

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
December 5, 2023

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Kelly Rivers at 10:06 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 Chair Rivers.
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Kelly Rivers, Chair	Second District
	Cynthia Ward, Vice Chair	Fourth District
	Noel Hatch	Fifth District

ATTENDED		
REMOTELY:	Maribel Marroquin-Waldram	First District
	Steve Quintanilla, General Counsel	

ABSENT:	Vladimir A. Anderson	Third District
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STAFF:	Tim Deutsch, General Manager	
	Brenda Manriquez, Finance and Accounting Manager	
	Mary Funk, Board Secretary	

PUBLIC COMMENTS - None

GM Deutsch explained that Trustee Marroquin-Waldram was ill and was requesting to attend remotely.

MOTION: of Vice Chair Ward, seconded by Trustee Hatch and carried by a roll-call vote of 3-0, (Trustee Anderson and Trustee Marroquin-Waldram absent for the vote), approved allowing Trustee Marroquin-Waldram to attend and participate in the Board Meeting remotely.

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting November 7, 2023.
- B. Approval of the December 2023 Check Registers (Claims) Nos. 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, and 96.

MOTION: of Trustee Hatch, seconded by Vice Chair Ward and carried by a roll-call vote of 4-0 (Trustee Anderson absent for the vote), approved the Consent Calendar.


Chair


Secretary

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – October 2023

The following interment and interment space sales for October 2023 were reviewed:

			<u>2023-2024</u>	<u>2022-2023</u>
ANAHEIM	Interments	9 (7 Urn)	30 (22 Urn)	20 (11 Urn)
	Lot Sales	1	9	12
EL TORO	Interments	80 (28 Urn)	303 (95 Urn)	304 (105 Urn)
	Lot Sales	80	405	384
SANTA ANA	Interments	19 (12 Urn)	74 (36 Urn)	64 (37 Urn)
	Lot Sales	6	30	26
TOTAL	Interments	108 (47 Urn)	407 (153 Urn)	388 (153 Urn)
	Lot Sales	87	444	422

GM Deutsch reported that Anaheim Cemetery sold one niche in October. Year-to-date they have sold 9 spaces compared to 12 spaces sold at this point of the previous year. Staff also performed nine interments for the month and year-to-date, they have completed 30 interment services. The cremation rate at Anaheim Cemetery is 73.3%.

El Toro Memorial Park had 80 space sales in October, of which 51 were for casket space, 16 niches sold, and 13 in-ground cremation spaces were sold. Of those 51 casket sales, 28 were for At-Need families and 23 were for Pre-Need Sales. This is just within our goal of selling 25 to 40 casket spaces per month. GM Deutsch explained that we are now at the end of the pre-need appointments that had been booked prior to the prohibition of sales for pre-need casket spaces which took effect on August 1st. Year-to-date, El Toro has sold 405 casket spaces which is ahead of last year’s pace. GM Deutsch cautioned that this will not continue now that pre-need casket sales are at an end. Trustee Hatch asked if there is any way to predict when all the pre-need that has been sold will eventually be used. GM Deutsch said that it is hard to anticipate life expectancies, but by looking at the journal vouchers from accounting, we can get an idea at the rate that pre-need purchases are being redeemed. He did suggest that at some point in the future, it may be beneficial to reach out to families like the Whitings or Keatings who own numerous spaces that are unused to see if the families have any interest in selling some of those spaces back to El Toro.

GM Deutsch stated that so far, we have not closed the main road between Old Section and Live Oak and will likely only do so as a last resort. Santa Ana Cemetery is moving forward on closing roads there to create additional casket interment spaces, which will help take some of the pressure off of El Toro Memorial Park. GM Deutsch also noted that with the 16 niche sales in the Maureen Rivers Memorial Niche Garden there is only approximately 222 niches remaining. The District will need to add additional niches within the next two years.


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Trustee Hatch asked if District operations will remain in Lake Forest or if they would move to Gypsum Canyon when the new cemetery opens. GM Deutsch said that operations would likely stay in Lake Forest. We have to be careful not to overbuild at the new cemetery and to be cognizant of costs.

Staff at El Toro Memorial Park conducted 80 interment services in October. Year-to-date El Toro has conducted 303 services which is just one interment short of the previous year's number of 304.

