is two months. There is a positive return for the first two months of the year, 1.5% net of fees and that net of fee is net of Truist Investment Advisory Fee, the top line is gross of their fee. She pointed out on the year to date column, the S&P 500 through February for the first two months was up 3.69%. The Select Dividend Index was up only 40 basis points. Dividend Strategies performed well on a relative basis, and in 2022 they outperformed the S&P, but in the first couple months of the year, Utilities have lagged and that tends to be a large sector in the Dividend Benchmarks. Some of the Consumer Staples have also lagged. Exposure is more heavily weighted towards Dividend Strategies because of the income it produces for the Trust Fund. The S&P and the Dow Jones U.S. Selective and into the one-year period, the difference reverses, so it was a negative 7% over the last 12 months for the S&P and a positive 1.5% for the Dividend Index. There are periods of time where Dividends underperformed or outperformed and the last 12-month period was a strong outperformance for Dividend Strategies, which has helped the relative portfolio return versus the policy benchmark.
- Page 21 and 22 – Manager Returns. They like to be transparent in reporting what those returns are versus the relevant Indexes along with the Expense Ratios

Mr. Busa asked if there is a way to show how long the Trust Fund has held the different Assets.

Ms. Krause advised it is not part of this report. She can get that information and provide it. She suggested looking at Page 19, most of the Managers have been in the portfolio for the last three to five years, especially on the Index side. A couple Active Managers over time they have replaced. All the individual Bonds have been in the portfolio since the transition into Truist, which was Sun Trust back in 2011. They do not have a lot of turnover, they do not make a lot of changes in Managers unless there is a reason.

Mr. Ulmer commented that Ms. Krause has always told them how they keep track of the Managers.

Ms. Krause stated when she meets with the Board they talk about Managers and if there are changes. A trend has been over the last five years from more Active Management to Passive Management and that has been at the encouragement of the City, but also using Dividend Strategies there are many more choices in the Passive Universe that have done very well. She would say they have more Passive Management than they did three or five years ago.

Mr. Nesbitt mentioned Equities and heavy Dividend Stocks. He complimented Ms. Krause for the work she did on the Investment Policy, which was improved by the Commission last night without comment on the Consent calendar. He mentioned at the Conference meeting the Commission reviewed the quarterly report for all the City Investment Funds and for the current quarter or the fourth quarter of last year, their return was 6.95%, the highest of all the funds. He thinks Truist has done very well managing their portfolio.

Mr. Busa stated it would be interesting to see that track over time and he asked if it is consistent.

Mr. Nesbitt noted they vary in some of the other funds. The other post-employment benefit is strictly in Passive Index Funds.

Ms. Krause noted each has its own Investment Policy, which differs. The Pension Policy is very different from this Trust. This is a plain vanilla Equity Fixed Income, but very well diversified within Equity and Fixed Income and conservatively managed. The Investment Policy is at the back of the report and most of it did not change except for the targets and the ranges around it.

Mr. Busa commented if ten-year Treasuries make it to 5%, should they raise their expectations or lock it in for a longer period of time.

Mr. Nesbitt stated when they looked at the new allocation going from 50/50 to 55/45, they tested it out for ten-years and thought it would bring a nice return with very little increase in risk. If they went 60/40, then they had much more risk and not as much return.

Ms. Krause advised they would still consider that a balanced portfolio with the ranges around that of 10% on the bottom and 10% on the upper side; it gives a lot of flexibility to underweight and overweight and a position to reduce risk when Markets are more challenging or Fixed Income presents greater opportunities.

C. Pre-Need Merchandise & Services Sales (Discussion/Motion)

Chair Van Rees stated that many private industry businesses are held to Chapter 497. He does not think the City is held to this, so what is highlighted under the Florida Statute is what a private industry has to abide by, and it is heavily audited practically every year by the State of Florida. Currently, Fort Lauderdale places 19% from sales. There are no pre-need sales of merchandise and services for the City. He questioned if the City is currently selling cemetery internment rights.

