

**GREENWOOD CEMETERY ADVISORY BOARD
MEETING MINUTES
FRIDAY, MAY 27, 2016 AT 8:30 AM
MUNICIPAL BUILDING, ROOM 205, 151 MARTIN**

I. CALL TO ORDER

Darlene Gehringer, Chairperson, called the meeting to order at 8:34 AM.

II. ROLL CALL

Present: Darlene Gehringer
Linda Buchanan
Laura Peterson
Laura Schreiner
George Stern
Margaret Suter

Absent: Kevin Desmond

Administration: Laura Pierce, City Clerk

Guests: Cheri Arcome, Elmwood Cemetery

III. APPROVAL OF MINUTES

A. Approval of meeting minutes of April 1, 2016.

Ms. Peterson noted the name change under Roll Call.

Mr. Stern suggested changing the sentence on page 1 in the second paragraph under Unfinished Business to read: "Mr. Stern said he wanted the chairperson to know he was going to bring up this issue."

In the first paragraph after the second motion on page two, Mr. Stern asked that the sentence be changed to read "Mr. Stern received a phone call from someone asking for clarification on the annual report as to the number of plots available for sale." He asked that the next sentence be changed to read "There is confusion as to the number of plots sold or available for sale in each section, and he would like clarification."

He stated that his motion regarding an IT review should be clarified to read "To ask for an IT review of systems to track the cemetery records."

Mr. Stern asked that the last sentence on page two should be changed to read "Mr. Stern thinks the report will show the city is at a crisis point and we should go forward with reclamation, and he would like a clarification of the letter from counsel of August 2015."

On page three at the bottom of the page, his name should be changed from Stein to Stern.

On page four, the third paragraph in Section C., he questioned the "due to considerations" portion of the sentence. Ms. Pierce suggested that the sentence be changed to read "Ms. Pierce said at this time, no changes will be made."

Ms. Gehringer asked that "Advisory Board" be capitalized on page one in the first paragraph.

MOTION: Motion by Schreiner, supported by Peterson:
To approve the April 1, 2016 minutes, as amended.

VOTE: Yeas: 6
Nays: None
Absent: 1, (Desmond)

IV. UNFINISHED BUSINESS

Mr. Stern asked about his motion from May 20, 2016 as to the contract allocations of sales and his request for clarification.

Ms. Gehringer recalled that Ms. Pierce said at the last meeting that 75% of the sales are deposited into the Perpetual Care fund. Mr. Stern said it is in the annual report also.

Ms. Gehringer stated that when the board discusses the contract, the board can suggest a change at that time. Mr. Stern said it is extremely important to clarify that the percentage is correct according to the contract.

Mr. Stern stated the board has previously requested by motion the legal justification, background, or citation on the two-tier system. It is still an open issue, and he is asking what has happened to it.

Ms. Schreiner stated that based on her legal background, it has to do with general, common, constitutional laws and taxpayers. There may not be a direct case on point relative to taxpayers or a direct statute. Maybe the experts in this area of law will tell the board something different.

Ms. Pierce confirmed that the subject will be discussed when the board next reviews the rules and regulations. That review is one of the board's goals.

Ms. Suter asked about the two-tier system. Mr. Stern explained that some Michigan communities have a two-tier pricing system for their cemeteries wherein a different price is charged to a resident vs. a non-resident. He noted it is very similar to what is done at the city's golf courses which do not lose money. He stated that it was reported to the board that we cannot have a two-tier system because we use a contractor and because we are not losing money.

Ms. Schreiner did not agree with Mr. Stern's recollection of the facts and the reasoning for the systems. She understands that this topic is unfinished business, but the board members did not come here today ready to discuss it, and she is not adequately prepared to discuss it. Ms. Schreiner recalls that discussion of this is exactly opposite of what Mr. Stern is saying. She does not want to have an unproductive meeting.

He stated that it is an open item and therefore unfinished business. Ms. Schreiner agrees that it is an open item, and it will come up on the agenda when it is appropriate.

