

**ORANGE COUNTY CEMETERY DISTRICT**  
**Board of Trustees**  
**February 2, 2021**

**MINUTES**

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order via video conference by Vice Chair Nelson at 10:00 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 Rivers.  
Roll Call by Board Secretary, Mary Funk.

PRESENT:	William E. Nelson, Vice Chair	Third District
	Kelly Rivers	Second District
	Noel Hatch	Fifth District
ABSENT:	Maribel Marroquin, Chair	First District
	Cynthia Ward	Fourth District
STAFF:	Tim Deutsch, General Manager	
	Brenda Manriquez, Finance and Accounting Manager	
	Mary Funk, Board Secretary	

ALSO PRESENT: Steve Quintanilla, General Counsel  
Ron Bengochea, U.S. Army Veteran

**PUBLIC COMMENTS**

Mr. Ron Bengochea requested to speak in regards to the establishment of a Veterans Cemetery at the Gypsum Canyon site. Mr. Bengochea stated that he was very grateful for all the efforts the Orange County Cemetery District has put forth in site evaluations and studies at the Gypsum Canyon site since the County transferred the land to the District. He enthusiastically stated his support for moving forward with CalVet at Gypsum Canyon, adding that he believes nothing will ever happen in the City of Irvine.

He stated that his family had struggled with COVID over the holidays so he has been out of communication and is excited to reach out to Bill Cook of the Orange County Veterans Memorial Park Foundation and Nick Berardino with the Veterans Alliance of Orange County. He stated that he intends to purchase a space at Gypsum Canyon and stated that there are many other veterans who feel the same way, adding that the District has a following with Veterans it might not know about.

GM Deutsch and the Board encouraged Mr. Bengochea to express those opinions to our local politicians stating that it is important that our elected officials know about the Veterans' support of a cemetery at Gypsum Canyon. Trustee Nelson added that Supervisor Wagner was under the impression that Veterans would be disappointed if the cemetery was located at Gypsum Canyon and it is important for them to hear this kind of feedback. Mr. Bengochea said he would do

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anything he could to support the Gypsum Canyon development. GM Deutsch said that he would send Mr. Bengochea an email with contact information for all the local legislators and decision makers so Veterans could more effectively voice their support for a cemetery at Gypsum Canyon. Mr. Bengochea again thanked the Board for their efforts to date and left the meeting at this time.

**CONSENT CALENDAR**

- A. Approval of Minutes – Regular Board Meeting, January 5, 2021.
- B. Approval of the February 2021 Check Registers (Claims) Nos. 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, and 128.
- C. Acceptance of the Quarterly Investment Report for December 31, 2020

**MOTION:** of Trustee Hatch, seconded by Trustee Rivers and carried by a roll-call vote of 3-0 (Chair Marroquin and Trustee Ward absent for the vote), approved the Consent Calendar.

**MANAGER REPORTS**

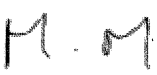
**A. Interments and Interment Space Sales Reports – December 2020**


The following interment and interment space sales for December 2020 were reviewed:

			<u>2020-2021</u>	<u>2019-2020</u>
ANAHEIM	Interments	6 (2 Urn)	47 (29 Urn)	43 (28 Urn)
	Lot Sales	2	23	17
EL TORO	Interments	73 (17 Urn)	434 (139 Urn)	356 (127 Urn)
	Lot Sales	121	578	430
SANTA ANA	Interments	16 (6 Urn)	163 (54 Urn)	155 (42 Urn)
	Lot Sales	6	73	72
TOTAL	Interments	95 (25 Urn)	644 (222 Urn)	554 (197 Urn)
	Lot Sales	129	674	519

GM Deutsch reported that activity at El Toro Memorial Park is exploding with records being set each month. With this wave of services, El Toro has now increased its weekday services from three to four and are now conducting burials on Sundays again. This means staff are often working seven days a week. Even at that, we are not keeping up with the demand. Board Secretary Mary Funk reported that we are now booking casket burials into March since February’s interment calendar is already full.

