

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
June 4, 2019

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Vice Chair Noel Hatch 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: | Noel Hatch, Vice Chair | Fifth District |
| | Maribel Marroquin | First District |
| | Kelly Rivers | Second District |
| | William E. Nelson | Third District |

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

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

ALSO PRESENT: Oliver Yee, Attorney - Liebert and Cassidy (Closed Session Only)
Saundra Jacobs – President, Santa Margarita Water District
Francisco Barajas – Planning Commissioner, City of Lake Forest
James Fisler – Director, Mesa Water District
Consultants: Larry Ryan and Craig Sensenbach, RJM Design Group;
Pat Fuscoe, Fuscoe Engineering; Deborah Pracilio, LSA;
John Haertle and Joe Roe, Leighton Consulting Group

PUBLIC COMMENTS

Francisco Barajas, a planning commissioner for the City of Lake Forest, spoke in support of Saundra Jacobs who is running for the Regular OC LAFCO seat. Mr. Barajas felt that it is important to have representation in OC LAFCO by someone who is a South Orange County resident. In addition, Saundra Jacobs also offers 23 years of experience in Special Districts. He encouraged the Board to vote for Saundra Jacobs for this seat.

Saundra Jacobs, President of Santa Margarita Water District spoke next. She congratulated the Board on the acquisition of the Mountain Park property and spoke about her qualifications for the OC LAFCO seat. She stated that she can bring fresh ideas and a new outlook and that she also understands the critical importance of Special Districts. She said LAFCO's function should be to encourage efficiency, support regional cooperation, and identify shared services. If elected she will work to defend against unwarranted changes in scope or takeovers. She is also the current President of ISDOC and serves on the Board for CSDA.


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James R. Fisler, a director for the Mesa Water District spoke next. Mr. Fisler is also running for the Regular OC LAFCO Seat and spoke to the Board about his qualifications to serve as a commissioner. Mr. Fisler stated that he had been on the Mesa Water District Board for ten years, has volunteered on numerous committees for the city of Costa Mesa, and has been the OC LAFCO Special District Alternate Commissioner since 2011. He is the Immediate Past President for ISDOC and was able to reduce dues by 75%. He does not believe that the future development of Rancho Mission Viejo necessitates representation on the LAFCO Board by a South Orange County resident. He stated that LAFCO does not make planning decisions, but rather ensures that adequate services are provided for development.

Trustee Nelson asked the candidates how many other people are running. They responded that nominations close on June 7th, but currently Jim Fisler and Saundra Jacobs are running for the voting seat and three other candidates were running for the Alternate Seat.

The Board thanked Mr. Fisler, Mr. Barajas, and Ms. Jacobs for addressing the Board. All three left the meeting at that time.

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, May 7, 2019.
- B. Approval of June 2019 Check Registers (Claims) Nos. 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193 and 194.

MOTION: of Trustee Nelson, seconded by Trustee Rivers and carried by a vote of 4-0 (Chair Ward absent for the vote), approved the Consent Calendar.

GM Deutsch requested that New Business Item A, New Cemetery Development Site Assessment Consulting Proposals, be discussed at this time since representatives from the various firms were attending the meeting to present the proposals and answer Board questions.

NEW BUSINESS

New Cemetery Development Site Assessment Consulting Proposals

GM Deutsch introduced Larry Ryan and Craig Sensenbach from RJM Design Group. Mr. Ryan explained that his firm has been working with the District for the last twenty years and has been working with GM Deutsch on development ideas to maximize the total parcel for the establishment of both a public cemetery and a state veterans cemetery. He then introduced representatives from three other firms who will all be working together to provide a proper assessment of the parcel to the District. The firms are all well acquainted with the parcel having provided services on the same land to the Irvine Company in the past. They included: Deborah Pracilio of LSA, Pat Fuscoe of Fuscoe Engineering, and John Haertle and Joe Roe of Leighton Consulting Group.

Deborah Pracilio explained that LSA's role would be to identify opportunities and constraints on the property in regards to environmental assessment. Some of the issues they will examine


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include: archeological resources, biological resources including reducing impacts to sensitive habitats, and an entitlement review. The proposed fee for these services is \$33,250.

Pat Fuscoe explained that they will provide aerial photography to produce a 1ft. contour interval map, offsite topography, a boundary survey with the installation of witness poles, and supplemental field surveys for the Gypsum Canyon Creek bridge crossing, grading and “daylight” lines. The proposed fee for these services is \$95,500.

John Haertle of Leighton Consulting explained that they will examine soil conditions on the site and determine how those conditions will impact the development of the site for the purposes of cemetery development. They will explore all geotechnical aspects of the site and conduct auger borings located primarily where deep fill was encountered and large diameter borings within the limits of the landslide area. The cost for these services is \$87,300.

Trustee Nelson asked why a bridge was necessary, stating that when he was on the property he did not recall crossing a creek. It was explained that he actually did cross a dry wash, which when heavy rains come can become a significant stream of water.

