

**ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
September 7, 2021**

MINUTES

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

PRESENT:	Maribel Marroquin, Chair	First District
	William E. Nelson, Vice Chair	Third District
	Kelly Rivers	Second District
	Cynthia Ward	Fourth District
	Noel Hatch	Fifth District

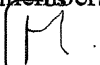
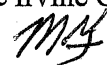
STAFF: Tim Deutsch, General Manager
Brenda Manriquez, Finance and Accounting Manager
Mary Funk, Board Secretary

ALSO PRESENT: Steve Quintanilla, General Counsel
Deborah Pracilio, LSA Associates, Inc.
Craig Sensenbach, RJM Design Group
Tamara McClory, RJM Design Group
Harvey Liss, Member of the Public
Ed McNew, Member of the Public
Frank McGill, Member of the Public
Linda Klein, Member of the Public

PUBLIC COMMENTS

Mr. Harvey Liss requested to address the Board. Mr. Liss is a Civil Engineer and a member of the Build the Great Park Committee. He stated that in regards to Item C in the Closed Session, it is unlikely that CalVet would accept such a transfer without the proper environmental studies, and therefore felt that Item C should be discussed in Open Session. He also commented on the support that still exists in Irvine for the ARDA site, saying that in May of 2020 it was exclusively rezoned for cemetery development. He also expressed numerous concerns about the viability of the Gypsum Canyon site including legal deed issues.

Mr. Ed McNew, an 89-year-old Army Veteran also spoke in favor of the ARDA site for a State Veterans Cemetery and requested that any discussion related to the transfer of 140 acres to CalVet for the State Veterans Cemetery be made available to the public. He also stated that the Irvine City Council is not supporting what the people of Irvine want. Mr. McNew also wanted this Board to know that support for the ARDA site in Irvine is not dead and that a recall of members of the Irvine City Council is being discussed. He also stated that Gypsum Canyon has

	
Chair	Secretary

many problems including a high fire hazard threat and many local homeowners do not want that site to be developed.

Mr. Frank McGill, who is a 44-year homeowner in Irvine, an Air Force Veteran, and is a retired Urban Planner, stated that the ARDA site has already been approved by CalVet many years ago and would be ready to develop today if not for the Irvine City Council. He said that this Board would be wasting it's time trying to move forward with the development on this land as Gypsum Canyon will never be developed for cemetery use.

Ms. Linda Kleine stated to the Board that she had recently visited Anaheim Cemetery with a friend whose father was interred there and complained that the maps are extremely difficult to follow. She also stated that there appeared to be a broken water line that is causing that area to be very swampy. It did not appear as though the gravestones are being properly maintained. GM Deutsch thanked Ms. Klein for reaching out and said he had not had any complaints regarding Anaheim Cemetery. He did agree that the maps are difficult to follow as the various sections that have been created over time are difficult to follow. He encouraged her to call the cemetery office for assistance and if she needed further help in locating loved ones to contact Mary Funk at the District office.

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, August 3, 2021.
- B. Approval of the September 2021 Check Registers (Claims) Nos. 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, and 48.

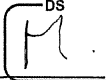
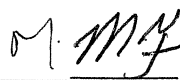
MOTION: of Trustee Ward, seconded by Trustee Rivers and carried by a roll-call vote of 4-0, (Trustee Hatch's microphone was not working and his verbal vote could not be heard), approved the Consent Calendar.

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – July 2021

The following interment and interment space sales for July 2021 were reviewed:

			<u>2021-2022</u>	<u>2020-2021</u>
ANAHEIM	Interments	9 (9 Urn)	9 (9 Urn)	10 (8 Urn)
	Lot Sales	6	6	7
EL TORO	Interments	74 (28 Urn)	74 (28 Urn)	71 (27 Urn)
	Lot Sales	127	127	89
SANTA ANA	Interments	18 (9 Urn)	18 (9 Urn)	31 (3 Urn)
	Lot Sales	4	4	20
TOTAL	Interments	101 (46 Urn)	101 (46 Urn)	112 (38 Urn)
	Lot Sales	137	137	116



 Chair Secretary

GM Deutsch stated that this report is for the first month of the new 2021-22 fiscal year. Anaheim Cemetery sold six cremation interment spaces. They conducted 9 interment services all for cremation placements. There were no known COVID related services in July. El Toro Memorial Park sold 127 interment spaces including 96 casket, 15 niches and 16 in-ground cremation spaces. This is the second highest number, second only to April 2021. The high sales at El Toro are primarily due to Pre-Need sales, which represent about 76% of the Cemetery’s sales. Only 3,653 casket spaces remain available to for sale. At the current rate of sale, we expect to be sold out of casket spaces in about four years. This points to the urgency of developing a new fourth public cemetery, so the residents of Orange County continue to have options for affordable interments. Staff conducted 74 interments during the month of July. None of those were for COVID cases.

Santa Ana Cemetery had four space sales in July and conducted 18 interments. There were no COVID related services at Santa Ana Cemetery for the month of July.

Overall, the District had 137 space sales and 101 interment services for the month. District-wide approximately 73% of all sales were for Pre-Need.