GM Deutsch reported that our vault vendors are also unable to keep pace with the demand. We have reached a point this week where we are allowing families to choose to bury a loved one without a vault. We have also reached out to an alternative vault company that makes polypropylene vaults and we are expecting a delivery of 60 of those vaults next week to fill in

  
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when cement vaults cannot be obtained. The alternative vaults cost a bit more, but last longer than the traditional cement vaults.

As far as activity for the month of December, El Toro Memorial Park had 121 space sales of which 101 were casket, 1 infant, 6 niches, and 13 in-ground cremation spaces. This eclipsed the previous record of 110 space sales. Year-to-date, El Toro Memorial park has had 578 space sales. At the present rate of sale, this cemetery alone will exceed 1,000 sales for the fiscal year.

In terms of space availability, our remaining casket inventory will deplete rapidly if the current trend persists. Pre-Need sales accounted for 61% of sales in December and the Maureen Rivers Memorial Niche Garden still has 77% of its inventory remaining.

To date the District has handled 81 COVID related deaths that we know of. For the month of December, 95 interments occurred District wide with 73 of those taking place at El Toro Memorial Park.

Santa Cemetery Manager Julio Amarillas is making corrections on inventory and may have some additional available casket spaces.

Trustee Hatch stated that he has heard Rose Hills is refrigerating bodies and asked if Orange County was similarly impacted. GM Deutsch confirmed that mortuaries in Orange County are facing similar struggles. GM Deutsch added that District staff did communicate to Orange County Mortuaries about our limitations on vaults. If we have a family that refuses to bury without a vault the mortuary will be forced to hold the body for a longer period. GM Deutsch is hopeful that we have reached the peak of the pandemic and that we can stay ahead of the demand.

Trustee Hatch asked if all staff have been vaccinated. GM Deutsch said that only staff who qualify by age can be vaccinated as the District staff were not included as first responders. Staff, however, is doing everything they can to take precautions that will keep them safe from the virus.

**B. Financial Reports – December 2020**

Brenda Manriquez reported that revenues through December look good. The District received a large deposit of approximately \$700,000 in property tax and will get another \$100,000 in January. The next big payment of property tax should hit in March or April. We also received some Redevelopment money as well. Interest continues to underperform. Brenda Manriquez stated that we are about half of where we should be for interest income at this point in the year. She also pointed out that revenue from Pre-Need sales is recognized immediately which explains the disparity between interment space sales and services.

For expenses there was nothing out of the ordinary. The only notable variance she mentioned was the 0700 Communications account. She explained that these numbers are running below due to an issue with AT&T for Anaheim Cemetery and Santa Ana Cemetery. GM Deutsch ended the old contracts and going forward they will be on government contracts. The change created some timing issues in payment.

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For Equipment expenses incurred in December, El Toro Memorial Park had the Yamaha Golf Cart for \$12,930 and the New Holland Tractor for \$30,190. For Buildings and Improvements, approximately \$24,000 was paid for slope improvement design at El Toro and the retention for All American Asphalt was paid in January. Anaheim Cemetery also had a \$6,000 slurry seal.

The Balance Sheet has about \$2.5 million in unassigned, so the District should be moving more to “Committed” at year end. The balance with the County is also increasing as we are not moving any money right now.

**C. Interest Rates – December 2020**

GM Deutsch stated that some of the funds actually had a slight uptick in rates. The Orange County Investment Pool and CalTRUST, however both dipped lower, with CalTRUST now at 0.47. GM Deutsch stated that we are not doing any reinvestments until the Finance and Investment Committee meets in February. Vice Chair Nelson stated that with the significant drop at CalTRUST, the District should watch and perhaps transfer to OCIP. Brenda Manriquez stated that a large part of CalTRUST’s portfolio is with U.S. government agencies which may explain the large dip in rates.

**D. Investment Portfolio Changes – January 2020**

GM Deutsch pointed out that we are only seeing redemptions right now and reiterated that the District will not make any purchases until the Finance and Investment Committee has a chance to discuss investment strategy.