Vice Chair Hatch stated that it seems not only is this money well spent, it is money that must be spent. Pat Fuscoe answered that with these assessments, the District will get to a point where it knows everything that can be known about the project and then the District will have to decide to jump.

Vice Chair Hatch asked how long these studies would take to complete. The team estimated approximately three to four months. Larry Ryan said that he is confident the project will be economically feasible for the District, what these studies will help to determine is how much land is viable to utilize.

Vice Chair Hatch asked if this assessment was just for the public cemetery or for the veterans cemetery as well. GM Deutsch said that, right now, we are looking at the parcel in its totality. But the District does expect to capture some costs back when the Veterans develop their portion.

MOTION: of Trustee Marroquin, seconded by Trustee Rivers and carried by a vote of 4-0 (Chair Ward absent for the vote), approved and authorized the General Manager to execute the requisite professional service agreements with 1) Fuscoe Engineering, Inc. in the amount of \$95,500; 2) LSA Associates, Inc. in the amount of \$33,250; and 3) Leighton Consulting, Inc. in the amount of \$87,300.

Trustee Nelson asked if these costs could be capitalized. Brenda Manriquez said that this was correct. Larry Ryan said that he will be communicating regularly with GM Deutsch about progress on these services.

GM Deutsch recommended that the Board move to Closed Session at this time.



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CLOSED SESSION

Conference with Labor Negotiators pursuant to Government Code Section 54957.6(a):
 District designated representative: Chief Negotiator Oliver Yee, General Counsel Steven B. Quintanilla.
 Employee Organization: Groundskeeping Unit (Service Employees International Union Local 721 CTW-CLC).

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

The Board adjourned to closed session at 11:23 a.m.

The Board reconvened from closed session at 12:36 p.m. GM Deutsch stated that no reportable action took place in closed session. Trustee Marroquin left the meeting after Closed Session was over.

GENERAL MANAGER REPORTS

Interments and Interment Space Sales Reports – April 2019

The following interment and interment space sales for April 2019 were reviewed:

| | | | <u>2018-2019</u> | <u>2017-2018</u> |
|-----------|------------|--------------|------------------|------------------|
| ANAHEIM | Interments | 9 (5 Urn) | 63 (30 Urn) | 67 (36 Urn) |
| | Lot Sales | 1 | 23 | 22 |
| EL TORO | Interments | 57 (26 Urn) | 517 (192 Urn) | 529 (187 Urn) |
| | Lot Sales | 64 | 612 | 550 |
| SANTA ANA | Interments | 36 (7 Urn) | 315 (51 Urn) | 282 (41 Urn) |
| | Lot Sales | 22 | 230 | 220 |
| TOTAL | Interments | 102 (38 Urn) | 895 (273 Urn) | 878 (264 Urn) |
| | Lot Sales | 87 | 865 | 792 |

GM Deutsch reported that staff had another busy month. Anaheim Cemetery had 9 interments. El Toro Memorial Park had 64 space sales for a year-to-date total of 612 which is 62 more than the same time year-to-date. Interment space sales are also up year-to-date at Santa Ana Cemetery with 10 more than last year. Eighteen niches have been sold at Santa Ana so far this year which is 8 more than last year. Overall, interment space sales are seeing a 9.2% increase over the 2018 total. The total interments are 17 more than the prior year. The cremation rate has edged up to 30.5%. For interment space sales, 75% were for full casket spaces.

Financial Reports – April 2019

The Financial Reports are trending as normal. Property taxes are \$105,053 higher than the previous year, and \$40,799 higher than the FY 2018-19 budgeted revenues. Interest income continues to exceed budgeted amounts due to better than anticipated returns at CalTRUST and the OCIP. Interment space sales and interment services are both higher than budgeted revenue.


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For expenses, Salaries and Employee Benefits are \$63,000 higher than the previous year and \$17,642 higher than budgeted. This is due to timing of payroll accruals and annual leave payoffs for retirements in March. Salaries and wages are also higher due to use of overtime. Retirement and insurance lines combined are about \$20,000 lower due to timing of contributions for retirement and employee insurance.

In the Balance Sheet, there is \$455,860 in assigned funds for the capital improvement project at El Toro, and \$9,555,000 in committed funds which is all for the development of the new fourth cemetery.

May Investment Portfolio Changes

GM Deutsch said that May was a busy month for investments, with the District redeeming several bonds and CDs. As per the Finance and Investment Committee, we are continuing to purchase short-term investments under two years to maximize liquidity.

Capital Projects Update

GM Deutsch said that the interior of the new El Toro Restroom is complete. Supports for the shade structure and header boards have been installed. Plumbing for the fountain is complete and the contractor is preparing to pour the concrete wall for the fountain, the steps to the enclosure and at the base of the shade structure posts. We are hoping to open the new niche area for sale in July.