Ms. Spates advised they sell plots at need or preneed.

Chair Van Rees noted any pre-need merchandise purchase is out of the question and it cannot be prearranged with the City.

Mr. Busa asked why that is important. He questioned if a tombstone was purchased and placed on a plot if it could be done as a preneed.

Chair Van Rees stated they could if they had a pre-need Sales of Merchandise License. The City of Fort Lauderdale does not qualify for that because they cannot hold money in a Trust, there is no Trust. He noted it cannot be delivered, it is a liability. At need they can accomplish, but currently, if someone came into the cemetery office and wanted to look ahead, they might be able to show something, but they cannot generate a contract preneed. It is the same with openings and closings. His viewpoint is that openings and closings are service related and if it is prearranged at today's rate and it becomes serviceable ten years from now, they will only be paying today's rate. The other end is that they are gaining interest on that money over time as well. Sometimes prearranging is not always the best interest of the City for services. The same thing holds true with a new mausoleum, they cannot do anything with it right now, there are no bids. He mentioned at the last meeting that perhaps there should be some sort of a private/public partnership that would allow the City to get a mausoleum built in a much faster fashion. That has to be explored and he does not know how it would play out, but he thinks it can be achieved if a plan is put into place. No matter what is done, they are years behind in the ability to sell or provide mausoleum space. There are no mausoleums left

at Lauderdale Memorial Park or at Sunset except for ground interment. A mausoleum provides several hundred additional sites for burials and in the private sector they can presell a mausoleum and when they get to a certain point in those sales, they have to begin construction depending on how it is financed. In preselling, they also run the gamble of preselling a mausoleum crypt and a death occurs, so they have to find a spot to put that person and the mausoleum is not built. Unfortunately, with the City cemeteries, the only option is to bury in the ground, where as in the private sector, when they plan mausoleums, they will have an inventory of mausoleums phased that they can put a temporary in tombs and when the mausoleum is fully built they transfer them over. He thinks the biggest thing is how to put a plan into place to get mausoleums built. He knows there has been a challenge with the bids because of the bid process.

Mr. Nesbitt questioned where they are with mausoleum construction.

Ms. Spates stated they cannot do mausoleum construction without going out to bid again. It was on the agenda last night for the budget amendment because they have to add more money to the project because it is coming in higher. They have to move money because the RFP cannot go out without funding being in place. It takes approximately two or three weeks to make sure funding is in place. She noted that Project Manager fees must be included.

Mr. Nesbitt questioned if this is money in the Operating Budget or the CIP Budget.

Chair Van Rees stated usually it is CIP.

Mr. Nesbitt asked if that money will be replaced once it is spent.

Ms. Spates stated they take the money out of the CIP and then they ask for a reimbursement because the Board voted to support funding.

Mr. Ulmer commented that the problem is the mess they have with the previous contractor.

Ms. Spates indicated because Carriage was a private entity, by State Statute there has to be a Merchandise and Services Trust Fund, which is different from the Perpetual Care Trust Fund. There is language in the Statute that says 30% of what was collected for services goes into the Trust and then the 70% can be used for operating, then they have the Trust for inflation and interest is gained on that money because they are promising for the future that the amount paid is going to be for whenever they are ready. Currently, when they took over, no one understood that the State would not permit a municipality because they do not have a funeral home or crematory to be able to qualify for what is called a pre-need License. There is a \$4.2 million fund still being held by Carriage. For example, when they say delivered and undelivered, they are saying Fred came in and prearranged with Carriage merchandise and services. A portion of that

money is sitting in that fund and when Fred passed away, they delivered on that merchandise and were able to invoice the fund to get the money out. None of that is happening because they have not been able to come to an agreement with Carriage on that particular agreement, which they are working on. Carriage has a new attorney, and they are trying to work through that. The reason why this is being brought up is because Commissioner Glassman brought it up and staff wanted to have a discussion with the Board. The recommendation is that the staff do an invitation to bid, ITB, to see if there is an appetite for a vendor or vendors to be able to provide that on behalf of the City, but it is going to be up to the vendor to bid and work with Carriage on the transfer, and if she is not mistaken, that has to be approved by the State.

