

ORANGE COUNTY CEMETERY DISTRICT

Board of Trustees

September 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 10:12 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 U.S. Veteran Ron Bengochea.
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Kelly Rivers, Chair	Second District
	Cynthia Ward, Vice Chair	Fourth District (Attended remotely)
	Maribel Marroquin-Waldram	First District
	Vladimir A. Anderson	Third District (Arrived at 10:20 a.m.)
	Noel Hatch	Fifth District

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

ALSO

PRESENT: Colin Kirkpatrick, Deputy General Counsel
Steven Quintanilla, Legal Counsel (Remotely for closed session only.)

Due to the necessity of providing medical care for a family member, Vice Chair Ward requested to join the meeting remotely.

MOTION: of Chair Rivers, seconded by Trustee Marroquin-Waldram and carried by a vote of 3-0 (Trustee Anderson and Vice Chair Ward absent for the vote), approved allowing Vice Chair Ward to join the meeting remotely.

PUBLIC COMMENTS

U.S. Army Veteran, Ron Bengochea requested to address the board. Mr. Bengochea stated that he wished to pass on his appreciation for all the efforts the board has put forth to help establish a State Veterans Cemetery at Gypsum Canyon. He stated that he has been involved in this pursuit since 2014, and while many people have “talked the talk” the Trustees of the Orange County Cemetery District have really “walked the walk”. He added that he had attended a recent Anaheim City Council Meeting and urged them to do everything in their power to move the project forward. He stated he has a large network of Veterans who are eager to hear when construction may begin. He asked GM Deutsch to email him about future timelines for construction and was hopeful that construction of the new public cemetery could take place at the same time as construction of the Veterans Cemetery. He also stated that he thought it was awesome that first responders and allied Veterans would have a special place in the public


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cemetery. He stated that the District has been an answer to prayer. Trustee Hatch replied that this really came from you, the Veterans. You took the ball and have really run with it.

Trustee Anderson arrived at 10:20 a.m.

Mr. Bengochea added that he really believes the Veterans need to be at Gypsum Canyon and added that the District’s efforts mean so much to so many.

Chair Rivers stated we love our Veterans and we will keep working to move this forward.

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting August 1, 2023.
- B. Approval of the September 2023 Check Registers (Claims) Nos. 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, and 48.
- C. Acceptance of the Economic Uncertainty Fund for Unanticipated Expenses in the General Fund Report.

MOTION: of Trustee Marroquin-Waldram, seconded by Trustee Hatch and carried by a roll call vote of 5-0, approved the Consent Calendar.

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – July 2023

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

			<u>2023-2024</u>	<u>2022-2023</u>
ANAHEIM	Interments	12 (10 Urn)	12 (10 Urn)	3 (2 Urn)
	Lot Sales	6	6	4
EL TORO	Interments	80 (31 Urn)	80 (31 Urn)	79 (30 Urn)
	Lot Sales	135	135	104
SANTA ANA	Interments	14 (7 Urn)	14 (7 Urn)	12 (9 Urn)
	Lot Sales	9	9	7
TOTAL	Interments	106 (48 Urn)	106 (48 Urn)	94 (41 Urn)
	Lot Sales	150	150	115

GM Deutsch stated that July starts with a clean slate as the first month in the new fiscal year. Sales are still strong, and he expects that to continue through August and September, since El Toro was so far booked out on appointments when the prohibition on pre-need sales took effect on August 1st.


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Anaheim Cemetery had six space sales and conducted 12 interments for the month of which ten interments were cremation based.

El Toro Memorial Park had 135 interment space sales of which 119 were for casket space and 98 of those sales were for Pre-Need. By October the board will see all casket space become At-Need. The only Pre-Need sales will be for cremation space. There are approximately 734 casket spaces remaining. By selling only to At-Need families GM Deutsch said he anticipates between 20 to 30 sales a month at El Toro, rather than the 80 to 100+ sales we have been seeing over the last year. There were seven niche sales in July and there are approximately 267 niches remaining. El Toro staff conducted 80 interments in July of which 49 were casket interments and 31 were for cremation. El Toro’s cremation rate for July was 38.75%.

Santa Ana Cemetery had nine space sales including two casket spaces that had been on hold and staff conducted 14 interments in July. Santa Ana is considering opening up some of the remaining 59 spaces.