The Strategic Plan Dashboard

GM Deutsch said that Cemetery Manager Julio Amarillas is continuing to investigate all available spaces outside of the new lawns to determine if they are viable spaces. Total annual District revenues continue to exceed expenditures. Staff will be conducting annual reviews in June. Memorial Day Programs were held at all three cemeteries. Staff and members of the Anaheim Historical Tour planning committee are working on scripts for the upcoming tour in July.

UNFINISHED BUSINESS - None

NEW BUSINESS

SDRMA 2019 Board of Directors Election

GM Deutsch explained that the Special District Risk Management Authority (SDRMA) sent an election packet to the District allowing the Board to vote for no more than three of the candidates for the Board of Directors. After Discussing the candidates, Trustee Nelson recommended that the Board vote for Bob Swan, Patrick O'Rourke, and Sandy Seifert-Raffelson.

MOTION: of Trustee Nelson, seconded by Trustee Rivers and carried by a vote of 3-0, (Chair Ward and Trustee Marroquin absent for the vote), approved the selection of Bob Swan, Patrick O'Rourke and Sandy Seifert-Raffelson for the SDRMA Board of Directors.


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Approval of Additional Contingency – El Toro Niche Construction & District Wide Restroom Upgrade Project

GM Deutsch reminded the Board that at the February 2018 Board Meeting they approved the Horizons Construction bid of \$1,412,000 for the District-wide restroom renovations and new niche project at El Toro Memorial Park, with an additional 5% contingency of \$70,600 for change orders. GM Deutsch reviewed the change orders to date and informed the Board they do anticipate some additional change orders to complete the project. GM Deutsch requested that the Board increase the contingency from 5% to 10% of the contract amount, or \$141,200. GM Deutsch stated that there are enough funds to cover these change orders in the capital improvements budget which were allocated for some additional site changes, such as asphalt, concrete walkway and curb replacement.

MOTION: of Trustee Nelson, seconded by Trustee Rivers and carried by a vote of 3-0 (Chair Ward and Trustee Marroquin absent for the vote), authorized the General Manager to execute the requisite contract and approve any change orders up to 10% of the contract or \$141,200.

OCERS Unfunded Actuarial Accrued Liability (UAAL) Payoff 2019

GM Deutsch explained that due to a couple of years of not meeting the actuarial assumptions, and changes in mortality rates, OCERS informed the District that the 2019-20 Employer Contribution Rates would include a UAAL component in the amount of 0.48%. GM Deutsch and Brenda Manriquez have been working with OCERS to try to establish a dollar figure so the District could elect to pay it off in advance of the 2019-20 fiscal year. Although different numbers have been coming in from the actuaries, the valuation as of 12-31-18 has a UAAL of \$45,118.

Trustee Nelson recommended not paying off the UAAL at this time, stating that he prefers to have that money with the District. The Board agreed so no action was taken on this item. GM Deutsch stated that he will change the language in the CAFR to reflect that the District's pension is not fully funded.

GM Deutsch also noted that the District has received word that we have been approved for the Budget award that we submitted for last fall. We are still waiting to here about our CAFR award.

ITEMS FOR FUTURE AGENDAS

GM Deutsch stated that the LAFCO vote will be on the July agenda and the Finance and Investment Committee will report on their meeting which is scheduled for June 11th.

BOARD COMMENTS

Anaheim Cemetery 2019 Historical Tour – Planning Meeting, April 3, 2019

Trustee Rivers reported that she attended this meeting and plans for the tour are ongoing.

Orange County Council of Governments (OCCOG) 2019 General Assembly, April 12, 2019

Trustee Rivers attended and stated that it was very fun and she felt like she learned a lot.


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ISDOC Executive Committee Meeting, Fountain Valley, May 14, 2019

Trustee Nelson stated that he did not attend this meeting.

CAPC Local Area Meeting, Dearborn Cemetery, Poway, May 23, 2019

GM Deutsch attended and said it was a good event, even though it had been rescheduled due to inclement weather.

Memorial Day Programs, At all District Cemeteries, May 27, 2019

Trustee Nelson and Trustee Rivers said that they attended El Toro’s program.

ISDOC Executive Committee Meeting, Fountain Valley, June 4, 2019

Trustee Nelson gave his CSDA report and spoke about the student video contest on how special districts make a difference. He also mentioned award nominations. He also reported on Special District Legislative Days that was held by CSDA on May 21-22nd.

ANNOUNCEMENTS

The CSDA GM Leadership Summit is on June 23-25 in Newport Beach. GM Deutsch will be participating.

The CSDA Board Planning Session will also be in Newport Beach on June 26-27th. Trustee Nelson will attend.

The next ISDOC Quarterly Meeting will be held in Fountain Valley on June 27th. Trustee Nelson and Trustee Rivers will both attend.


The next ISDOC Executive Committee Meeting will be in Fountain Valley on July 2, 2019. Trustee Nelson will attend.

The next regular meeting will be held on **Tuesday, July 2, 2019**, 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 1:08 p.m.



Chair



Secretary



Chair



Secretary