

**ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
May 4, 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:	Maribel Marroquin, Chair	First District
	William E. Nelson, Vice Chair	Third District
	Kelly Rivers	Second District
	Cynthia Ward	Fourth District

ABSENT:	Noel Hatch	Fifth District
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STAFF:	Tim Deutsch, General Manager
	Brenda Manriquez, Finance and Accounting Manager
	Mary Funk, Board Secretary

ALSO PRESENT: Steve Quintanilla, General Counsel

PUBLIC COMMENTS - None

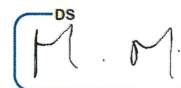

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, April 6, 2021.
- B. Approval of the May 2021 Check Registers (Claims) Nos. 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, and 176.
- C. Acceptance of the Quarterly Investment Report for March 31, 2021

Trustee Ward requested that Item A. Minutes for Regular Board Meeting for April 6, 2021 be pulled from the Consent Calendar.

MOTION: of Trustee Rivers, seconded by Trustee Ward and carried by a roll-call vote of 4-0 (Trustee Hatch absent for the vote), approved the Consent Calendar for Items B and C only.

Trustee Ward pointed out an error in the April 6, 2021 Minutes under Board Comments regarding the ISDOC Executive Committee Meeting on page 8. The text only listed a question mark for the appointee. Trustee Ward requested that it be changed to simply read that the Second Vice President for ISDOC was appointed.

	
Chair	Secretary

MOTION: of Trustee Rivers, seconded by Chair Marroquin and carried by a roll-call vote of 4-0 (Trustee Hatch absent for the vote), approved the Consent Calendar, Item A Minutes for Regular Board Meeting for April 6, 2021 with correction as noted.

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – March 2021

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

			<u>2020-2021</u>	<u>2019-2020</u>
ANAHEIM	Interments	16 (11 Urn)	89 (58 Urn)	58 (39 Urn)
	Lot Sales	9	48	28
EL TORO	Interments	112 (39 Urn)	722 (220 Urn)	539 (195 Urn)
	Lot Sales	126	918	608
SANTA ANA	Interments	33 (14 Urn)	244 (79 Urn)	234 (57 Urn)
	Lot Sales	10	99	124
TOTAL	Interments	161 (64 Urn)	1,055 (357 Urn)	831 (291 Urn)
	Lot Sales	145	1,065	760

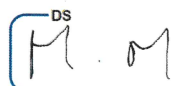

GM Deutsch stated that we once again had a record-breaking month for services and space sales. He stated while it is sad that our community has such a need for our services, it is good that we have had the ability to help so many families.

Anaheim Cemetery had 16 services which is the most since January of 2016. Two of those interments were COVID deaths. There were 9 cremation space sales.

El Toro’s numbers were amazing. There were 126 space sales with 114 of those being for full casket. This is a record high number since the cemetery was formed. GM Deutsch noted that the entire staff is assisting in helping families complete transactions. Year-to-date, El Toro has had 918 space sales and will be well over 1,000 by the end of the fiscal year, which is typically a mark we hope to reach District-wide. The two spaces per household limit is now in force at El Toro Memorial Park. For March, El Toro conducted 112 interments which is almost double the amount of interments when compared to March of 2020. It is also an all time record for interments and GM Deutsch commented that it is unlikely we will ever hit that number again. Since July, El Toro has completed 722 interments. In March there were 33 COVID related deaths.

Santa Ana Cemetery had ten cremation space sales and conducted 33 interments compared to 19 conducted in March of 2020. Seven interments in March were COVID related deaths.

Overall, the District sold 145 interment spaces and has already exceeded our typical goal of 1,000 spaces sold for the fiscal year and there are still three months left to include. District-wide, 161 interments took place in March which is more than some cemetery districts do in an entire year. The overall cremation rate is now approaching 40%. Since the start of the pandemic we have had 198 interments that were COVID related.

 
 Chair Secretary

GM Deutsch also stated that we have had a number of calls from families wanting to know more about the FEMA reimbursements and we have provided receipts for families needing to obtain copies of those documents.

GM Deutsch noted that for casket space availability, El Toro Memorial Park is now below 4,000 available spaces. This does not include the casket spaces to be added with the Old Section road closure, nor does it include spaces added in April to Los Alisos Block 35.

Trustee Ward asked if we are requiring double-depth interments. GM Deutsch said that we have been requiring that for some time. The District still allows side-by-side burials but even then the first interments should take place at the lower level. Trustee Ward asked if our interment numbers are bigger just because of COVID. GM Deutsch said it is representative of our area. He also stated some counties are served by multiple cemetery districts where we are the only cemetery district serving Orange County. Vice Chair Nelson also stated that the sheer size of the population we serve is also a major contributing factor. GM Deutsch also commented that while we are a large District in terms of space sales, interments, and budget numbers, we are not one of the largest Districts in terms of acreage.