Chair Van Rees clarified it has to be approved by the State. In order to do that, no matter who it is, all sides have to demonstrate the financial responsibility for that fund.

Mr. Ulmer asked what happens if Carriage does not agree to it.

Chair Van Rees stated they could bid too; they are licensed with the State of Florida.

Mr. Ulmer questioned if Carriage has bid on something before.

Ms. Spates replied no. It has been 4.5 years since the separation. They have delivered on hundreds of services in the past 4.5 years, so we owe them money because another issue is they have been collecting on those preneed contracts and should not be. That is where that agreement comes into play. If they are going to do this and they want to transfer from Carriage to another firm that is qualified, then that would be up to them and it has to go before the State.

Mr. Ulmer's theory is if it does not work out, then there would be another big mess.

Chair Van Rees stated they currently have nothing, and they are 4.5 years into it.

Mr. Ulmer questioned if they can get an architect to say this is a mausoleum.

Ms. Spates stated that is a separate issue.

Chair Van Rees commented they are on the Merchandise and Services Trust Fund. The monies were collected over the course of Carriage's term with the City and the current value is \$4.4 million.

Mr. Ulmer asked how much Carriage owes the City.

Ms. Spates advised they would have to do a reconciliation.

Chair Van Rees indicated it is an interest bearing Trust.

Ms. Spates stated not anymore.

Chair Van Rees commented that is a challenge. He stated that they need to make a move, something has to happen.

Ms. Spates mentioned there are experts in the field who said if the City cannot sell preneed merchandise and services, they are not going to be profitable, and that is not true, they have proven that. Sometimes there are people who do not have children, or they do not want to leave that for their family, which is considered a burden.

Mr. Ulmer questioned if people are allowed to buy a cemetery plot.

Ms. Spates replied yes. Internment can be purchased at need or prearranged. She noted a maximum of six plots can be purchased.

Chair Van Rees stated that perhaps along with this, not just the Trust that is out there, there needs to be another discussion that piggybacks to this, and that is the operating system that is currently not in place, which has been going on for 4.5 years.

Ms. Spates advised the Resolution with the current vendor is on the agenda for March 23, 2023.

Mr. Ulmer asked if that is the software.

Ms. Spates replied yes.

Chair Van Rees stated that is a big part of what Carriage took with them when they ended their agreement and they converted it without the City's knowledge from the original system of HMIS to their own proprietary software and that was never disclosed until they got into the situation of doing a data dump, but it is proprietary software, so it is not matching.

Mr. Ulmer questioned if the software is on the agenda for March 23, 2023.

Mr. Nesbitt noted the other issue is mausoleums.

Chair Van Rees commented if they do put out an invitation for bid, it should piggyback with an operating system software because without it everything is being done manually. It is hand in hand. When something is sold it goes into a database.

Ms. Spates stated that is why she does not take requests because everything they do is multiplied by ten and she does not have time.

Mr. Ulmer questioned what is going before the City Commission.

Ms. Spates replied a Resolution to come to an agreement of how they can move forward. Both ends have made a commitment to say what they are going to do so they can get the implementation successfully.

Mr. Nesbitt asked if they have faith if this is approved it will solve the issue of the database.

Ms. Spates replied that she hopes so.

Chair Van Rees questioned if they have proven themselves to this point.

Ms. Spates thinks they did a relatively decent job with the conversion of the Legacy data, which is Carriages, but it is now making sure that their information is going to be converted correctly without having any duplicate records or plots that are not available showing available.

Mr. Busa asked if they have a software they want to use.

Ms. Spates stated they have a vendor they awarded the software to a couple years ago, but it has gone nowhere.

Mr. Nesbitt stated the problem is when Carriage left they had all the data in their system. The vendor was told to take that data, put it in, operate the system, and moving forward they would have the current data plus all the historical data, and that has not worked for 4.5 years.

