

Red Oak Grove Cemetery Association, Inc.
2020 Spring Board of Directors Meeting
May 14, 2020

The spring, 2020, meeting of the board of directors of Red Oak Grove Cemetery Association, Inc., was called to order at 4:00 p.m. in the basement of the Red Oak Grove Church by President Bob Rickard. Other board members present were Daisy Wingert, Scott Schroeder, Mike Herring, Karen Taylor, Myron Holden, and Mark Penningroth. Mark Penningroth acted as secretary of the meeting.

OLD BUSINESS

Minutes of the November 7, 2019, board meeting were read. A motion was made by Scott Schroeder to approve the minutes as read. The motion was seconded by Myron Holden and approved unanimously.

NEW BUSINESS

A review of the agenda as presented was made. A motion was made by Daisy Wingert to approve the agenda as presented. The motion was seconded by Myron Holden and approved unanimously.

Mark Penningroth presented and reviewed the financial report and attending detail for the year ended April 30, 2020. Highlights were:

- Total income of \$324,021.04
- Total cash expense of \$25,733.43
- Capital expenditures of \$3,560.00 (for Valley View project trees)
- Net returns on investments of (\$40,270.62)
- Ending investments and cash at market value of \$498,208.56

Scott Schroeder moved to approve the financial report and attending detail as presented by Mark Penningroth. The motion was seconded by Mike Herring and approved unanimously.

Mark Penningroth led a discussion regarding the work that had been done by the Finance Committee. He noted:

- Meetings with potential investment advisors
- Phone conferences with Kathleen Kleiman, attorney, of SimmonsPerrineMoyerBergman, PC ("SPMB") relating to Iowa law for perpetual care cemeteries and getting into compliance therewith

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Mark stated SPMB had advised committee members that the Association is subject to the Iowa Perpetual Care Cemetery Act and will need to register and then file a report with the Iowa Insurance Commissioner's Office on an annual basis. He also stated a determination of what portion of the Association's funds are "perpetual care" funds versus those that are not. He stated all funds of the Association were perpetual care funds until the date the Association was deeded the property on which the church is situated and received \$23,200 on May 21, 2007, from the Presbytery governing organization which previously owned the property.

A lengthy discussion was entered into regarding the management of the Association's funds and getting into compliance with Iowa law. It was noted Iowa law requires perpetual cemeteries to have their funds held by an institutional trustee. Scott Schroeder indicated he was very uncomfortable with the current paradigm the Association has relative to the management of its funds, especially given the current market turbulence related to COVID-19. He also expressed concern with regards to the amount of funds that had been spent on the kitchen project. Scott recommended that the Association engage an investment advisory firm to manage all funds, other than cash needed for current operating needs. Other board members felt it was most important to determine the amount of funds that should be designated as perpetual care funds and enter into a trust agreement with a financial institution relative thereto.

With regards to getting into compliance with the Iowa Perpetual Care Cemetery Act, a lengthy discussion was held relative to how to proceed. The key points of a memorandum from SPMB were aired as part of the discussion. There was a difference of opinion with regards to three options:

- Engage SPMB to continue to work on the matter, or
- Engage local attorney at a lesser billing rate and lesser number of hours being billed for, or
- Investigate and proceed without further legal counsel

At the conclusion of the discussion Scott announced the Board he was resigning from the Finance Committee, effective immediately. His resignation was accepted by President Bob Rickard.

Pursuant to the discussion regarding getting into compliance with the Iowa Perpetual Cemetery Act, Myron Holden moved that SPMB be engaged to prepare a trust agreement, documents for court approval and review a new lot sale contract, for a fee not to exceed \$4,500. The motion was seconded by Mike Herring and approved.

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With regards to the movement of funds in the investment account, Mike Herring moved that Lori Schreve be required to obtain Mark Penningroth's approval before making any such moves. The motion was seconded by Karen Taylor and approved.

With regards to the investment of funds, Mark Penningroth asked the Board if they wished to make any adjustments to the current level of cash. After a discussion, Daisy Wingert moved that \$100,000 of equity investments be liquidated and moved to cash. The motion was seconded by Mike Herring and approved.

Daisy Wingert and Mike Herring updated the board on the progress of the kitchen remodeling project. They reported the old base cabinet has been removed and the floor area surround the drain was jack hammered out. Rodney Laucamp had volunteered to complete the floor removal/plumbing part of the project, but do to health issues he notified Daisy and Mike he would not be able to continue working on the floor removal component of the project, but would continue on as the plumbing contractor. As such, it appear floor removal will have to be contracted out.

Myron Holden reported he had cleaned the church on May 11 and 12. Myron also reported the storm windows still needed cleaning.

Bob Rickard asked for volunteers for the audit committee. Bob accepted the offers of Mike Herring and Scott Schroeder to serve on the committee and to review the financial records of the Association before the annual meeting.

Bob Rickard reported that the Nominating Committee was recommending that he and Scott Schroeder be placed on the annual meeting agenda to be elected for five-year terms. Daisy Wingert moved to accept the Nominating Committee's recommendation. The motion was seconded by Mike Herring and approved.

Bob Rickard reported the Alexander Storjohann and Jessica Paddila wedding and the Robert Cousins funeral service are scheduled for May 16 and May 30, respectively.

After some discussion led by Bob Rickard, Mark Penningroth moved the Association's 129th Annual Meeting of the Members be held in the church or church kitchen beginning at 4:00 p.m. Thursday, July 16. The motion was seconded by Mike Herring and approved.

There being no further business, Myron Holden moved to adjourn the meeting. The motion was seconded by Daisy Wingert and approved unanimously. Meeting adjourned at 6:35 p.m.

Respectfully submitted,

Mark Penningroth