**E. Capital Projects Update**

GM Deutsch stated that there is not much to report as there are currently no active ongoing projects at any of the cemeteries. Vice Chair Nelson will report out later in the agenda on a meeting with Supervisor Wagner. GM Deutsch did state that he participated in a meeting with Supervisor Do to discuss the Veterans portion of the public cemetery. GM Deutsch said he will be working with some community groups to get feedback from U.S. Veterans as well as Veterans who were allies with the United States.

GM Deutsch said that we are currently waiting for the telecommunication lines to be relocated and properly marked before we can proceed with slope improvements at El Toro Memorial Park. The slope project may be delayed into the next fiscal year. GM Deutsch hopes to advertise the project in March and award by the end of the fiscal year. He also noted that the Fixed Asset report may differ slightly from Brenda’s numbers as his report is through January and her financial reports are through December. He did also note that the backhoe is still sitting in customs.

**F. District Network Security Update**

GM Deutsch reminded the Board that Trustee Hatch had requested an update on the District’s network security, after his Laguna Woods Association had suffered a breach in their security. GM Deutsch said that several years ago the District had a similar experience, but fortunately, we lost very few files because we were backing up the common drive each week. Since then, we are now also backing up each staff person’s computer to the cloud, which gives us redundancy in our backups. As for the data held with Cemsites, they also backup remotely and we are confident of their security measures. Likewise, the financial data and payroll data we have with County of

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Orange is safeguarded by numerous, sometimes onerous, layers of security. Staff have also been trained not to open any emails or attachments from sources they do not recognize.

**GENERAL COUNSEL REPORT**

Counsel Quintanilla stated that it is necessary for the District to reaffirm the local state of emergency and ratify all emergency COVID-19 measures. This should actually be done at least every 60 days, although Counsel Quintanilla recommended that we do this monthly at each Board Meeting. Vice Chair Nelson asked if it is appropriate to put this item on future Consent Calendars. Counsel Quintanilla stated that would be fine. Counsel Quintanilla said he is also monitoring the next COVID relief package that Congress is debating. He stated there may be funds that will be available to help reimburse the District for the costs associated with the pandemic. He stated the District should be keeping track of all COVID related expenses. GM Deutsch said that Brenda Manriquez has been keeping track of COVID related expenses and Mary Funk has been tracking Emergency Paid Sick Leave used that was put in place by the County for pandemic related absences.

**MOTION:** of Trustee Hatch, seconded by Trustee Rivers and carried by a roll-call vote of 3-0 (Chair Marroquin and Trustee Ward absent for the vote), adopted Orange County Cemetery District Resolution 2021-01, extending the local state of emergency and certain emergency measures.

**UNFINISHED BUSINESS – None**

**NEW BUSINESS**

**A. CAPC Board of Directors Election 2021**

GM Deutsch explained that the California Association of Public Cemeteries (CAPC) is requesting that the District vote for the 2021 Board of Directors. Since there is no annual conference due to COVID-19, the election is being held electronically. There are currently five candidates running for five available spaces.

**MOTION:** of Trustee Rivers, seconded by Trustee Hatch and carried by a roll-call vote of 3-0 (Chair Marroquin and Trustee Ward absent for the vote), approved the execution of the CAPC Board of Directors 2021 ballot supporting all five of the candidates listed on the ballot.

Trustee Rivers also announced that if any Trustee is willing, CAPC is looking for Trustees to submit articles for the upcoming newsletter.

**B. Special District Risk Management Authority, Board of Directors – Notice of Nominations**

GM Deutsch stated that he received an announcement from the Special District Risk Management Authority (SDRMA) asking for nominations for three seats that are up for election. If any Trustee or staff member is interested in serving, the Board will need to take action by resolution and submit a completed “Candidate’s Statement of Qualifications form to SDRMA.

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Vice Chair Nelson asked if there were any incumbents running again who are from Orange County, as we should not run against someone from our own County. Brenda Manriquez stated that Mike Scheafer’s term is ending in 2021. He is from the Costa Mesa Sanitary District. In addition, Timothy Unruh’s term will end in 2021. He is with CAPC and Kern County Cemetery District. No Trustee expressed interest in serving in this position. GM Deutsch said that if he hears that Mike Scheafer and Tim Unruh are not running again, he would let the Board know. No further action was taken.