B. Financial Reports – March 2021

Brenda Manriquez reported that everything looks really good. In April we received approximately \$700,000 in property taxes. For revenue from interment space sales, the District is over projected revenues by about \$1 million. Interment Services and Taxable Sales are also both above budget expectations. Miscellaneous revenue is also higher due to the collection of more contract service charge fees, the SDRMA \$1,000 rebate, and higher quarterly Cal Card rewards since the District is using the credit card more often to pay invoices. The only real negative for revenue is the interest rate environment which is still struggling.


For expenses, Salaries and Benefits are higher due to the addition of a couple of positions in the District Office and at El Toro as well as increased overtime. Brenda Manriquez noted that she anticipates the Economic Uncertainty Fund should cover these increases. In addition, there are other accounts, such as special events, that are under budget for 2020 which also help to offset the overages in Salaries and Benefits.

In terms of equipment spending, the new backhoe which was on backorder has now arrived. The District opted not to trade in the old backhoe, as it has become necessary to have on hand with the dramatic increase in burials we are trying to accommodate. Under Buildings and Improvements there were just a few invoices for work on the new site. No other capital projects are currently underway.

The Balance sheet looks really good. At the end of March there was \$2.9 million in unassigned. The District wants to keep \$2.1 million available for six months of operating expenses. Currently we have about \$700,000 that can be designated as committed at the end of the fiscal year. Typically, the District will commit somewhere between \$800,000 to \$1 million each year.

C. Interest Rates – March 2021

GM Deutsch reported that there are really no surprises here with just minor fluctuations in rates.


Chair Secretary

D. Investment Portfolio Changes – April 2021

GM Deutsch noted that the District is anticipating a number of investments to mature over the next six months. We are continuing to see yields hovering right at 0.50%. The District will not be moving any funds out of the Orange County Investment Pool as they are continuing to outperform the other funds. He did mention that the posted rate for the OCIP is a month behind Cal Trust’s posted rate.

E. Capital Projects Update

GM Deutsch reported that he and Larry Ryan from RJM had a meeting and tour of the Gypsum Canyon site with the City of Anaheim City Manager, Jim Vanderpool and Councilmember O’Neil on April 16th. Councilmember O’Neil stated that he did not think our project would be approved unless the Veterans Cemetery is also committed to the site. GM Deutsch said he is trying to schedule meetings with the other County officials and Anaheim City Council Members. Counsel Quintanilla stated that the City must base its decision on the merits of the project. The Board asked if the City of Anaheim could block the project if the cemetery is an appropriate use of the land. GM Deutsch stated that the input he is receiving from the Board of Supervisors is that they don’t want to support the project either without securing the Veterans Cemetery as well. GM Deutsch stated that the City of Irvine has a meeting coming up to make a decision. Both sites in Irvine have opposition. GM Deutsch is hoping that a decision will be reached within the next three to six months.

In the meantime, GM Deutsch stated that he does not want to authorize any additional expenses on the site. The District has already spent about \$715,000 in site assessments and it would not be prudent to waste anymore taxpayer money. We all agree and understand that the development of a public cemetery on this site is a perfectly appropriate use of the land and would be extremely beneficial to the residents of Orange County. But none of that matters if the elected politicians will not allow the project to move forward.

GM Deutsch also said he had a meeting on April 22nd to discuss interim use options for the Gypsum Canyon site that can potentially generate revenue and capital cost sharing opportunities for the District and the Veterans Cemetery. There are three groups interested in the site. One wants to use it as a motorcross park. One wants to use it for green waste recycling. The third group wants to use it for RV storage. Of those three possible users, the best fit with a neighboring cemetery development would be the RV Storage use. The group is interested in locating on the lower pad that would be adjacent to the public cemetery development, but it would be on land that the District would not need to use for another 30 or 40 years. The use would require very little infrastructure and they may be willing to pay for a portion of the costs to develop access and roads for the lower pad, which would directly benefit the District.

GM Deutsch said that the outcome in Irvine will determine our next steps. If Irvine opts out completely from a Veterans Cemetery, Five Points might be willing to provide some funding for the Veterans Cemetery on our site.

Vice Chair Nelson questioned why, if the politicians from the County of Orange and the City of Anaheim are in favor of a Veterans Cemetery on the Gypsum Canyon Site, they don’t do anything to facilitate it? GM Deutsch said that he has been trying to communicate the fact that it is not up to the Orange County Cemetery District to champion this cause. We need a



Chair

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Supervisor or a Councilmember, or an Assemblymember to pursue legislation that would allow CalVet to consider the Gypsum Canyon site. GM Deutsch said that Assemblymember Choi is aware that someone from his District needs to take charge. Chair Marroquin stated that it is unfortunate how political this has become. GM Deutsch agreed stating that it is both surprising and unfortunate that no one cares about the public cemetery and are focusing only on a Veterans cemetery. GM Deutsch stated that he is doing his best trying to advocate for our cemetery with Senators and Assemblymembers.

Counsel Quintanilla recommended that at the June Board Meeting the Trustees should have a Closed Session on the agenda to be informed about our rights under the Quit Claim Deed and our rights pertaining to CEQA requirements.