Overall, the District had 150 space sales in July and conducted 106 interments with a cremation rate of 45.28%.

The income statement for July shows a surplus of \$215,135 which is primarily due to revenues from El Toro Memorial Park. The District will not see much property tax until the end of the calendar year.

B. Financial Reports – July 2023

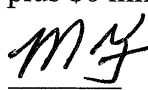
Brenda Manriquez stated that services and sales are trending as is indicated in the monthly activity report. The District does not expect to see any large deposits of property tax until December. Interest is going like gangbusters, adding that we budgeted to be at about \$33,000 at this point in the year and we are already over \$60,000.

Salaries and Employee Benefits are lower than last year because of the COVID bonuses that were paid out in the previous year. Since it is the first month of the new fiscal year, with Services and Supplies there are a lot of reversals from prior year accruals. Once we get through this first quarter, we will have flushed out the prior year expenses.

There were no equipment expenses for July. In Buildings and Improvements there was \$28,605 spent on new cemetery development for engineering, design, and project management invoices.

On the Balance Sheet, Brenda Manriquez noted that it now includes a Debt Service Fund portion for tracking purposes. She also mentioned that the next loan payment is due in September. She explained that the District still has that \$20 million sitting in escrow. The District has to initially pay out \$10 million from its own funds before we can draw on that \$20 million. GM Deutsch said that he has been having discussions with Lance at Holman to determine if some of our current new cemetery development costs could be applied to that \$10 million we have to pay up front. These costs have averaged about \$700,000 annually. Trustee Hatch asked to confirm that this \$20 million is all still there then and we have not chipped away at any of it. GM Deutsch confirmed that was the case. Not including Pre-Need funds we have almost \$18 million in the General Fund, plus \$6 million in the Pre-Need Fund. GM Deutsch also noted that April 2, 2019


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is when the clock started on the District's ten-year time frame to get a fourth public cemetery open and operational.

C. Investment Portfolio Changes - August 2023

GM Deutsch stated that we are continuing to redeem the low yield investments that were between 0.5% and 2.71% for investments that are around 5.5%. The District is particularly focused on projecting out as much as it can and finding 5-year terms for the Endowment Principal Fund. There is not much available, mostly bonds. GM Deutsch also mentioned that the California Class Fund was a platinum sponsor at the CSDA conference that was just held in Monterey.

E. Capital Projects Update

GM Deutsch stated that the Gypsum Canyon Meetings are continuing. He met with the Murrow Company on August 3rd regarding a new project cost estimate update. He met with the Development Team and County Staff on August 3rd and August 31st. He also met with the Chiefs of Staff for both Michelle Steele and Katie Porter to provide updates on the development. GM Deutsch stated that he also met with DGS and CalVet on August 18th.

GM Deutsch informed the Board that RJM completed a virtual animated simulation of the new public cemetery. Idea Hall is also completing an informational booklet on the project and is producing a video that will include interviews from GM Deutsch, Supervisor Wagner and Mayor Aitken with the City of Anaheim. A draft of the booklet was attached and the Board reviewed the booklet. Trustee Hatch voiced some concern that the booklet makes the cemetery project seem more like a public park and wants to make sure it does not give the impression that these grounds could be used for recreational purposes.

Trustee Hatch also asked what the flower policy will be at the new cemetery. GM Deutsch said that he intends to only use the temporary cone vases and not allow any inground vases. He also advises that we only allow two items to be left at a gravesite. In reviewing the booklet, Vice Chair Ward asked if the circular lawn pictured would be used for interments or would it be a public gathering space. GM Deutsch said that it would be used for interments, although there is an area reserved for public gatherings that is closer to the office. Trustee Hatch asked how the booklet would be distributed. GM Deutsch said it will be available at public meetings and can also be provided to the city offices at Anaheim and Yorba Linda. Trustee Hatch asked if there was any organized opposition to the project. He said there are still some emails from Yorba Linda, but that is all.

GM Deutsch then showed the animated virtual tour of the new cemetery that RJM designed.

GM Deutsch stated that for the 2023-24 Fiscal Year, the District is budgeting \$100,000 for existing cemetery improvements. They will include asphalt repairs and a slurry overlay at Anaheim Cemetery. Wrought iron fence repair and painting at Santa Ana Cemetery. El Toro Memorial Park will have a retaining wall and drainage project around the office building, a space development and road widening project, as well as repairs and painting of the wrought iron fence. Two pieces of equipment will be ordered in this fiscal year including a utility vehicle and a tractor for El Toro Memorial Park.


