

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
September 4, 2018

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Kelly Rivers at 10:05 a.m., in the Board Room of the Orange County Cemetery District, 25751 Trabuco Rd., Lake Forest, CA 92630.

The Pledge of Allegiance was led by GM Deutsch.
Roll Call by Board Secretary, Mary Funk.

PRESENT: Kelly Rivers, Chair Second District
Cynthia Ward, Vice Chair Fourth District
Maribel Marroquin First District
William E. Nelson Third District
Noel Hatch Fifth District

Staff: Tim Deutsch, General Manager
Brenda Manriquez, Staff Accountant
Mary Funk, Board Secretary

Also Attending: Robert Lee, Law Offices of Quintanilla & Associates

PUBLIC COMMENTS – None

CONSENT CALENDAR

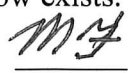
Trustee Nelson requested that Item A – Minutes of the Regular Board Meeting, August 7, 2018, be pulled from the Consent Calendar.

- A. Approval of Minutes – Regular Board Meeting, August 7, 2018.
- B. Approval of September 2018 Check Registers (Claims) Nos. 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, and 50.

MOTION of Trustee Nelson, seconded by Vice Chair Ward and carried by a vote of 5-0, approved the Consent Calendar, excluding Item A – Minutes of the Regular Board Meeting, August 7, 2018.

Trustee Nelson questioned what was discussed during the August Meeting’s Public Comment Period regarding the Civil War Monument at Santa Ana Cemetery. He thought that the Board had given Mr. Williams and Rev. Carlson two options regarding renovations to the monument. One option being to add granite pieces to both the north and south sides of the monument honoring veterans from both sides of the conflict and leaving the initials “CSA” in place; or covering the initials “CSA” and only installing one piece of granite with new information where current text now exists. GM Deutsch reminded the Board that this had been discussed in closed


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session, so it would not have been a part of the minutes. GM Deutsch also noted that the new granite slab with text regarding Confederate veterans, had already been installed on the monument, which had come as a surprise since he had not been notified beforehand that the work was going to be done. GM Deutsch stated that he called Mr. Williams to let him know that he had seen that the granite had been installed, but would have appreciated advance notice.

MOTION of Trustee Nelson, seconded by Trustee Hatch and carried by a vote of 5-0, approved the Consent Calendar, Item A – Minutes of the Regular Board Meeting, August 7, 2018.

GENERAL MANAGER REPORTS

Interments and Interment Space Sales Reports – July 2018

The following interment and interment space sales for July 2018 were reviewed:

			<u>2018-2019</u>	<u>2017-2018</u>
ANAHEIM	Interments	6 (3 Urn)	6 (3 Urn)	3 (1 Urn)
	Lot Sales	2	2	2
EL TORO	Interments	56 (22 Urn)	56 (22 Urn)	54 (16 Urn)
	Lot Sales	65	65	55
SANTA ANA	Interments	34 (8 Urn)	34 (8 Urn)	32 (3 Urn)
	Lot Sales	28	28	28
TOTAL	Interments	96 (33 Urn)	96 (33 Urn)	89 (20 Urn)
	Lot Sales	95	95	85


GM Deutsch noted on the Income Statement that since this report covers the first month of the new fiscal year, it is easier to spot that not all revenue may be posted to the ledger. This happens for several reasons including payments that are received at the very end of the month and not deposited until the start of the next month, and pre-need funds that are not transferred to the general fund until after the month is over.

GM Deutsch stated that for July, El Toro Memorial Park sold 65 spaces and 63% of those were for pre-need. At Santa Ana Cemetery the cremation rate was 23.53% which is a high number for Santa Ana and a good indication that the new niche feature is attracting families. Santa Ana Cemetery also added 304 new casket spaces into its inventory in July with the completion of the most recent road closure. GM Deutsch estimates that these new spaces should sustain the cemetery for the next two years.

Overall, the District had 95 interment space sales and conducted 96 interment services for the month of July, surpassing numbers from the same period last year.

Financial Reports – July 2018

The Board reviewed the Financial Reports for July 2018. Brenda Manriquez stated that due to the number of accruals at year-end there is some lag time on the financial reports. By next month the reports will show a truer picture of the District's current status. Interest earnings are


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\$1,509 higher than budgeted revenue due to better than anticipated returns at CalTrust and the Orange County Investment Pool. The District also received a small amount of property tax. Vice Chair Ward asked why we are receiving property tax now when the County collects taxes in the Fall and Spring. Brenda Manriquez reported that the County actually collects small portions of property tax throughout the year if people make late payments and so forth. But the bulk of the property tax does come in November and December and again in February and March.