V. NEW BUSINESS

A. Review of 2015 Annual Report

Ms. Pierce reviewed the Annual Report.

Ms. Pierce clarified the numbers of graves sold in the report for Ms. Suter.

Ms. Gehringer asked for a clarification to the December 4, 2015 minutes that are provided. In the fourth paragraph under Section B. Review of Annual Report, add clarification by changing the word "also" to "not", to read "Ms. Gehringer said her motion was to do the cemetery and not only those sections, and still thinks the entire cemetery should be done."

Ms. Gehringer explained that the documents that are referenced as attached are not included with the report, because they have previously been provided to the board members in their binders.

Ms. Buchanan noted that this is the first time she has reviewed it since she was not a member until recently, and asked for clarification. She questioned the number of graves the City Commission said could be initially sold in Sections B and C before coming back to the board for review. She questioned if the board should revisit the issue prior to the time that 200 graves are sold, or after 200 graves are sold.

Ms. Pierce stated the commission's motion at the August 10, 2015 meeting was to limit the sale of graves initially to 240, and to revisit it at 200 graves sold. She continued that when we sell 200 graves, the board will review the graves in these sections, and no more than 240 graves may be sold in Sections B and C. Ms. Pierce said the 200 grave limitation is meant to give the board a buffer to work with while the sale of up to 240 graves continues.

Ms. Gehringer asked that the August 10, 2015 City Commission minutes be read by Ms. Pierce.

Ms. Pierce read the section of the motion that is in question. "The new grave spaces in Section B & C be initially limited to 240, and that the GCAB be chartered with figuring out the correct arrangement of those, and that it be revisited when 200 are sold."

Ms. Arcome explained the reason for the buffer is the meetings may take time to finalize a decision and people will continue to need spaces. The limitation gives the board a cushion of time to make a decision and make a recommendation for the City Commission to consider, while still making graves available to people for purchase.

Mr. Stern said at the commission meeting a discussion was held about the historic sections of the cemetery, concern about filling them up too fast, and what it would look like with flush markers dispersed among the monuments. Also, there was a discussion about the fact that we were going to be putting flush markers in what Ms. DeWeese considered walking space. The point was made that graves are not sold all on the same day and that we should see how it looks over time. The City Commission discussed filling up about half of the space and then look at it.

Ms. Pierce referred to the report given to the commission on June 29, 2015 in which they were advised on the number of graves in Sections B and C, as well as in the other sections of the cemetery. Mr. Stern thinks we should still point out to the commission that it is unevenly distributed because they based their decision on a 50% rule. They didn't quite get the numbers from the original report, even though the numbers were provided in the original report. Ms. Gehringer thinks we did that in the presentation. It was pointed out that there were 72 graves in section C and 408 in section B. The map also was presented. She thinks the commission is aware that there were not an equal number of graves in each of those sections.

Ms. Arcome said an on-site visit to the cemetery was conducted at which most, if not all of the commissioners attended. She noted that flush markers were laid out in the sections to give

them an idea of what the sections would look like, so they are aware of the layout and based their decisions on the report and the visit.

Ms. Schreiner referred to page 3 of the report under "2015 accomplishments". "The demand for graves in Greenwood Cemetery has always been high." She thinks the word "always" could be misleading and suggested the word be omitted or changed. It was agreed to omit "always".

"The HDC was supportive of the sale of graves". Ms. Schreiner suggested adding the words "including the newly designated" before "graves".

Ms. Gehringer would like to delete the second word "once" in the last sentence of the third paragraph under Space Availability and the Sale of Graves, to read "Once 200 grave spaces are sold in Section B & C, the GCAB will review those sections again."