Mr. Busa commented the resolution is how they will come to the table with their proprietary data and give it to the City's vendor.

Ms. Spates stated it is not Carriage, the vendor is Cemsites, and they will be the CRM for the cemetery. They will have the records and will have converted the records from Carriage services. When they put out the RFP, they were very transparent, and they had to sign an NBDA. They only had three bids, one was a UK company, another company was not qualified, and then there was this company that was the best. She would have liked to have seen HMIS.

Chair Van Rees stated it is a process.

Ms. Spates indicated that she wanted the Board's thoughts on the preneed merchandise and services.

Chair Van Rees questioned if it is worth looking ahead and saying that it would be a

vendor that would provide those services at the cemeteries and if all goes well with Cemsites then everyone connected to the City's cemeteries will have to use their software.

Mr. Nesbitt commented that they talked one time before about contracting them out to someone who has a license, and they would take a cut of all sales.

Chair Van Rees replied that is exactly what this is.

Mr. Nesbitt stated he was interested in that at one time.

Chair Van Rees indicated they would have to put out an ITB to see if there is interest for someone who is interested and say what they can provide. He thinks it is worth looking at. He believes it would benefit the City with the Trust that is out there because it would be held locally because they have to have a Florida license.

Mr. Nesbitt stated they could offer the service, but they would also get a percentage of the sales, which they are not getting now.

Chair Van Rees noted they would be servicing as well. They would be handling the customer service aspect.

Mr. Busa commented that they will not get a percent of the sales now, so if there was need and someone needs a casket, the cemetery cannot sell the casket.

Chair Van Rees stated it has to be cemetery related.

Mr. Busa stated the problem he had before is that there was a lot of hard sale going on at the time and the new vendor would not have the same opportunity in preneed because the old vendor was selling cemetery plots for the City and preneed things.

Mr. Nesbitt mentioned this would work if he went there and said he wanted to do a preneed purchase and they would put him in contact with the proper person. He asked if another vendor came in if the Carriage Trust would have to transfer.

Chair Van Rees replied yes it would. When looking at that aspect, managing it locally has an easier work relationship with the local office.

Ms. Spates stated the software is on the agenda for April 4, 2023.

Mr. Busa asked if money is still coming in from the preneed.

Chair Van Rees stated all those contracts are there, people are making the payments, but they are currently coming to the City, so managing it is a little more cumbersome. In

the long run, the ITB should be considered, so they can put it out there and see what the interest is. He is not sure what the language would be, but an opportunity for a company to make a proposal saying what they can do and what the benefit is. Currently, the Trust is not earning any interest. He thinks from the previous agreement, payments were being made to the City.

Ms. Spates commented that they paid a management fee to the City.

Motion made by Mr. Nesbitt that they do an Invitation to Bid, ITB, for managing preneed sales at City cemeteries, services, and merchandise, and related Trust Fund management. No second was made.

Kimberly Cunningham-Mosley, City Attorney, advised the motion is a recommendation from the Board for the City to move forward with the ITB for preneed services and merchandise related to Trust Fund management. She noted the ITB is going to come from the City, no recommendation is going to go to the City Commission, and from that point, they will direct Procurement to move forward with putting out an ITB.

Motion made by Mr. Nesbitt, and seconded by Mr. Watson, to recommend from the Board for the City to move forward with the ITB for preneed services and merchandise, and related Trust Fund management. The **motion** passed with Mr. Ulmer in opposition. (5-1)

Mr. Ulmer mentioned they do not know who the people are until they tell you they own the plot because there are no records.

Ms. Spates stated they have electronic records. Currently, someone calls, gives the information available, name and date of birth of an individual, and the information comes back fairly quick.

Chair Van Rees commented that it is all done manually.

Mr. Ulmer questioned if someone is going to bid how and asked how they will know how many pre-needs there are.

Ms. Spates stated that currently, based on pre-need in the Trust, it is as far as they can go with the ability for them to look at the records.

Mr. Busa mentioned that would be important information for the bidder. He asked if the current Trust covers the pre-needs that are paid for.