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GENERAL COUNSEL REPORT – NONE

Chair Rivers recommended that the Board move to New Business, Item B at this time.

NEW BUSINESS

B. Board of Trustee – Committee Discussion and Member Selection

GM Deutsch explained that after Trustee Anderson joined the Board, the Finance and Investment Committee and the Communications and Public Relations Committee both became Committees of the Whole. Since then there have been occasions when committee meetings could not be held because we could not get a quorum present. GM Deutsch asked if the Board wanted to consider making these Committees two-person committees once again. After some discussion, the Board agreed that the improved communication and participation of Board members on the committees is helpful and necessary. The Board expressed its desire to keep the Finance and Investment Committee and the Communications and Public Relations Committee as Committees of the whole and also requested that the Personnel Committee be changed from a Two-Person Committee to a Committee of the Whole.

MOTION: of Chair Rivers, seconded by Trustee Hatch and carried by a roll call vote of 5-0, approved changing the Personnel Committee from a Two-Person Committee to a Committee of the Whole.

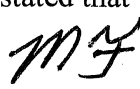
It was also agreed that Trustee Hatch would remain as Chair of the Finance and Investment Committee. Trustee Ward will remain as Chair of the Communications and Public Relations Committee. Trustee Rivers will chair the Personnel Committee. Vice Chair Ward stated that the Public Relations and Communications Committee has become more of an events committee. She would like that Committee to be more involved in all communications that are directed to the public such as the booklet and video that Idea Hall is developing and ensure that all communications with the public have the approval of this Committee.

C. Organizational Personnel Review

GM Deutsch stated that there are a number of organizational changes and things to consider with the new cemetery coming in to play. As we transition to a fourth cemetery, he is determining how this will impact staff. GM Deutsch stated that he has a rough plan in place and has some thoughts that he would like to present to the Personnel Committee. Chair Rivers asked about Mary Funk’s position and moving her to Assistant General Manager. GM Deutsch said that he believes we can work internally to do a salary study. He does not think we will need to hire a consultant to do a global salary survey, although that should take place about every five to seven years.

Trustee Hatch asked if these staff changes would be included as part of a new strategic plan. He also voiced concerns about Finance and Accounting Manager Brenda Manriquez having more work than one person could do. GM Deutsch stated that they have made Diana Vosler full time, adding that she has proven to be a great help to Brenda Manriquez. GM Deutsch agreed that we need to resume our search for a strategic planning firm to develop a new 5-year plan. He stated that OCLAFCO just completed a study. We might want to consider the consultant they used. GM Deutsch stated that we should begin with a clean slate of new consultants.


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The Board would like GM Deutsch to present information for the Assistant General Manager position at the next Board Meeting.

Trustee Marroquin-Waldram left the meeting at 10:30 a.m.

D. New Interment Space Development - El Toro Memorial Park and Santa Ana Cemetery

GM Deutsch reported that, with the limited number of casket spaces remaining at El Toro Memorial Park, now is a critical time to search for any options for developing additional interment space. GM Deutsch is hopeful that the new fourth public cemetery will be operational in Fiscal Year 2025-26. The question is, how do we help families and still generate revenue? Since asphalt does not generate revenue, staff are looking at all options including existing grass that can be turned into casket space and additional roads that could be closed to create more lawn interment space.

For El Toro Memorial Park there is existing lawn in Hillside 3 along the back perimeter where existing lots could be extended to create 115 additional casket spaces and 38 additional cremation spaces. There is also an area in Hillside 3 running along the rear entrance to the park where 17 oversized casket spaces could be created. In the Evergreen lawn near the infant section there is an area originally designated for infant space. However, since El Toro has sufficient infant space for the foreseeable future, with room to expand, this area can be converted to create an additional 65 casket spaces and 11 cremation spaces. There is also an area on the other side of the infant sections that can yield 74 casket spaces and 8 cremation spaces.