Mr. Stern said page 4 is the single most important page in the entire report. It shows a crisis in the city of Birmingham. This page shows a crisis that this board has faced. This page displays that this board has at this point a monumental task before it and that is willing to step forward and acknowledge what the facts are on this page and how it will address those facts. If we look at the percentage of sales in the various sections, we see that the purchasers want flush marker space. We have an obligation to point this out to the commission that sales are overwhelmingly in the flush marker sections, and in fact we probably will either run out of monument space or about to run out. This report shows that there are only 10 spaces left that allow monuments. We have got to find more monument space and the commission should be made aware of that fact. We know how to do it. We have a law passed by the state that allows us to reclaim space where we could place monuments. We have an obligation to bring that recommendation to the commission. He has been asked about it by commissioners. We have asked for an opinion on the law. We have as a board no higher duty than to make a recommendation to this commission that we start the reclamation process. It has been completely mischaracterized to the commission in the past by mis-readings. It is too bad we haven't digitized the records as of now because this would be an easy process along with the GPR inspection.

Mr. Stern said this section must have a clause to the commission pointing out the difference in sales between flush marker and monument sections and point out the sparsity of plots available for monument sales so that they understand the nature of the crisis they are facing. He has talked to the commission about this at the long range planning meeting and they understand it.

Mr. Stern said at the very least, this report should contain monument sections vs. flush marker sections.

Ms. Pierce said the pertinent section of the rules and regulations could be included as clarification: Flush memorial section areas plotted after January 1, 2015. On grave spaces in sections B, C, D, K, L, and O, all memorials on new lots plotted after January 1, 2015 must be installed at lawn level."

Ms. Gehringer said that would clarify that they are all flush markers and newly identified gravesites. She continued that we have never been asked to provide a report with the number of monument graves vs. the number of flush marker graves and does not see a reason for that. Mr. Stern believes that they should be educated, because of the public demand.

Ms. Schreiner said previously we saw a high demand and limited supply, and we will begin to see the demand and the supply curve evening out. We are not going to have the same volume of sales as we did when we first offered.

Ms. Gehring asked to add another note that the graves sold have flush markers.

Ms. Arcome added that in order to have a monument base, at least two graves were required. There were very few instances that she recalls two graves together that could be sold. There are no monuments on those spaces at this time. In B, C, K, L and O, the spaces that were sold are lawn level markers. She noted that before Elmwood took over the management duties, monuments were placed on single graves by the families themselves, so you may see monuments on single graves. The rules and regulations were not followed.

Mr. Stern said he does not think the city commission understands that flush markers only are permitted in the newly designated graves in Sections L and O.

Ms. Buchanan asked if the map has been updated. Ms. Schreiner commented that each marked grave could be multiple graves.

Ms. Suter had a question about the numbers on page six, under Breakdown of Graves sold by Quarter. She confirmed that 75% of grave sales is paid to the city, and 25% of the sale is paid to the contractor. Ms. Pierce explained that a single cremation grave is \$1,000 and a full grave is \$3,000.

Ms. Buchanan asked that another column be added showing the contractor's portion of the sale as well to get the total picture and for clarification. Ms. Pierce said another column could be added.

Ms. Peterson suggested adding a reference to the cost of each type of grave on the chart for clarity.

Ms. Suter requested information on the length of payment plan terms. A discussion followed about offering payment plans. It was noted that the board has never discussed a payment plan. Ms. Pierce confirmed that it has not been discussed by the board, and that the contractor is able to offer that service. Ms. Pierce said that as soon as the grave is paid for, the funds are transmitted to the city. She added that the transactions are being tracked by the Clerk's Office and the contractor. Discussion followed about whether the city commission has approved payment plans.

Ms. Schreiner noted that a purchaser does not own the grave until it is paid for, so when the transaction is fully completed, the city then receives its share.

Ms. Gehring asked for the terms of the payment plan. Ms. Arcome responded that a 12 or 24 month, no interest plan is offered, and most purchasers who choose a payment plan opt for a 12 month repayment schedule. She said there are very few people choosing a payment plan.

Ms. Peterson confirmed with Ms. Arcome that payment in full is required should an individual die prior to the gravesite being fully paid. Ms. Arcome confirmed that if someone purchases multiple graves on a payment plan and passes away, only the one grave must be paid in full before burial.