B. Financial Reports – July 2021

Brenda Manriquez reported that everything is trending as expected for this first month of the new fiscal year. Revenue from sales and services is about \$50,000 higher than last year. Some of this can be attributed to the increase in prices that went into effect in July, but most of the increase is attributed to the increase in Pre-Need sales. The County has a delay in reporting interest due to year-end functions, so the County’s interest is not included.

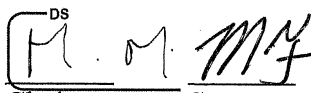
For expenses, Salaries and Benefits are seeing an increase. This is partially due to merit increases that went in to effect in July and increases in workers compensation costs, but is primarily due to overtime costs at El Toro Memorial Park. Brenda Manriquez noted that there have been some savings in utilities for the replenishment assessment fee, which she will accrue back to the 2020-21 fiscal year as she finalizes the numbers.

Brenda Manriquez reported that payment for the new backhoe was sent and should appear in the September Financial Report.

The Balance Sheet now shows \$13,155,000 as committed for New Cemetery Development. This reflects the \$1.8 million that Brenda moved from Unassigned to Committed. This number will fluctuate somewhat until the 2021 numbers are finalized. Brenda Manriquez also reported that that County is doing fairly well in regards to returns and is outperforming everybody else.

C. Investment Portfolio Changes – August 2021

GM Deutsch stated that this report is a snapshot of what has been redeemed and purchased during the month of August. He explained that we are letting Endowment Income funds stay in cash accounts so they are liquid for future operational needs. For the Endowment Principal Funds with UBS and Stifel, we are extending terms out further to take advantage of better rates. GM Deutsch also noted that the OCIP is a month behind in posting interest rates, but we are getting better rates with the County than with CalTRUST.


 Chair Secretary

D. Capital Projects Update

GM Deutsch said that we will be discussing LSA later in the meeting. Plans for renovations to all three cemetery office buildings have gone out to bid. Staff will review the bids and present it to the Trustees at the October Board Meeting for award of contract. GM Deutsch reported that we did have invoices come in for studies on our new site. He also said that the new backhoe has been received and payment is going out. The Board will be reviewing the Purchase Order for the new mower for El Toro Memorial Park later in the meeting.

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

At 10:33 a.m. the Board adjourned to Closed Session.

CLOSED SESSION

- A. Labor Negotiations – Unrepresented Employee Pursuant to Government Code Section 54957.6(a)
Unrepresented Employee: Tim Deutsch, General Manager
District’s Representative: Steven B. Quintanilla, General Legal Counsel
- B. Conference with Legal Counsel – Potential Initiation of Litigation Pursuant to Government Code Section 54956.9
One potential case
- C. Conference With Real Property Negotiators Pursuant To Government Code Section 54956.8.

Subject Property: Approximately One-Half Of 283.3 Acres Consisting Of Assessor Parcel Nos. 514-012-08 And 085-071-57, Located In Gypsum Canyon Area in the City of Anaheim

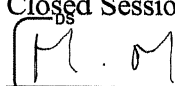
District Negotiator: Tim Deutsch, General Manager of Orange County Cemetery District


Negotiating Parties: Orange County Cemetery District and California Department of Veterans Affairs (CalVet)

Under Negotiation: Terms and Requirements Related to Prospective Transfer of the Subject Property to CalVet for Development and Operation of a State Veterans Cemetery.

The Board reconvened from closed session at 12:19 a.m. Counsel Quintanilla stated that on Items B and C no reportable action took place. On Item A, Counsel Quintanilla reported that the Board has offered a 2.5% increase to the General Manager’s annual compensation, and an additional 2.5% increase that will be contributed to GM Deutsch’s Orange County Cemetery District 401(a) plan. Counsel Quintanilla stated that GM Deutsch had accepted this offer.

GM Deutsch stated that Chair Marroquin left the videoconferenced meeting at the conclusion of Closed Session.


 Chair


 Secretary

NEW BUSINESS

Vice Chair Nelson recommended that Item D be discussed first.

D. General Manager Employment Agreement

MOTION: of Vice Chair Nelson, seconded by Trustee Ward and carried by a roll-call vote of 4-0 (Chair Marroquin absent for the vote), approved a 2.5% increase in the General Manager’s annual compensation, and an additional 2.5% increase in the District’s non-matching contribution to General Manager Tim Deutsch’s Orange County Cemetery District 401(a) plan, with both increases made retroactive to July 2, 2021.

GM Deutsch thanked the Board for this action.

Trustee Ward left the meeting at this time.

A. Cemetery Development – Environmental Consulting Proposal

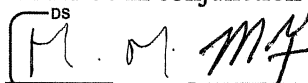
GM Deutsch introduced Deborah Pracilio with LSA Associates, Inc. who presented an Environmental Consulting Proposal to facilitate discussions with primary agencies that will be involved in state and federal permitting requirements for cemetery development at the Gypsum Canyon site. Ms. Pracilio explained that LSA will assist in identifying the resources that exist on the site and explore what impacts the District’s development plans may have on those resources. This includes revising the jurisdictional delineation of the creek as required under the Clean Water Act, and working with agencies such as the U.S. Army Corps of Engineers, the Regional Water Quality Control Board, the California Department of Fish and Wildlife, and the United States Fish and Wildlife Services.