Staff is also contemplating closing the road that runs between the Live Oak Section and Old Section. This would generate approximately 462 casket spaces and 30 cremation spaces. However, this could also be problematic for some families having to walk farther to visit gravesites. GM Deutsch recommends that we post the closure for at least two to three months by blocking off the road at either end, and see what kind of feedback we get from visitors. With the other potential spaces we believe can be developed at El Toro and the spaces staff can add at Santa Ana, closing this road at El Toro would be a last resort.

At Santa Ana Cemetery staff are considering closing the road between Sections J & D and Sections X and E. This would yield between 300 to 360 casket spaces depending on the layout. There is also a small utility road that is rarely used near the old section M that would create approximately 138 to 168 casket spaces. There are also two roads leading toward Section BE and Section B that are options. However, if we close both of those roads, it would make it harder for families to reach Sections BE and B. If we leave the road between Section A and Section F open and create a cul-de-sac at the end it could solve the access issue and still allow the road between Section F and Section E to be closed. This closure could generate approximately 115 casket spaces.

Chair Rivers said that test closing the roads is an excellent idea. Trustee Anderson agreed.

GM Deutsch said he would also be presenting a plan for future niche development district-wide at a future Board Meeting later this fall.


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Mr. Ron Bengochea left the meeting at 11:50 a.m.

The Board adjourned to Closed Session at 11:51 a.m.

CLOSED SESSION

- A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957.
Employee Title: General Manager
- B. Labor Negotiations – Unrepresented Employee Pursuant to Government Code Section 54957.6(a)
Unrepresented Employee: Tim Deutsch, General Manager
District designated representative: Steven B. Quintanilla, General Legal Counsel

The Board reconvened from closed session at 12:09 p.m. Deputy General Counsel Kirkpatrick stated that no reportable action took place.

NEW BUSINESS

A. General Manager Employment Agreement Amendment (Oral Report)
Deputy General Counsel Kirkpatrick reported that the Board of Trustees would like to increase the General Manager’s annual compensation by 7% bringing his annual salary to \$191,006.40. This is to be retroactive to June 30, 2023.

MOTION: of Trustee Hatch, seconded by Trustee Anderson and carried by a roll-call vote of 4-0 (Trustee Marroquin-Waldram absent for the vote), approved the proposed General Manager’s Employment Agreement for FY 2023-24 to include a 7% increase in annual salary for a total annual salary of \$191,006.40.

GM Deutsch thanked the Board for their continued support. Chair Rivers said that she would forward a copy of the Consolidated Board Evaluation form to GM Deutsch.

ITEMS FOR FUTURE AGENDAS

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

BOARD COMMENTS

- A. CSDA Annual Conference and Exhibitor Showcase, Monterey, CA
August 28th-31st, 2023.

Trustee Anderson reported that the CSDA conference was very informative. There was a lot of learning and information. Trustee Anderson expressed interest in serving on the CSDA Board at some point in the future. Chair Rivers said that there is currently no cemetery representation on the CSDA Board. GM Deutsch also attended the conference and stated that he always enjoys the CSDA conferences since they have a broader focus with a myriad of different speakers and varying perspectives. He also stated that he and Trustee Anderson were able to take a tour of the Central Coast State Veterans Cemetery. They got a lot of good ideas and were very interested in



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the fact that they used decomposed granite to cover interment spaces rather than grass. Vice Chair Ward stated that she had bought a flat of an alternate landscaping plant that could be substituted for grass. She has been testing it out and believes it may be a viable alternative to grass. She stated she would bring it by for staff to see.

ANNOUNCEMENTS

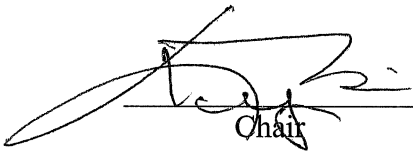
The ISDOC Quarterly Luncheon will be held in-person on September 28th in Fountain Valley from 11:30 a.m. to 1 p.m. Trustee Rivers expressed interest in attending.

The CAPC Annual Education Seminar and Area Meeting will be held in Sacramento from October 6th-7th, 2023. Cemetery Manager, Julio Amarillas and Cemetery Assistant, Robert Hernandez will be attending.

Vice Chair Ward announced that she has secured mariachi for the Day of the Dead event at Anaheim Cemetery and is working on getting a ballet folklorico group to participate.

The next regular meeting will be held on **Tuesday, October 3, 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 12:27 p.m.

 10/3/23
Chair


Secretary


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