

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
November 7, 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 Trustee Anderson.
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Kelly Rivers, Chair	Second District
	Maribel Marroquin-Waldram	First District (Arrived 10:13 a.m.)
	Vladimir A. Anderson	Third District
	Noel Hatch	Fifth District

ABSENT:	Cynthia Ward, Vice Chair	Fourth District
---------	--------------------------	-----------------

STAFF:	Tim Deutsch, General Manager
	Brenda Manriquez, Finance and Accounting Manager
	Mary Funk, Board Secretary

ALSO

PRESENT: Colin Kirkpatrick, Deputy General Counsel


PUBLIC COMMENTS - None

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting October 3, 2023.
- B. Approval of the November 2023 Check Registers (Claims) Nos. 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, and 80.
- C. Acceptance of the Quarterly Investment Report for period ending September 30, 2023.

MOTION: of Trustee Hatch, seconded by Trustee Anderson and carried by a vote of 3-0, (Trustee Marroquin-Waldram and Trustee Ward absent for the vote), approved the Consent Calendar.

Since Trustee Marroquin-Waldram was due to arrive momentarily, GM Deutsch recommended that the Board move to Announcements at this time.


Chair


Secretary

ANNOUNCEMENTS

A. Veterans Day Program, El Toro Memorial Park, Nov. 11th at 11:00 a.m.
 Chair Rivers, Trustee Hatch and Trustee Anderson stated that they will all be attending.

B. 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. The District does not get involved in the planning of the event, but simply hosts it. Trustees are welcome to attend if they want to see what the program is like. Board Secretary recommended that anyone attending should bring their own lawn chair and a flashlight.

Trustee Marroquin-Waldram arrived at 10:13 a.m.

C. 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 stated that she is hopeful with the help of Disney that Santa Ana Cemetery will have full coverage for wreaths. El Toro currently has about 50% of the 1,200 needed wreaths sponsored.

D. 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 all stated that they were planning to attend.

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – September 2023

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

			<u>2023-2024</u>	<u>2022-2023</u>
ANAHEIM	Interments	6 (3 Urn)	21 (15 Urn)	13 (8 Urn)
	Lot Sales	2	8	10
EL TORO	Interments	69 (18 Urn)	223 (67 Urn)	237 (83 Urn)
	Lot Sales	84	325	296
SANTA ANA	Interments	17 (8 Urn)	55 (24 Urn)	40 (22 Urn)
	Lot Sales	6	24	15
TOTAL	Interments	92 (29 Urn)	299 (106 Urn)	290 (113 Urn)
	Lot Sales	92	357	321

GM Deutsch reported that Anaheim Cemetery sold two spaces in September for a total of eight sales in this fiscal year. They performed 6 interment services for a total of 21 interments conducted for the fiscal year, which is slightly ahead of last year’s pace.



Chair



Secretary

El Toro Memorial Park is at the tail end of its full casket pre-need sales. In September there were 84 space sales of which 65 were for casket space, 8 in-ground cremation spaces were sold, and 11 niches were sold. Of the 65 casket spaces, 26 were for At-Need families, which is a good indicator of what sales will be when pre-need casket sales end. El Toro was able to add 375 full casket spaces to its inventory by creating new spaces in Hillside 2, Hillside 3, and Evergreen. In addition, 65 in-ground cremation spaces were also added. Trustee Anderson asked if we could provide a map that shows where remaining spaces are still available. GM Deutsch said that we could provide that, but reminded Trustees that there are now no more pre-need sales for casket space. GM Deutsch said he is watching the inventory of niches in the Maureen Rivers Memorial Niche Garden. With the eleven sales in September there are only approximately 244 spaces remaining. He does not want that number to dip below 100 before adding new niches to that area. GM Deutsch also noted that in September, Staff at El Toro conducted 69 interment services. Year-to-date El Toro has had 223 interments which is just about even with the previous year.

Santa Ana Cemetery had six space sales in September which included three casket sales, two niches, and one in-ground cremation space. Trustee Hatch asked if that included any of the new spaces that are to be added through road closures. GM Deutsch stated that it did not. He is still working out some private party easement issues with Fairhaven. Staff at Santa Ana performed 17 interments for the month, bringing the year-to-date total to 55 services conducted, which is a bit ahead of last year's numbers.

Overall, the District sold 92 interment spaces in September for a year-to-date total of 357 spaces sold. Staff also performed 92 interment services this month, which is right in line with last year's figures. The District-wide cremation rate year-to-date is at 35%

On the income statement, GM Deutsch noted that property tax has not come in yet.