GM Deutsch also mentioned that Seat A for the Board of Directors on the California Special District Association will be up for election. GM Deutsch asked if any Trustees were interested in running for this seat on the CSDA Board. No one expressed interest at this time. GM Deutsch said he would not be placing this on a future agenda.

**C. Health Insurance Issue – General Manager**

GM Deutsch explained that each year employees are required to login to the County of Orange benefits website and select health insurance choices during open enrollment. Changes made during open enrollment take effect on Pay Period One of the upcoming calendar year.

During this past open enrollment GM Deutsch needed to switch plans from the Cigna HMO plan to the Blue Shield of California Wellwise PPO Plan. The Wellwise plan has an individual deductible of \$500 per person or \$1,000 per family. The County, however, offers two PPO plans through Blue Shield. The other plan is called Sharewell and has an individual deductible of \$1,000 and a deductible of \$5,000 per family. GM Deutsch stated that he was certain he had selected Wellwise during open enrollment and had even been able to print out his insurance card showing the Wellwise plan with an effective date of 1-1-2021.

However, after reviewing the payroll register for Pay Period 1, Mary Funk discovered that the healthcare premium for GM Deutsch did not match the premium for Wellwise, but rather for Sharewell. GM Deutsch then contacted County benefits to inquire and was informed that during open enrollment he had selected Sharewell. The County further stated that his only course of action was to present an appeal to the County Insurance Review Committee to see if the plan could be changed to Wellwise as he had originally intended. GM Deutsch stated that he has submitted the appeal, but would like the Board to send a letter on his behalf, urging the Committee to approve his appeal. If his appeal is denied, GM Deutsch is requesting that the Board to approve a one-year flexible benefit medical reimbursement plan which will allow him to be reimbursed for costs associated with the higher deductible.

GM Deutsch explained that the cost difference between the two plans is \$7,302. If the board approves the \$4,000 medical reimbursement account, then overall the District would realize a savings of \$3,302. This would only be in effect through 2021. In the next open enrollment GM Deutsch would correct the plan selection.

Vice Chair Nelson expressed some disappointment with the County stating that a situation like this should be simple to fix and questioned how the claim could be disputed since GM Deutsch was able to print an insurance card showing the correct plan with the correct effective date.

  
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Vice Chair Nelson requested that the District looks again into what it would take to move payroll and benefits out of the County. GM Deutsch stated that the last time they looked at this it was not cost-effective. Vice Chair Nelson said that he would still like to see a cost comparison. GM Deutsch said that staff would provide that at a future Board Meeting.

Vice Chair Nelson also requested making the language in the letter stronger and emphasizing the fact that he has the insurance card showing the correct selection.

**MOTION:** of Trustee Hatch, seconded by Trustee Rivers and carried by a roll-call vote of 3-0 (Chair Marroquin and Trustee Ward absent for the vote), approved sending the letter of Board support to the County Insurance review committee, and authorizing staff to set-up a medical reimbursement plan in the amount of \$4,000 for the General Manager.

**ITEMS FOR FUTURE AGENDAS**

GM Deutsch asked the Board when they wanted to revisit selecting a consultant to assist the District in the creation of its next strategic plan. Vice Chair Nelson still felt that it is important to wait until the Board can meet in person with the consultants. GM Deutsch added that many of the District’s goals have been placed on hold in light of the pandemic. GM Deutsch also said that a Communications and Public Relations Committee Meeting should be scheduled to discuss how or if the District will host any special events in 2021. The top priority for the District, of course, is the development of the new fourth cemetery. The Board agreed to wait on the selection of a strategic plan consultant until it was safe again to meet in person.

**BOARD COMMENTS**

**A. Virtual Meeting with Supervisor Don Wagner, January 19, 2021**

Vice Chair Nelson reported that Supervisor Wagner met with all of his appointees. Vice Chair Nelson was surprised to see that he has over 20 appointees. During the meeting Supervisor Wagner discussed his financial goals and his desire to provide increased fiscal responsibility, public safety, and community service. Supervisor Wagner was also very pleased at the reopening of Irvine Lake.