Salaries and wages are about \$20,000 lower than FY 2017-18 due to timing of payroll accruals and the elimination of the employee stipend. There were no equipment expenditures this month. There was a small payment for architectural services. A large payment was made in July for the El Toro Niche Project and Restroom Remodel, but those expenses were accrued to the prior year.

Trustee Hatch asked if there were any future concerns. GM Deutsch mentioned that the Finance Committee will be discussing paying off the OCERS unfunded liability. The current payoff amount would be somewhere between \$250,000 to \$280,000. Brenda Manriquez explained that during the Triennial Study, OCERS made a shift in the mortality rates which will be effective July 1, 2019. Vice Chair Ward requested clarification, asking if it is accurate to say that, at present, the District has no unfunded liability. Brenda Manriquez replied that this is correct, until the new contribution rates take effect in July 2019.

GM Deutsch announced that he and Brenda Manriquez will be giving an informational presentation to the OCERS Board in September to help them understand more about the District and our operations.

August Investment Portfolio Changes

GM Deutsch reported that in August there were only two changes. The District purchased shares in Wells Fargo Corporations as well as U.S. Treasury Bills. U.S. Treasury Bills are new investments for the District and we currently have about \$200,000 in our portfolio.

Capital Projects Update

GM Deutsch stated that at El Toro we are finally beginning to see some work above ground. The foundation for the new restroom has been poured and wood framing between the columns for the shot-crete wall is being erected. Some concrete curbs have also been installed. At Anaheim Cemetery there is a backlog on the doorframes, so that project is being delayed until the needed parts come in. We do anticipate that the restrooms at Anaheim will be complete prior to the Dia de los Muertos celebration. GM Deutsch noted that families have been quite patient with the projects considering the lack of restroom facilities. All four pieces of equipment that the Board approved have been ordered. GM Deutsch also approved the purchase of a trailer for El Toro Memorial Park at a cost of approximately \$10,000. When ordering equipment GM Deutsch says that the District uses JAP's or IPA's (purchasing authorities) to get the lowest prices possible.

The Strategic Plan Dashboard

GM Deutsch said that he will be attending a funding workshop that will educate attendees on the challenges they may face in obtaining project funding. GM Deutsch also investigated grant funding and determined that our project does not qualify for grants, stating that most of the grant


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funding goes towards drinking water projects, rather than irrigation projects. He also said he would be looking for a 30-year repayment period.

GM Deutsch said that he and Mary Funk had met to discuss the upcoming Dia de los Muertos program in Anaheim Cemetery in November. Trustee Marroquin asked if we could do something at Santa Ana Cemetery as well. GM Deutsch explained that Fairhaven Memorial Park usually does a large Dia de los Muertos event and we would not want to stage a competing event. It would also be difficult to run events at both Anaheim and Santa Ana at the same time. Vice Chair Ward suggested setting up ofrenda space or to have something that could be “drive through”. Chair Rivers stated that the Committee should meet and felt that we could do something at Santa Ana, just not as elaborate as what we do at Anaheim.

Mary Funk reported that the results of the Family Surveys for the 2nd quarter of 2018 have been tabulated. The response rate was down slightly to 19%. All of the responses were very positive with only one family saying that they would not recommend El Toro Memorial Park. That particular family was frustrated that they had to pay an additional \$100 when they scheduled the interment on a weekend instead of on a weekday. A letter was sent to the family apologizing that the extra cost upset them, but explaining why the charge was necessary as the District is required to pay overtime to staff for interments occurring on the weekends.

GM Deutsch mentioned that the District will receive a certificate for having Platinum status with CSDA at the upcoming Annual Conference. He noted that in order to maintain that rating in the future, all trustees are required to take an additional ten hours of other related continuing education beyond the governance training. Trustee Hatch needs to complete five additional hours and Trustee Marroquin needs to complete ten additional hours. GM Deutsch suggested that if the Trustees attend the California Association of Public Cemeteries Annual Conference in March 2019, they will be able to meet this requirement. Trustees can also take advantage of CSDA workshops and webinars, as well as on-demand webinars offered through CSDA. Mary Funk will keep Trustee Hatch and Trustee Marroquin apprised of future training opportunities.

Los Angeles County CAPC Local Area Meeting

GM Deutsch stated that he was contacted by N’nette Williams, a staff person in the Executive Office for the Los Angeles County Board of Supervisors. She explained that the public cemetery districts in Los Angeles are interested in participating in the California Association of Public Cemeteries Local Area Meetings. Ms. Williams also asked if representatives from the Orange County Cemetery District would be willing to come to Los Angeles and share with them how we do things. GM Deutsch said that he will contact Ms. Williams to schedule a meeting and would like any Trustees who are able to attend to join him for the meeting. He expects the meeting to last for a couple of hours.