Santa Ana Cemetery sold six interment spaces in October including two infant spaces, 3 niches and one in-ground cremation space. Year-to-date, Santa Ana has had 30 space sales compared to 26 in the previous year at this time. Staff conducted 19 interments in October including 7 casket burials and 12 cremation services. Year-to-date staff have conducted 74 interments this year compared to 64 in the previous year.

Overall, the District had 87 space sales bringing the year-to-date total to 444 compared to the previous year's figure of 422 sales. For interments, the District is ahead of pace having completed 407 interments this year compared to 388 interments year-to-date in the prior year. The district-wide cremation rate is 37.6% which testifies to the fact that, given the option, most families still prefer casket burial over cremation placement.

Vice Chair Ward asked if we should promote At-Need services with newspapers advertisements. GM Deutsch said that when we do advertise, we focus on communities like Laguna Woods. However, mortuaries are typically our best referral source. GM Deutsch said he has been increasing his networking with cremation societies since we have ample cremation space. However, we do have to be careful about marketing casket sales, since we are also trying to increase the longevity of our remaining casket spaces so they will last until the new cemetery opens.

Trustee Hatch asked if GM Deutsch foresees a rush for pre-need sales when Gypsum Canyon opens. GM Deutsch said we do have a waiting list already established for families who want to be contacted when the new cemetery is open. If we get too much demand we may need to hire a temp company to help with pre-need sales at the initial rush.

B. Financial Reports – October 2023

Brenda Manriquez stated that in October we got a little bit of property tax in. She checked the reports and in November we received about \$500,000 in property tax, and she expects between 800,000 to 900,000 to hit in December. Revenues from interest earnings remain strong. Revenue from sales and services is still good since pre-need sales of casket spaces were still winding down in October. Brenda Manriquez did report that she has seen a lot of pre-need services being redeemed over the last couple of months.

For expenses, Salaries and Benefits are in line with normal trends. For Services and Supplies, there was a slight drop in the 1900 account which is partly due to the timing of invoices, but also due to a drop in merchant fees from credit card processing. With the end of pre-need casket sales there is a correlating drop in credit card transactions. When we ended the use of 12-month contracts, there was a big jump in credit card fees because everything was being paid in full up


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front, rather than spreading revenues out over the course of a year. Theoretically by next March we should be done with open 12-month contracts since we stopped issuing them last February. However, that will not be the case due to problems with delinquent contract payments.

Brenda Manriquez also noted that the account for special events is higher because we had a live Dia de los Muertos event. So far we have had about \$3,000 in costs for that event, but there are still some invoices that will be paid in November.

There have been no equipment purchases so far this fiscal year.

The 4200 Account for Buildings and Improvements had total charges of \$263,688. Of that, about \$6,800 was for the Santa Ana gate and fence repairs. The rest was for new cemetery development.

On the Balance Sheet the Assigned – Land Development is showing about \$1.3 million. Trustee Hatch asked about the line item under Liabilities for Pre-Need Deposits – First Responders. Brenda Manriquez replied that this is to show the \$1 million that the District received from the County of Orange to be held in Trust for use by first responders at the new cemetery. These funds will pay for the space and endowment costs when families are making arrangements for first responders to be buried in the special reserved section at Gypsum Canyon. Vice Chair Ward asked if the District gets to keep the interest on those funds. GM Deutsch answered that the District will keep those funds. The interest earned will help to offset inflation as the costs for those spaces will also increase. Brenda Manriquez noted that the interest earned on all pre-need funds can be seen on the balance sheet under net position on the line item labeled “Assigned – Pre-Need”. Currently the district has earned \$42,919 on its pre-need funds.

Investment Portfolio Changes - November 2023

GM Deutsch stated that there was only one investment maturing in October and it has not been reinvested yet. Trustee Hatch asked if we are still rolling over to short term investments to stay as liquid as possible. GM Deutsch said that we are still keeping investments short-term. He plans to discuss an investment strategy at the February Finance & Investment Committee Meeting. He stated the Money Market is very liquid with access to funds within days or transferred redemptions to California Class which is still earning in the mid 5% range. GM Deutsch added that he does expect the rates at California Class to start coming down as the fund gains more history. GM Deutsch also reviewed the funds coming due within the next six months stating that UBS has \$866,000 coming due; Stifel has \$1,892,000 coming due and Stifel Pre-Need has \$1,284,000 coming due. Trustee Hatch asked if the County uses advisors for their investment selections or if that is done internally. GM Deutsch stated that he believes those decisions are made in-house with County staff.