**B. Virtual Meeting with Supervisor Don Wagner, February 1, 2021**

Vice Chair Nelson, GM Deutsch, and Larry Ryan with RJM Design Group met with Supervisor Wagner to provide an update on the new cemetery development. Also participating in the meeting from the County were Martin Gardner - Policy Analyst, Tara Campbell – Chief of Staff for Supervisor Wagner, and Matt Miller – the County of Orange Chief Real Estate Officer. Vice Chair Nelson said that Larry Ryan provided a presentation to Supervisor Wagner updating him on all the studies and site assessments that have taken place to date as well as preliminary design ideas. Supervisor Wagner also had a list of questions from Assemblymember Choi.

Vice Chair Nelson said he was surprised to discover that Supervisor Wagner believed it was the District’s responsibility to develop the Veterans Cemetery. Matt Miller was very helpful in explaining to the Supervisor that the deed only requires the District to reserve 50% of the developable acreage for the purpose of a Veterans Cemetery.

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During the meeting GM Deutsch and Vice Chair Nelson emphasized that the District will do everything we can to support and encourage the development of the Veterans Cemetery at Gypsum Canyon. It was stressed that the District must work in coordination with CalVet and the Board of Supervisors.

Brenda Manriquez stated that the District has already spent over \$600,000 on studies which include valuable information that will benefit the Veterans if they decide to develop their cemetery on the site.

Vice Chair Nelson said we also need the Anaheim City Council to explain why they may be opposed to our cemetery moving forward if the Veterans do not locate on the site. He also added that we need Veterans to lobby our legislators. Vice Chair Nelson stated that Supervisor Wagner believes that Veterans would be disappointed if they had to locate their cemetery at Gypsum Canyon, which is a total misconception. Our local politicians need to hear from Veterans such as Ron Bengochea, who expressed the exact opposite sentiment during Public Comments today.

GM Deutsch said he would reach out for updates from Bill Cook with the Orange County Veterans Memorial Park Foundation and Nick Berardino with the Veterans Alliance of Orange County and also encourage them to voice their support for the Gypsum Canyon site to legislators and local politicians.

Trustee Hatch asked if the State funding follows the Veterans if they develop at Gypsum Canyon as opposed to Irvine. GM Deutsch said that the City of Irvine is conducting a study now and they are waiting for the results, but the State Funding only specifies two sites in Irvine. GM Deutsch said we will need to confirm if State funding would be available for the Gypsum Canyon site.

GM Deutsch also said that Chris Palmer with CSDA has asked us to participate in a meeting with staffers from Congressman Lou Correa’s office. Trustee Hatch said he would like to set-up Zoom meetings with other legislators to garner support for our project. GM Deutsch said he would contact Chris Palmer to help determine who would be the most beneficial legislators to meet with.

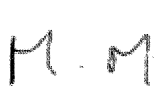

**C. Virtual ISDOC Quarterly Luncheon, January 28, 2021 at 11:30 a.m.**

Trustee Nelson, Trustee Rivers and GM Deutsch attended this meeting. Vice Chair Nelson said the keynote speaker was Orange County Sheriff Don Barnes. Vice Chair Nelson was not impressed as Sheriff Barnes did not support the mask mandate. Trustee Rivers thought the presentation was informative. GM Deutsch added that there was also a presentation on CSDA financing services.

**ANNOUNCEMENTS**

**A. CSDA Member Services Committee Meeting, February 4, 2021 at 9:30 a.m.**

Vice Chair Nelson will be attending this meeting.

	
Chair	Secretary



**B. CSDA Fiscal Committee Meeting, March 11, 2021 at 10:30 a.m. (Virtual)**  
Vice Chair Nelson will be attending this meeting.

GM Deutsch said that he will send out dates for the Finance and Investment Committee Meeting and for the Communications and Public Relations Committee Meeting.

The next regular meeting will be held on **Tuesday, March 2, 2021**, 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 11:27 a.m.



Chair



Secretary



Chair



Secretary