Trustee Ward asked to confirm that we are not writing off the shared costs RJM presented at the last board meeting and that the District is keeping a record of any costs that will potentially benefit other future users at the site. If we are allowing use on an interim basis, those users should pay some of the costs to develop the site or we should not allow access. GM Deutsch replied that this is something we will discuss in more detail at the next meeting.

In regards to the Fixed Asset Accounts on the Capital Projects Report, GM Deutsch said that the Trustee will see the cost of the new backhoe go up to about \$97,000 since we are not trading in the old backhoe at this time.

F. CAPC 2022 Board of Directors Election

GM Deutsch asked if any of the Trustees were interested in running for a seat on the Board of the California Association of Public Cemeteries for 2022. Kelly Rivers currently serves on the Board, but her term expires in 2022. Vice Chair Nelson encouraged her to run again.

G. CSDA Advocacy COVID Relief Update

GM Deutsch stated Chris Palmer with CSDA works to educate politicians on Special Districts. He invites Districts to participate in meetings with politicians to explain what their Special Districts do and how they serve our communities. Most recently, we have learned that Special Districts were not included in the Federal Funds for COVID assistance relief. Our District has had about \$50,000 of expenses directly related to the pandemic. While we can absorb these costs, other Districts are struggling and need this funding. CSDA has drafted a letter asking the Governor and other elected officials to request this assistance for Special Districts. GM Deutsch stated that many politicians are now reviewing this letter and he encouraged all of the Trustees to reach out to the elected officials they know and ask them to support this letter.

H. COVID-19 District Update

GM Deutsch informed the Board that one employee did come down with COVID after his young daughter tested positive. The employee self-quarantined and the District followed contact tracing procedures. No one else tested positive and the employee is now back to work.

As of May 1st, all three cemeteries are once again providing chairs and tables for families at graveside services. The outdoor gathering limit of 25 if it is a COVID related death and 50 if it is a non-COVID related death are still in place. When the County moves to the yellow tier, we can increase it to 100 people. Trustee Ward asked how staff is holding up with the increased



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workload and if there have been any injuries. GM Deutsch said that there have been no injuries. At El Toro we are not allowing any services every other Sunday to make sure that staff have at least one day off a pay period. We also rotate heavy equipment operators so it is not always the same person. We have had to delay maintenance on occasion and staff from Santa Ana are coming over on Saturdays to help catch up at El Toro. This is also contributing to the large amount of overtime.

Trustee Ward would like to add a future agenda item to approve a BBQ or some kind of thank you event for staff once we are clear of the pandemic to recognize all that they have done during this past year. GM Deutsch said that he did just bring in lunch for all three cemeteries since staff were not able to gather for their regular awards luncheon in January.

Trustee Ward asked how many of the staff have been vaccinated. GM Deutsch replied that about 60% of staff have received the vaccine. We are providing paid time off if they have to leave work to get the vaccine.

NEW BUSINESS - None

GENERAL COUNSEL REPORT

Counsel Quintanilla reported that other Districts have been receiving complaints from angry customers threatening to sue them. Counsel Quintanilla explained that in order to sue, they must first file a claim with SDRMA which is either rejected or it expires. Once it expires they have a certain amount of time in which they can then file the lawsuit.

On the topic of employers requiring employees to get the COVID vaccine, Counsel Quintanilla stated that employees have the right to refuse to get the vaccine based on religious or health reasons. The District must provide reasonable accommodations.

UNFINISHED BUSINESS – None

ITEMS FOR FUTURE AGENDAS


Counsel Quintanilla recommended a Closed Session for the June Board Meeting regarding rights under our Quit Claim Deed and our Rights under CEQA.

Trustee Ward requested that the Board discuss hosting a meal for staff when they are able to gather in person.

BOARD COMMENTS

A. ISDOC Quarterly Meeting, April 29, 2021 at 11:30 a.m. (Virtual)

Chair Marroquin, Trustee Hatch, Trustee Rivers and GM Deutsch all attended the virtual ISDOC Quarterly Meeting. Vice Chair Nelson said that he did not attend. Rick Francis, the Assistant Airport Director gave an overview on operations at John Wayne Airport and how COVID-19 has impacted the airport. Yorba Linda Water District was featured as the Member Spotlight for the quarter and gave a presentation on their District.


Chair Secretary

ANNOUNCEMENTS


- A. Special District Legislative Days, May 18-19, 2021 (Virtual)**
Vice Chair Nelson, Trustee Rivers, Chair Marroquin and GM Deutsch are all scheduled to attend this virtual event.
- B. CSDA Fiscal Committee Meeting, June 2, 2021**
Vice Chair Nelson will attend this meeting.
- C. CSDA Member Services Committee Meeting, June 3, 2021**
Vice Chair Nelson will attend this meeting.

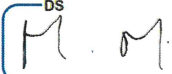

The next regular meeting will be held on **Tuesday, June 1, 2021**, at 10:00 a.m., at the Orange County Cemetery District, 25751 Trabuco Rd., Lake Forest, CA 92630.

There being no further business, the meeting was adjourned at 11:28 a.m.

DocuSigned by:

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 Chair


 Secretary

 
 Chair Secretary