Ms. Pracilio explained that these agencies are often backed up and it is important to schedule meetings and begin discussions with these stakeholders as quickly as possible. They must also work with the design team to develop an efficient permitting and mitigation strategy which will be presented to the involved regulatory agencies. There was some discussion by Craig Sensenbach of RJM Design Group as to whether the slope area could be used in the mitigation strategy.

MOTION: of Trustee Rivers, seconded by Vice Chair Nelson and carried by a roll-call vote of 3-0 (Chair Marroquin and Trustee Ward absent for the vote), approved the proposal and authorized the General Manager to execute the professional service agreement with LSA Associates, Inc., in the amount of \$52,900.00.

B. Resolution to Seek Federal Funding for State Veterans Cemetery

GM Deutsch explained that it was recommended by Counsel Quintanilla that we support a resolution that authorizes the General Manager to seek Federal Funding for the State Veterans Cemetery. This does not obligate the District in any way, it simply allows the General Manager to send a request for Federal funding to U.S. Congressman Lou Correa’s office. This is not to be confused with the Federal Cemetery Grant Program which must go through CalVet. This request would be in conjunction with the Grant Program, not take the place of it.


Chair Secretary

Vice Chair Nelson asked if this was requested by someone to show support for the Veterans Cemetery. GM Deutsch said that it was a County staff person who requested that we do this. Counsel Quintanilla explained that any Federal funding will likely require such a resolution.

Counsel Quintanilla noted that the resolution is for both a Veterans Cemetery and/or a Public Cemetery. Counsel Quintanilla also suggested that the wording of the resolution be changed to include State funding. Brenda Manriquez noted an error in the resolution where it describes the location of the Gypsum Canyon property as being by the 271 Toll Road. It should read, “near the junction of California State Route 91 and the 241 Toll Road.” GM Deutsch recommended that the signature page of the resolution be changed to reflect Vice Chair Nelson as the signer, since Chair Marroquin was not able to be present for the discussion and vote.

MOTION: of Vice Chair Nelson, 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 2021-08, directing and authorizing the General Manager to seek Federal funding for the development of a State Veterans Cemetery and/or a Public Cemetery.

C. Equipment Purchase Approval

GM Deutsch reminded the Trustees that Board approval is required for any equipment purchase over \$25,000. When the Board approved the 2021-22 Fiscal Year Budget, it included the purchase of a new mower for El Toro Memorial Park. Staff would like to purchase a Toro Proline H800 Rotary Mower in the amount of \$33,079.94, which is within the budgeted amount.

MOTION: of Vice Chair Nelson, 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 purchase of the Toro Proline H800 Rotary Mower in the amount of \$33,079.94 to Turf Star and authorized the General Manager to execute the purchase order.

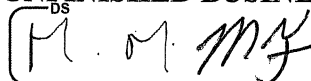
GENERAL COUNSEL REPORT

A. Remote Board Meetings

Counsel Quintanilla stated that September 30th will be the last day that public agencies can meet remotely, as the suspension of certain Brown Act rules implemented by an Executive Order of the Governor are set to expire. Unless the Governor acts to extend the Brown Act exemptions, as of October 1, 2021 all Brown Act rules will be back in force. This means the District must have a quorum of at least three Trustees meeting in person. Anyone joining the meeting remotely, must have the agenda posted at their location and that address must be listed on the agenda. Members of the public must be given access to any remote location and allowed to address the Board from that location.

Counsel Quintanilla did state that AB 361 is currently pending which would extend the ability to teleconference without these Brown Act Requirements through January 1, 2024, provided there is a State of Emergency declared.

UNFINISHED BUSINESS – None



Chair

Secretary

ITEMS FOR FUTURE AGENDAS

GM Deutsch said that he intends to meet with the Finance and Investment Committee in September to review the Business Plan for development of the new fourth public cemetery and will put this Business Plan before the Board at the October Board Meeting.

BOARD COMMENTS

- A. CSDA Fiscal Committee Meeting, August 19, 20201**
Vice Chair Nelson stated that he did not attend this meeting.
- B. CSDA Annual Conference & Exhibitor Showcase, Aug. 30 – Sep. 2, 2021**
Neither Chair Marroquin nor GM Deutsch were able to attend this meeting. GM Deutsch said he is signed up to view the virtual conference webinars which will be coming out soon.

ANNOUNCEMENTS

- A. CAPC Education/Area Meeting, Oct. 8-9, 2021, San Luis Obispo**
Chair Marroquin, Vice Chair Nelson, and Trustee Rivers are scheduled to attend this meeting. Vice Chair Nelson said that he may have to cancel, but will let staff know as soon as he can confirm his plans.



The next regular meeting will be held on **Tuesday, October 5, 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 12:46 p.m.

DocuSigned by:

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 Chair


 Secretary

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 Chair Secretary