B. Financial Reports – September 2023

Brenda Manriquez stated that we are getting little bits of property tax in, but expect the bulk to arrive in December. Interest is doing quite well. Through October the District has approximately \$600,000 across all four funds for the first four months of the fiscal year. As the monthly activity report showed, we are still ahead on space sales and slightly under for interment services. GM Deutsch said compared to last year we are doing more services, but Brenda Manriquez added more pre-need is being used. Brenda Manriquez also reported that revenue from other taxable sales is ahead of budget.

For expenses there is nothing new to report for Salaries and Benefits. Everything is trending as usual. For Service and Supplies most variances are due to timing of when purchases are made and when payments are made. When paying expenses by credit card, the District is always a month in arrears. The main variances include unbudgeted expenses for security, tree maintenance, and the contract with Idea Hall for the new cemetery development. For Buildings and Improvements there was about \$208,000 in expenses through September that were all for the new cemetery consultants and for the City of Anaheim.



Chair



Secretary

Brenda Manriquez noted that on the Balance sheet only \$610,000 now appears on the Loan Repayment column since the September payment has now been made. Trustee Hatch asked how many payments have been made so far. Brenda Manriquez replied that September was the second payment.

Interest Rates – September 2023

GM Deutsch stated that interest rates continue to trend upward with CA Class still maintaining a significant lead over the other pooled funds with a rate of almost 5.5%. He cautioned the Trustees that this will certainly level off as the other funds who had to endure the period of low interest rates see those investments mature and fall off their books.

Investment Portfolio Changes - October 2023

GM Deutsch stated that the Investment Portfolio report shows what investments have been redeemed and purchased. He also pointed out that most of the lower rate investments have matured and are being replaced by investments with higher yields in the 5% range. Depending on cash flow needs for cemetery funding, as investments in the Endowment Income Fund mature or are called, the cash can be put into a higher yield pooled fund. Trustee Hatch asked if any of our lower rate investments are callable. GM Deutsch said that, yes, some are.

D. Capital Projects Update

GM Deutsch reported that in October a lot of meetings took place pertaining to cemetery development and community outreach. The Development Team submitted a refined development application package to the City of Anaheim on October 12th. Once we get all of the needed approvals, we can begin generating construction documents.

Idea Hall also completed the booklet and a video on the new cemetery development which will be posted on the Granicus and District websites. GM Deutsch said he is also coordinating with Santa Ana College Fire Academy for use of the site for Wildland Fire training and Search and Rescue Training. GM Deutsch said he hopes to continue to allow first responders access to the site for training purposes.

GM Deutsch said there was a meeting with CalVet on October 27th. They are not ready yet to discuss costs for development of the Veterans Cemetery. GM Deutsch said they are looking at what the District can do to move forward without CalVet, should the need arise. Our immediate need is burial space and we need to explore every option in order to provide that to residents as quickly as possible.

GM Deutsch said that we received a preliminary proposal from a contractor to remove the existing Questar gas line that is located on the property. It is an old line that is no longer in use. The easement needs to be redirected so it still exists but is outside of our property lines. GM Deutsch hopes to bring that proposal to the Board at the December meeting. The Design Team has also issued an RFP for well drillers to test the site to determine viability for groundwater usage.

GM Deutsch also reported that OC Parks will be providing outdoor education and nature hikes on the lower part of the development and there will be a ribbon cutting ceremony sometime in November. Staff have been preparing the site so it looks its best for the event.


Chair


Secretary

In this year's budget, \$700,000 has been allocated to Gypsum Canyon development costs for consultants and purchases. To date we have spent \$207,248. Trustee Hatch asked what we have spent on Gypsum Canyon in total. Brenda Manriquez stated that it is right around \$2 million. GM Deutsch said he is hopeful that the \$2 million we have spent can be applied toward the \$10 million we are required to pay upfront, before the \$20 million loan funds can be accessed.

Trustee Hatch asked about alternate uses on the property as a source of potential revenue. GM Deutsch said he would like to explore that further, but we need to wait until we get all the approvals to move our project forward first. Any group that wants to access our site for alternate uses, would be required to go through their own permitting process with the City and we don't want anything to further complicate getting the approvals we need to move forward. Ultimately, we would like to get alternate uses established on the site as that would help with revenue.

GM Deutsch informed the Board that the flag at Gypsum Canyon was once again discovered on the ground. Each time we have to rent a 100 foot crane to fix it, it costs about \$5,000 to \$6,000. The flag company was able to come out relatively quickly and get the flag back up. This time the metal cable is being replaced with a thicker gauge wire and the contractor is increasing inspections so that they are now coming out every three months. In addition, if there is a high wind warning, staff will also lower the flag during those extreme wind events. All of these measures should prevent the flag from ever falling again.