Ms. Schreiner noted that the payment plan option is standard in the industry and has been around for a number of years. Ms. Arcome noted that most cemeteries do charge interest.

Ms. Arcome tries to accommodate what the needs of the family are as far as invoicing on a regular basis or providing a booklet of payment slips. She does contact the purchaser by telephone if a payment is missed or forgotten. Ms. Arcome confirmed for Ms. Suter that a deed to the grave is not given until it is paid in full. Ms. Arcome provides a receipt when needed and some individuals charge the payments to their credit card each month, so a written record of the payment is kept.

Ms. Schreiner noted that the contractor is absorbing all of the burden and costs associated with the payment plan and is receiving nothing in return. Ms. Gehringer agreed and said it was very gracious.

Mr. Stern expressed concern about those people who did not take advantage of the payment plan coming back and saying the rules and regulations of the cemetery were changed without approval of the board or commission, and a payment plan was not offered to them as an option.

Ms. Schreiner noted that she has gone through the process very recently, and said Ms. Arcome made it very clear initially that the payment plan was an option.

Mr. Stern said that when we get to the review of the rules and regulations we should make sure that we document it for discussion.

Ms. Gehringer confirmed with Ms. Arcome that every family is offered the option. She responded that it is part of all of the conversations that she has with every family or individual when they are considering a purchase at Greenwood.

Ms. Gehringer agreed that the board should discuss this, and said at first she was taken aback, before realizing that the payment plan option is important, especially to those on a fixed social security income, or a large family who wishes to purchase enough grave spaces for the entire family.

Ms. Schreiner thinks it should be reviewed in light of the fact that it is currently not a regulation, it is a courtesy offered by the contractor. Ms. Gehringer said we really do not need to review it.

Mr. Stern disagrees, and said it is a reservation system. He believes the contractor is changing the rules and regulations of the cemetery.

Ms. Suter commented that the city does not tell the contractor how to do their job. Mr. Stern said we tell them what to charge. Ms. Gehringer said it is similar to telling the contractor you cannot take a check but you have to take a credit card. Ms. Gehringer stated she is satisfied with the option.

Ms. Buchanan questioned if restoration of historical headstones costs come out of perpetual care. Ms. Peterson remembered talking about it at some point, probably during the donor discussion. Ms. Gehringer said some cemeteries do maintain them, but it is quite specific and must be done pursuant to state guidelines and believes it is quite costly. Ms. Gehringer recalled that it was decided that they are individually owned, and the owner is responsible for the maintenance of the monument.

Ms. Pierce noted that we have a section called Maintenance and Perpetual Care in our rules and regulations, stating that the city shall maintain the integrity of damaged historical markers dated prior to January 1, 1875 through the perpetual care fund.

Ms. Gehringer suggested in the future we could create a list of which monuments are dated before that date. Ms. Buchanan agreed that we have to be caretakers of those monuments.

Mr. Stern thinks we owe it to the commission to tell them what the earnings were on the perpetual care fund. Ms. Gehringer pointed out that the chart reflects the interest earned to date through December 2015 in the amount of \$217.59. She commented that the board has no control over it. He said we should have a resolution changing that.

Ms. Gehringer commented that this decision is up to the Finance Department, and the department is aware of the public act. Ms. Pierce noted that the investment policy is pursuant to the city ordinance.

Mr. Stern said the more we tell the commission, the better off the commission is. Ms. Schreiner said it needs to be brought up in a timely manner.

Ms. Schreiner asked to clarify the statement that the city receives 75% of the sale of new and reclaimed grave spaces. She referenced graves were identified that had never been sold. Ms. Gehringer noted that we do not have any reclaimed graves. Mr. Stern felt no commission should have been paid to the contractor, but the City Manager authorized them as new graves. Ms. Pierce said the graves in question were considered newly found graves, since the city did not know they were there. Ms. Gehringer noted that the Advisory Committee knew of their existence previously. Ms. Schreiner added that we did not know they were for sale.

