

CEMETERIES BOARD OF TRUSTEES  
CITY OF FORT LAUDERDALE  
City Commission Meeting Room  
Tuesday, September 25, 2007  
3:30 p.m.

<u>Board Member</u>	<u>Attendance</u>
Mark Van Rees, Chair [3:45]	P
Victoria Mowrey, Vice Chair	P
Alfred Calloway	P
Cameron Mizell	P
Ann Platt	P
Jose Portela	P
Dolores Sallatte	A
Larry Sherman	P
Susan Telli	P

Also Present

Julius Delisio, Cemetery Board Liaison  
Jamie Opperlee, Recording Secretary  
Lisa Slagle, City of Fort Lauderdale  
Cate McCaffrey, Director, Fort Lauderdale Business Enterprises  
Kent Elkins, Carriage Services  
Katie Leahy, Carriage Services  
Kevin Musico, Carriage Services  
Sharon Seliger, Carriage Services  
D.J. Williams, Assistant City Attorney

The meeting was called to order by Vice Chair Mowrey at 3:40 pm.

**1. Cemetery request for proposals for operation and maintenance agreement (discussion)**

The Board agreed to go over the proposal page by page.

Page 2

Mr. Portela asked if on page two under Eligibility/Qualifications, the minimum years of experience could be increased to 7 or 10. Mr. Delisio said they had originally specified 10 years, but they were concerned this would disqualify some organizations from bidding.

Ms. Platt wanted to be sure it was clear they were referring to a full-service company with five years' experience. Mr. Delisio said this would be covered when the financial statements were submitted.

Chair Van Rees arrived at 3:45.

Chair Van Rees remarked that the five years' experience was in the previous contract as well.

Ms. Mowrey pointed out a typo on page two under Public Entity Crimes, the line which read, "... to provide any goods or services to a public entity may not *to a public entity may not* submit a bid... Mr. Delisio explained that other than the eligibility qualifications, the contract would be written by the Purchasing Department in its standard language. He said this applied to the first three pages of this draft with the exception of the Eligibility/Qualifications section.

Ms. Cate McCaffrey, Business Enterprises Director, explained to Ms. Telli that not every RFP was reviewed by the legal department, but if they had any specific concerns, they would consult with the legal department.

#### Page 4

Chair Van Rees said the language on this page regarding the performance bond was from the previous contract. He asked Mr. Delisio to explain more about the \$250,000 bond and the \$10,000 upfront payment.

Mr. Delisio said currently the contract included a \$10,000 cash deposit, which the City held. There was also a \$250,000 letter of credit the City would use if they found a contractor at fault. He explained that this did not cover all damages that may occur; it just gave the City the capital to begin to correct any immediate problem.

Mr. Delisio informed Ms. Platt that the City required comprehensive general liability and comprehensive automobile insurance for not less than \$1 million combined. Ms. Telli remarked that she felt this insurance amount was low, and they should consider increasing the amount, especially if this was from the previous contract. Mr. Delisio clarified that this referred only to automobile and fire insurance, and was standard City language.

Mr. Delisio confirmed that under this Contract Period, the contractor would be now required to give one year's notice of its intention to exercise the option to extend the term of the contract after five years. The previous contract required only 180 days.

Mr. Portela asked if it would be prudent to add something about open bidding for the renewal of the contract. Mr. Delisio said this would be considered after 10 years.

Page 6

Ms. Platt asked Mr. Delisio to explain the third paragraph, which stated the City currently paid all costs associated with the individual assigned to perform above stated job duties. Mr. Delisio said this was a change from the original agreement, which required the contractor to pay for the initial year for the City management employee and also for maintenance for the first six months for City employees. This language would require the contractor to pay for any assistance they received from the City.

Mr. Delisio confirmed that this was in regard to his position, and currently Carriage paid the City an annual management fee, plus a five percent premium on the \$3 million once it was exceeded. For instance, the previous year, Carriage had paid \$558,000 to the general fund. This language would increase the reimbursement to the City base of the requested \$525,000 by \$50,000.

Ms. Platt felt this could create an inherent conflict by aligning the employee more with the contractor than with the City. She believed this could be built into the contract without an appearance that it was tied to a particular individual's salary. Mr. Delisio said the intent of this was to assure a new contractor that there would be a City person available to help in the transition.

Page 7

Mr. Delisio noted a significant change on this page from the existing contract. He reminded the Board that on the financial statements he provided them at the end of each year, the contractor was permitted to take out interest on the gross receipts. In addition to the interest, they were also able to reduce the maintenance reimbursement, which was never part of the gross receipts. The new calculation was a flat percentage of the gross receipts over \$3,500,000 with no deductions.

Mr. Delisio explained that the specific percentage would be part of the bid process. In the past, it had been 5% in excess of 3 million, less the deductions. In most cases, they were deducting approximately \$1 million a year from the gross receipts because of the interest and the maintenance reimbursement.

Page 8

Under General Specifications, Ms. Telli wondered if this amount of detail was

really needed. Mr. Delisio reminded her that a company might bid who was entirely unfamiliar with their operations and needed this level of detail.