D. Capital Projects Update

GM Deutsch reported OCFA used the upper parcel of Gypsum Canyon on November 7th for a large animal rescue training session. On November 14th, OC Parks also had a ribbon cutting event for the outdoor education area on the lower part of the property. GM Deutsch said that these community events only benefit us as they demonstrate how a cemetery property can co-exist with other beneficial community services. GM Deutsch informed the Board that the County CEO, Frank Kim is retiring sometime between April and July of 2024. The new CEO


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will inherit already established staff that are supportive of the project. Since this development is a collaborative effort the change in CEO should not adversely impact the District. Trustee Marroquin-Waldram asked if it was fair to say, however, that the Orange County Cemetery District is spearheading the development. GM Deutsch said that, yes, it would be fair to say that.

GM Deutsch said the Development Team met with the City of Anaheim on November 16th to review the documents submitted in October. We have given our consultants a deadline of December 21st to respond back with any missing information that the City of Anaheim is still requesting. GM Deutsch expects the next meeting to occur in February or March to review CEQA and zoning requirements.

GM Deutsch said that the District plans to launch the new project website in January. This website will have a different URL from the District's website. Trustee Hatch asked who would be viewing it. GM Deutsch replied that any residents would be able to use the site as well as Veterans groups, CalVet, and any other person or group wanting information on the project. Trustee Hatch asked if there has been any further opposition to the project. GM Deutsch said that the feedback he has been hearing has been positive. Funding for the project is now the primary concern. CalVet will have to develop according to the funding that is available. Vice Chair Ward asked if there are any congressional representatives pushing for federal support. GM Deutsch said that Rep. Lou Correa and Rep. Katie Porter have both been on the site and are supportive of the project.

GM Deutsch said that he also met with Supervisor Wagner, CEO Frank Kim, and county staff on November 27th to provide an update on the cemetery development. We will also be meeting on December 11th to go over costs with CalVet and give CalVet and DGS staff people a tour of the property.

For existing cemetery improvements, the Santa Ana gate and fence repairs and painting are complete. We hope to complete the asphalt repairs at Anaheim Cemetery and the retaining wall and fence repairs at El Toro Memorial Park before the end of this fiscal year.

E. Trustee Reappointment Discussion

GM Deutsch explained that Trustee Rivers and Trustee Hatch are both up for reappointment in January 2024. Trustee Hatch's reappointment submittal was sent to Supervisor Foley of the Fifth District and is on the agenda for December 5th. We don't anticipate any issues with his reappointment. We originally sent the reappointment submittal for Trustee Rivers to Supervisor Do's office, since Trustee Rivers resides in Huntington Beach which is now, with the redistricting, included in District 1. However, we got a response from the Supervisor's office that Supervisor Do cannot reappoint Trustee Rivers because Trustee Marroquin-Waldram is already Supervisor Do's appointee. They recommended that the District send a new submittal packet to Supervisor Sarmiento in District 2 and request that he reappoint Trustee Rivers with the concurrence of Supervisor Do. This submittal was sent out on November 28th and we are watching to see when it will be posted on an upcoming agenda.

GM Deutsch said that he has communicated to the Supervisors our desire to maintain consistency on the Board, which is particularly important as we navigate through the new cemetery development project. Trustee Anderson, Trustee Ward and Trustee Marroquin-


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Waldram will all be due for reappointment in 2026. With the redistricting, our Trustees now reside in the following Districts: Trustee Rivers who lives in Huntington Beach is in District 1 under Supervisor Do. Trustee Marroquin-Waldram who lives in Santa Ana is in District 2 under Supervisor Sarmiento. Trustee Ward who lives in Anaheim, is now also in District 2 as she resides in the part of Anaheim that was included in Supervisor Sarmiento's District. Trustee Anderson who resides in Lake Forest is in District 3 under Supervisor Wagner. No Trustees now reside in District 4 under Supervisor Chaffee. Trustee Hatch who resides in Laguna Woods is in District 5 under Supervisor Foley.

GENERAL COUNSEL REPORT

Counsel Quintanilla reported that his office has just prepared a summary of all the new laws going in to effect for 2024. He will be pulling out any laws that are specific to cemetery districts and will get that report to the District in January. He also noted that he will be attending the CAPC Conference in San Diego that is scheduled for March. He will be hosting a dinner at his home for all of his cemetery clients and hopes those attending the CAPC Conference from our District will be able to attend.