Ms. Spates stated that would be reconciliation.

Mr. Busa commented that no one would sign up for that and then find out that the Trust is millions of dollars short.

Chair Van Rees stated it is a future sale of pre-need, which is straight forward. There would have to be a reconciliation. He was surprised when he heard it is no longer an interest-bearing account.

Ms. Spates thinks Regions is the Bank and FSI does the recordkeeping.

Chair Van Rees stated that FSI was recently acquired, they are in Tallahassee.

D. General Price List Review (Discussion/Motion)

Chair Van Rees advised an ossuary is a below ground vault and there is usually a pipe for pouring cremated remains into the vault and they disperse below ground, they are co-mingled. It is not uncommon.

Ms. Spates commented it is for people who want a more affordable burial.

Chair Van Rees asked if everyone has looked over the list in comparison to local cemeteries.

Ms. Spates stated Forest Lawn is getting ready to go up again this month.

Mr. Watson questioned if this is just Broward County.

Ms. Spates stated Pompano is not a competitor.

Chair Van Rees agreed with Ms. Spates. Very few Fort Lauderdale residents will venture out of Broward County. They probably will not go to Pompano Beach because you have to be a resident of Pompano Beach, it is restricted.

Mr. Busa thought this was ridiculously complicated and questioned if this could be simplified.

Chair Van Rees indicated at one time it was, usually it was brackets and now it is hourly.

Ms. Spates stated this is for the Board to look at and decide.

Chair Van Rees knows labor is a factor.

Ms. Spates advised they cannot keep absorbing the costs. They have not had any plot increases since 2015. They had some minor increases to openings and closings in 2019.

Mr. Busa mentioned normal burial hours are 9:00 a.m. to 3:00 a.m. and after that is 20%

more.

Ms. Spates stated it is industry, this is not regulated to the City of Fort Lauderdale.

Mr. Busa commented that the industry does not have a 4:00 p.m. to 5:00 p.m. or a 3:00 p.m. to 4:00 p.m.

Chair Van Rees stated that some do, but 3:00 p.m. is the cutoff on any given day, Monday through Saturday. After that, there is usually a flat rate. Saturdays after 3 is \$500 and that takes them up until 4:00 p.m.

Ms. Spates suggested members read the Rules and Regulations. If they want to make a recommendation to talk about changing that, they can do so.

Mr. Ulmer pointed out when they did this it was because they were addressing an issue that was of concern, there were too many people showing up late and not coming on time, so they did this.

Chair Van Rees thinks the office has effectively handled this.

Ms. Krebs stated she likes this one and understands it.

Mr. Nesbitt questioned why internment prices have not gone up.

Ms. Spates stated they are looking at what their competitors do. If there are any recommendations, this is for the Board to review and digest what they are doing.

Mr. Nesbitt mentioned Sunday 9:00 a.m. to 1:00 p.m. underground internment and noted they are \$1,600 when it comes to non-residents.

Mr. Busa commented that he would not concentrate on those because they are not major. They need to come up with ground internment, single plot, because that is where burials for full size caskets exist. The same with mausoleum entombment, which is a full-size casket. The inurnments are for cremated remains, so smaller service and smaller spaces. The real manpower exists in the ground internments and the mausoleum entombments, and equipment.

Chair Van Rees mentioned the 25% discount rate and noted Fort Lauderdale City residents get a 25% discount.

Mr. Busa questioned if that is why there is a range or if are there other reasons.

Mr. Watson indicated there is a range under resident and under non-resident.

Ms. Spates stated this covers all three cemeteries, Lauderdale Memorial Park,

Evergreen Memorial Park, and Sunset Memorial Gardens. They go from the mid to the high end.

Mr. Busa commented that buying a plot ranges from \$1,871 up to \$4,346. He asked if that is because there are different cemeteries.

Ms. Spates stated each cemetery is different.