Ms. Gehringer suggested the statement be revised to read "The City receives 75% of the sale of non-private grave sales."

Ms. Buchanan suggested charting the contractor's share of the sales. Ms. Pierce advised that the commission has asked for a status update on the relationship thus far between the city and contractor that will contain a breakdown of the contractor's expenses. She said it will not be included in the annual report, but will be a separate report to the commissioners.

Ms. Gehringer asked if adding a column showing the contractor's percentage would be satisfactory. Ms. Buchanan agreed.

Mr. Stern said Mayor Hoff asked where the expenses were for the cemetery. He thinks a note should be added to this report that a separate report is being prepared for that purpose.

Ms. Schreiner understands why only the 75% was included because that is the only information we were asked to account for. If we are going to include the contractor's portion, we have to be very clear that they are paying for everything and that they have fixed costs such as grass cutting, as well as costs that fluctuate such as number of hours spent with prospective purchasers. She added that Ms. Arcome spent an immense amount of time with her family when they considered a purchase at Greenwood. Those costs should be considered in conjunction with each sale, and she believes that it would be difficult to recreate that now. Since the contractor was not tracking the time, it can only be an estimate or average at this stage and it should not be considered a benchmark for the future. Mr. Stern agreed that on an hourly basis, it is an absolutely exorbitant amount of money.

Ms. Gehringer suggested revising page 7 as follows: "NOTE: The contractor receives 25% of the sale price for non-private grave spaces." The chart would follow, and below the chart, insert the remainder of the paragraph. The board members agreed.

Ms. Buchanan said she had no input on the 2015 goals, and she does have reservations regarding the first two goals. Ms. Gehringer explained the reason for the goals.

Ms. Schreiner suggested we add the words "to be discussed" for clarity. Ms. Gehringer noted that these are not etched in stone. It is simply a list of items to be accomplished in the coming year and to advise the commission what the board is going to be working on in the next months. The "approved" just has to do with the order.

Mr. Stern reiterated that items 8 and 9 are critical at this moment. Mayor Hoff referenced a law that went into effect May 16th and was assured that action would be taken and is waiting for the board to take action. There is no action being taken and it is now a crisis situation. As a board, we should not be tolerating it and should be making recommendations to the commission in keeping with our item 1 to review and modify our rules and regulations. He also believes reclamation has now gotten to a point where it is a crisis. Ms. Gehringer asked why it is a crisis. He said we are losing money every single day because we are making investments under public act 20 rather than public act 215. Senator Knollenberg specifically put in a law that was passed unanimously by both the senate and house.

Ms. Gehringer reminded the board that the commission were adamant that they were not in favor of reclamation. We can bring it to the new commission, but now is not the time to discuss it.

MOTION: Motion by Schreiner, seconded by Suter:

To approve the draft Greenwood Cemetery Advisory Board 2015 Annual Report, as amended.

VOTE: Yeas: 4

Nays: 2, Stern, Buchanan

Absent: 1, Desmond

Ms. Schreiner said we may want to reorganize our priorities at some point to recognize Mr. Stern's concerns.

Ms. Gehringer noted that if we change the report again next week, it will not go to the city commission on May 27th. There is pressure for this report, and the board has not responded to the request.

Ms. Gehringer noted that the discussion of digitizing the cemetery records and requesting an IT review of systems to track cemetery records will be discussed next meeting, since it is now after 10:00 AM.

VI. CONTRACTOR REPORT

VII. OPEN TO THE PUBLIC FOR MATTERS NOT ON THE AGENDA

VIII. BOARD COMMENTS

Ms. Gehringer introduced new board member Margaret Suter, and asked if there were any corrections to the roster.

Ms. Buchanan invited board members to the 1812 tour at Greenwood Cemetery on Memorial Day immediately following the Memorial Day ceremony in Shain Park.

IX. ADJOURN

The meeting adjourned at 10:05 AM.