Vice Chair Ward asked General Counsel Quintanilla to explore the laws regarding honorariums and speaker fees. As a historian, she has been receiving multiple requests for speaking engagements, but has been unable to request payment for these services out of legal concerns. This loss of income is becoming problematic and she asked for confirmation as to how she can proceed. Counsel Quintanilla said he would get an answer to her promptly.

NEW BUSINESS

A. Election of Officers

GM Deutsch stated that every December the Board must elect new officers for the upcoming calendar year. Typically, the Vice Chair will be elected to serve as the Board Chair and a new Vice Chair will be elected. In discussing nominations for 2024, Chair Rivers asked Vice Chair Ward if she was willing to serve as Chair in 2024. Vice Chair Ward confirmed that she was willing. Chair Rivers also nominated Trustee Marroquin-Waldram to serve as Vice Chair for 2024. Trustee Marroquin Waldram also stated that she was willing to serve as Vice Chair.

MOTION of Chair Rivers, seconded by Trustee Hatch, and carried by a roll call vote of 4-0 (Trustee Anderson absent for the vote), elected Trustee Ward as Chair of the Board of Trustees for the 2024 calendar year, and elected Trustee Marroquin-Waldram as Vice Chair of the Board for the 2024 calendar year.

GM Deutsch thanked Trustee Rivers for stepping up as Board Chair after the passing of Trustee Nelson and for continuing to serve the full term in 2023.

ITEMS FOR FUTURE AGENDAS

Trustee Hatch asked where the District stands in developing a new strategic plan. GM Deutsch stated that our last strategic plan was a five-year plan that ended after 2019. We were in the process of looking at consultants when COVID hit and the board agreed to suspend a strategic plan until in person meetings could be resumed. GM Deutsch said that now the District's


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primary focus is the development of a fourth public cemetery and questioned the expense involved in hiring a consultant to develop a new strategic plan. GM Deutsch recommended scheduling a separate meeting of the Board to discuss the strategic plan and potentially develop a new strategic plan in house. These meeting would also need to be noticed and have an agenda posted. GM Deutsch said he would include a report on this at the February Board Meeting.

BOARD COMMENTS

A. Veterans Day Program, El Toro Memorial Park, Nov. 11th at 11:00 a.m.

Chair Rivers, Trustee Hatch and Trustee Anderson all attended. Chair Rivers stated that the speaker did a good job and it was wonderful to see a 102-year-old World War II Veteran in attendance. Trustee Hatch said the program ran very smoothly but had lower attendance than the last program. Trustee Anderson attended the program, but will need to report at the next Board Meeting since he was absent for today’s meeting.

ANNOUNCEMENTS

A. Angel of Hope Candlelight Service, El Toro Memorial Park, Dec. 6th at 7:00 p.m.

GM Deutsch explained that this program is for anyone who has lost a child of any age. Chair Rivers said that she will be attending the program.

B. Wreaths Across America, El Toro Memorial Park and Santa Ana Cemetery, December 16th at 9:00 a.m.

Both Santa Ana Cemetery and El Toro Memorial Park will be hosting wreath ceremonies at 9:00 a.m. followed by the placement of wreaths on Veterans Graves. Board Secretary, Mary Funk was pleased to report that both cemeteries met their goals for wreath sponsorships. Chair Rivers and Trustee Hatch stated that they will both be attending El Toro Memorial Park’s program. GM Deutsch said that he will be attending Santa Ana’s program.

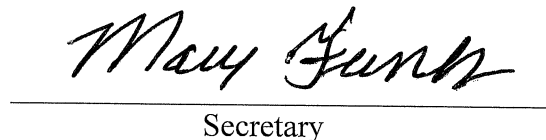
C. CAPC Annual Conference, March 14-16, 2024 in San Diego, CA

GM Deutsch announced that the CAPC Annual Conference will be held in San Diego this year, making it very easy for those interested to attend. Chair Rivers, Trustee Anderson, Trustee Marroquin-Waldram and GM Deutsch will all be attending.

The next regular meeting will be held on **Tuesday, January 2, 2024**, 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 11:38 a.m.


Chair


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Chair


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