Trustee Hatch asked if we have heard of any new opposition to the cemetery development. GM Deutsch said that all of the opposition we were receiving has gone quiet and he is not aware of any other organized attempt to stop our development. GM Deutsch reported that there was some attempted vandalism of the electrical box that supports the flagpole lighting. GM Deutsch suspects that someone may have thought they could steal copper. The security cameras only cover the gates and since we don't know when the vandalism occurred, it would very hard to check by relying on the camera footage, plus there is a strong possibility they did not access the property at the gate.

For existing cemetery improvement projects, the wrought iron fence at Santa Ana Cemetery has been repaired and repainted. As noted earlier in the meeting, we are resolving some boundary and access easement issues with our legal counsel and Fairhaven. Then we will be able to proceed with road closures and generating new interment space at Santa Ana Cemetery. At El Toro Memorial Park a new retaining wall around the office will be installed.

GM Deutsch played the new Idea Hall video on the new Cemetery Development for the Trustees to see.

GENERAL COUNSEL REPORT

Deputy General Counsel Colin Kirkpatrick reported that the Governor just signed a slate of bills. Quintanilla & Associates will be looking at those to see if there are any impacts to the District.



Chair



Secretary

NEW BUSINESS

A. OCERS Employer Contribution Discount for Fiscal Year 2024-25

Brenda Manriquez explained that every year OCERS offers a discount for employers who prepay their employer’s contributions for the next fiscal year. The approved discount rate is 7% and will result in a discount of \$19,969.06. Since the District will earn more on the funds with the OCERS discount than with the County’s interest rate, staff recommends that we move forward with the prepayment to OCERS for the 2024-25 fiscal year. The total amount that the District will pay in advance will be \$278,037.76.

MOTION: of Trustee Hatch, seconded by Trustee Anderson and carried by a vote of 4-0 (Trustee Ward absent for the vote), approved pre-paying the employer’s contributions to OCERS and authorized the General Manager to execute the transfer of payment in the amount of \$278,037.76 to OCERS.

B. Temporary Storage of Cremated Remains

GM Deutsch explained that he has received about 12 to 15 inquiries from the families of Veterans who have passed and have been cremated. These families want their loved ones to be interred in the new Veterans Cemetery at Gypsum Canyon and have asked if there is any temporary storage of urns available until the new cemetery is operational.

GM Deutsch explained that many years ago the Board approved the storage of urns that had been abandoned at local mortuaries to be held in a safe manner at Anaheim Cemetery. There are currently about 55 abandoned urns that have all been placed in an unsold vault inside the Community Mausoleum. GM Deutsch would like the Board to consider doing something similar for these families who need a temporary home for their Veteran’s urn while the new cemetery is being developed. GM Deutsch stated that our legal counsel would have to be involved to help craft an agreement that would protect the District and prevent these urns from also becoming abandoned. No action from the board was required at the time. GM Deutsch wanted to introduce the idea and will address it again at a future meeting, when more detailed plans are considered.

ITEMS FOR FUTURE AGENDAS

No other items were added other than what had been previously discussed in this meeting.

BOARD COMMENTS

A. CAPC Annual Education Seminar and Area Meeting, Sacramento, CA

GM Deutsch reported that Cemetery Manager, Julio Amarillas and Cemetery Associate, Robert Hernandez both attended this conference which was held Oct.6th & 7th. The content at this conference was very good and focused on practical topics on cemetery operations.

B. Dia de los Muertos “To Go” - El Toro Memorial Park and Santa Ana Cemetery, Nov. 2nd at 3:00 p.m.

Trustee Anderson reported that he attended the “To Go” program at El Toro and helped staff pass out the free Dia de los Muertos treats. He said it was a wonderful program and he enjoyed it very much. GM Deutsch added that the staff members assisting were Groundskeepers,


Chair



Secretary

Francisco Cortez, Jr. and Felipe Romo Chavez. GM Deutsch stated that the “To Go” event also went well at Santa Ana Cemetery and all items were distributed within an hour. GM Deutsch commented that this is the heaviest visitation day at Santa Ana Cemetery and periodically security must close the entrance until additional cars leave to allow room for more cars to enter. GM Deutsch stated that they only had a problem with one individual who became belligerent and security had to escort them off the property.

C. Dia de los Muertos Program – Anaheim Cemetery, Nov. 2nd from 5 p.m. to 8 p.m.
Chair Rivers commented that the Anaheim program was great. Staff estimates that there were approximately 350 in attendance. Those attending were very appreciative and a good time was had by all.

The next regular meeting will be held on **Tuesday, December 5, 2023**, 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 11:39 a.m.



Chair



Secretary



Chair



Secretary