Chair Van Rees advised that is why there is a range. This is a General Price List, so under FTC Guidelines this is what they had to present, but when they meet with someone and say they want a space in that garden, they will put out their detailed list to see how much the space is in that garden because there are only 20 left.

Mr. Nesbitt mentioned ground interment for single plot and noted that the second one goes from \$1,600 to \$1,400.

Ms. Spates stated that is based on the high end of the resident.

Mr. Nesbitt commented it is the same with the third, and Sunday is \$2,200 to \$1,400.

Ms. Spates noted that was a typo.

Mr. Nesbitt stated they always go from low to high.

Ms. Spates indicated it is \$1,470 and it continues. For instance, \$1,760 went up by \$200 and minus 14% is the \$1,470. The three to four ends in 2060 and it is going up \$300, so that is \$2,360 and it will be \$1,770. She stated she can correct it and bring it back.

Mr. Busa commented that Saturdays seem to be similar to the Monday through Friday and asked if there are differences.

Ms. Spates replied no. Monday through Saturday between the hours of 9:00 a.m. and 3:00 p.m. are the same. She went with the current structure. She will do whatever the Board wants if they tell her what it is.

Mr. Watson mentioned when taking a step back and looking at pricing, the capacity is somewhat diminished. He asked if that is true.

Ms. Spates stated Lauderdale is not a problem. Evergreen Memorial Park was recently surveyed, and they are getting ready to pin because they converted as part of the Master Plan, and were able to add approximately 500 spaces, and Sunset Memorial Gardens is critical.

Mr. Watson commented that considering supply and demand, they want to be the

lowest price if they have limited supplies.

Chair Van Rees thinks because these are related to services, it is City staff maintenance servicing a burial, an entombment, etc., and while they made a proposal last year, it did not go to the City Commission. When Ms. Spates says they have not raised rates, there has not been a rate increase for many years and they are absorbing those dollars.

Mr. Watson suggested higher prices if there is a supply and demand issue. He noted that perhaps they do not want to be the lowest price, maybe they should be the same price or a little higher.

Mr. Busa stated he would look at that for non-residents.

Chair Van Rees indicated that has been the challenge and he does not know the current percentage of sales.

Ms. Spates stated it is about equal.

Chair Van Rees mentioned that non-residents in the past were purchasing in the City cemeteries in large numbers. With the current Rules and Regulations, and under ordinance, it is difficult and that is why there is a limit of six.

Ms. Spates stated that was only since 2004.

Mr. Busa questioned if Veterans get a discount separate from the rate or if that is just for the Veteran's Garden.

Ms. Spates replied that is just for the Veteran's Garden. She noted there is no issue at Lauderdale Memorial Park.

Mr. Busa asked what ossuary cremation is.

Chair Van Rees advised the ossuary is a below ground vault where they can pour cremated remains into the vault itself, so they are co-mingled with other cremated remains nonrecoverable.

Mr. Busa asked if they have a scatter garden.

Ms. Spates replied no.

Chair Van Rees indicated you do not want an above ground scattering garden. A below ground keeps them contained in a secure vault.

Ms. Spates questioned what the Board would like to come back.

Chair Van Rees asked if it is worth going back and revisiting the hours.

Motion made by Mr. Busa, seconded by Mr. Nesbitt, that Monday through Saturday are combined as one from 9:00 a.m. to 3:00 p.m. In a voice vote, the **motion** passed unanimously. (6-0)

Chair Van Rees thought perhaps they should say after 3:00 p.m. it is \$500. He would consider modifying after hour charges to a simple recommended number.

Motion made Mr. Busa, seconded by Mr. Nesbitt, that Monday through Saturday, anything after 3:00 p.m. should have a fixed fee add on. In a voice vote, the motion passed unanimously. (6-0)

Chair Van Rees mentioned they are going to leave Sunday as 9:00 a.m. to 1:00 p.m.

Mr. Busa questioned why there are not after hours on Sunday.

Ms. Spates stated the office is closed. There is skeletal staff, and they are not getting more staff.

Mr. Busa asked if that is double time.

Ms. Spates replied no.