UNFINISHED BUSINESS - None

NEW BUSINESS

CSDA 2019 Committee and Expert Feedback Team Participation Request

GM Deutsch explained that CSDA is looking for Trustees to participate on Association Committees and Expert Feedback Teams. Only Trustee Nelson will be participating.


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ITEMS FOR FUTURE AGENDAS

GM Deutsch noted that the current MOU ends in June 2019. Negotiations will start in January or February for the new MOU. This will be on a future agenda for the Personnel Committee and then to the Board. GM Deutsch stated that he will also be taking a training course on negotiation offered by Liebert Cassidy Whitmore.

Trustee Nelson stated that he would like to explore the idea of bringing all the accounting functions for the District in-house. With Dianna Torrence retiring in March, it makes sense to review what kind of staffing needs would be required to accomplish this. He would like to see staff develop a plan on how to best make this transition and present it to the Board at the December Board Meeting.

Trustee Nelson stated that when the District was formed, Sam Randall was from the County and at the time outsourcing these accounting and HR functions to the County was the most economical choice. But recently the County conducted a Cost Allocation Study and the fees were increased significantly for the County services. Trustee Nelson would also like to see the District consult with Rick Wood, the Finance and Administration Director from CSDA to see what advice he can offer.

Brenda Manriquez is investigating Enterprise Resource Planning software and GM Deutsch said that he will canvass the vendors at the CSDA conference who may be able to offer resources of value for payroll, benefits, and accounting functions.

Trustee Nelson stated that we are the largest public cemetery district in the state and the only one not doing our own accounting.

BOARD COMMENTS**Special District Leadership Academy, Napa, July 8-11, 2018**

Trustee Marroquin reported that the Leadership Academy was very productive and informative. She particularly enjoyed the presentation on how to get along with other Board Members and said that listening to the other Special Districts made her appreciate the great Board and Staff that we have here at our District.

CSDA Fiscal Committee Meeting, Sacramento, August 15, 2018

Trustee Nelson stated that there was nothing out of the ordinary reported at this meeting. Revenues continue to exceed expectations and expenses are also lower than anticipated.

CSDA Board Meeting, Sacramento, August 31, 2018

Trustee Nelson stated that they discussed Value-Added Benefits that members of CSDA enjoy. Trustee Nelson passed out two handouts to the rest of the Board. One of them recapped all the benefits that CSDA offers. The other handout was on the new CSDA Commercial Card Services now offered through Umpqua Bank. He stated that the card has no limit and a lot of capabilities. He would like the District to consider this card program. He stated that the contact is Vanessa Ryan and her information is included on the handout.


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ISDOC Executive Committee Meeting, Fountain Valley, Sept. 4, 2018

Trustee Nelson reported that they discussed emergency preparedness with the Water Emergency Response of Orange County and stated that Jim Fisler will write a letter to WEROC expressing ISDOC’s interest in being represented. They also discussed LAFCO rates.

ANNOUNCEMENTS

The CSDA Annual Conference will be held in Indian Wells from September 24 – 27, 2018. A CSDA Board Meeting will also take place during the conference. Trustee Nelson, Chair Rivers, and GM Deutsch will attend the conference.

The CAPC Annual Education Seminar and Area Meeting will be held in South Lake Tahoe from Oct. 5-6, 2018. Kelly Rivers will attend.

The ISDOC Quarterly Meeting will be held in Fountain Valley on October 25, 2018. Trustee Nelson will attend.

Vice Chair Ward mentioned that she may have access to a vintage car if anyone is interested in riding in it for the Anaheim Halloween Parade.

CLOSED SESSION

Conference with Legal Counsel – Potential Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of Section 54956.9: (One potential case)


Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8
Property: Assessor Parcel No. 514-012-08 and 085-071-57
Agency Negotiator: Steve Quintanilla, General Counsel and Tim Deutsch, General Manager
Negotiating Parties: Orange County Cemetery District and County of Orange
Under Negotiation: Instructions to District’s Negotiator regarding price and terms of payment

The Board adjourned to closed session at 11:17 a.m.

The Board reconvened from closed session at 11:44 a.m. Robert Lee of Law Offices of Quintanilla and Associates stated that no reportable action took place in closed session.

The next regular meeting will be held on **Tuesday, October 2, 2018**, at 10:00 a.m., at the Orange County Cemetery District, 25751 Trabuco Rd., Lake Forest, CA 92630.

There being no further business, the meeting was adjourned at 11:45 a.m.



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