Page 9

Mr. Portela, referred to the hours of operation, which indicated there were reduced hours on Saturday. Mr. Delisio noted that there were currently reduced hours on Saturday at Lauderdale Memorial Park, unless there was a service scheduled. He acknowledged that Sunset continued operating until at least 4:30 on a Saturday.

Chair Van Rees asked about Sundays, and Mr. Delisio said services were offered on Sunday, but they did not open the offices on Sunday. Mr. Delisio clarified that the cemetery grounds never closed 365 days a year. Chair Van Rees asked that this be clarified in the RFP.

Chair Van Rees referred to the next paragraph that described the ownership of the Perpetual Care Trust Fund, and Mr. Delisio explained that this was the new language, including splitting of the bank fees.

Ms. Mowrey asked about the next paragraph that discussed balances due on accounts receivable. She asked if this was clear enough, and Mr. Delisio said the City Attorney would be looking at this section. He said this was intended to make sure the new contractor honored all existing contracts, whether or not they had collected money for them.

Page 10

Mr. Delisio informed Ms. Telli that paragraph 6 was in the original agreement, and stated that the City gave the contractor all the original equipment, but it was the contractor's responsibility if it became in operable. He said all the equipment was titled to the contractor without warranty.

Ms. Platt referred to paragraph 3, and asked if re-platting must go through an approval process. Mr. Delisio said this was ruled by state statute. He explained that all the cemeteries were platted, but not all areas had been pinned. Mr. Delisio noted the difference between what the platting looked like versus the actual availability of spaces because some were lost to trees, water lines etc. He said this provided that projects such as the vacation of some of the grassways at Evergreen could not be done without City approval. Ms. Platt said she would feel more comfortable if it was phrased differently to indicate that there was a review process in place.

Ms. Platt asked about the next paragraph, that referred to City review and approval regarding new merchandise or services being offered, and asked if this

could specify the Cemetery Board for the City's representative reviewing body. Mr. Delisio said any changes always came to the Cemetery Board, and then went to the Commission for approval.

Ms. Mowrey said there was language in the next paragraph stating changes to the General Price List "must be submitted to the City for approval by the Cemetery Advisory Board of Trustees..." and asked if this was the language Ms. Platt felt should be in the preceding paragraph dealing with re-platting.

Ms. McCaffrey said they could not include anything in the RFP that would alter the duties of the Board pursuant to statute.

Chair Van Rees believed that since the third paragraph on page 10 referred to statutory regulations that controlled changes, the Advisory Board need not be specifically mentioned in the language.

#### Page 12

Ms. Mowrey asked if the first paragraph regarding the contractor's agreement to employ as many as possible of the current employees was standard language. Chair Van Rees acknowledged that there were seasonal differences in interments and maintenance issues, and staffing levels should be left to the contractor. Mr. Delisio said this language was intended to ensure some consistency when a new contractor came on board.

#### Page 13

Under Contractor Qualifications/Resources, Mr. Portela wondered if it would be prudent to ask if there was any pending litigation against bidders. Mr. Delisio felt this was a legal question, that could be included as part of the general conditions. He said he would check to see if this could/should be added, acknowledging this could be a difficult question for many companies.

#### Page 15

Mr. Delisio informed the Board that some of the numbers on page 15 could change, and categories may be added or deleted.

#### Selection Committee

Ms. McCaffrey advised the Board that only one member of the Cemetery Board would be included on the selection committee. She explained that the City's responsibility was to avoid any appearance of impropriety, and the Board had already recommended that the existing contractor have their contract extended.

Ms. McCaffrey said ordinary City procedure was to appoint City staff to the selection committee, which is what they intended to do. She said Board members would have the ability to give the City Commission input regarding the recommendation of the selection committee at the City Commission public hearings.

Ms. McCaffrey explained to Mr. Calloway that this had been her decision. She said she was not suggesting any Board member would be unfair. She did agree the Advisory Board should be represented, but she felt the selection committee was City staff's responsibility. She said Mr. Delisio would be a nonvoting member of the committee to explain technical issues that would arise.

Ms. Telli recommended that the Cemeteries Board representative be someone not affiliated with a funeral home. She said she would disqualify herself because of her employment.

Ms. McCaffrey explained to Mr. Calloway that there was no statutory requirement for the selection committee, but she had determined that a five-member committee would be expedient and appropriate. She said she had worked with staff from Business Enterprises and Procurement to make this decision. Ms. McCaffrey said her main reason was to avoid any appearance of impropriety that could arise if the Board that had previously voted to retain the current contractor represented a majority on the selection committee.

Chair Van Rees said he did not want this Board or any future Board to be accused of tipping the scales.

**Motion** made by Chair Van Rees, seconded by Ms. Telli, to recommend Ms. Mowrey serve on the selection committee. Board unanimously approved.

## **2. Adjournment**

The Board's next regular meeting was scheduled for November 8, 2007.

There being no further business to discuss, the meeting was adjourned at 4:50 p.m.