Chair Van Rees stated that based on the current proposed pricing, Sunday is \$2,220.

Ms. Spates indicated that everything is based on the non-resident rates. She confirmed that it is \$2,960 minus the 25%, which is \$2,220 for residents.

Ms. Spates asked Chair Van Rees how they do the time after 3:00 p.m.

Technically speaking, they are supposed to be in the gate by 3:00 p.m. and if they cannot guarantee they will be in the gate at that time, they need to reschedule.

Ms. Spates replied yes.

Chair Van Rees questioned if the same thing will be done with entombments, so it will carry through.

City Attorney Cunningham-Mosley asked if that was part of the original motion.

Chair Van Rees stated it probably was not. They probably need to restate the motion

because it must be consistent with the rest of the offerings in the cemeteries.

City Attorney Cunningham-Mosley indicated they could amend the motion to include what was said.

Chair Van Rees stated it would be mausoleum entombments, ground inurnment and niche inurnment. The motion is amended to include all the categories.

Amended motion made by Chair Van Rees, seconded by Mr. Nesbitt, to include mausoleum entombments, ground inurnment and niche inurnment. In a voice vote, the **motion** passed unanimously. (6-0)

Mr. Busa commented if prices are going to be increased when it will happen.

Mr. Nesbitt stated the Commission has to approve them and this needs to get to the Commission as soon as possible.

Ms. Spates wants to take her time because it has not been done in a long time; she wants to get it right. She wants it to be a solid document.

Mr. Busa asked if there is any discussion on the non-resident versus the resident.

Ms. Spates stated it will affect the residents because residents get a 25% discount in openings and closings. If you want to go up, it will also affect them and the 25%.

Chair Van Rees used the single plot rate for internment and noted it is currently non-resident. If you look at the nearest competitors you can see they are there as well. Everyone is much higher except for Forest Lawn Central. He noted that Forest Lawn Central is currently reviewing for a price increase.

Ms. Spates stated they are moving ahead.

Chair Van Rees asked if there was some consensus that perhaps it should be reviewed and go up in addition to what is listed.

Mr. Watson stated that would be his opinion.

Chair Van Rees advised rates have not been raised in ten+ years on the Veteran's Garden.

Mr. Busa asked if Veterans would get a discount if they went to Evergreen Memorial Park.

Chair Van Rees stated they would pay whatever the rate is.

Mr. Watson commented that the issue is that they are being constrained by existing prices.

Mr. Nesbitt stated if they raise prices now, they probably will be there for a couple years.

Chair Van Rees mentioned it is a process.

Ms. Spates stated Deerfield has tripled for non-residents because they want to discourage them and one of their cemeteries is completely full. She noted there is a waiting list for Evergreen once they start selling. Phase 1 is done and they want to properly pin, so they can get ready for sales. They have collected names from the past years and promised people they would reach out to them when it is ready.

Chair Van Rees thinks they should act on this as soon as possible.

E. Cemetery P & L Statement FY 22 Update

Chair Van Rees indicated this is for fiscal year ending September 30, 2022.

Mr. Nesbitt suggested they share a copy of the memo sent to the City Commission with Mr. Busa. He thought it was very impressive.

Ms. Spates stated the reason it is 1.1 million is because they have not sought any reimbursements in over a year. A percentage of their plot sales, 19%, goes to deposit in the Perpetual Care Trust Fund; they make the fund grow, and then interest and dividends are for maintenance activities. The fund is to improve Capital Improvement Projects, so it is important to keep it healthy and strong. She noted that over the past couple years there has been a lot of vandalism and they are moving monuments off their bases.

F. Other Business – None.

G. Communication to the City Commission - None.

3. **ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 5:24 p.m.

The next scheduled meeting is Thursday, May 11, 2023, at 3:30 p.m.

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

Minutes changes are to be made only by Prototype. Please make all staff edits at one time via redlining or in an email and return to your minutes writer for our approval and acceptance. We will then create a 2nd draft. We will also make final changes after Board approval. Contact Lisa with any questions.